

Impact of Retention Factors on Organizational Commitment in General Education Division of Pakistan

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Abstract: This study investigates influence of retention factors on organizational commitment among employees working in public schools, colleges and universities of Pakistan. Retention factors used in study are compensation, job characteristics and career development opportunities. Sample of 250 is selected by using random sampling approach. Data has been collected through questionnaires and response rate of questionnaires is 80 percent. Instrument's reliability has been checked with the help of Cronbach alpha. Data has been analyzed using descriptive statistics, Pearson's coefficient of correlation and multiple-regression. Results proven that compensation and job characteristics have significant influence on organizational commitment in general education division of Pakistan whereas career development does not have impact on organizational commitment in general education division of Pakistan. Compensation has higher effect on organizational commitment than job characteristics in general education division of Pakistan.

Key words: Compensation • Career development opportunities • Employee retention • Job characteristics

INTRODUCTION

The time of today is characterized by variation. Most of the organizations are concerned with finding and exploring factors that affect organizational commitment. Organizational commitment is an approach that describes an employee's mental situation of empathy and his wish to be a participant of the business in the long run. Becker, *et al.* (1995) [1] beautifully described three different aspects of organizational commitment. Affective commitment is related to obsessive and demonstrative connection, continuance commitment identifies the supposed economic value of being a part of the organization and it depends on outside employment opportunities and normative commitment is associated to employee's sense of ethics and moral obligations. Organizational commitment portray an employee's positive feelings about organization and his strong dedication to organizational objectives due to which he feels more involved in the work and tries to give his best performance. It is employee's devotion, loyalty and

sincerity to a particular organization due to many "necessary" factors provided by the organization. Organizations want to boost extent of organizational commitment by providing necessary retention tools. High levels of organizational commitment will create positive impacts on organization and vice versa [2]. Organizational commitment is a broader perspective. There can be many reasons due to which an employee expects retention. Retention is a situation in which employee does not want to leave the organization. It may be due to affection and affiliation with the organization, or high switching costs created by the organization, outside employment opportunities or it can be due to any ethical dilemma. Retention factors are the tools that are perceived as necessary by employee. Therefore it has become a considerable issue for organizations to provide essential retention tools.

This research targets at discovering the relationship among retention factors and organizational commitment. How compensation affects organizational commitment? How organizational commitment affects employee

performance? How job characteristics affect organizational commitment? What issues lead to organizational commitment?

The intent of present study is to find how retention factors affect organizational commitment in general education division of Pakistan. Present research is quantitative in nature. Data will be collected with the help of questionnaire and sample will be chosen by using random sampling technique. For analysis of data, study will imply descriptive statistics, multiple regression analysis and coefficient of correlation. Results will be interpreted and conclusions will be drawn.

Literature Review: It was view point of Brown (1969) [3] that the concept of organizational commitment comes into play when a new employee starts identification with a particular organization and shares its common norms and beliefs. Sheldon (1971) [4] further elaborated this concept and stated that organizational commitment is a person's mental and emotional affiliation to organization, its people and work environment. Cole (1979) [5] first time gave three way perception of organizational commitment and described concept at three different levels. According to Mowday, *et al.* (1982) [6], there were lots of definitions regarding organizational commitment. Bruning and Synder (1983) [7] stated that intensity of organizational commitment varies between managers and non-managers. Church (1986) [8] analyzed that increase in education has negative impacts on organizational commitment. Kitchen (1989) [9] stated that employees at top level managerial positions have more attachment with the organization. In his research Faerman (1987) [10] described that employee position and organizational commitment has insignificant relationships. Different researchers had different perspectives regarding the concept of organizational commitment and there was no unanimity in the earlier 1960 [11]. Lincoln and Kalleberg (1990) [12] stated that acquisition of higher education opens new opportunities for the employees and that results in less commitment. Weiner (1992) [13] said that organizational commitment is the emotional bonding of employee with the organization. So in short it can be said that the term organizational commitment emerged after 1970 but there was no consensus on the proper definition of concept in that era. Meyer and Allen have the most modern contributions in this field. They started exploration of the field in 1990's. In 1991 they examined three dimensional model of organizational commitment. In 1996, they assessed validity of instrument. According to Meyer, *et al.* (2007)

[14], there are three different aspects of organizational commitment. All the aspects define entirely different feelings of employees towards organization. Conditions describes emotional bonding, monetary and ethical considerations.

Some researchers focused on finding forecasters of organizational commitment. One of them is Simmons (2005) [15] defined the organizational commitment by 3 components model. Organizational culture and job satisfaction showed positive significant influence on organizational commitment. But there was observed variations in organizational commitment level of employees with the change in demographic and social factors.

Xiao and Froese (2008) [16] concluded that job ethics relate to job satisfaction that affects organizational commitment level of employees.

A qualitative research done by Alhaji and Yusoff (2011) [17] of Malaysia defines most influential inspirational elements that result in employee's enhanced dedication and commitment towards achieving organization's goals. Researchers analyzed prior research conducted in same area. It was concluded that organizations can enhance employee's involvement and devotion by increasing their decision making discretion. Committed employees attempt to attain more and this increases overall productivity of employees.

There are many controversies in findings of different researchers all over the world in the area of organizational commitment. These findings diverge due to different variables taken by researchers. Al-Kahtani (2012) [18] stated that work related factors and job satisfaction were positively related to each other. Demographic variable e.g. age related positively and education showed negative association with organizational commitment.

Kargar (2012) [19] assessed organizational commitment of employees in Iran by taking organizational commitment as dependent variable and independent variables as community relations teamwork, curriculum development teamwork and administrative governance teamwork. Intervening variable is empowerment and control variables are demographic variables in her study. Data collected through questionnaires and analyzed by using one way ANOVA and t-test. Findings revealed strong positive association of all independent variables with organizational commitment. Study of Islami and Gharakhani (2012) [20] determined strong direct relationship among Promotions, personal relationships, favorable work condition and organizational commitment

in Iran. Promotions, personal relationships and favorable work conditions were taken as determinants of job satisfaction. Researchers concluded positive relationship between job satisfaction and organizational commitment.

Many researchers from Pakistan have also put their utmost efforts in exploring area of organizational commitment. Noor (2009) [21] investigated organizational citizenship behavior as effect of organizational commitment. Her population was university teachers of Pakistan. She collected data through questionnaires and analyzed by using descriptive statistics, regression and correlation analysis. In this study researcher gave a perspective of several forerunners and concerns of organizational commitment. Outcomes of finding indicate worthy positive association of independent, intervening and moderating variables.

Ahmed and Islam (2011) [22] checked the impact of three component analysis of commitment on employee engagement in telecom sector of Pakistan. In their findings, there was existence of strong direct and positive relationship between organizational commitment and employee engagement. Bushra, *et al.* (2011) [23] found transformational leadership a strong determinant of job satisfaction and organizational commitment.

Sial, *et al.* (2011) [24] examined the impact of HRM practices on organizational commitment in universities of Pakistan. Researchers concluded that among all HR practices, the most important determinant o. Other practices were not significantly related. Nawab and Bhatti (2011) [25] found that compensation affects the organizational commitment and job satisfaction.

Study of Shoeb, *et al.* (2012) [26] determined positive impact of job satisfaction on organizational commitment and employee performance. Marri, *et al.* (2012) [27] examined unique impact of Islamic work ethics on organizational commitment and job satisfaction and concluded that employees who have strong awareness and believe in organizational ethics tend to be more satisfied and committed than others. Rehman, *et al.* (2010) [28] found that pay; promotion, supervisor, work environment and coworkers are the determinants of organizational commitment and have positive influence on it.

Background of the Research: It is important to note that In Pakistan only a few studies have been done in this area and no prior research has been done to investigate impact of compensation, job characteristics and career development opportunities on organizational commitment.

Also no research explores the impact of retention factors on organizational commitment of education sector employees in Pakistan. So there exists a gap and there is a strong need to investigate the variables in the context of employees working in general education division of Pakistan. It is basic purpose to find how retention factors affect organizational commitment of employees working in general education division of Pakistan?

Research Objectives

It Is an Objective of the Study:

- To investigate the impact of compensation on organizational commitment in general education division of Pakistan
- To investigate the impact of job characteristics on organizational commitment in general education division of Pakistan
- To investigate the impact of career advancement opportunities on organizational commitment in general education division of Pakistan
- To provide recommendations to practitioners in general education division of Pakistan

Scope of the Study: In general, it will provide a good insight into the area and future researchers can get a stance from where they will enhance their research. This study will also be helpful for education sector administration and government of Punjab because it will contribute in finding the retention factors that affect organizational commitment level of education sector employees including schools, colleges and universities. Government will know about the factors that are perceived necessary by the education sector employees for their retention.

Theoretical Framework: Following section covers theoretical framework of research.

Theoretical Model: In Figure 1, it has been attempted to show the impact of various retention factors on organizational commitment. In this study independent variables retention factors e.g. compensation, job characteristics and career advancement opportunities. Dependent variable is organizational commitment.

Hypotheses: Compensation consists of all financial rewards. There are three basic elements of compensation and these are pay, incentive and benefits Findings of

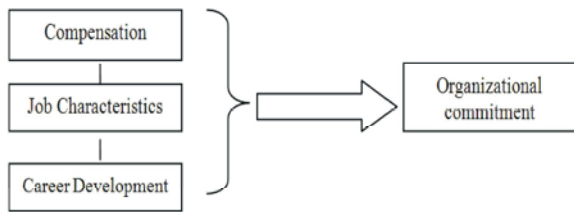


Fig. 1: Research model

[24, 25] indicated strong influence of compensation on organizational commitment. Research of Rehman, *et al.* (2013) [28] found that Pay has a significant influence on organizational commitment. Therefore it can be assumed that:

H₁: Compensation has impact on organizational commitment in general education division of Pakistan

Job characteristics can be described as the factors that are related to nature of job. These can either be tangible or intangible. Eslami and Gharakhani (2012) [20] reported strong association between job-related factors and organizational commitment. Work-job related features are powerfully related to organizational commitment (Kahtani, 2012). Therefore it can be predicted that:

H₂: Job characteristics have impact on organizational commitment in general education division of Pakistan

Career development opportunity is possibility of progression within the organization. Promotion is a good indicator of organizational commitment. Sial, *et al.* (2011) [24] concluded negative impact of promotion on organizational commitment. Islami and Gharakhani (2012) [20] and Rehman, *et al.* (2010) [28] found a positive impact of promotion on organizational commitment. So it can be supposed that:

H₃: Career development opportunities influence organizational commitment in general education division of Pakistan

MATERIALS AND METHODS

Background of Research: Education sector of Pakistan is very large and it is divided among technical education, special education and general education. There are thousands of schools and colleges and hundreds of universities in Pakistan. Among all the educational institutions retention of employees is a crucial issue over the past few years. Therefore it is necessary to investigate

these necessary retention factors in educational institutions so that these institutions may not lose high performers.

Data Collection Method: Sample of 250 employees has been drawn by using simple random sampling technique. For data collection, structured questionnaire has been used that contains five sections: first section contains biographical information, second section contains questions related to organizational commitment, third section related to compensation, fourth section related to job characteristics and last section contains questions on career advancement opportunities. All items were measured on Five points likert scale with one strongly disagree, two for disagree, three for neutral, four for agree and five for strongly agree. For this study, the measurement items for compensation, job characteristics, career development and organizational commitment has been adopted from (Döckel, 2003). A sample item for compensation included “My current total salary package is good; my most recent raise in salary was enough; my benefit package is good; my organization provides competitive salary package as compared to other organizations”. The overall reliability for items was 0.870. A sample item for job characteristics included “The job provides me opportunity to use my skills and abilities; I have independence to do my work in my own way”. The overall reliability for items was 0.610. Sample items for career development includes “My Chances for being promoted are good; an employee’s career development is important to this organization” and reliability for this measure is 0.781. Sample items for organizational commitment included “I feel emotionally attached to this organization; this organization has a great deal of personal meaning for me; I would feel guilty if i leave this organization” and reliability for this measure is 0.709. Questionnaires were distributed to 250 education sector employees out of those 200 questionnaires have been returned so the response rate is 80 percent.

Table 1 summarizes scale along with their values of Cronbach alpha coefficient and number of items. Scales have good reliability coefficients because all values are more than 0.6.

Data Analysis Method: Data has been analyzed by using SPSS 16.0 and descriptive statistics, correlation and regression analysis have been applied. Upcoming section includes results and interpretations.

Table 1: Reliability coefficients

Scale	Cronbach alpha coefficient	No. of items
Organizational Commitment	0.709	3
Compensation	0.870	4
Job characteristics	0.610	2
Career development	0.781	2

RESULTS

Table 2 represents that 59.5% respondents are female and 40.5% respondents are male; 9% respondents are in the age group 18-25, 48% belong to age group 26-35, 29.5% respondents belong to age group 36-45 and remaining 13% respondents are from age group 46-above. It means that more respondents belong to 26-35 age-group; 157 respondents out of 200 have completed their masters that are 78.5% of total 100% respondents. 6% have done bachelors, 10.5% have done MPhil, 4% have done Ph.D. and remaining 1% has attained some other education; 24.5% respondents are single and 75.5% respondents are married and they have their accompanying partners; 32 out of 200 (16%) respondents have length of service 1-less than 3, 19.5% have 3-less than 5, 26% have 5-less than 10, 10.5% have 10-less than 15, 13% have 15-less than 20 and remaining 15% have more than 20 years of experience; majority of the respondents are from school that is 55.5%, 32.5% belong to college and 12% are from university.

Table 3 shows correlation among all major variables in this study. It is clear that compensation and job characteristics have weak but significant positive relationship at 0.01 levels to organizational commitment whereas career development has weak insignificant positive relationship with organizational commitment. Jobcharacteristics have weak significant directrelationship with compensation and career development has moderate direct significant relationship with compensation. Career development has also weak but significant relationship with job characteristics.

Table 4 represents results of predictors of organizational commitment. Compensation explains 7% variation in organizational commitment, job characteristics explain 6.8% variation in organizational commitment, career development explains just 0.5% variation in organizational commitment and all three variables jointly explain 11.3% of variation in organizational commitment. In this study cross-sectional data has been used and value of Adjusted R Square is less as compared to time series data. Compensation and job characteristics have weak positive and significant impact on organizational commitment but career development has

Table 2: Respondent's organizational and demographic profile

Variable	Category	Frequency	Percentage
Gender	Male	81	40.5
	Female	119	59.5
Age (Years)	18-25	19	9.5
	26-35	96	48.0
	36-45	59	29.5
	46 and above	26	13.0
Tenure (Years)	1-less than 3	32	16.0
	3-less than 5	39	19.5
	5-less than 10	52	26.0
	10-less than 15	21	10.5
	15-less than 20	26	13.0
	More than 20	30	15.0
Education level	Matric	12	5.0
	Diploma	183	76.2
	Bachelor's degree	25	10.4
	Master's degree	18	7.5
	Others	2	0.8
Marital status	Single	49	24.5
	Married	151	75.5
Employee category	School	111	55.5
	College	65	32.5
	University	24	12.0

Table 3: Pearson's coefficient of correlation matrix for key variables in the study

Variable	OC	CM	JC	CD
OC	1.0000			
CM	0.265** (0.000)	1.0000		
JC	0.261** (0.000)	0.162* (0.022)	1.0000	
CD	0.068 (0.342)	0.378** (0.000)	0.262** (0.000)	1.0000

** Correlation is significant at the 0.01 level (2-tailed). * Correlation is significant at the 0.05 level (2-tailed). Significance level is given in parenthesis in bold face.

OC = Organizational commitment, CM= Compensation, JC = Job characteristics, CD = Career development

Table 4: Multiple-regression of independent variables on employee performance

Independent variable	Parameter estimate	Standard error	t-value	P
Compensation	.261**	.061	3.611	.000
Job characteristics	.243**	.061	3.508	.001
Career development	-.095	.055	-1.281	.202

N=200, Adjusted R Square = 0.113, F = 9.43, Overall model is significant at 0.01 level

insignificant impact on organizational commitment. F value is 9.43 that is greater than 5 and shows the goodness of model fit.

Table 5: Summary of hypothesis results

Hypothesis	Results
H ₁ Compensation has impact on organizational commitment in general education division of Pakistan	Supported
H ₂ Job characteristics have impact on organizational commitment in general education division of Pakistan	Supported
H ₃ Career development influences organizational commitment in general education division of Pakistan	Not Supported

From correlation and regression analysis, first and second hypothesis: compensation has impact on organizational commitment in general education division of Pakistan and job characteristics have impact on organizational commitment in education sector of Pakistan has been accepted because correlation of both variables with organizational commitment is significant and p values are also less than 0.01 and t value is greater than 1.95. Third hypothesis: career development influences organizational commitment in general education division of Pakistan is not accepted because correlation is insignificant, p value is greater than 0.01 and t value is less than 1.95. Among all independent variables, compensation has highest impact on organizational commitment and then job characteristics in general education division of Pakistan [29-31].

CONCLUSION

This research investigated the relationship between retention factors (compensation, job characteristics and career development) and organizational commitment in general education division of Pakistan. From results of frequencies and descriptive statistics it is clear that respondents represent both gender, all age-groups, have different kinds of educational backgrounds, represent both marital status, employee category and have different years of service in general education division of Pakistan. So the sample is good representative of population. Results of correlation showed weak significant direct relationship among job characteristics, compensation and organizational commitment, relationship between career development and organizational commitment was insignificant. From regression analysis hypothesis: “compensation has impact on organizational commitment in general education division of Pakistan” and “job characteristics have impact on organizational commitment in general education division of Pakistan” have been accepted. Third hypothesis was rejected because it has

been proved that career development does not have significant impact on organizational commitment in general education division of Pakistan.

Recommendations: Government of Pakistan must provide proper retention factors therefore it is recommended that government must provide proper compensation packages to education sector employees especially the salaries of school level employees are not appropriate. Secondly job autonomy and freedom are also important tools to retain good employees in education sector of Pakistan.

Limitations: Like all other studies the present study has also some limitations. First it is confined to only education sector and does not investigate the phenomenon in other sectors. Secondly in future further research can also be conducted by adding some other retention factors and taking separate components of organizational commitment as dependent variables.

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