

Perceived Organizational Values & Commitment to Organization

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The objective of the present study was to extend the findings of the work of Finegan (2000) in a different set up. In this study multiple organizations from a sector spread across India are considered. The study supports the argument that different clusters of values predict different facets of organizational commitment. The results of regression analyses revealed that 'affective', 'normative' and 'continuance' commitments were each predicted by 'humanity', 'vision' and 'bottom-line' value clusters separately.

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Values

Researchers have studied the concept of values extensively. Rokeach (1973) and Enz (1988) viewed values as beliefs. Locke (1976) and Dose (1997) considered values as desires and standards respectively. Attempts were made to list out values, which influence human behaviour. Rokeach (1973) listed 18 terminal values which became the basis for many further researches. Schwartz & Bilsky (1987) clubbed similar values in domains and came up with different domains such as, achievement, self-direction, benevolence, conformity etc. Similarly McDonald and Gandz (1991) came up with four clusters of values viz., humanity, vision, adherence to convention and bottom-line. Finegan (2000) compared Schwartz & Bilsky's and McDonald & Gandz's classifications and noted that 'humanity', 'vision' and 'adherence to convention' matched with 'benevolence', 'self-direction' and 'conformity' respectively. However 'bottom-line' cluster of McDonald and Gandz did not match with any of the domains put forth by Schwartz and Bilsky. Finegan (2000) reasoned that this was so because Schwartz's purpose

was to find business values and not universal values.

The relationships between the personal values and attitude have been extensively studied (Meglino & Ravlin 1998). Literature also shows studies linking organizational values with attitude like organizational commitment (Finegan 2000). However in the Indian scenario the studies have tried mostly to link personal values with job attitudes. This study is an attempt to extend the work of Finegan (2000) and see the relationship between organizational values (perceived) and organizational commitment among Indian managers. Unlike in the Finegan (2000) study, this study considers only the perceived values of the organization and not the match between the values of the person and the organization.

Allen and Meyer (1990), in their study of 256 employees from two manufacturing firms and a university, developed a scale to measure three components of commitment viz., affective (emotional), continuance (cost of leaving the organization), and normative (obligation). In another study, they collected data from a retail department store, a hospital and a university library (sample size 337) to examine the scale and also to relate the components of commitment to their antecedents. They found the existence of affective, continuance and normative components of organizational commitment. Hackett, Bycio and Husdor (1994), assessed a three-component model of organizational commitment. The results (Sample: 2301 nurses) supported existence of 3 components of

commitment, i.e. affective, continuance and normative. Meyer, Allen and Smith (1993), also tested the 3-component model of organizational commitment. The data was collected from nurses and students. The results supported the three components of commitment.

Finegan (2000) used the list of values of McDonald and Gandz (1991), clustered into 4 categories (a) bottom line (e.g. diligence, experimentation, economy, logic) (b) vision (e.g. openness, initiative, creativity, development) (c) adherence to convention (e.g. cautiousness, formality, obedience) and (d) humanity (e.g. cooperation, moral integrity, fairness, courtesy, consideration, forgiveness) and tried to see the relationship of each cluster of values with types of commitment (i.e. affective, continuance and normative). The participants for this study were from a large petrochemical company who rated 24 values (in terms of their importance) from their perspectives and from the organization's perspectives. Meyer and Allen's commitment scale was also filled up by them. The results did show that different clusters of organizational values predicted different components of commitment.

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Abbot, White and Charles (2005) further investigated the work of Finegan (2000) by studying the relationship between values and commitment in non-

commercial organizations out of which one organization had religious affiliation. Their findings also supported that different clusters of values predict different components of organizational commitment. In her study Finegan (2000) found that value profiles that predict 'affective' commitment and 'normative' commitment are different from those that influence 'continuance' commitment. 'Affective' commitment was predicted by the values comprising the 'humanity' factor and the 'normative' commitment by the 'vision' factor. She also found that the 'continuance' commitment was predicted by 'bottom-line' and 'adherence to convention' factors. Abbot, White and Charles (2005) reported that 'affective' and 'normative' commitments are predicted by 'humanity' and 'vision' values respectively, whereas predictors of 'continuance' commitment were not consistent.

Present Study

This study, attempts to extend the findings of the Finegan (2000) study across different organizations from the state owned passenger transport organizations from different parts of India. The organizations are highly labour-intensive. The employee turn over is very low, as in this particular sector these organizations are perceived as better employers than their counterparts in the private sector. Moreover the employees have limited opportunities outside. On the basis of the conceptual model, perceived organizational values were taken as the independent variables whose correlations with commitment to the organiza-

tion (dependent variables) were explored.

The employees who perceive that the organization is operated more by the values embodied in the 'humanity' factor (viz., courtesy, consideration, cooperation, fairness, forgiveness, moral integrity) will have greater 'affective' commitment to the organization (Hypothesis 1). The employees who perceive that the organization is valuing the 'vision' factor (viz., development, initiative, creativity, openness) more will have greater 'normative' commitment to the organization (Hypothesis 2). Those who perceive that the organization is operated more by the values relating to 'adherence to convention' (viz., obedience, cautiousness, formality) will have more 'continuance' commitment to the organization (Hypothesis 3). Those who rate the organization more on 'bottom-line' values (viz., logic, economy, experimentation, diligence) will have greater 'continuance' commitment (Hypothesis 4).

Variables

Perceived Organizational Values: Based on Rokeach's (1973) work, McDonald and Gandz (1991) developed a taxonomy of values in the business context. Finegan (2000) strongly recommended the use of McDonald and Gandz's taxonomy as it fits well in the organizational research and has a test-retest reliability of .76 and the inter-rater reliability of .77. She also clustered the values into (a) adherence to convention, (b) humanity, (c) bottom-line and (d) vision.

Commitment to organisation: The commitment scale, which measures the three components of commitment, was taken from Allen and Meyer (1990). This scale has been found psychometrically sound and is used widely in organisation research (Finegan 2000). Studies also support cross-cultural validity of the tri-component model (Wasti 2003).

Tools & Data

Values: A set of values (value scale based on McDonald and Gandz's taxonomy) was rated by the respondents on a 7-point scale. For the respondents to understand the meaning of the values, their synonyms were also provided. The values were clustered based on Finegan's (2000), work and expert opinions. The four clusters were 'Humanity', 'Vision', 'Adherence to convention', and 'Bottom line'

Commitment: The Allen and Meyer (1990) commitment scale had in all 24 items, 8 each for different types of commitment. These 24 items were not randomly placed but 3 sets measuring 3 different types of commitment were presented. Certain items were negatively worded.

The investigator personally contacted the respondents to fill up the questionnaire. Each respondent took about an hour to fill the questionnaire.

Correlation & Regression Analysis

Values: Product-moment correlations of each cluster of values are presented in the Table 1.

Table 1: Correlations among Different Clusters of Values (N = 404)

	H	V	AD	BL
Humanity (H)	1	0.16*	0.07	0.46*
Vision (V)		1	0.65*	0.33*
Adherence to convention (A.D.)			1	0.52*
Bottom line (BL)				1

* $p < 0.01$

All clusters of perceived organizational values were significantly and positively inter-correlated except 'humanity' values and 'adherence to convention' values. The 'humanity' value was positively correlated to 'vision' value ($r=0.16$) and 'bottom-line' value ($r=0.46$). The 'vision' value was positively correlated to 'adherence to convention' ($r=0.65$) and 'bottom-line' ($r=0.33$) values. 'Adherence to convention' was positively correlated to 'bottom-line' value ($r=0.52$). All the correlation values were significant ($p < 0.01$). However, correlation between 'vision' value and 'adherence to convention' value was very high ($r=0.65$) followed by correlation between 'bottom-line' value and 'adherence to convention' ($r=0.52$). This indicates that values like openness, initiative, creativity etc. (vision) have commonality with values such as formality, orderliness etc. (adherence to convention) and values like experimentation, diligence, autonomy etc. (bottom-line) have similarities with 'adherence to convention' value. Similar findings were also reported by Finegan (2000). This reveals that though the set of values are clustered into four types, which are distinct, there can be overlaps.

Commitment: Correlations of each components of the commitment scale were computed to find the relationships among them. The obtained correlations are reported in Table 2.

Table 2: Correlations among the Components of Organization Commitment (N = 404)

	AC	CC	NC
Affective Commitment (AC)	1		
Continuance Commitment (CC)	0.02	1	
Normative Commitment (NC)	-0.07	-0.20*	1

* p<0.01

Table 2 revealed that ‘normative’ commitment and ‘continuance’ commitment was negatively (r = -0.20) and significantly (p<0.01) correlated and other components were not significantly related. This indicates that the scale measures the three types of commitment and they are distinct from each other.

Components of Commitment

Correlation coefficient among the variables, value clusters and components of commitment were computed to study their relationships. The correlations are reported in Table 3. Stepwise multiple

Table 3: Correlations of Components of Commitments to Organization with Clusters of Values (N = 404)

	Humanity Values	Vision Values	Adherence to Convention Values	Bottom line Values
Affective Commitment	0.65*	0.06	-0.13*	0.18*
Continuance Commitment	-0.21*	-0.09	0.22*	0.43*
Normative Commitment	-0.22*	0.53*	0.24*	-0.21*

* p<0.01

regression analysis was carried out to find which cluster of values best predicted each component of commitment. The results are given in the Tables 4, 5 and 6. The regression analysis was also carried out between each component of commitment and the clusters of values to find the variance explained individually by each cluster of values in predicting different components of commitment. The results are given in Tables 7, 8 and 9.

As shown in Table 3, ‘humanity’ values were significantly (p<0.01) and positively (r=0.65) correlated to ‘affective’ commitment whereas significantly (p<0.01) and negatively correlated to ‘normative’ (r=-0.22) and ‘continuance’ (r=-0.21) commitments. ‘Vision’ values were significantly (p<0.01) and positively (r=0.53) correlated to ‘normative’ commitment. Though ‘adherence to convention’ values were significantly (p<0.01) and positively correlated to ‘normative’ (r=0.24) as well as ‘continuance’ (r=0.22) commitments, the value of coefficient of correlation between ‘adherence to convention’ and ‘normative’ commitment was found to be higher. The

'bottom-line' value was found to be significantly ($p < 0.01$) and positively ($r = 0.43$) correlated to 'continuance' commitment, and negatively ($r = -0.21$) and significantly ($p < 0.01$) correlated to 'normative' commitment.

It can be inferred here that the people who perceived the organization as being operated by 'humanity' values (e.g. co-operation, moral integrity, trusting etc.) were 'affectively' committed to the organisation. People who perceive that values such as openness, initiative, creativity etc. (vision) are existing in the

organization were 'normatively' committed to the organisation. Employees who thought that the organization gives importance to 'bottom-line' values (e.g. diligence, experimentation, logic etc.) were found to be having 'continuance' commitment.

The stepwise multiple regression analysis (Table 4) revealed that 'humanity' value best predicted the 'affective' commitment explaining 43 per cent of the variance. Bottom-line value predicted the 'continuance' commitment explaining 19 per cent of the variance (Table 5).

Table 4: Stepwise Multiple Regression Analysis between Affective Commitment and Three Levels of Independent Variables (values)

Values (Independent)	Level 1		Level 2		Level 3	
	Beta	R ²	Beta	R ²	Beta	R ²
Humanity	0.655*	0.429*				
Humanity			0.669*			
Bottom-line			-0.182*	0.462*		
Humanity					0.654*	
Bottom-line					-0.263*	
Vision					0.126**	0.471*

* $p < 0.01$

** $p < 0.05$

Table 5: Stepwise Multiple Regression Analysis between Continuance Commitment and Three Levels of Independent Variables (values)

Variables (Independent)	Level 1		Level 2		Level 3	
	Beta	R ²	Beta	R ²	Beta	R ²
Bottom-line	0.439*	0.193*				
Bottom-line			0.688*			
Humanity			-0.536*	0.419*		
Bottom-line					0.777*	
Humanity					-0.531*	
Vision					-0.272*	0.484*

* $p < 0.01$

** $p < 0.05$

Table 6: Stepwise Multiple Regression Analysis between Normative Commitment and Three Levels of Independent Variables (values)

Variables (Independent)	Level 1		Level 2		Level 3	
	Beta	R ²	Beta	R ²	Beta	R ²
Vision	0.536*	0.288*				
Vision Bottom-line			0.686*	0.462*		
Vision Bottom-line					0.688*	
Humanity					-0.366*	0.483*

* p<0.01

Table 7: Regression Analysis between Affective Commitment Clusters of Values

	Humanity	Vision	Adherence to Convention	Bottom-line
R ²	0.429*	0.003	0.016*	0.034*
AR ²	0.428*	0.001	0.014*	0.032*
Correlation coefficient	0.65*	0.06	-0.13*	0.18*

* p<0.01

Table 8: Regression Analysis between Continuance Commitment and Clusters of Values

	Humanity	Vision	Adherence to convention	Bottom-line
R ²	0.047*	0.009**	0.049*	0.193*
AR ²	0.045*	0.007**	0.046*	0.191*
Correlation coefficient	-0.21*	-0.09**	0.22*	0.43*

* p<0.01

** p<0.05

Table 9: Regression Analysis between Normative Commitment and Clusters of Values

	Humanity	Vision	Adherence to convention	Bottom-line
R ²	0.048*	0.288*	0.059*	0.044*
AR ²	0.046*	0.286*	0.056*	0.041*
Correlation coefficient	-0.22*	0.53*	0.24*	-0.21*

*p<0.01

Table 6 revealed that ‘vision’ value best predicted the ‘normative’ commitment explaining 28 per cent of the variance. Tables 7, 8 and 9 give the variance explained individually by each cluster of values in predicting ‘affective’, ‘continuance’ and ‘normative’ commitments respectively. ‘Humanity’ value pre

dicted 'affective' commitment by explaining 43 per cent of the variance whereas 'bottom-line' value predicted 'continuance' commitment (19 per cent variance) and 'vision' value predicted 'normative' commitment (28 per cent variance).

It was hypothesized that the employees who perceive that the organization is operated more by the values embodied in the 'humanity' factor (viz., courtesy, consideration, cooperation, fairness, forgiveness moral integrity) will have greater 'affective' commitment to the organization (Hypothesis 1). This hypothesis was supported as 'humanity' value that showed significant and positive correlation with 'affective' commitment also was found to be the best predictor of 'affective' commitment. The 'humanity' value had a very high correlation ($r=0.65$) with affective commitment (Table 3) and also predicted the affective commitment by explaining 43 per cent of the variance (Table 4).

According to hypothesis 2 the employees who perceive that the organization is valuing the 'vision' factor (viz., development, initiative, creativity, openness) more would have greater 'normative' commitment to the organization. The employees who perceived organization being operated by 'vision' value had higher 'normative' commitment to the organization moreover it was the best predictor of normative commitment. The 'vision' value had a high correlation ($r=0.53$) with the 'normative' commitment (Table 3). It also predicted the 'normative' commitment by explaining 29 per cent of the variance (Table 6).

It was hypothesized that those who perceive that the organization is operated more by the values relating to 'adherence to convention' (viz., obedience, cautiousness, formality) will have more 'continuance' commitment to the organization (Hypothesis 3). 'Adherence to convention' value showed a positive ($r=0.22$) and significant ($p<0.01$) correlation with 'continuance' commitment. Stepwise multiple regression analysis model excluded the variable 'adherence to convention' in all the three levels. Individually 'adherence to convention' explained only 4 per cent of the variance as compared to 'bottom-line' values that explained 19 per cent of the variance. The hypothesis was rejected because 'bottom-line' values were found to be the better predictor of 'continuance' commitment. Though an 'adherence to convention' value was significantly correlated to 'continuance' commitment, the step-wise regression model rejected it. It could be because of high positive correlation between 'adherence to convention' and 'bottom-line' values ($r=0.52$) as shown in Table 1.

The hypothesis 4 was that those who rate the organization more on 'bottom-line' values (viz., logic, economy, experimentation diligence) will also have greater 'continuance' commitment. This hypothesis was supported as 'bottom-line' values showed positive and significant correlation with 'continuance' commitment and was found to be the best predictor of the 'continuance' commitment.

Conclusion

It is thus seen that different clusters of perceived organization values do in-

fluence the different facets of commitment. The findings of this study largely agrees with those of Finegan's (2000). Affective commitment was predicted by 'humanity' values and normative commitment was predicted by 'vision' values. In parts the findings matches with those by Abbot, White and Charles (2005). However contrary to their findings continuance commitment was predicted by a value cluster namely 'bottom-line'.

Different clusters of perceived organization values do influence the different facets of commitment.

The findings suggest that the perceived organization values influence the type commitment in organizations. Hence it is imperative for the organizations to initiate human resource practices, which lead to desired values in the organizations. Moreover the organizations should carry out perceptual surveys from time to time in order to find out how employees perceive various organizational values.

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