Faculty of Cognitive Sciences and Human Development

THE RELATIONSHIP BETWEEN SELECTED ORGANIZATIONAL CULTURE AND AFFECTIVE COMMITMENT

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Statement of Originality

The work described in this Final Year Project, entitled
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THE RELATIONSHIP BETWEEN SELECTED ORGANIZATIONAL CULTURE AND AFFECTIVE COMMITMENT

by

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This project is submitted in partial fulfilment of the requirements for a
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ABSTRACT

THE RELATIONSHIP BETWEEN SELECTED ORGANIZATIONAL CULTURE AND AFFECTIVE COMMIMTENT

Lee Yen Harn

The purpose of this study is to identify the relationship between selected organizational culture dimensions namely reward and recognition, employee empowerment, perceived fairness and training and development toward affective commitment. A set of questionnaire was used as the research instrument and was distributed to 63 respondents. Respondents involved in this study consisted of all the support staffs and clinical staff except nurses. The data collected was then analyzed by using Statistical Package for Social Sciences 16.0 (SPSS 16.0). Independent T-Test, One-Way ANOVA, Pearson Coefficient Correlation and Simple Linear Regression were used to test the research hypotheses. Findings showed that all of the selected organizational culture dimensions have a positive significant relationship with affective commitment. Result also illustrated that selected demographic variables (gender, age and length of service) have no significant difference with affective commitment. Training and development, and employee empowerment were identified as the dominant factors influencing affective commitment. This study contributes to a better understanding of the influence of organization culture towards employees' affective commitment among employees in healthcare industry. Organization is suggested put emphasis on the match between individual and organization culture to increase affective commitment among employees.

ABSTRAK

HUBUNGAN DI ANTARA BUDAYA ORGANISASI YANG DIPILIH DENGAN
KOMITMEN AFEKTIF

Lee Yen Harn

Kajian ini dijalankan untuk mengenalpasti hubungan di antara beberapa dimensi budaya organisasi iaitu ganjaran dan penghargaan, pemberian kuasa kepada pekerja, keadilan, dan latihan dan pembangunan dengan komitmen afektif. Borang soal selidik digunakan sebagai alat kajian dan telah diagihkan kepada 63 orang responden. Responden yang terlibat dalam kajian ini terdiri daripada semua kakitangan sokongan dan kakitangan klinik kecuali jururawat. Dapatan kajian dianalisasikan dengan menggunakan Statistical Package for Social Sciences (SPSS 16.0). Independent T-Test, One-Way ANOVA, Pearson Coefficient Correlation and Simple Linear Regression *digunakan untuk menguji hipotesis penyelidikan. Dapatan kajian menunjukan bahawa semua dimensi budaya organisasi mempunyai hubungan signifikan yang positif dengan komitmen afektif. Hasil kajian juga menunjukan pembolehubah demografi terpilih (jantina, umur dan tempoh perkhidmatan pekerja) tidak mempunyai perbezaan yang signifikan dengan komitmen afektif. Latihan dan pembagunan, dan pemberian kuasa kepada pekerja telah dikenalpasti sebagai pembolehubah dominan yang menyumbang kepada komitmen afektif. Kajian ini menyumbang kepada pemahaman yang lebih baik mengenai pengaruh budaya organisasi dengan komitmen afektif di kalangan perkerja dalam industri kesihatan. Organisasi dicadangkan menitikberatkan kepada penyesuaian individu dengan budaya organisasi untuk meningkatkan komitmen afektif pekerja.*

CHAPTER 1
INTRODUCTION

1.0   Introduction

The focus of this study was to investigate on the relationship between selected organizational culture and affective commitment. This chapter was divided into 10 sections, which were background of the study, followed by statement of problem, research objectives, research framework of the study, research hypotheses, significance of the study, definition of terms, limitations of the study and lastly summary of the discussions of the first chapter of the study. This chapter was important because it provided a clear view and detail information for this study.

1.1   Background of Study

Organizations today were facing challenges due to the dynamic changing business environment. The changes in business environment were technologies advance and economic changing trend in business world. Economic changes that affected organization most recently was economic crisis that just happened in early year of 2009 and it had cause bankruptcy and downsizing of organization in world of work (Anonymous, 2009) Yet, effective organizational culture can help organization differentiate themselves and gain competitive advantages in this critical condition. Organizational culture was a less obvious and less tangible factor the determine the source of competitive advantages of an organization (Fang, Mobley & Wang, 2005)

Organizational culture was a management philosophy and a way of managing organizations to improve their overall effectiveness and performance (Ooi & Arumugam, 2006). In Kotter and Hestkett's 11 years research, they found that companies with culture that emphasize all they key managerial constituencies (customers, stockholders and employees) were outperform compare to the companies that did not have those culture trait (Fang et al, 2005).

In an organization that possessed strong and unified organizational culture, organization core value and belief was always widely shared among the employees. In this intensive of common belief made it easy to draw consensus among employee, lowered staff turnover, cultivated learning environment and reduced potential conflict (Fang et al. 2005). In this condition, employee no longer require to work hard but willing to work for the organization. Thus, strong organizational cultures can primary generator for real motivation and commitment (Fang et al, 2005). Organizational culture had potential to affect a range of organizationally and individually desired outcomes such as commitment, loyalty, turnover intention, and satisfaction (Chow, Harrisson, Mckinnon & Wu, 2001).

Organizational commitment continues receiving attention from researchers and scientists nowadays. One of the reasons was that organizational commitment was

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its relation to unpredictable organizational outcome such as turnover intention (Ayub, 2008), employee performance (Jason, John & Mohamed, 2003), absenteeism (Hausknecht, Hiller & Vance, 2008). Howard (2009) stated that higher levels of employees' affective commitment correlate to improved performance in areas such as retention, turnover, productivity, customer service and loyalty.

Yap (2009) stated that organization that had highly committed employees who had better financial results, were more capable in building a sustainable business model and sustain strong business of performance. Highly engaged employees tended to create affective commitment where they worked to improve organization performance because they wanted to. Research showed that the best employers had a revenue growth of about 22% year-on-years and able to yielded such results despite the downturn (Yap, 2009). An employee who was highly committed towards his or her organization can be said to be productive, stable, and always strive towards fulfilling their organization's needs as opposed to those who were less committed (Larkey & Morrill, 1995). Appropriately use of human capital was important because it was critical to create competencies and capabilities which enabled the organization to gain a competitive advantage in their market (Lawler III, 2000).

Highly committed employees were able to create right competencies and capabilities in their work and it led to the increment of organization performance and achieving competitive advantage. Organization has to particularly put strong emphasis on to increase the level of organization commitment of the employees. Therefore, Wyatt (2009) suggested that it was important for companies in Malaysia to create organizational culture that kept employees' affective commitment high all the time.

1.2   Problem Statement

It was presumed that organizational culture had influenced on employees' sense of belonging, engagement and identification (Lok, Wang, Westwood & Crawford, 2007). Therefore, it was said that organizational culture has effect on organizational commitment. "Global research indicated that an organizational culture creates high levels of commitment and performance" (Manetje & Martins, 2009, pp. 171-194). Besides, organizational culture had been widely discussed to exert a considerable influence on organizational behavior, particularly in areas in area such as performance and commitment (Kotter & Heskett, 1992; Lok et al., 2007; and Peter & Waterman, 1982). However, among the antecedents of organizational commitment, organizational culture relatively received fewer empirical (Lok et al., 2007). Scott, Mannion, Marshall and Davies (2003a & 2003b) stated that studied on organizational culture in healthcare industry towards organizational commitment was particularly limited. Moreover, there was little literature study on relationship between organizational culture and organizational commitment in Malaysia context. Ooi and Arumugam (2006) stated that there was a very little studied on how organizational commitment was affected by organizational culture dimension in context of Malaysia. So, this causes attracted considerable attention in organizational attention. Further investigation was suggested by previous research to the effect of organizational culture on commitment (Lok et al., 2007).

This research was attempted to explore the selected organizational culture dimensions that might influence affective commitment in non-for-profit health-related organization. This research was especially designed to answer the following questions:

i) What are the selected organizational culture dimensions that might influence affective commitment of the employee? ii) Which is the dominant organizational culture dimension that influencing affective commitment?

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1.3 Research Objectives

Research objectives were divided into two sections, which are general objective and specific objectives.

1.3.1 General Objective

a) To determine the relationship between selected organizational culture dimensions and affective commitment.

1.3.2 Specific Objectives

i. To examine the relationship between reward and recognition and the affective commitment.

ii. To investigate the relationship between employee empowerment and affective commitment.

iii. To examine the relationship between perceived fairness and affective commitment.

iv. To study the relationship between training and development and affective commitment.

v. To determine if there is any difference between employees' gender and affective commitment.

vi. To determine if there is any difference between employees' age and affective commitment.

vii. To determine if there is any difference between employees' length of service and affective commitment.

viii. To determine if there is a dominant factor among independent variables influencing affective commitment.

1.4   Research Framework

The research examined the relationship between independent variables and dependent variables from the conceptual framework. Based on Figure 1.1, independent variables were selected organizational cultural dimensions and demographic variables. Selected organizational culture dimensions were namely reward and recognition, employee empowerment, perceived fairness and, training and development. Demographic variables referred to gender, age and length of service. This study was to investigate the demographic factors of the respondents and selected organizational culture dimensions toward affective commitment.

Figure 1.1
Conceptual Framework of the Relationship between Selected Organizational Culture Dimensions and Affective Commitment

Independent Variables	Dependent Variable

Selected Organizational Culture Dimensions

a) Reward and Recognition
b) Employee Empowerment
c) Perceived Fairness
d) Training and Development

Demographic Variables

- Gender
- Age
- Length of Services

- Affective Commitment
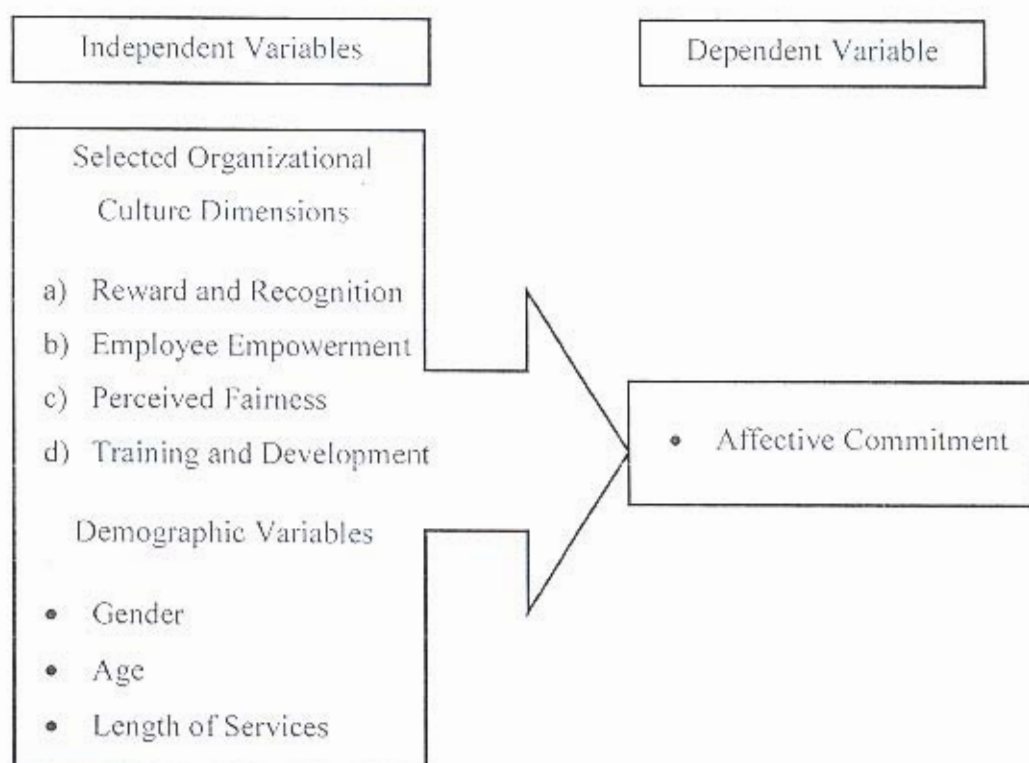
1.5   Research Hypotheses

Below are few alternative hypotheses for this study:

Hypothesis 1 *(H1)*:

There is a significant relationship between reward and recognition and affective commitment.

In the study by Ooi and Arumugam (2006) on semiconductor organizations in Malaysia, reward and recognition had a positive relationship between toward organizational commitment. Research found that reward system that was properly design may induce positive attitudinal and behavioral outcome, especially to organizational commitment (Henderson, 2006).

Hypothesis 2 *(H2)*:

There is a significant relationship between employee empowerment and the affective commitment.

Ugboro (2006) found that job redesign and employee empowerment that enhanced employee's sense of impact and job meaningfulness can facilitate survivors' affective commitment and reduce the intent to quit because of the significant positive correlation between them. Khalid, Malik and Shaheen (2008) stated that employee empowerment was high impact on organizational commitment because employees nowadays focused more on protean career rather than traditional career.

Hypothesis 3 *(H3)*:

There is a significant relationship between the perceived fairness and affective commitment.

Kim (2009) found that employees hold more commitment, job satisfaction and trust when they felt that they were treated fairness by the organization. Besides, research

by Beugré (1998) reported that there was a positive relationship between procedural justices towards affective commitment.

Hypothesis 4 *(H4)*:

There is a significant relationship between training and development and affective commitment.

Bartlett (2002) found that perceived access to training, social support for training, motivation to learn, and perceived benefits of training were positively related to organizational commitment, especially to affective commitment. Moreover, in Ooi and Arumugam (2006) study on six semiconductor organizations in Malaysia they found that proper training and development led to increment of job satisfaction and organizational commitment.

Hypothesis 5 *(H5)*:

There is a significant difference between individual gender and the affective commitment.

Ooi and Arumugam (2006) found that male employees had higher organizational commitment compared to female employees.

Hypothesis 6 *(H6)*:

There is a significant difference between individual age and affective commitment.

From Allen and Meyer (1993) studies on university librarian employees and hospital employees in different managerial level, they found that there were a positive correlation between age and affective commitment.