

**ORGANIZATIONAL COMMITMENT OF MANAGERIAL EMPLOYEES:  
A UNIFIED THEORY AND ANTECEDENTS**

A dissertation submitted by

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## ABSTRACT

Much has been written about organizational commitment in the past twenty five years and these studies have significantly contributed to the extant understanding of the concept. However, these efforts have also contributed to the confusion, inconsistencies, and disagreements about the meaning of the concept that seem to characterize the organizational commitment literature. This milieu required, as a matter of necessity, that the disparate conceptualizations of organizational commitment be reconciled and synthesized to form a unified, comprehensive theory. This situation and the apparent need to focus on those organizational factors that function as antecedents of managerial commitment to organizations provided the impetus for the present study.

In keeping with the above purpose, this study has developed a comprehensive unified theory of organizational commitment that was tested using structural equation modeling. The study shows that the theory of organizational commitment is based on six separate parent theories, including attitudes, psychological ownership, psychological contract, values, certain aspects of the three-component model of Meyer and Allen (1991), and social exchange, which makes it a multi-disciplinary theory. The theories of attitudes and psychological ownership constitute the psychological ingredient of the affection employees manifest to their organization and provide the theoretical foundation of the affective dimension of organizational commitment. Similarly, the theories of psychological contract, values and organizational culture provide the corner stone for the feelings of moral obligation employees display toward the organization, and concomitantly, the moral dimension of organizational commitment. Finally, social exchange theory and labor market forces define a socio-economic relationship between each individual and the organization and provide the basis for the continuance dimension of organizational commitment.

The research problem identified for this study was the lack of a unified theory of organizational commitment that is needed to identify the antecedents of managerial commitment to organizations. Thus, the purpose of the study was to examine the state of the theory of organizational commitment and propose a unified socio-psychological theory that provided the theoretical foundation to identify the antecedents and dimensions of the organizational commitment of managerial employees. Therefore, the research question that the study answered is: what are the antecedents and dimensions of managerial commitment in organizations? In addition to this, the study investigated six related issues: (a) the socio-psychological theories providing the theoretical foundations of a unified theory of organizational commitment, (b) the principal dimensions of a new unified theory of organizational commitment, (c) the predictors and causes of managerial commitment, (d) the degree to which perceived pay equity, socialization tactics, opportunities for development, organizational trust, and job satisfaction act as predictors of organizational commitment, (e) the variable or variables which moderate and/or mediate the impact of the predictors of organizational commitment and, (f) the relationships among the five predictors named above.

The study was justified on the basis of its potential to make significant contributions to both management practice and theory. From the perspective of management practice, the study has provided evidence that should enhance the ability of organizations to: (a) promote feelings of assonance and minimize feelings of The study was justified on the basis of its potential to make significant contributions to

both management practice and theory. From the perspective of management practice, the study has provided evidence that should enhance the ability of organizations to: (a) promote feelings of assonance and minimize feelings of dissonance among their managerial employees through equitable pay, (b) increase the level of managerial job satisfaction and concomitantly elevate the trust levels of managers, (c) integrate the interests of managers with those of the organization through effective socialization tactics and provide managerial employees with opportunities for development in order to enhance their moral obligations to the organization. Moreover, the study provides evidence and tools which organizations may use to engender in their managerial employees strong feelings of ownership for their organizations, enhance managers' trust levels, and minimize their inclinations to leave their organizations.

Theoretically, the study has analyzed and evaluated the extant theories of organizational commitment, reconciled differences among the various models, synthesized the multitude of disparate theories, models, concepts and definitions found in the literature of organizational commitment as a means of conceptualizing a new theoretical socio-psychological model of organizational commitment. In essence this effort should make a solid contribution to knowledge in the field and provide the foundation for future research in managerial commitment.

Methodologically, the data used in this study were collected from four different organizations at two different time periods of three months apart. Both descriptive statistical analysis using SPSS 12 and structural equation modeling using AMOS 16 were used to analyze the data. The SEM analysis determined the predictive strength of the selected independent variables/antecedents, and Barron and Kenny's moderator and mediator analysis identified the moderator and mediator effects of the independent variables on the dependent variable. The outcome from these analyses is a model which fits the two sets of data. Apart from other fit indices, the computations indicated insignificant Chi-sq. values of 16.113,  $p=.065$  and 8.037,  $p=.442$  for the two sets of data respectively. This particular finding confirms that the model is theoretically sound and is perhaps a unique development in the field of organizational commitment.

The results of the study confirm that organizational commitment is a multi-dimensional theory with three major domains-affective, continuance, and moral commitment, each of which has a distinct conceptual foundation. The study also confirms that: (a) affective commitment is based predominantly on psychological factors; (b) moral commitment is founded on philosophical, ethical and sociological factors; and (c) continuance commitment which is socio-economic by nature focuses predominantly on risk, economic losses, economic gains and labor market conditions that indicate the availability/non-availability of suitable alternative employment. Additionally, the study indicates that pay equity, developmental opportunities and socialization tactics act as both moderators and mediators of job satisfaction and organizational trust which in turn are the two independent variables predicting the three dimensions of organizational commitment.

In the final analysis, the findings of this study should: (a) be significantly beneficial to future research in the field of organizational commitment, (b) provide organizations with critical information for human resource policy formulation and, (c) contribute meaningfully to knowledge in the field. No other known study in organizational commitment has gone through such indepth analysis, particularly the elaborate process of theory building.

**CERTIFICATION OF DESERTATION**

I certify that this dissertation is entirely my own effort, except where otherwise acknowledged. I also certify that the ideas, research, results, analyses, software and conclusions reported are original and have not been previously submitted for any award, except where otherwise acknowledged.

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Signature of Candidate

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Date

**ENDORSEMENT**

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Signature of Principal Supervisor

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## **CHAPTER 1 - INTRODUCTION**

### **Background to the study**

Competitiveness through efficiency and effectiveness has become the watchword of enterprises not only as a means of survival in an environment characterized by volatility and unpredictability, but also to be at the vanguard of the race for excellence. To this end, highly successful organizations have been utilizing the unique skills and ingenuity of their employees, particularly their managerial employees, to maintain and enhance their leadership status vis-à-vis their competitors (Starling, 1996). However, this drive for success makes it imperative for organizations to institute major modifications in structure, philosophy, policies and management practices, which are inducing changes in traditional institutional practices including: (a) employment stability, (b) traditional career patterns, and (c) the commitment of employees to a single organization (Snape & Redman, 2003).

These phenomena are not only enhancing the strategic importance of managerial employees, but they are also contributing to the decline in job tenure and commitment even among highly skilled managerial employees (Neumark, 2001). Moreover, any sustained decrease in the commitment of managerial employees may have serious implications for organizations for at least two major reasons (Cohen, 1993). First, the development of managerial employees is an investment in the future viability of an organization (Noe, 2002). Second, managerial employees have fiduciary and stewardship responsibilities to an organization, which make them accountably different from their non-managerial counterparts (Davis & Schoorman, 1997). Thus, enterprises may find it imperative to devise and implement commitment enhancement strategies that are geared to retaining their managerial employees. However, the present state of organizational commitment theory may not help enterprises to identify those commitment enhancement strategies that are empirically valid and specific to managerial employees. Therefore, this study investigated the current state of the theory of organizational commitment and tested hypotheses to establish a unified theory to provide the theoretical foundation to determine the antecedents of managerial commitment.

A number of important issues were confronted in developing a unified theory of organizational commitment, including the fact that while there is a profusion of

studies in organizational commitment, the research has been largely unsystematic (Mowday, Porter & Steers, 1982; Reichers, 1985) and as a consequence the literature is shrouded with ambiguity (Meyer & Herscovitch, 2001), caused by: (a) ‘the lack of consensus in the conceptualization of [organizational] commitment itself [and] the failure to consider process issues’ (Meyer & Herscovitch 2001, p.315), (b) the generic nature of most of the studies, which do not focus specifically on commitment enhancement strategies that may predict and stimulate the commitment of managerial employee, and (c) Meyer and Allen’s advice (1997) that ‘an important goal of future research is to develop a more unified approach to the classification and measurement of commitment.’

Table 1.1 Partial list of studies not focusing on managerial employees

Author/s & Year	Purpose and focus of the study
Porter & Smith (1970)	Used an organizational behavior model to examine employee commitment to organizations, and relied on correlations between variables.
Steers (1977)	Proposed and empirically tested ‘a preliminary model’ covering the antecedents and outcomes of employee commitment.
Weiner (1982)	Developed a work attitudes model and distinguished between normative and instrumental processes to develop a commitment framework
Bateman & Strasser (1984)	Attempted to empirically establishing the <i>causal</i> relationships between commitment and antecedent variables.
Motaz (1988)	Generally examined the antecedents of organizational commitment, using the Mowday, Porter and Steers model.
Becker (1992)	Identified how much foci and bases of commitment added to the view that commitment was the’ relative strength of a person’s identification with and involvement in a particular organization.
Dunham, Grube & Castenada (1994)	Confirmed the three-dimensional theory of organizational commitment, propounded by Meyer and Allen in 1990 and 1991.
Becker, Billings, Eveleth & Gilbert (1996)	Found that commitment to supervisor contributed more to employee job performance than commitment to organization.
Brown (1996)	Proposed a unidimensional theory of OC and refuted the multi-dimensional aspect of organizational commitment.
Meyer & Allen (1997; 1991; 1990)	Focused primarily on the development and refinement of the three-component theory of organizational commitment.
Jaros (1997)	Another assessment of Meyer and Allen’s model
Mowday (1998)	Merely confirmed the importance of studies in organizational commitment
Irving, Coleman & Cooper (1997)	Another of the several studies that evaluated and corroborated Meyer and Allen’s three-component model of commitment.
Meyer & Herscovitch (2001)	Advocated for a ‘core essence’ of commitment regardless of contextual factors, developed a general model of commitment but stuck to the idea that commitment is a psychological construct.
Meyer, Stanley, Herscovitch & Topolyntsky (2002)	Focused on corroborating the three-component model of Meyer and Allen and to further identify the antecedents, correlates, and consequences of the three components of OC.
Powell & Meyer (2004)	Attempted to marry Becker’s side-bet theory of OC with Meyer and Allen’s three-component model and found that Becker’s seven side-bet categories and the revised high-sacrifice continuance commitment are correlated.

While managerial and non-managerial employees are similar in many respects, the former also have unique characteristics sufficiently important to warrant an examination of those organizational factors that may predict and influence their commitment as a separate group of employees. Managerial employees differ from non-managerial employees with respect to their stewardship responsibilities (Donaldson & Davis, 1991), rewards focus (Davis & Schoorman, 1997), expected organizational identification (Ashforth & Mael, 1989), authority and power (Gibson, Ivancevich & Donnelly, 1991), assigned responsibilities (Szilagyi, Jr. & Wallace, 1990), and skills and roles (Katz, 1955, 1974).

First, consistent with stewardship theory, managers behave pro-organizationally in order to promote the best interest of the enterprise (Donaldson & Davis, 1991). This behavior is a necessary condition for the proprietary relationship that managerial employees are expected to demonstrate in performing their roles and responsibilities (Buchko, 1992). The underlying assumption is that managers' proprietary relationship with their organization is a contractual term embedded in their psychological contract with the organization (Rousseau, 1998). This relationship defines an important difference between managerial and non-managerial employees because the degree of ownership interest for the organization that is expected from managers is greater than is expected of non-managerial employees (Robinson, 1996).

Second, Davis and Schoorman (1997) indicate that as stewards, managerial employees focus more on intrinsic rewards such as opportunities for development and equitable pay in contrast to non-managerial employees who are more extrinsically motivated. Moreover, employees in a stewardship relationship with their organization emphasize higher order needs, including: (a) needs for self-actualization and esteem propounded by Maslow (1970), (b) needs for growth espoused by Alderfer (1972), and (c) needs for affiliation and achievement intimated by McClelland (1970). Thus while non-managerial employees are also interested in intrinsic sources of satisfaction (Lawler, 1986), managerial employees emphasize higher order needs for development, and equitable pay rather than needs for safety, security, and other lower order needs (Meyer, Becker & Vandenberghe, 2004). Therefore, enhancing the organizational commitment of managerial employees requires an emphasis on strategies that are specific to their needs for development and equitable pay (Eby & Freeman, 1999).

Third, managerial employees are expected to identify closely with the organization by accepting its values, mission, vision and goals (Mael & Ashforth, 1992). Through this process, managers become an extension of the organization and act vicariously vis-à-vis the enterprise (Davis & Schoorman, 1997). Moreover, managers are also expected to do what is necessary to help their organization attain its goals and objectives (O'Reilly & Chatman, 1986). This identification is essentially a manifestation of managers' affection for, and moral obligation to the organization (Porter, Steers, Mowday & Boulian, 1974; Whitener, 1997).

Fourth, managerial employees hold positions of power and authority in an organization, which they use to further its interests (Gibson, Ivancevich & Donnelly, 1991). An organization delegates power to its managers because they need it to successfully implement policies and programs, influence policy formulation and program approval. This empowerment of managers induces their commitment to their organization (Morgan, 1986).

Fifth, managerial responsibilities are different from those of non-managerial employees (Szilagyi, Jr. & Wallace, 1990). Senior managers interact with representatives of financial and governmental institutions; establish policies, priorities, organizational mission, vision, goals, objectives and strategic plans. Mid-level managers interpret the decisions and programs of senior management to formulate and implement operational plans and supervise supervisory management (Yukl, 1989). Thus, managerial employees perform functions that are different from those of non-managerial employees. These managerial functions include: planning—setting organizational goals and objectives, establishing a decision-making process; organizing--- deciding organizational structure, training human resources and establishing communication networks; leading---motivating and influencing staff, facilitating effective performance through mentoring and coaching, and rewarding effective performance; controlling—evaluating and rewarding performance, and controlling financial, physical and informational resources. (Szilagyi, Jr. & Wallace 1990).

Sixth, the skills required of managerial employees are also different from those of non-managerial employees. The three-skill taxonomy proposed by Katz (1955, 1974) provides a useful tool to examine managerial skills. Conceptual and human skills appear to be predominantly required of executive management who must be able to see the organization in its totality. These skills include logical thinking,



analytical ability, the comprehension of highly complex and ambiguous situations, problem-solving, perceptive abilities, deep insights and the ability to apply an array of soft skills (Katz, 1955, 1974). Human or interpersonal skills are also critical for the leadership functions managerial employees perform. These skills are predominantly used by mid-level managers who focus on managing interpersonal processes, motivating employees, social sensitivity and empathy, the art of persuasion, building cooperative relationships and solving human relations problems. Technical skills are concerned with the use of tools, methods, techniques and procedures and are primarily used by supervisory management (Katz, 1955, 1974).

Seventh, managerial employees perform ten principal roles in organizations, which are different from those of their non-managerial counterpart (Mintzberg, 1973; 1975). Szilagyi Jr. and Wallace (1990) categorize these ten roles into three major areas-interpersonal, informational, and decisional roles. First, Szilagyi Jr. and Wallace (1990, p 27) opine that ‘three interpersonal roles characterize managerial activities’ including the figurehead, leadership and liaison roles of Mintzberg’s (1973) ten roles. Second, Szilagyi Jr. and Wallace (1990) classify Mintzberg’s (1973) monitor, disseminator, and spokesperson roles as informational roles because managers interact with a relatively large number of people both intra-organizationally and extra-organizationally. Third, Szilagyi Jr. and Wallace (1990) classify Mintzberg’s (1973) entrepreneur, disturbance-handler, resource allocator and negotiator roles as decisional roles, primarily because managers regularly make a multitude of both operational and strategic decisions.

In the final analysis, the stewardship responsibilities of managerial employees, the expectation that they must demonstrate some degree of ownership for the organization, their special need for intrinsic satisfaction versus extrinsic rewards, their emphasis on the fulfillment of higher order needs, the expectation that they must identify closely with the values, mission, vision and goals of the organization, their use of power inherent in the positions they hold, and the unique skills they use to perform their roles, functions and responsibilities provide reasonable justification to identify those strategies organizations may devise and utilize to generate the long term commitment of their managers.

Notwithstanding the amount of work that had been done in the field of organizational commitment, presently, the literature indicates disagreement and

debate among investigators about the meaning, theoretical foundations, development and behavioral impact of the concept (Cohen, 2003) resulting from the apparent unsystematic nature of the research in this area, precipitated by ‘the lack of consensus in the conceptualization of commitment itself [and] failure to consider process issues’ (Meyer & Herscovitch, 2001, p. 315). In fact, investigators seem to focus much more on correlations between organizational commitment and antecedent variables and considerably less on the reasons for these relationships (Mathieu & Zajac, 1990; Meyer & Allen, 1991, 1997, Allen & Meyer, 1990).

First, organizational commitment has been defined as:

- ‘...the relative strength of an individual’s identification with and involvement in a particular organization’ (Mowday, Steers & Porter, 1979, p. 226)
- ‘...the totality of normative pressures to act in a way which meets organizational goals and interests’ (Weiner, 1982, p. 421).
- ‘...the psychological attachments felt by the person for the organization; it will reflect the degree to which the individual internalizes or adopts characteristics or perspectives of the organization’ (O’Reilly & Chatman, 1986, p. 493).
- ‘...a psychological state that binds the individual to the organization (i.e. makes turnover less likely)’ (Allen & Meyer, 1990, p.14).
- ‘...an attitude or an orientation toward the organization which links or attaches the identity of the person to the organization’ (Sheldon, 1971, p. 143).
- ‘...a structural phenomenon which occurs as a result of individual-organizational transactions and altercations in side-bets or investments over time’ (Hrebiniak & Alluto, 1972, p. 556).

This array of definitions covers an equally diverse collection of constructs that should be reconciled and synthesized to formulate a unified definition and theory of organizational commitment (Cohen 2003).

Second, process issues have apparently stultified the development of a unified organizational commitment theory (Meyer & Herscovitch, 2001). It appears that investigators have emphasized the examination of ‘correlations between commitment and potential antecedent variables without much consideration of why these variables should influence commitment’ (Meyer & Herscovitch, 2001, p. 315). Thus, notwithstanding the meta-analytic studies conducted by scholars such as Mathieu and Zajac (1990) to elucidate the problem, there is no crystal clear conclusion as to why some variables have strong and consistent relationships with organizational commitment and others do not. Perhaps the principal reason for this situation is the absence of studies demonstrating causality and the apparent predominance of cross-sectional studies (Meyer & Herscovitch, 2001).

Third, 'the existence of different multi-dimensional frameworks of organizational commitment poses a problem for the development of a general model' (Meyer & Herscovitch, 2001, p. 303). This array of multi-dimensional models of organizational commitment raises a number of conceptual problems that needed to be examined and reconciled.

In the final analysis, the development of a unified theory needs to capture the essential elements that the formal and substantive theories have contributed to organizational commitment. These are: (1) Theories of attitude propounded by Porter (1962), Ajzen (2001), Salancik and Pfeffer (1978), Mowday, Porter and Steers (1982), O'Reilly and Chatman (1986), Calder and Schurr (1981), Brown (1996), Meyer and Allen (1997), and Cohen (2003). (2) The psychological contract theory enunciated by Rousseau and Schalk (2000), Rousseau (1995, 1998). (3) The psychological ownership theory established by Pierce, Kustova and Dirks (2001), Etzioni (1991), Davis and Schoorman (1997), Beggan and Brown (1994), and Pierce, Rubenfeld and Morgan (1991). (4) The theory of values with contributions from Rotundi (1975), Reichers (1985), Cohen (2003), Knoop (1995), Angle and Lawson (1993) and March and Simon (1958). (5) The three-component theory propounded by Meyer and Allen (1991, 1997) with contributions from Dunham, Grube and Castenada (1994), Snape and Redman (2003), Cohen (2003), Ko, Price and Mueller (1997), Hunt and Morgan (1994), Becker (1992), Meyer, Stanley, Herscovitch and Topolyntsky (2002) and Meyer and Herscovitch (2001). (6) Social exchange theory with contributions from Mowday, Porter and Steers (1982), Hechter and Kanazawa (1997), Rousseau (1998), March and Simon (1958), Lie (1992), Sakamoto and Chen (1991), Molm, Peterson and Takahashi (2003) and Lewin (1996).

### **Research problem, purpose and issues**

#### **1. Research problem**

There is a lack of a unified theory of organizational commitment that is needed to provide the foundation to identify the predictors/antecedents of managerial commitment in organizations.

#### **2. Research purpose**

The purpose of this study was to investigate the state of the theory of organizational commitment and propose a unified theory that provides the

theoretical foundation to identify the predictors/antecedents and dimensions of the organizational commitment of managerial employees. To this end, the study developed a model of the unified theory of organizational commitment and tested it using structural equation modeling (SEM).

### 3. Research question

What are the antecedents and dimensions of managerial commitment in organizations?

### 4. Research issues

The research issues investigated are:

- (a) What socio-psychological theories and models provide the theoretical foundations of a unified theory of organizational commitment?
- (b) What are the major dimensions of a new unified theory of organizational commitment?
- (c) What predictors and causes of managerial commitment indicate feelings of obligation by managerial employees to continue their relationship with an organization?
- (d) Do five of the correlates of the commitment dimensions (equitable pay, socialization tactics, opportunities for development, organizational trust, and job satisfaction) act as predictors of organizational commitment?
- (e) What variable or variables moderate and/or mediate the impact of the predictors of managerial commitment to organizations?
- (f) What are the relationships among the five predictor variables: pay equity, socialization tactics, opportunities for development, organizational trust, and job satisfaction?

### **Justification for the study**

This study developed and tested a unified theory of managerial commitment to organizations to determine its specific predictors/antecedents including: perceived pay equity, socialization tactics, opportunities for development, organizational trust, and job satisfaction that may be used as strategies to enhance the commitment of

managerial employees. Therefore, it was surmised that the study would contribute meaningfully to both management practice and theory.

### 1. Contribution to management practice

First, the identification of the antecedents of managerial commitment has important practical implications for organizations. Managerial employees may experience either organizational assonance or dissonance depending on their perception about the equity of their pay in comparison with significant others. This perception may affect their feelings about job satisfaction and concomitantly their commitment to the organization (Sweeney & McFarlin, 2004; Huseman, Hatfield & Miles, 1987; Cosier & Dalton, 1983).

Second, job satisfaction may reflect the degree to which managerial employees trust an organization and the extent to which their expectations are fulfilled. This feeling of satisfaction or dissatisfaction will concomitantly influence their commitment to the organization (Spector, 1997; Schleicher, Watt & Gregarus, 2004; Judge, Heller & Mount, 2002).

Third, socialization tactics have been found to have an important effect on managers' commitment to an organization (Haueter, Macan & Winter, 2003; Buchanan, 1974; Lee, 1969; Cooper-Thomas & Anderson, 2002; Morrison, 1993).

Fourth, organizational trust has an important relationship with the commitment of managers (Irving & Meyer, 1994; Wannous, Poland, Premack & Davis, 1992). Likewise, the connection of managerial employees with their community, their comport with the organization, the cost of moving from one organization to another, and the transferability of skills are critical factors in determining their assessment of moving from one organization to another (Mitchell, et al., 2001; Maertz and Campion, 2004). Thus, any organizational action that detracts from the fulfillment of managers' expectations about pay, development, organizational socialization, trust and job satisfaction may be inimical to their commitment to the organization.

Fifth, opportunities for development seem to engender in managers a special feeling of moral obligation to an organization (Meyer and Allen, 1990, 1997). Therefore the development and testing of a new unified organizational commitment theory from which the predictors/antecedents of managerial commitment are indicated would make a solid contribution to management practice.

While organizational commitment to employees generally has been declining since the decade of the eighties and reciprocally, organizations should expect that employee commitment to them will also decline (Baruch, 1998), the relevance and importance of managerial commitment to organizations cannot be so easily dismissed. However, there is a dearth of research studies specifically directed at managerial commitment to organizations, making it necessary to extrapolate from the commitment studies of non-managerial employees and mixed groups to formulate commitment enhancement strategies for managerial employees. This practice might have had some utility in the past. However, intensive competition and the resultant need for increased efficiency and effectiveness have made this approach anachronistic. This gap required exploration, analysis and explanation, primarily because the commitment of managerial employees to an organization has very important implications for a number of performance outcomes including economic efficiency, achievement of the organization's mission, vision and goals, customer satisfaction, growth, and requisite market penetration. It was anticipated that this study would make a contribution to narrowing this gap.

Enterprises invest heavily in the development of managerial talents and this investment is no less important than investment in physical capital (Starling, 1996). Therefore, it would be imprudent for an organization to be nonchalant about losing its trained managers to other enterprises. Such a loss is very likely to adversely impact the effectiveness and long-term ability of the enterprise to survive (Noe, 2002). Thus, it is in the interest of an organization to give priority to the creation of an environment that promotes a high level of commitment from managerial employees. Moreover, committed managers are inclined to remain with an organization and contribute to its well-being (Mowday, 1998). Therefore, a study directed solely at the commitment of managerial employees should generate information and strategies that organizations should find useful for the formulation of human resources strategies and policy.

The level of managerial commitment to an organization is a barometer of how satisfied or disenchanted managers are with certain organizational factors such as equitable pay, the opportunities for development (Mathieu and Zajac, 1990), job satisfaction, socialization tactics, promotional opportunities (Meyer and Allen, 1990) and the degree to which managers believe that the organization will act in their interest and motivate them to maintain their organizational membership.

Managerial commitment should, therefore, be actually growing in importance rather than declining (Mowday, 1998). Thus, organizations should actively seek to elevate the commitment of managerial employees by identifying and utilizing those antecedents of commitment such as pay equity and socialization tactics that would facilitate this process. This reinforces the practical value of the present study.

The current intense competitiveness among enterprises internationally means that an enterprise needs a strong competitive edge over its rivals and the ability to maintain and expand this advantage in order to survive and grow (Starling, 1996). This situation demands a high level of commitment from all levels of employees, especially managers who often set the pace, tone and direction of organizational activities (Noe, 2002). In essence this is leadership that has a fiduciary responsibility to demonstrate a proprietary relationship with an organization (Pierce, Kustova & Dirks, 2001). It is, therefore, in the interest of an enterprise to be au-fait with the commitment form and level of its managerial employees. The present study sought to make this contribution to the practice of management.

Finally, the attitudes and behaviors of managers have important implications for the climate and culture of an organization (Louis, 1985). Many managers interact routinely with large numbers of non-managerial employees and in this process influence their behaviors (Katz, 1955, 1974; Yukl, 1989). These interactions can create an organizational climate of unity, collaborative efforts and high concern for the organization or one characterized by nonchalance, conflict and non-cooperation. In essence what happens to the climate may eventually seep into the culture creating norms and values that are either supportive of, or destructive to, the health of the organization (Yukl, 1989). The form and level of managerial commitment may be both a determinant and consequence of the culture of the organization (Schein, 1985). Undoubtedly, this phenomenon supports the importance of the proposed study.

## 2. Contribution to theory

First, there are several studies in which organizational commitment is conceptualized as either unidimensional (Weiner, 1982; Mowday, Porter & Steers, 1982; Brown, 1996) or multidimensional (Allen & Meyer, 1990; Mayer & Schoorman, 1992; 1998). Second, the several divergent theories and models currently in vogue have evolved predominantly from studies designed to explain,

confirm, or explore Meyer and Allen's (1991) three component theory of commitment, the typological model enunciated by O'Reilly and Chatman (1986) and the determinants of commitment model developed by Steers (1977), Bateman and Strasser (1984) and Mottaz (1988). Meyer and Allen (1996) evaluated the commitment research studies to review their three-component theory and concluded that generally the evidence supported their thesis by indicating that the affective and normative components of commitment were distinguishable from each other although the correlation between them was relatively high, and continuance commitment was a unidimensional construct (Dunham Grube and Castenada, 1994). Additionally, Ko, Price and Mueller (1997) provided evidence to corroborate the unidimensional feature of continuance commitment, while Cohen (2003) has found evidence to the contrary. Thus there was still some disagreement regarding the dimensionality of organizational commitment generally, and continuance commitment as a separate dimension. As a consequence, it was concluded that the unified theory of organizational commitment will make a contribution to resolving these theoretical issues.

The O'Reilly and Chatman's model (1986) appears to be conceptually flawed. In this model the authors conceptualized employee commitment to an organization as a three-prong construct with three distinct forms--identification, internalization, and compliance. This conceptualization has been seriously questioned by a number of subsequent studies which reported unresolved problems distinguishing between the identification and internalization forms of commitment (Vandenburg, Self & Seo, 1994; O'Reilly, Chatman and Caldwell, 1991). Although these two constructs were subsequently combined by researchers, the issue was not completely resolved. Again, it was concluded that the unified theory would resolve this issue.

In addition to those models examined above, two other multidimensional models were developed by Angle and Perry (1981) and Mayer and Schoorman (1992; 1998). They identified two separate commitment dimensions, labeled value and continuance commitment. However, there is an important difference between these two-dimensional models and the Meyer and Allen (1991) three-component theory. This theory focuses on three separate mind-sets corresponding to the three components that bind individuals to their organization, with the primary behavioral consequence of continued membership in the organization. The distinguishing



characteristic of the two-dimensional models of Angle and Perry (1981) and Mayer and Schoorman (1992; 1998) is behavioral consequences rather than mind-sets. The new unified theory proposes that behavior is a product of mind-sets.

Finally, Jaros, Jermier, Koehler and Sincich (1993) proposed a three-dimensional model of commitment with affective, continuance and moral commitment as the three dimensions. This model appears similar to that of Meyer and Allen's (1991); however, there are important differences between them. First, affective commitment in the Jaros et al's model emphasizes the actual affect that employees experience much more than Meyer and Allen's. Second, Jaros et al's moral commitment is by definition much closer to Meyer and Allen's affective commitment as against their normative commitment. These differences were examined in the unified theory with the objective of reconciliation and resolution.

The classification of organizational commitment as attitudinal and behavioral commitment presents yet another problem for a unified theory. Attitudinal commitment is a psychological concept defining mindsets that can be measured to determine how employees feel about their organization (Ajzen, 2001; Meyer & Allen, 1997). This is distinguished from 'behavioral commitment, [which] relates to the process by which individuals become locked into a certain organization and how they deal with this problem' (Mowday, Porter & Steers, 1982, p. 26). Initially this two prong theory of attitude and behavior was generally accepted because enterprises focused principally on behavior at work rather than the socio-psychological aspects of organizational commitment. The issue seems to be whether the behavioral aspects are an integral part of the theory of commitment or an outcome of commitment to an organization. It was concluded that the unified theory of organizational commitment would resolve this problem by corroborating the proposition that behavior is an outcome, rather than a direct element, of organizational commitment.

Fourth, this study should make a solid contribution to knowledge in the field and provide the basis for future research in managerial commitment to organizations. While the literature on commitment is teeming with research studies in employee commitment to organizations, occupation, profession, group and union, few studies are devoted entirely to analyzing those factors that predict managerial commitment to organizations. For example, Mottaz (1988) whose study on the

‘determinants of organizational commitment’, includes a group of 235 managers drawn from among police chiefs, educational administrators, and factory supervisors, also included in the study 349 nurses and teachers, 112 clerical staff, 440 police officers, and 249 factory workers. These five sub-groups were combined to form a single group of subjects and the results are indeed valuable. However, if he had distinguished between the antecedents of managerial commitment and the other four sub-groups, the results might have had greater utility for human resource strategy and policy formulation. Benkhoff (1997) in a study he conducted with a group of 340 bank employees, including managers and supervisors, attempted this separation and found, *inter alia*, that managerial commitment explained as much as 30% of the variance in organizational performance. Notwithstanding this finding, Benkhoff (1997) strongly suggests that more research is needed in managerial commitment before any firm conclusion can be reached.

### **Research design and methodology**

This study collected cross-sectional correlational quantitative survey data through the administration of a questionnaire to participants of four different organizations at two different time periods of three months apart, utilizing the convenient sampling method. Data analysis was accomplished by way of SPSS descriptive statistics in the first instance and Pearson’s *r* indicated the bivariate relationships between variables. Structural equation modeling ‘SEM’ methods, utilizing AMOS 16.0 determined the predictive strength of the selected independent variables/antecedents and Barron and Kenny’s moderation and/or mediation analysis identified any moderation and/or mediation effects of the independent variables on the dependent variable. While ‘SEM’ has grown out of and serves purposes similar to multiple-regression, it provides a more powerful mechanism by taking into account the modeling of interactions, nonlinearities, correlated independents, measurement error, correlated error terms, multiple independents each measured by multiple indicators, and one or more latent dependents also each with multiple indicators (Bollen, 1989).

‘SEM’ provides unique advantages over multiple-regression including greater flexibility of assumptions, the utilization of confirmatory factor analysis to reduce measurement error, graphical interface, the testing of models with multiple dependents, the modeling of moderating and mediating variables, error terms and

testing coefficients. 'SEM' is regarded as a confirmatory procedure which utilizes one of three approaches and integrates/incorporates path analysis and factor analysis. These are the confirmatory, alternative models, and the model development approaches. This study utilized the confirmatory approach (Bollen, 1989).

Detailed procedures were established to: (a) secure ethical clearance for research on human subjects, (b) validate the survey questionnaire, (c) notify participants about their selection to participate in the study, (d) complete and secure the questionnaire. Cronbach's statistic was used to determine the reliability benchmark of the items that measure the variables in order to establish and maintain a high level of internal consistency (Neuman, 2000). Thus, only those items with an alpha coefficient of 0.70 and above were used in this study (de Vaus, 2002). Confirmatory factor analysis determined construct validity to ensure the sufficiency of both convergent and discriminant validities of the measurement device. Moreover, this study utilized a five-point Likert type scale for the independent and dependent variables.

In addition to the above, a number of logistical issues were identified and resolved. First, the questionnaire was used only after it was approved, recommended changes were implemented, and it was modified and retested again after the first set of data was collected. Second, it was anticipated that outliers would very likely impact the analysis and concomitantly the interpretation of results (Davis, 1996). Thus, it was decided that should this occur, it would be necessary to generate profiles on each observed outlier and examine the data of each of the variables to determine the degree to which the outlier of a particular variable impacted the research model. Hair et al. (1998) indicate that both discriminant analysis and multiple-regression reveal the differences between outliers and other observations. Additionally, outliers among variables can be disguised by one variable showing low correlations with all the important factors (Coakes & Steed, 2003) and are deleted from any analysis depending on their impact on the data set. However, it was decided that if outliers were found, they would be retained until there was sufficient evidence to indicate that they adversely impacted the target population. Third, normality tests on the data collected, including: probability plots, histograms, computation of skewness and kurtosis were used to identify any observed normal distribution problem, which would have been resolved, where

possible by data transformation. Fourth, confirmatory factor analysis indicated that items fall under their respective a-priori factors. Items whose values were low across factors and those that showed high values in two or more factors were discarded.

### **Outline of this dissertation**

Chapter 1 introduces the study to the reader. It explains generally the background of the research problem and emphasizes the need for research in the organizational commitment of managerial employees. The research problem is succinctly defined followed by justification for the selection of the five predictors and a moderator/mediator of managerial commitment to organizations. The chapter also provides an overview of the research design and methodology selected for the study, definitions of organizational commitment, the five predictors of managerial commitment, an analysis of the justification for the study and an examination of its delimitations and scope. In essence, this chapter sets the tone and direction of the study.

Chapter 2 is dedicated to an examination of the current literature to accomplish four important outcomes. First, this chapter analyzes the issues and recommended solutions of scholars who have conducted studies in organizational commitment and the limitations and strengths of these studies. Second, this chapter analyzes the principal research issues associated with managerial commitment to organizations that must be addressed in order to resolve the research problem of this study. To this end, the chapter identifies where the literature addressed the relevant gaps and research issues associated with the research problem and where it omitted to do so. Third, this chapter builds a theoretical foundation upon which the research is based. To this end, this chapter analyzes the relevant parent theories of organizational commitment to formulate the research problem theory and the research issues and propositions as a means to focus the collection of data.

Chapter 3 provides details about the research design and methodology selected for this study. As mentioned above, the study used a quantitative survey method to collect data and used quantitative methods to analyze and summarize data. This strategy has captured the advantages provided by methods, which enhance the validity of the study.

Chapter 4 covers the results phase of the study. The results are presented in standard tabular form in order to foster understanding of the outcomes of the study.

Chapter 5 focuses on the interpretation of the results and conclusions drawn from them. It also discusses the limitations of this study and the implications of these results for organizations and management practices. Finally, recommendations about future research are provided at the end of this chapter.

### **Definitions**

#### Organizational commitment of managerial employees

Organizational commitment of managerial employees is defined as the socio-psychological forces that bind managerial employees to a particular organization. They are mind-sets manifesting values, beliefs, norms of conduct and behavior and reflecting feelings such as affection, moral obligations and loyalty, identification with and a sense of ownership for an organization (Morrow, 1993; Meyer and Allen, 1991, 1997).

#### Perceived Pay equity

Pay equity is the perception that employee reward is fair relative to the rewards received by similar others in the same and/or similar positions internally and externally. Feelings about equitable compensation are consonant with the ‘felt-fair’ principle enunciated by Jaques (1961) and the concept of equity propounded by Adams (1963; 1965) reported in Szilagyi Jr. and Wallace (1990).

#### Socialization tactics

Socialization tactics are the process interventions used by an organization to structure the cognitions of new managers and integrate their interests with those of an organization so that they assimilate its values, norms and culture. It is a learning process that focuses on both the cognitive and affective domains of learning (Jones, 1983; Blake, Saks and Lee, 1998).

#### Organizational trust

Organizational trust is a manager’s belief that the organization will act in her interest, based on her evaluation of past behaviors of that organization. In essence, it is one party’s willingness to be vulnerable to another party because of the trustor’s belief, based on past experiences, that the trustee is benevolent, reliable, competent, honest, and open (Hoy & Tschannen-Moran, 1999).

#### Opportunities for development

This concept defines the degree to which the organization positively provides for the career development of its managerial employees through management development programs, other relevant education and training opportunities for

performance improvement and planned upward mobility, consistently administered (Noe, 2002).

### Job Satisfaction

Job satisfaction defines the overall feeling an individual has about his job. As an attitudinal variable, job satisfaction is ‘a related constellation of attitudes about various aspects or facets of the job’ (Spector, 1997, p 2). The general approach to job satisfaction is relevant when the objective is to identify the extent to which a particular group of employees like or dislike their jobs. This can be used in conjunction with the facet approach when it is also necessary to determine which aspects of the job contribute to satisfaction and dissatisfaction.

### Delimitations and Scope

The objective of this study was to develop a new unified theory of organizational commitment to provide the theoretical foundations upon which to identify those organizational factors that may predict the organizational commitment of managerial employees. It has therefore, examined the power of the five job facets to predict managerial commitment in an organization. It examined theories of motivation only as they relate to managerial commitment and the antecedents of commitment. It has not dealt with job involvement or autonomy.

### **Conclusion**

This chapter has provided a brief conceptual foundation for the report that follows. It introduced the research problem and major research issues and justified the need for the research effort. It has also examined the research design and methodology of the study; briefly discussed the ramifications of structural equation modeling; defined the principal concepts and variables that will be employed by the study; briefly described and justified the research methodology used, and outlined the report. Finally, the limitations and scope of the study were identified and examined. The establishment of these foundations provides a solid basis upon which the rest of the report can be described in detail

## **CHAPTER 2 - LITERATURE REVIEW**

### **Theoretical Foundations**

Chapter 1 showed that the socio-psychological theory is a suitable theory for understanding, predicting and explaining the organizational commitment of managerial employees. However, because of the divergent theoretical positions, the theory of organizational commitment was beset by several problems (Meyer & Herscovitch, 2001), including: (a) the concept means different things to different people (Cohen, 2003; Meyer & Allen, 1997; Brown, 1996; Morrow, 1993), and (b) many previous findings have had methodological and definitional problems, which made the theoretical bases of organizational commitment appear as a conglomeration of principles, concepts and constructs demonstrating conceptual disharmony rather than uniformity (Meyer & Herscovitch, 2001). Consequently, new theoretical explanations of why, how and when managerial employees become committed to an organization were needed. Additionally, replication research was required for previous key findings that include organizational commitment outcomes.

This chapter first reviews the extant literature relevant to organizational commitment, which highlights some of the principal inconsistencies. Some of the relevant investigations are shown in the Table 1 below. After this, the central issue of prediction of organizational commitment is examined, which necessitates the review of the literature on antecedents of managerial commitment in organizations. This is followed by the formulation of hypotheses to be tested. Finally a chapter summary is provided.

The inconsistencies identified by Meyer and Herscovitch (2001), Cohen (1993), Brown (1996) and Morrow (1993) seem to flow from the multi-dimensional, multi-disciplinary nature of organizational commitment (Cohen, 2003). Conceptually commitment is based on several theories drawn from psychology, sociology and economics rather than the psychological perspective of Meyer and Allen (1990). Moreover, it appears that different mind-sets or socio-psychological forces which bind an individual to an organization are responsible for the development of employee commitment to a particular organization (Meyer & Herscovitch, 2001). According to Meyer and Allen (1997), these mind-sets include the motivation of the individual to pursue a course of action relevant to the goals and objectives of the organization, the desire by the individual to make rational decisions that maximize

benefits and minimize cost and the need of the individual to conform to norms and values consistent with appropriate behavior. Thus, there are three constituent parts of an individual's commitment to an organization, which should be examined.

Table 2.1: Partial list of studies highlighting inconsistencies in the OC literature

Theory	Principal Author	Yr	Source of information
Theory of Attitude	Porter, LW.	1962	Journal of Applied Psychology, vol. 46
	Salancik, GR	1978	Admin. Science Quarterly, vol. 23
	Mowday, RT.	1982	Academic Press, CA
	O'Reilly, CA.	1986	Journal of Applied Psychology, vol. 71
	Calder, RJ.	1981	Research in org. behavior vol. 3 Jai Press
	Brown, RB.	1996	Journal of Vocational Behavior, vol. 49
	Meyer, JP.	1997	Commitment in the workplace, Sage
	Cohen, A.	2003	Multiple commitment in the workplace: LEA
Psychological Contract Theory	Azjen, I	2001	Annual Review of Psychology, vol. 52
	Rousseau, D	2000	Psychological contracts in employ. Sage
	Rousseau, D	1995	Psychological contracts in org. Sage
Psychological Ownership Theory	Rousseau, D	1998	Journal of organizational Behavior, vol.19
	Pierce, JL	2001	Academy of Management Review, vol. 26
	Etzioni, A	1991	Journal of Social Behavior and Pers. vol. 6
	Davis, JH	1997	Academy of Management Review, vol.22
	Beggan, JK	1994	Journal of Psychology, vol.128
Theory of Values	Pierce, JL	1991	Academy of Management Review, vol.16
	Rotundi, T	1975	Org. Behavior and Human Perf. vol.13
	Reichers, AE	1985	Academy of Management Review, vol. 10
	Cohen, A	2003	Multiple commit. in the workplace, LEA
	Knoop, R	1995	Journal of Psychology, vol.129
	Angle, HL	1993	Journal of Business Research, vol.26
	March, JG	1958	Organizations, Carnegie Inst. of Technology
Three-component Model	Azjen, I	2001	Annual Review of Psychology, vol. 52
	Meyer, JP	1990	Journal of Occupational Psychology, vol. 63
	Dunham, RB	1994	Journal of Applied Psychology, vol. 79
	Snape, E	2003	Journal of Applied Psychology, vol. 88
	Cohen, A	2003	Multiple commit. in the workplace, LEA
	Ko, JW	1997	American Psychological Association, vol. 82
	Hunt, SD	1994	Academy of Management Journal, vol. 37
Social Exchange Theory	Becker, TE	1992	Academy of Management Journal, vol. 35
	Mowday	1982	Employee-organizational linkages: Academic Press
	Hechtor, M	1997	Annual Review of Psychology, vol. 23
	Rousseau	1998	Journal of Organizational Behavior, vol. 19
	Lie, J	1992	American Sociological Review, vol.57
	Molm, L	2003	American Sociological Review, vol. 68
Sakamoto	1991	American Sociological Review, vol. 56	



First, affective organizational commitment is ‘the relative strength of an individual’s identification with and involvement in the organization,’ (Mowday, Porter & Steers, 1982, p. 27), ‘the psychological attachment felt by the person for the organization’ (O’Reilly & Chatman, 1986, p. 493), the ‘psychological state that binds the individual to the organization’ (Allen & Meyer, 1990, p. 14) and the basis for the inculcation of ‘an attitude or orientation toward the organization, which links the identity of the person to the organization’, (Sheldon, 1971, p. 143). These definitions clearly indicate that organizational commitment has an affective dimension, which is termed affective commitment. This dimension emphasizes feelings and emotions such as interests, attitudes and deep appreciation for an organization. It is a learning process which has a profound effect on individuals’ ‘emotional attachment to, identification with and involvement in the organization’ (Meyer & Allen, 1997, p.67). Thus, any variable that intrinsically motivates individuals to be involved in an organization, to recognize the value of associating with it, and to derive their identity from this association will contribute to the development of affective commitment (Meyer & Herscovitch, 2001). It appears therefore, that contextual factors in the work environment are the driving force of affective commitment and the concomitant manifestation of a deep sense of ownership for the organization by managerial employees. Moreover, this dimension of organizational commitment is intimately associated with the theories of attitudes and psychological ownership, which are critical for an understanding of its theoretical foundations.

Second, moral organizational commitment is ‘the totality of internalized normative pressures to act in a way which meets organizational goals and interests’ (Wiener, 1982, p. 421), including the mind-set that convinces employees that it is morally right to remain in the organization ‘regardless of how much status enhancement or satisfaction the firm gives them over the years’ (Marsh & Mannari, 1977, p. 59). Mind-set is a fixed mental disposition that predetermines an individual’s responses to and interpretations of situations. Thus this dimension of commitment cognitively influences an individual to acquire a deep sense of moral obligation to an enterprise (Abbott, White & Charles, 2005). This is also a learning process which is socially and culturally determined (Argyris & Schon, 1978). This moral dimension of organizational commitment also infers a willingness to be guided by values, norms and the knowledge that an individual has a moral duty to

an enterprise (Jaros, 1997). Again, this may have been alluded to in prior studies but not in such comprehensive terms. 'Values are evaluative standards relating to work or the work environment by which individuals discern what is "right" or assess the importance of preferences' (Dose, 1997, pp. 227-228). Thus, moral commitment is the outcome of internalized norms and values governing appropriate conduct and the need to reciprocate by an individual (Jaros, 1997). It may also reflect an individual's recognition of the psychological contract obligations (Meyer, Allen & Topololyntsky 1998). Therefore, the theories of psychological contract and values provide the foundation for moral organizational commitment and should be included as an integral part of a comprehensive theory of managerial commitment to organizations.

Third, continuance organizational commitment is 'a structural phenomenon which occurs as a result of individual-organizational transactions and alterations in side-bets or investments over time' (Hrebiniak & Alluto, 1972, p. 556). It 'comes into being when a person, by making a side-bet, links extraneous interests with a consistent line of activity' (Becker, 1960, p. 32), and realizes a 'profit associated with continued participation and a "cost" associated with leaving' (Kanter, 1968, p. 504) the organization. This dimension of organizational commitment, which defines a socio-economic relationship between the individual and the organization, is directly connected to the theory of social exchange (Jaros, 1997). It develops when individuals invest time and other personal resources in an organization, which would be lost if they terminate this association (Meyer & Allen, 1991, 1997; Jaros, Jermier, Koehler, & Sincich, 1993; McGee & Ford, 1987). It can also develop when there is a lack of alternative sources of employment (Hackett, Bycio & Hausdorf, 1994). However, the two bases (high sacrifice and alternatives) which seem to be moderately correlated may also represent two subdimensions of the same variable (Powell & Meyer, 2004).

From the above analysis, six parent theories directly constitute the theoretical framework of the organizational commitment of managerial employees: attitude-behavior, psychological ownership, psychological contract, values, the three-component and social exchange theories. Second, the analysis clearly indicates that organizational commitment has three distinct dimensions, but they are not all predominantly based on psychological factors as Meyer and Allen (1991) and Allen

and Meyer (1990) seem to have suggested. These three dimensions are affective, moral and continuance commitment.

### **Parent theories of organizational commitment**

The attitude-behavior theory brings to mind the theory of planned behavior, derived from Fishbein's theory of reasoned action and expanded by Ajzen (1991; 2001) to the theory of planned behavior. It shows that attitudes build up intentions before the behavior. Thus, one may have the intent to do something, but the valence of the attitude has overriding importance. Attitudes, therefore, are an integral part of the core ingredients of commitment to an organization (Ajzen, 2001).

Psychological ownership theory explains the identification of the individual with the organization and the concomitant internalization of the organization's values, norms of behavior and culture, which are critical ingredients of organizational commitment. Therefore, the theory explains how each manager's interests are integrated with those of the organization.

Psychological contract theory holds that a system of beliefs defines the relationship between the organization and an individual regarding the terms and conditions of employment and establishes mutual obligations that each party is expected to fulfill. Failure by one party to meet obligations may have disastrous consequences for organizational commitment.

The theory of values indicates that the values individuals hold are critical for the way they perceive and interpret the values organizations hold and concomitantly the extent to which they can fit into different organizations. This individual-organizational fit has important implications for the organizational commitment of individuals. In this respect, Meyer and Allen's (1991, 1997) multi-dimensional conceptualization of organizational commitment makes an important contribution to the formulation of a unified theory of organizational commitment.

Finally, social exchange theory, which has both bivariate and multivariate perspectives, is an integral part of a unified theory of organizational commitment.

Together these theories provide the bases for the development of a unified theory of organizational commitment, and seem to reflect a major theoretical framework of organizational commitment founded on socio-psychological principles and concepts. Socio-psychologically, organizational commitment is the

embodiment of people's values, cognitions, expectations, affect, mores, context, culture and the general socio-modus operandi in which they function. These factors influence, and are influenced by people's attitudes, behaviors, their belief system that the organization will fulfill its obligations to them, and the degree to which they inculcate a sense of belonging or ownership for the organization.

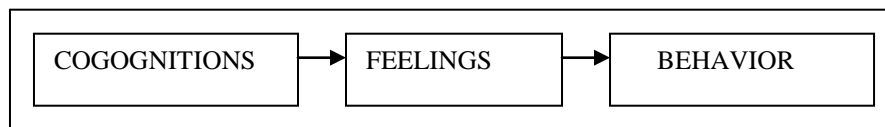
### 1. The attitude-behavior theory

Organizational commitment is traditionally regarded as both an attitude and a behavior, often superficially viewed as separate and distinct constructs (Mowday, Porter & Steers, 1982). This conceptualization forms the basis for the development of the typological model of organizational commitment (O'Reilly & Chatman, 1986) and became the standard for a number of subsequent research studies. However, this is a simplistic view of organizational commitment because it: (a) ignored the close relationship between attitude and behavior, (b) maybe partly responsible for the confusion presently associated with organizational commitment, (c) created an impediment to the formulation of an integrated theory of organizational commitment, (d) restricted the concept to a narrow psychological focus, and (e) ignored the socio-economic aspects of organizational commitment. Therefore, it is necessary to examine the attitudinal aspects of organizational commitment.

As an attitude, commitment is the internal state of a person, focused on a specific object or thing such as an organization or its personnel policies (Steers, 1977; Ajzen, 2001). The critical issue is whether this internal state is the outcome of psychological factors only or there are other factors of equal or greater importance that are ignored. Three perspectives of attitude as it relates to organizational commitment are: the dispositional, situational, and the information processing perspectives.

The dispositional perspective holds that attitude is a three-phased process--cognitions, affect and behavior (Salancik & Pfeffer, 1978). The cognitive element defines an individual's intellectual belief about a particular object, such as an organization, and dictates how the individual evaluates that object. A person's cognitions are the ongoing acquisition, integration, storage, retrieval and use of knowledge, insights and skills that accumulate pre-and-post organizational entry and have a dictating influence on that person's perceptions and evaluation of

environmental stimuli. The affective element of attitude focuses on feelings about the object of concern and provides attitude with its motivational ingredient (Eby, Freeman, Rush & Lance, 1999). The behavioral element is the tendency or inclination of the individual to respond in a certain way to the object (Meyer & Allen, 1997). Thus the dispositional perspective holds that the attitudinal process in organizations is systematic and behavior is an outcome rather than a feeling (Salancik & Pfeffer, 1978). This relationship is shown in Figure 2.1 as a flow process.



*Figure 2.1: Relationships between cognitions, feelings and behavior*

While the dispositional perspective of attitude is intuitively appealing and seems rational, it has certain limitations, because it: (a) erroneously focuses on traits and needs of the individual as the driving force of behavior (Calder & Schurr, 1981), which by themselves cannot fully explain as complex a concept as attitude, and (b) omits the situational forces that are highly instrumental in shaping job attitudes, including commitment (Salancik & Pfeffer, 1978).

The situational perspective holds that social and contextual factors significantly influence attitudes and individuals as adaptive organisms adapt their attitudes, values, beliefs and behavior to the social milieu in which they operate (Salancik & Pfeffer, 1978). This social milieu interacts with the individual's perception of the current situation and past behaviors to influence the individual's schema or cognitive repertoire. The merit of this perspective is its emphasis on a dynamic rather than a static cognitive structure of the individual. However, it over-emphasizes situational factors as determinants of attitudes. Situational factors are important for any analysis of job attitudes but they are only a part of a much larger framework and should be so regarded. Examples of relevant situational factors include: perceived pay equity (Hills, Bergmann & Scarpello, 1994), organizational trust (Hoy & Tshannen-Moran, 1999); socialization tactics (Buchanan, 1974); opportunities for development, (Noe, 2002); and job satisfaction (Wanous, Poland, Premack & Davis, 1992).

Calder and Schurr's (1981) information processing perspective of job attitudes is a middle ground between the dispositional and the situational perspectives, which they consider to be at the two extremes of a continuum. This perspective is based on learning and schema theories and presents a very dynamic view of attitudinal processes in organizations. It conceptualizes attitude as on-going information processing that has a direct impact on the development of an individual's cognitive structure. The thesis is that the cognitive mechanism which performs the acquisition, assimilation, storage and manipulation of information gathered from the environment controls the nature of job attitudes such as commitment. Thus, in consonance with schema theory, information that is evaluated and assimilated by an individual's cognitive machine has a dictating influence on attitude formation, modification and manifestation. This is the process of building and utilizing schema, which is an organized framework of past experiences and knowledge that influences the interpretation of current situations. It is a dynamic cognitive map that proactively acquires, assimilates and integrates information from the external environment (Calder & Schurr, 1981), or a mental model which an individual holds about such factors as employment, and employer promises (Rousseau, 2001). This perspective of commitment as a job attitude seems to be relevant to the theory of organizational commitment.

These three perspectives of attitudes seem to elucidate the attitudinal foundation of organizational commitment. First, an attitude is learned and predisposes a person to respond either positively or negatively to an object (Shore & Wayne, 1993). Second, contextually, an individual's thoughts about an object are based on his knowledge and feelings about that object or the social cues that are salient to that individual. These social cues are molded and shaped by what a person knows and feels about the object (Shore & Wayne, 1993). Third, the information processing perspective integrates and enriches both the dispositional and the situational perspectives and concomitantly enhances the clarity of attitudinal processes in organizational commitment (Shore & Wayne, 1993).

In essence, attitudinal commitment defines 'a state of positive obligation to an organization and a state of obligation developed as a by-product of past actions' (Brown, 1996, p 232). This feeling of obligation induces individuals to formulate and implement appropriate actions, based on their cognitions or schemata as a

means of fulfilling the terms of the commitment, such as: (a) a willingness to continue membership with the organization, (b) an undertaking to work towards the accomplishment of the organization's goals and objectives, and (c) a demonstrated willingness to support the interests of the organization (Brown, 1996). This notion of terms of a commitment links attitudinal commitment to behavior, which may be defined as the 'willingness to continue in some chosen course of action, vis-à-vis some focal party, whatever that course may be' (Brown, 1996, p 232). These terms constitute the content of the agreement between the parties, established either by way of explicit statements or from implicit behaviors, which together constitute the psychological contract. Commitment is, therefore, the inclination of an individual to act in a particular way in relation to another party such as an organization (Meyer & Allen, 1997; Cohen, 2003) and has terms and a specific focus.

The commitment evaluation process generates feelings about commitment objects, including the fulfillment of expectations and is influenced by a number of factors including: values and beliefs and organizational factors such as perceived pay equity, socialization tactics, trust, opportunities for development, job satisfaction and the extent to which skills are transferable (Cohen, 2003). In essence, individuals subjectively evaluate their commitments on an on-going basis to determine their relevance relative to a set of foci that is available and the extent to which their expectations of the organization are fulfilled (Brown, 1996). In this regard, commitment is the outcome of an attitude manifested through behavior, which should make the concept of behavioral commitment at least a misnomer (Meyer, Stanley, Herscovitch & Topolyntsky, 2002).

The attitude-behavior theory has had a profound impact on early research efforts in organizational commitment. For example, the typological theory of organizational commitment, propounded by Porter (1977), Mowday, Porter and Steers (1982), and expanded by O'Reilly and Chatman (1986), is an application of the attitude-behavior theory. This theory bisected organizational commitment into behavioral and attitudinal commitment and defines organizational commitment as the strength of an individual's identification with and involvement in an organization, including a strong belief in and acceptance of the goals and values of the organization, the determination to work hard for the attainment of the

organization's goals, and a demonstrated desire to continue working for the organization.

The model espouses three separate types of organizational commitment: internalization, identification and continuance commitments (McGee & Ford, 1987). It proposes that if employees perceive congruence between their personal values and the values of the organization, their commitment is one of internalization. If they derive a sense of pride in their association with an organization, the underlying basis of the commitment is identification. When employees' connection to an organization is based on an extrinsic reward for some specific action or performance, the basis of their commitment is a relationship of exchange based on rational choice theory. Subsequent research findings do not support the distinction this model makes between identification and internalization and it has created measurement problems for commitment as a construct (Morrow, 1993). It was, therefore, modified by making internalization a part of identification, consistent with social identification theory (Ashforth & Mael, 1989).

In the final analysis, the integration and internalization of the organization's values and identification with the organization's goals and objectives provide evidence of an intimate relationship between an individual and the organization. In this context, the individual and the organization are psychologically intertwined. This wider perspective of identification makes an important contribution in elucidating attitude, which has socio-psychological implications for organizational commitment and utility for the formulation of a formal, unified theory of organizational commitment.

## 2. Psychological ownership theory

The theory of psychological ownership is a critical part of the foundation of a comprehensive theory of organizational commitment (Pierce, Kustova & Dirks, 2001). Substantively, psychological ownership theory is a composite of several disciplines, including psychology, sociology and the humanities, the concepts of self and non-self, ownership (Etzioni, 1991), and the concept of *mine*. Together, these concepts significantly contribute to a comprehensive formulation and understanding of the psychological ownership theory as it applies to organizations. This feeling of ownership for an organization seems to be consistent with the argument that commitment is best explained in terms of an individual's



psychological attachment to a particular organization (O'Reilly & Chatman, 1986). However, this attachment is different from either the antecedents or the consequences of commitment (Caldwell, Chatman & O'Reilly, 1990).

One theory holds that identification and internalization are the bases of psychological attachment as suggested by Caldwell, Chatman and O'Reilly (1990). Identification defines an individual's desire for affiliation with an organization and this association may in turn cause the individual to experience a deep sense of pride. Internalization is held by O'Reilly and Chatman (1986) to define a feeling of congruence between the values embraced by the individual and the values espoused by an organization. However, there is no empirical support for the distinction drawn between identification and internalization. This flaw may be corrected by social identity theory, which holds, *inter alia*, that identification engenders the internalization of an organization's values and norms and 'enables the individual to conceive of, and feel loyal to, an organization or corporate culture' (Ashforth & Mael, 1989, p. 26). Therefore, internalization flows from identification rather than being a separate and distinct basis of psychological attachment.

Social identity theory also holds that 'organizational identification is a specific form of social identification,' (Ashforth & Mael, 1989, p.22) and it has important consequences for an enterprise. First, people often choose activities that are consonant with the individual characteristics of their identities and are drawn to organizations that demonstrate those identities (Scott & Lane, 2000). This proposition suggests that an important consequence of identification is its impact on organizational effectiveness through the promotion of pro-social behavior among organizational members and concomitantly loyalty to the organization and pride in its membership. Additionally, identification has a strong beneficial impact on member adherence to organizational values and norms of behavior (Davis & Schoorman, 1997).

Organizational identification is demonstrated as symbolic interactions through which meaning evolves from the verbal and nonverbal interactions of organizational members (Ashforth, 1985). This process helps newcomers to minimize ambiguities experienced from associating with a new culture and climate and to develop an information processing framework for the acquisition and utilization of organizational experiences (Calder & Schurr, 1981). This is a process

of learning and unlearning for each newcomer, enhanced by the implementation of socialization tactics (Saks & Ashforth, 1997). The ultimate objective is to inculcate in each individual a feeling of unity with the enterprise through the internalization of organizational values and mores (Ashforth & Mael, 1989). In essence, a sense of organizational ownership is derived from two related processes. Socialization indirectly 'effects identification which in turn effects internalization' of values, mores and beliefs (Ashforth & Mael, 1989, p. 27).

Second, socialization directly effects internalization of values, mores and beliefs, which may effect identification (Taormina, 1997). Thus, socialization influences feelings of organizational ownership among organizational members directly (socialization → internalization) and indirectly (socialization → identification → internalization) within the boundaries of the organization. In this respect, socialization tactics may either result in the ratification or replacement of the newcomer's incoming identity (Ashforth & Mael, 1989). Ratification of the identity is accomplished by investiture processes and replacement is attained by divestiture processes (Van Maanen, 1978). This puts a premium on organizational identification because it influences the extent to which the individual internalizes organizational values (Saks & Ashforth, 1997).

Reification, which is a process of thinking of the organization as a living organism, is another important aspect of social identification, which is critical for generating feelings of psychological ownership among managers (Ashforth & Mael, 1989). Identification with an organization is possible even where the individual and members of a certain organizational group disagree on the strategies to be employed in resolving one or more issues (Davis & Schoorman, 1997). In this respect, 'identification provides a mechanism whereby individuals can continue to believe in the integrity of their organization' regardless of any perceived illicit behavior of top management (Ashforth & Mael, 1989, p. 28). This perspective of psychological ownership provides the basis to formulate several principles about people's psychological attachment to organizations.

First, managerial employees invariably display a strong proprietary relationship with their organizations (Davis & Schoorman, 1997). Thus, 'organizational identification is a specific form of social identification' (Ashforth & Mael, 1989, p.22), for the manager who searches for identity so as to answer the question: who

am I? In this regard, social identity theory holds that individuals identify with their organizations to enhance their self-esteem and participate in the success their organizations experience (Davis & Schoorman, 1997). Thus, organizational identification reflects a shared destiny between individuals and their organization, defines a relationship of oneness between an organization and its managers and reflects a deep sense of belonging of these members to their organization (Davis & Schoorman, 1997). Therefore, organizational identification is a manifestation of shared destiny, values and norms between an organization and managerial employees, and defines the degree of affection managers have as individuals and a specific segment of employees, for the enterprise (Pierce, Kustova & Dirks, 2001). Second, homo economicus has an inherent need to possess, which evolves from human kind's genetic makeup (Davis & Schoorman, 1997). It forces people to identify with other people and organizations. Third, psychological ownership exists as a means of satisfying people's genetic and social needs, the most important of which are those that help each person exercise control over specific resources, provide the avenues for symbolic expressions of the self and the fulfillment of territorial needs (Davis & Schoorman, 1997). Three important propositions associated with these principles are examined next.

First, the more control managers have over organizational resources, the higher is the degree of ownership they will feel about those resources and, *ceteris paribus*, the more they will be committed to optimally utilize these resources to achieve organizational objectives (Pierce, Kustova & Dirks, 2001). Thus, when decision-making about the use or disposition of resources is decentralized, the resultant empowerment creates strong feelings of ownership for managers (Pierce, Kustova & Dirks, 2001).

Second, Beggan and Brown (1994) indicate that association with an organizational object is a central ingredient of psychological ownership, leading to a feeling of intimacy between the manager and the organization. Thus, the deeper the feeling of intimacy a manager has with an organization, the lower will be that person's propensity to leave, and the higher should be the individual's trust level and commitment to the organization (Pierce, Rubenfeld & Morgan, 1991).

Third, the more managers invest of themselves in an organizational object, the more acute will their sense of ownership become relative to that object. Investment

of self in an organization or any part of it is often manifested in many ways, including the investment of time, energy, effort and personal resources. This investment of self causes the individual to become intertwined with the organization thereby leading to a very strong feeling of psychological ownership and concomitantly commitment to the organization (Pierce, Rubenfeld & Morgan, 1991).

In the final analysis, from a socio-psychological perspective, managers' commitment to an organization is partly the outcome of their attitude, acquired from their cultural milieu, their cognitions and schema, and organizational factors, including socialization tactics, which induce their identification with the organization and their proclivity to demonstrate feelings of ownership for the organization (Buchanan, 1974). Through this process, they show affection for an organization, internalize its values and mores, identify with its goals and mission, and demonstrate a deep sense of ownership for it. Therefore, psychological ownership theory is one of the crucial building blocks of the theory of managerial commitment to organizations, has important implications for organizational commitment, and utility for the formulation of a formal, unified theory of organizational commitment.

### 3. Psychological contract theory

The theory of psychological contract holds that employer-employee relationship may be explained by a system of beliefs between an employee and the enterprise about the terms and conditions of employment (Milward & Hopkins, 1998). This belief system between the individual and the organization defines the obligations that must be met by both parties, and is shaped by pre-employment experiences such as values and norms of behavior, socialization strategies and the societal culture (Rousseau, 2001). Moreover, the mutual obligations arising from the psychological contract reflect the explicit and implicit promises mutually agreed between the parties during the hiring stage of the relationship. Each party expects the other to honor their obligations in order to maintain the employee-employer relationship. In this respect, the promises made by both parties establish the foundation upon which psychological contracts are built, sustained and honored (Rousseau & Schalk, 2000).

### *3.1. Formation of psychological contracts*

The bases of the psychological contract theory are: (a) the latitude people exercise to enter into exchange relationships with organizations, (b) the application of schema theory to the development of psychological contracts, (c) the promises an organization conveys to applicants and new hires, and (d) the extent to which the parties are *ad idem* about the terms and conditions of the contract (Rousseau & Schalk, 2000). First, the meaning of the exchange relationship to both parties is an essential aspect of the psychological contract because they must believe that they can derive important advantages from this relationship, which then enhances commitment to perform the mutually agreed obligations (Rousseau, 1995). This belief is dependent on the personal freedom people have to enter into voluntary agreements (Rousseau & Schalk, 2000). The employee promises to provide something of value to an organization and expects to be rewarded for doing so. In this process of exchange, the individual implicitly and explicitly negotiates conditions of employment with the organization. This right to bargain is influenced by both law and culture of the society, which are critical conditions for the successful formulation of a psychological contract (Rousseau, 1998). These conditions provide both employer and employee with a mutually acceptable degree of certainty that each party will honor promises made based on mutual trust between them, which in turn will impact commitment to the organization (Rousseau, 1998)

The formation of psychological contracts is an outcome of the ‘mental models or schemas people hold regarding employment, the promises the employment conveys, and the extent of agreement between the parties involved’ (Rousseau, 2001, p. 511). Schema is a cognitive map or mental codification of experience including a specific organized way of cognitively perceiving and responding to a set of stimuli (Flood, Turner, Ramamoorthy & Pearson, 2001). The formation of people’s schema with respect to their conditions of employment evolves over time based on prior experiences and exposure to new information about obligations to their employer and in return their employer’s obligations to them (Rousseau, 2001).

Schema theory explains the formation, evolutionary growth, and adherence to the conditions of psychological contracts (Rousseau, 2001). First, the norms and ideological beliefs associated with professions and the legal standards of society

influence the formation of schemas connected with psychological contracts (Rousseau, 1995). Second, most new recruits have incomplete information concerning the employment relationship and schema theory is helpful in promoting understanding about both the formation and operation of psychological contracts. In this respect schemas perform both interpretive and inferential functions that help newcomers fill any information gap through a process of sense-making to interpret current experiences in order to predict future developments and shape their future behavior (Rousseau, 2001). Third, schema attains stability and completeness over time, and reaches a level of maturity where a person's experiences and the beliefs embedded in the schema coincide. At this point, the schema regularizes the individual's comprehension of social stimuli, reduces ambiguity and elucidates complex information. Fourth, more experienced recruits demonstrate different employment schemas from less experienced ones, and as a result are inclined to assimilate experiences faster with a new organization into pre-existing belief systems (Rousseau, 2001).

The promises made by an organization to new hires are an important basis of psychological contracts and essential for employment relationships (Flood, Turner, Ramamoorthy & Pearson, 2001). Promises are verbal, action-based, and create expectations. Verbal promises suffer from incompleteness and cognitive biases (Rousseau, 1995). They are statements of fact or warranties and statements of future intent (Rousseau, 2001) and require the parties to competently understand the intent of their promises, including understanding the implications of their promises to commit themselves to fulfill certain mutual obligations (Rousseau & Wade-Benzoni, 1994). Thus, interpretation of the intent of each party's verbal communication is critically important, particularly in the context in which it is made (Rousseau, 2001).

### 3.2 *Types of psychological contracts*

Table 2.2: Typology of Psychological Contracts

TIME	SPECIFIC CONTRACTS	WEAK CONTRACTS
Short-term	Transactional	Transitional
Open-ended	Balanced	Relational

Source: Rousseau & Wade-Benzoni (1994)

Table 2.2 above shows a typology of psychological contracts. Relational psychological contracts are: (a) operative in open-ended employer-employee relationships, (b) characterized by high investments by both parties such as management development and training by the organization and high organizational commitment from employees, (c) found in organizations where there is a high level of mutual interdependence between employer and employee, and (d) geared to induce both employee affection for, and moral obligation to, the organization. Transactional contracts: (a) emphasize economic relations, (b) are short term, (c) have very specific performance standards, and (d) invariably attract highly skilled and well educated people whose skills are utilized to respond vigorously to changes. Moreover, because organizations that espouse transactional contracts can buy the skills they need, they do not invest in human resource development (Rousseau & Wade-Benzoni, 1994). The disadvantage associated with transactional contracts is that both managerial and non-managerial employees are likely to be less committed to their organizations and will move to other enterprises if the conditions are sufficiently attractive. Organizations with balanced psychological contracts emphasize both relationships and very specific performance standards that may be subject to change depending on the exigencies of the situation (Rousseau & Wade-Benzoni, 1994). These organizations are able to build trust among all levels of staff resulting in high commitment and willingness to participate in the decision-making process (Rousseau & Wade-Benzoni, 1994). Finally, transitional contracts undermine the basis of the psychological contract, and simply are incapable of building trust among employees generally (Rousseau & Wade Benzoni, 1994).

### 3.3. Effects of the psychological contract violation

An important theme in the literature is the apparent connection between psychological contract fulfillment and organizational commitment (Coyle-Shapiro & Kessler, 2000). A psychological contract that is relational, transactional or balanced is a schema composed of facts, assumptions and inferences (Rousseau, 2001). It is: (a) partly subjective (McFarlane, & Tetrick, 1994), (b) perceptual in nature (Robinson, 1996) and, (c) has both promissory and reciprocal implications (Rousseau, 1990). These psychological contracts are highly instrumental in reducing uncertainty, govern employee behavior without close supervision, and provide employees with some degree of predictability (McFarlane & Tetrick, 1994).

Moreover, there appears to be an important connection between employee perception of employer fulfillment or breach of the psychological contract, employee trust in the organization, and concomitantly commitment to the organization (Flood, Turner, Ramamoorthy & Pearson, 2001). A psychological contract breach may result from the employer's failure to meet promises related to training, development, and pay (Robinson & Rousseau, 1994). Contract may be real or perceived. In reality, a contract may be violated because of misunderstandings arising out of constant contract change (Robinson, 1996) and the employer renegeing on promises (Morrison & Robinson, 1997). Conversely, employees may feel that the organization has violated the contract but there is no tangible evidence of this.

A contract breach, imagined or real, is very likely to generate feelings of betrayal among managerial employees and result in a negative relationship with trust in the organization (Deery, Iverson & Walsh, 2006), depending on: (a) the type of contract the employee perceives to be in existence (Rousseau, 1995), (b) the personality traits of the individuals affected (Ho, Weingart & Rousseau, 2004), and (c) the ideological basis of the contract (Thompson & Bunderson, 2003). Individuals who perceive that they have relational contracts with an organization are very likely to respond emotively to a contract breach, engendered by a deep sense of personal hurt and betrayal of trust, which would have a deleterious effect on their commitment to the organization (Deery, Iverson & Walsh, 2006; Morrison & Robinson, 1997). Individuals who believe that they have a transactional contract with an organization will also feel betrayed to some extent but are also very likely to leave the organization (Morrison & Robinson, 1997). The responses of individuals affected by a contract violation are further compounded by their personality traits. Individuals with a neurotic personality are inclined to displaying a strong emotional response to contract breach and those who display a preference for agreeableness will experience less stress and concomitantly their response will be less emotive and more cognitive (Ho, Weingart & Rousseau, 2004). These differences are very likely to have different implications for organizational commitment (Coyle-Shapiro & Kessler, 2000).

#### 3.4. Implications of psychological contracts for organizational commitment

Relational, transactional and balanced psychological contracts have implications for perceptions and evaluations about organizational fairness and justice, including



trust and concomitantly organizational commitment (Morrison & Robinson, 1997; Robinson, 1996). The two types of contract evaluation that employees use to determine compliance or breach are discrepancy evaluation (Ho, 2005) and information from referents (Shah, 1998). Managerial employees use discrepancy evaluation if they perceive that their organization has not fulfilled one or more of its obligations in the psychological contract, by computing the discrepancy between receipts and promises (Ho, 2005). The resultant discrepancy will, in turn, cause them to experience 'feelings of betrayal and deeper psychological distress' (Rousseau, 1990), resulting in anger and resentment toward the organization primarily because they will feel that their trust was betrayed and they were the victims of injustice (Morrison & Robinson, 1997). The feelings of betrayal and injustice and their impact on trust will in turn affect perceptions about met expectations and adversely impact commitment to the organization (Abbott, White & Charles, 2005). Managerial employees utilize information from social referents and their own observations to evaluate fulfilled contract obligations. Based on the degree of contract fulfillment identified in this process they will experience greater job satisfaction, trust in the organization and concomitantly demonstrate greater commitment to the organization (Robinson, 1996). Thus, the evaluation of psychological contract promises is critical for the organizational commitment of managerial employees and social referents (coworkers and supervisors) play an important role in this process, particularly with respect to shared or common psychological contracts (Ho, 2005; Shah, 1998). However, an organization may not always be able to prevent a contract breach because of factors beyond its control.

In conclusion, psychological contract theory is an integral part of the general theory of organizational commitment. The fulfillment or non-fulfillment of the psychological contract obligations seems to influence trust, job satisfaction and concomitantly organizational commitment (Rousseau, 1995; Ho, 2005). Thus, psychological contract theory has important implications for organizational commitment and utility for the formulation of a formal, unified theory of organizational commitment.

#### 4. Theory of values and commitment conflict

Conflict of commitment theory is consistent with the proletarianization thesis, which holds that an individual is exposed to several commitment foci that may be in

conflict with one another (Cohen, 2003). Thus, managers who display a strong commitment to their occupation may demonstrate a lower level of commitment to the organization for which they work because the two foci are competing with each other. This theory seems to be consistent with the findings of Rotondi's (1975) argument that people's commitment to one value system may be incompatible with their commitment to another value system. Reichers (1985) and Cohen (2003) are very supportive of the conflict of commitment theory, notwithstanding evidence to the contrary. Moreover, while this theory provides a foundation upon which to determine the existence of possible competition among various commitment foci, the hypothesis that commitment foci may be in conflict with one another may be refuted by the statement that 'the correlational evidence cannot be used to justify the elimination or retention of any of the commitment concepts' (Morrow, 1983, p. 497).

A major setback for the conflict of commitment theory is Wallace's (1995) refutation of the professional-bureaucratic conflict model, which proposes that 'there is an inherent conflict between professional and bureaucratic goals and values that results in competing loyalties among salaried professionals' (p.228). In essence, Wallace (1995) confutes the proletarianization thesis that professionals (such as lawyers) who work in nonprofessional organizations represent a minority of employees, perform their duties in small isolated subunits and as a result demonstrate lower levels of both professional and organizational commitments. Wallace (1995) suggests that the adaptation thesis should replace the proletarianization thesis because professionals employed in nonprofessional organizations work in units or departments that are separate from the hierarchical structure of those organizations and concomitantly they retain control and autonomy over their professional work. Additionally, organizational and professional commitments are separate phenomena and are not in competition with each other as indicated by the proletarianization thesis (Wallace 1993). It seems that the crux of the issue is whether structural differences between nonprofessional and professional organizations including, participation in decisions, and fairness in the distribution of rewards, autonomy, levels of formalization, promotional opportunities, and task variety are critical determinants of the commitment of professionals working in these two types of organizations. Additionally, Wallace

(1993) confutes the pervasiveness of the conflict of commitment theory espoused by Cohen (2003) and Reichers (1985; 1986).

Wallace (1995) interjects that while professionals working in professional organizations show statistically higher levels of professional commitments than the same professionals working in nonprofessional organizations, the difference in the levels of organizational commitment reflects the differences in the structural characteristics of the two work environments and is statistically insignificant. Moreover, differences in the structural characteristics are not the only explanation for the differences of professional commitment in the work environment (Wallace, 1995). Both autonomy and the legitimacy of the criteria used in the distribution of rewards enhance the level of organizational commitment of professionals particularly in nonprofessional organizations (Wallace, 1995; 1993). Additionally, three structural factors---decisional participation, fairness of rewards distribution criteria, and formalization---have no significant statistical impact on organizational commitment (Wallace, 1995). Therefore, Wallace's (1993) argument against the conflict of commitment theory appears to be both logically and statistically justified. Third, professionals in nonprofessional organizations continue to maintain a high level of autonomy and discretion over their work and perform highly specialized functions as their counterparts in professional organizations (Wallace, 1993). Fourth, consistent with the adaptation thesis, the organizational commitment of professionals seems to be highly dependent on opportunities for career advancement and the criteria for rewards distribution. Moreover, staff professionals not only maintain their professionalism but do not allow the bureaucratic modus operandi of nonprofessional organizations to blur their professional sensitivities including the importance of showing a high level of commitment to their organizations (Wallace, 1993).

The conclusions drawn above seem to refute the argument supporting the inevitable inverse relationship between organizational and professional commitment (Lee, Carswell & Allen, 2000). In fact research evidence shows a statistically significant and positive correlation between organizational and professional commitments,  $r = .438$ ,  $p < .05$ , (Mathieu & Zajac, 1990) and  $r = .452$ ,  $p < .05$  (Wallace (1995). Similarly, Lee, Carswell and Allen (2000) meta-analytic study indicates a positive correlation of  $r=0.34$ ,  $p < .05$  between normative organizational

commitment and professional commitment, and an inverse relationship between continuance organizational commitment and professional commitment  $r = -.092$ ,  $p < .05$ . It seems that while the results of these studies may not fully negate the conflict of commitment theory in so far as organizational, professional and occupational commitments are concerned, they demonstrate important differences among organizational and professional commitments. Additionally, they are highly relevant to organizational and union commitments (Bemmel, 1995; Fullager & Barling, 1991). For example, while involvement in union activities should enhance union commitment, research evidence indicates that involvement in union activities is also conducive to organizational commitment (Fullager & Barling, 1991).

In conclusion, it appears that while the conflict of commitment theory is intuitively appealing and appears logical, it does not have solid empirical support. Wallace (1995) and Hunt and Morgan (1994) found no empirical support for the conflict of commitment theory, in contradistinction to the findings of Reichers (1985 & 1986) and Cohen (2003). First, Wallace (1995) used: (a) logistic regression to identify the degree to which professional and nonprofessional organizations differ with respect to their structural characteristics, and (b) analysis of covariance model to determine the validity of the conflict of commitment theory, and in both cases she found no significant corroborating evidence.

Values are 'desirable states, objects, goals, or behaviors, transcending specific situations and applied as normative standards to judge and to choose among alternative modes of behavior' (Schwartz, 1992, p.2). This definition distinguishes between values which are always positive and attitudes which can be either positive or negative and define an individual's beliefs about specific objects (Roe & Ester, 1999). Values influence individuals' perceptions of situations, preferences and choices (Gordon, 1975). Managers' values are based on their espoused basic assumptions, beliefs and the embedded views which they hold sacred as individuals (Van Wart, 2001). Basic assumptions shape the most profound aspects of the values of individuals, which become deeply embedded in their subconscious and dictate the way they respond to environmental stimuli (Van Wart, 2001). Additionally, values 'are evaluative standards relating to work or the work environment by which individuals discern what is right or assess the importance of preferences' (Dose, 1997, p. 227-228), and therefore serve as evaluative norms that people utilize in

assessing particular situations in the work environment in order to make choices about what is right or unacceptable behavior (Finegan, 2000). Several important principles are associated with the theory of values as an integral part of a theory of organizational commitment.

First, both people and organizations have values, manifested through person-organization fit (Finegan, 2000), which has important implications for an individual's commitment to an organization. An individual whose personal values match the values of an organization would be more committed to that organization than someone whose personal values differ from the organization's [values]' (Finegan, 2000, p. 150). This conclusion is in consonance with the definition of commitment as a 'strong belief in and acceptance of the organization's goals and values, a willingness to exert considerable effort on behalf of the organization, and a definite desire to maintain organizational membership,' depicting both affective and moral commitment (Porter, Steers, Mowday & Boulian, 1974, p. 604). This definition indicates that organizational commitment is multi-dimensional and individuals may identify with, and internalize the values of, an organization, demonstrate a moral obligation to remain with an organization and/or continue their relationship with an organization because leaving it will result in the loss of accumulated investments. Thus, individuals are committed to organizations for different reasons (Meyer & Allen, 1997) and each organizational commitment dimension may be associated with the personal values of the individual and operational values of the organization (Finegan, 2000).

Second, Abbott, White and Charles' (2005) taxonomy of values comprises three clusters: (a) the humanity values cluster which includes consideration, cooperation, courtesy and forgiveness (b) the vision values cluster consisting of adaptability, creativity, development and initiative values, and (c) the conservatism values cluster covering five values--cautiousness, economy, formality, obedience and orderliness values. The humanity and vision clusters are positively related to affective and moral commitment, consistent with the findings of Finegan (2000) and Abbott, White and Charles (2005). These findings indicate that both humanity and vision values generate affective organizational commitment, and the more pervasive these values are in an organization, the higher are the levels of affective and moral organizational commitment. The results for continuance commitment

indicate that 'there was a significant interaction between personal and organizational conservatism that predicted continuance organizational commitment, with higher levels of personal conservatism associated with a negative relationship between organizational conservatism and continuance organizational commitment' (Abbott, White & Charles, 2005, p. 543). However, continuance commitment seems to be a product of employees' beliefs about the degree to which their organization emphasizes economic values (economy and diligence) and adheres to convention (obedience and formality) (Abbott, White & Charles, 2005).

Third, the literature reviewed does not provide much evidence regarding the successful modification of values. The consensus seems to be that values are relatively more stable than attitudes and concomitantly less responsive to change (Abbott, White & Charles, 2005). However, both change-agents and policy-makers have attempted to effect value changes in the area of family and work and organizational culture (Roe & Ester, 1999). In both of these areas the results seem to indicate that once values are formed from exposure to socialization tactics they become crystallized in the individual's schemata and what may appear as value change is no more than 'value differences between successive generations exposed to different events and living conditions' (Roe & Ester, 1999, p. 1-21). On the other hand, if values can be learned 'through direct experience or influence processes' (Dose, 1997, p. 220), then they may be unlearned with the proviso that the more ingrained values are in the individual's schemata, the more difficult it would be to modify them. One proposed solution to this issue is to apply attitude research to values since values research is not well grounded in theory (James, James & Ashe, 1990).

Fourth, Devos, Spini and Schwartz (2002) who formulate two separate dimensions of human values indicate that values may be incompatible and as a consequence be in conflict with one another. The openness to change versus the conservation dimension indicates conflict between those values emphasizing independent thought and action (self-direction and stimulation) and support for changes, and those emphasizing security, conformity and tradition. According to Devos, Spini and Schwartz (2002): (a) security focuses on the safety, harmony and stability of relationships, and self, (b) conformity is the self-imposed social restraint by an individual to minimize impulsive behavior and maximize social norms of

behavior, and (c) tradition defines the respect and commitment given to organizational customs and mores that are regarded as sacrosanct. The self-transcendence versus self-enhancement dimension indicates conflicts between values emphasizing universalism and benevolence and those emphasizing power and achievement. Devos, Spini and Schwartz (2002) define: (a) universalism as commitment to protecting the rights of individuals, and (b) benevolence as the expression and enhancement of the welfare of people with whom the individual frequently interacts. The major issue is whether these apparent conflicts among values may hinder the development of managerial commitment. While there is some importance of personal values for organizational commitment, it is people's perception of organizational values that drives their commitment to an organization (Abbott, White & Charles, 2005). Thus, it seems that the apparent conflicts among personal values may not have as much impact on commitment as the values espoused and practiced by an organization (Abbott et al, 2005). Moreover, where the espoused values of an organization are in conflict with the values practiced, it would affect managerial commitment (Abbott, et al, 2005).

In conclusion, values seem to be an important ingredient of organizational commitment (Finegan, 2000; Abbott, White & Charles, 2005). The humanity and vision dimensions are positively related to affective and moral organizational commitment (Abbott, White & Charles, 2005). Moreover, these dimensions of values appear to be an important building block of affective organizational commitment (Abbott, White & Charles, 2005). Second, the vision and humanity dimensions are similarly situated with respect to moral organizational commitment (Abbott, White & Charles, 2005). Third, contrary to the findings of Finegan (2000), Abbott, White and Charles (2005) found that perceived organizational values are not related to continuance commitment. They also found that for both affective and moral organizational commitment the higher the level of people's conservatism and the higher they perceive the conservatism of their organization to be, the greater is their commitment to the organization. However, the authors identified the opposite for continuance commitment. Thus, the theory of values has important implications for organizational commitment and utility for the formulation of a formal unified theory of organizational commitment.

### 5. The three-component theory

An analysis of the multitude of definitions of commitment indicates that it reflects ‘an affective orientation toward the organization, a recognition of costs associated with leaving the organization and a moral obligation to remain with the organization’ (Meyer & Allen, 1997, p. 11). Thus, there appears to be some substantiating evidence for the three-component theory of organizational commitment espoused by Meyer and Allen (1991 & 1997). This theory portrays commitment as a multidimensional psychological concept with three major components, conceptualized as affective, continuance, and normative organizational commitment. It is included as part of the socio-psychological framework because the architects of the theory indicate that commitment is ‘a psychological state’ of individuals that reflects their attitude toward a particular object such as an organization (Meyer & Allen, 1997, p 10). It is necessary that some of the principal features of this theory be examined before proceeding to its core elements.

While this theory has great intuitive appeal, organizational commitment is construed as a purely psychological construct and consequently may be flawed in some areas. First, the initial overlap between the normative and affective components resulted in some degree of concept redundancy. This flaw was subsequently corrected (Allen & Meyer, 1996) and several investigators have confirmed the theory’s validity. One study conducted by Dunham, Grube and Castaneda (1994) provides supporting evidence for the affective and continuance components and good evidence for the normative component as separate constructs. Additionally, a study conducted by Snape and Redman (2003) supports the three-component theory and demonstrates that affective commitment has the strongest predictive power of the three components.

Second, notwithstanding the above, there are still unresolved issues associated with the continuance dimension because investigators such as Cohen (2003), Blau (2003), and Stinglhamber, Bentein and Vandenberghe (2002) have found that it has two distinct parts, dealing with intentions to withdraw from and intentions to remain in the organization. This may make it difficult to measure continuance commitment as a unitary concept. Other studies found acceptable reliability coefficients for the affective and normative commitment scales but not for the continuance commitment scale (Jaros, 1997; Hackett, Bycio & Hausdorf, 1994; Cheng & Stockdale, 2003). Moreover, Ko Price and Mueller (1997) found acceptable



convergent validity ratios for the three scales and low discriminant validities for both the affective and normative commitment scales. Therefore, there are still some unsettled questions about the composition of continuance organizational commitment.

Third, the two major aspects of the three component theory of organizational commitment are its foci and bases (Hunt & Morgan, 1994). Commitment foci are the individuals, groups and objects to whom an employee is attached and the bases are those factors engendering attachment (Becker, 1992). The premise of this theory is that commitment is a global concept with several constituencies including: commitment to the organization, customers, groups, unions, occupations, professions, and work (Cohen, 2003). Thus, commitment has multiple dimensions (Reichers, 1985; Dunham, Grube & Castaneda, 1994) and the comprehensiveness and integrative nature of this theory has done much to minimize its limitation. In essence, this may be a basis for the conclusion that managerial employees in an organization may express fealty to several foci of commitment, including commitment to the organization, profession, occupation, and group. Thus, an organization as a commitment focus has to co-exist with other foci of commitment and the valence of employees' commitment to an organization is dependent on the value which individuals place on the ability of the organization to meet their needs. These needs in turn dictate those factors that influence the commitment of the individual to the organization (Eby, Freeman, Rush & Lance, 1999).

The three component theory espouses that a number of factors may contribute to the development of affective organizational commitment, defined as 'the employee's attachment to, identification with, and involvement in the organization' (Meyer & Allen, 1997, p. 67). First, justice issues (Colquitt, Conlon, Ng, Wesson, & Porter, 2001), perceptions about compensation equity (Summers & Hendricks, 1991), and policy fairness (Simmons & Roberson, 2003) may influence the development of affective organizational commitment, as per the findings of Konovsky and Cropanzano (1991). Second, among the dispositional variables, perceived competence seems to have the strongest linkage with affective commitment (Mathieu & Zajac, 1990). Third, work experience variables are positively related to affective commitment, which shows statistically significant and positive correlations with autonomy, job scope, skills variety (Dunham, Grube &

Castenada, 1994), and negative correlations with role ambiguity and role conflict (Mathieu & Zajac, 1990). Fourth, affective commitment is positively related to competence-enhancing experiences (Noe, 2002), challenging work (Lee, 1992) and opportunities for upward mobility (Noe, 2002). In similar vein, employees may imperceptibly develop affection for an organization through repeated exposure to psychologically fulfilling work experiences, which is basically a process of classical conditioning (Argyris & Schon, 1978). Finally, employees whose expectations of the organization are fulfilled are very likely to develop strong feelings of affection for it (Wanous, Poland, Premack & Davis, 1992).

Continuance commitment, defined by Meyer and Allen (1997) as an employee's awareness of the costs associated with leaving the organization may 'develop as a result of any action or event that increases the costs of leaving the organization provided that the employee recognizes that these costs have been incurred' (Meyer & Allen, 1997, p. 56). Investment and alternative employment opportunity factors are associated with continuance organizational commitment (Meyer & Allen, 1991). First, consistent with Becker's (1960) side-bet theory, employees invest of themselves in their organization in return for retirement benefits, status and job security, which they will lose if they leave the organization (Whitener & Waltz, 1993). Second, the availability of alternative job opportunities, including the attractiveness of these alternatives and the facility with which skills acquired are sufficiently generic to be transferred to a new environment are also associated with continuance commitment (Hulin, Roznowski & Hachiya, 1985). It seems that the more attractive the alternative job opportunities are to employees, the higher would be their inclination to separate from the organization (Meyer & Allen, 1991). Moreover, the more generic the skills employees possess, the higher would be their propensity to separate from the organization (Lepak & Snell, 1999). Thus, continuance commitment may have two subcomponents: the cost of movement and the availability of suitable alternative employment opportunities.

The term, alternative employment opportunities, is a derivative from the ease of movement concept espoused by March and Simon (1958) who indicate clearly (p. 100) that 'under nearly all conditions the most accurate single predictor of labor turnover is the state of the economy.' They posit that the general conditions of the labor market influence employee turnover 'through perceived ease of movement,

which interacts with perceived desirability of movement to influence turnover' (Gerhart, 1992, p. 467). General labor market conditions may influence employees to voluntarily leave organizations, but employees do not act impulsively; instead, they are more deliberate in making decisions to leave an organization. In this respect, Hulin, Roznowski and Hachiya (1985, p. 244) posit that employees 'do not quit on the basis of probabilities estimated from alternatives available; they quit on the basis of certainties represented by jobs already offered.' Thus, it would appear that perceptions about ease of movement without an alternative job offer may not lead to turnover (Gerhart, 1990). Several other models provide some explanation for the theory of suitable alternative employment opportunities. Content models explain why suitable alternative employment opportunities may induce people to leave one organization for another. Process models focus on how people come to conclusions about the viability of alternative employment opportunities, which may induce them to leave an organization (Maertz Jr. & Campion, 2004). Additionally, Mertz and Campion (2004) proposed the integrated model.

Content models include: (1) Simon and March's (1958) economic/general labor market conditions model, (2) Trevor's (2001) actual ease of movement determinants model, (3) Gerhart's (1990) structural model of voluntary turnover, (4) La Rocco, Pugh and Gunderson's (1977) turnover causation model, and (5) Mitchell, Holton, Lee, Sablinski and Erez's (2001) job embeddedness model.

The economic/general labor market conditions model: March and Simon's model (1958) infers that declining job satisfaction may push an employee to search for alternative employment, while the availability of attractive alternative job opportunities may pull an employee to examine the feasibility of alternative employment. The crux of this model as earlier indicated is ease of movement facilitated by the state of the economy and the attractiveness of alternative opportunities. For managerial jobs the push factors have a much stronger link to search efforts than the pull factors (Bretz Jr., Bodreau & Judge, 1994). Steel and Griffeth (1989) found support for the general labor market conditions hypothesis by an examination of unemployment rates, which they indicate explain as much as 70-80% of the quit rate variance. It seems, therefore, that both general labor market conditions and declining job satisfaction may together induce employees to quit their organization.

The actual ease of movement determinants and job satisfaction model: Trevor (2001, p. 623) interposes an interactive model of ‘actual ease of movement determinants and job satisfaction’ to explain the viability of alternative employment opportunities as a predictor of voluntary turnover. This model examines general job availability and the transferability of skills as key factors that make alternative employment more attractive to facilitate people’s ease of movement in the job market. It proposes that job satisfaction, general job availability and movement capital [skills and education] provide three two-way interactions, and interjects that declining job satisfaction is the key underlying reason for the attractiveness of alternative employment opportunities, consistent with March and Simon’s theory and well supported by other contributions to the literature (Lee, Mitchell, Holtom, McDaniel & Hill, 1999; Dickter, Roznowski & Harrison, 1996). Moreover, declining job satisfaction seems to have a strong influence on the attractiveness of alternative employment opportunities (Hulin, Roznowski & Hachiya, 1985). The results of Trevor’s study (2001) provide useful insights into the antecedents of suitable alternative employment opportunities. These include (a) support for three two-way interactions among job satisfaction, general job availability and skills transferability (b) higher turnover among employees in a tight job market (c) higher negative impact on turnover resulting from higher skills transferability, and (d) increased negative impact of the unemployment rate on turnover in an environment characterized by low levels of education, cognitive ability, and training.

The structural model of voluntary turnover: Gerhart (1990, p. 469) who proffers this model, indicates that voluntary turnover is ‘a product of the desirability and ease of movement based on perceptions of the market with respect to the availability of alternative employment opportunities’. Ease of movement is dependent on four factors: (a) unemployment rate, (b) tenure, (c) unemployment experience, and (d) cognitive ability, which drive the attractiveness of alternative employment opportunities (Gerhart, 1990). However, this model has external validity issues, which limit its utility.

The turnover causation model: LaRocco, Pugh and Gunderson (1977) propounded the theory of turnover causation to identify the factors that make alternative employment opportunities sufficiently attractive. The principal problem with this theory is its limited ‘focus on only two panels of demographic variables

and job satisfaction as predictors of an employee's intention' (Martin 1979, p. 313). Martin's (1979) contextual model of employee turnover intentions more comprehensively examines the attractiveness of alternatives and concomitantly turnover intentions. However, his theory may also be limited by external validity issues and there is no evidence of its generalizability. A more elaborate version of turnover causation and correlates was recently developed by Griffeth, Hom and Gaertner (2000). This version examines demographic predictors, a number of job attitudes, organizational and environmental factors including: alternative job opportunities and organizational commitment as possible predictors and correlates of turnover. The study indicates, *inter alia*, that alternative employment opportunities explain 12% of the variance in turnover (Griffeth, Hom & Gaertner, 2000).

The job embeddedness model: Mitchell et al (2001) developed the job embeddedness theory to explain the relationship between alternative employment opportunities, commitment and voluntary employee turnover. Job embeddedness is defined as a 'web in which an individual can become stuck' because of: (a) social linkages, (b) organizational fit and (c) cost implications (Mitchell et al, 2001, p.3). People have relational links to colleagues, family members, and other people or activities and the community, which may make alternative employment opportunities less attractive and be a deterrent to separating from an organization (Mossholder, Settoon & Henagan, 2005). These are both intrinsic and extrinsic factors relative to the individual's membership in an organization. The greater the valence of these factors to employees, the less attractive will be alternative employment opportunities and the more difficult it would be for them to sever their membership with their organization (Mossholder, Settoon & Henagan, 2005).

Organizational fit is defined as an 'employee's perceived compatibility or comport with an organization and with his or her environment' (Mitchell et al., 2001, p. 4). This model focuses on the compatibility of an individual's values, career objectives, and future plans with the culture of an organization. Fit is invariably the common objective sought by both the organization and individuals. The closer it is to what individuals and the organization seek, the stronger would be the individuals' identification with the organization and the less attractive would be alternative employment opportunities and concomitantly, the lower will be their

propensity to leave (Mitchell et al, 2001). Sacrifice is the cost incurred versus the benefits that will accrue if an individual leaves an organization. Costs have both quantifiable elements such as compensation, and benefits, and non-quantifiable elements, which are also intrinsic rewards, such as friendships, outstanding colleagues, sapiential and moral authority (Shaw et al, 1998).

Process models include (a) the intermediate linkage model espoused by Mobley (1977), Mobley, Griffeth, Hand and Meglino (1979), and (b) the unfolding model of voluntary turnover enunciated by Lee, Mitchell, Holtom, McDaniel and Hill (1999).

The intermediate linkage model: This model, propounded by Mobley (1977), and Mobley, Griffeth, Hand & Meglino (1979) and its variations, pervaded early process research. The decision sequence they proposed was indirectly supported by empirical studies utilizing survey measure (Maertz & Campion, 2004). This model focuses primarily on employees' concerns with job satisfaction, which leads to thinking about leaving, job search, the formation of intentions to demit and finally actual demission, provided alternative opportunities are sufficiently attractive. A major issue of this model and its variants suggested by Lee and Mitchell (1994) is their underlying assumption of a 'linear rational decision sequence that does not describe all turnover decisions' (Maertz & Campion, 2004, p. 567).

The unfolding model of voluntary turnover: This model (Lee & Mitchell, 1994; Lee, Mitchell, Wise & Fireman, 1996; Lee, Mitchell, Holtom, McDaniel & Hill, 1999) holds that the voluntary turnover process has five phases beginning with a shock that awakens the individual's interest, followed by an image violation, leading to declining job satisfaction, job search for suitable alternatives, and evaluation of alternatives. If the evaluation process provides a suitable alternative, separation from the organization will occur. Again the crux of the issue is the emergence of declining job satisfaction which precipitates the search for alternatives, the availability of which may lead to separation (Lee & Mitchell, 1994).

The integrated model: This model which was proposed by Maertz and Campion (2004, p. 569-570) integrates the content and process models of voluntary turnover utilizing 'four generic decision types' [and] 'eight motivational forces of attachment and withdrawal.' The four decision types are impulsive, comparison, preplanned, and conditional quitting. The eight motivational forces of attachment and

withdrawal according to Maertz and Campion (2004) are: (a) affective, which focuses on managers' current affective relationship with the organization; (b) contractual, which defines managers' desire to meet their moral obligations in the psychological contract; (c) constituent, which focuses on commitment to groups or individuals and the resultant internal conflict many managers experience in deciding whether to leave the organization; (d) managers' self-efficacy beliefs regarding their capabilities to obtain alternative employment, combined with their perception of the feasibility of these alternatives (Bretz, Jr., Boudreau, & Judge, 1994); (e) managers' calculative mode of behavior, which determines the extent to which they can attain future goals in their current organization; (f) normative forces that define the expectations of family members and/or friends that managers will either remain in the organization, or leave, their current job; (g) managers' behavior, which may induce them to leave for greener pastures; and (h) managers' moral involvement in an organization, which will induce them to remain because it is the right thing to do. Mertz and Campion's (2004) contingency model is replicated in Table 2.3 below. This integrated model provides a very useful approach to examine the factors that influence the attractiveness of alternative employment opportunities. It should be noted that for the (a) impulsive quitter the first three motive forces are low, (b) comparison quitters the first three motive forces are higher, (c) preplanned quitter all six of the motive forces are higher, (d) conditional quitter all six motive forces are low.

Table 2.3: Comparison of four decision types on levels of motive forces and avoidability:

Motive Force	Impulsive Quitters	Comparison Quitters	Preplanned Quitters	Conditional Quitters
Affective	Low	Higher	Higher	Low
Contractual	Low	Higher	Higher	Low
Constituent	Low	Higher	Higher	Low
Alternative	Higher	Low	Higher	Low
Calculative	Higher	Higher	Higher	Low
Normative	Higher	Higher	Higher	Low

Source: Maertz and Campion, 2004

In the final analysis, managers' decision to sever connections with an organization appears to be the outcome of several factors including: (a) the degree to which they are effectively integrated into the organization through the socialization process, (b) their perception that the organization has met or not met

the conditions of the transactional and relational elements of the psychological contract, (c) their assessment of alternative employment opportunities, and (d) their calculation of the socio-economic costs of leaving the organization. Thus, a blatant breach of the psychological contract or ineffective socialization tactics may be enough to tilt a manager on the side of severing connections with an organization.

Moral commitment defines a situation in which employees feel a moral obligation to continue their relationship with their organization (Meyer & Allen, 1991). This feeling of moral obligation to an organization is generated by: (a) early socialization effectuated through culture, (b) family pressures and education, and (c) exposure to the socialization tactics of the organization (Ashforth & Saks, 1996). This process of internalization is facilitated by conditioning and modeling (Allen & Meyer, 1990; Cable & Parson's, 2001). Through this process managers and others discover the beliefs, behaviors and actions that are valued by the enterprise (Klein & Weaver, 2000). Moreover, moral commitment may be the outcome of organizational investments in employees, including tuition payments and opportunities to attend training courses, which they find difficult to repay (Meyer & Allen, 1997). Finally, a number of scholars, including Rousseau (1995) have alluded to the psychological contract between the organization and the employee as a basis for the development of moral commitment. The psychological contract theory indicates that transactional contracts are economic in nature and may have some influence in developing continuance commitment. On the other hand, relational contracts are based more on the principles of social exchange and concomitantly appear more akin to the development of moral commitment (Rousseau & Wade-Benzoni, 1994).

In conclusion, the three-component theory propounded by Meyer and Allen (1991 & 1997) provides a valuable basis for the formulation of a unified theory of organizational commitment. First, the theory emphasizes the psychological foundation of organizational commitment thereby indicating the linkage between employees and their organizations (Meyer & Allen, 1997). Second, the theory reinforces the multi-faceted nature of organizational commitment, conceptualized as three distinct dimensions, which facilitate the refinement and measurement of the unified theory (Snape & Redman, 2003). Third, the theory sheds more light on the complex nature of the multidimensional aspects of organizational commitment in



the work environment and concomitantly underscores the need to formulate research questions succinctly and precisely in order to measure exactly what is intended to be measured (Meyer & Allen, 1997). Therefore, the modified multiple component theory has implications for organizational commitment and utility for the formulation of a formal, unified theory of organizational commitment.

#### 6, Social exchange theory

Social exchange theory which has important implications for the development of a unified theory of organizational commitment holds that commitment has a focus or object, which may be an organization, an individual, a group or even an idea, and insights about the obligations of the committed party to act or refrain from acting in order to uphold the commitment (Settoon, Bennett & Liden, 1996). Thus, social exchange theory focuses on people's establishment of social associations from which they expect to derive benefits. In this respect, the social exchange concept provides that several factors may influence people's feelings, attitudes, values and behaviors, and concomitantly, how they evaluate a commitment and how important it may be relative to alternative courses of action (Brown, 1996), and elevates *homo economicus* to the level of *homo economicus matures* or *homo sociologicus*. The implication is that individuals are: (a) objectives driven, (b) act deliberately to achieve the outcomes and (c) are aware of the constraints under which they must function, particularly with respect to the limited information that is available to them in an environment of risk and uncertainty (Hector & Kanazawa, 1997).

Under social exchange theory a distinction is sometimes drawn between pure social action and economic action through the ascription of diffused obligations to social action and specific obligations to economic action (Zafirovski, 2005). The implication is that with pure social action, social bonds rooted in trust between the parties are necessary for long-term relationships and the concept of marginal utility applies equally to both economic and non-economic transactions (Hechter & Kanazawa, 1997).

Lawler and Yoon (1996, p. 89) use the term 'relational cohesion' to define the concept of pure social action. In this process each participant foregoes the ownership of power to maximize utility (Yamaguchi, 1996). Thus, social exchange theory proposes that the distribution of power between two parties to an agreement is based on the availability of resources and the utility of these resources to each

party (Lawler & Yoon, 1996). Moreover, the value of a given resource such as status, information and love is based on the people who are directly involved with the exchange and how they interact with one another, which is predominantly based on mutual trust (Molm, Peterson & Takahashi, 2003). Finally, the origin of a resource influences both the importance and its acceptability for the recipient. Again, mutual trust between the parties is critical for the maintenance of social exchange (Molm, Peterson & Takahashi, 2003).

The actors' interaction gives rise to both mutual dependence and relative dependence, which builds structural cohesion (Lawler & Yoon, 1996). Structural cohesion results in instrumental cooperation through which each actor benefits more from a negotiated exchange of the focal relation as against the alternative relation because there are more concessions, less adversarial tactics, and higher willingness to compromise. Each of the actors in the model has two options or relations: focal and alternative and 'the expected benefits from the focal relation are greater than the expected benefits from the alternative relation' (Lawler & Yoon, 1996, p. 91). Thus, if A and B are the parties in the social exchange relationship, A is the organization and B the individual manager, 'A's power capability in relation to B is determined by B's dependence on A, and B's power capability in relation to A is determined by A's dependence on B (Emerson, 1972, reported by Lawler & Yoon, 1996, p. 91). The structural cohesion model has important implications for employer-employee relationships and concomitantly organizational commitment. A's dependence on B varies directly with the outcomes or rewards which B controls and inversely with how much reward is available from A's alternative resources (Lawler & Yoon, 1996).

The power-dependence approach proposed by Lawler and Yoon (1996) utilizes a zero-sum construct to explain the dynamics involved in both cohesive and divisive relations. Simply put, there is an inverse relation between A's and B's power, which results in divisiveness between the players. Conversely, a nonzero-sum relation between the actors allows them to gain and lose power simultaneously (Lawler & Yoon, 1996). This means that both the relative and total power of the two actors is on two separate dimensions and the relative power will remain constant even where their total power changes.

The endogenous process shown in Figure 2.2 starts with the frequency of exchange between the parties and depends on the extent to which the actors act on their structural cohesion, which provides them with the opportunities to foster cohesive relations. However, the attainment of structural cohesion is dependent upon the behavior of the actors at negotiations. The higher the exchange frequency, the higher is the potential for a long-term relationship because the parties will establish high levels of trust, leading to the development of positive emotion, which fosters relational cohesion and finally commitment behaviors as indicated in Figure 2.2 (Lawler & Yoon, 1996). The Figure indicates that equal power between the parties is influenced by structural power and joins with high total power to influence exchange frequency. This interaction generates positive emotion between the parties, which then leads to relational cohesion.

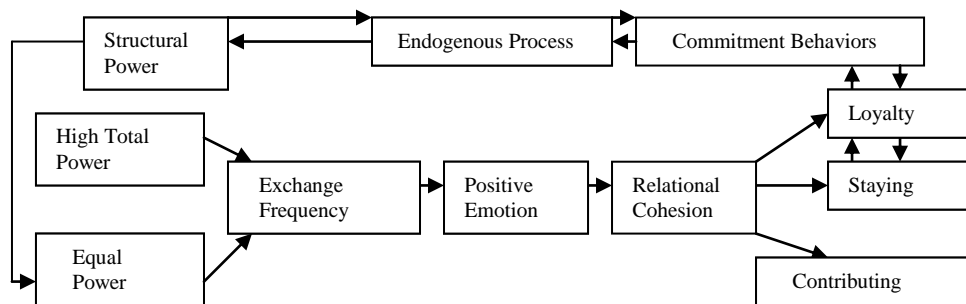


Figure 2.2: Theoretical model for the theory of relational cohesion (Lawler & Yoon, 1996)

The relational cohesion model of social exchange contributes positively to the theory of organizational commitment. Lawler and Yoon (1996) indicate that: (a) higher total power between the parties in a negotiated setting produces more frequent agreement, (b) equal vis-à-vis unequal power between the parties also produces more frequent agreement, (c) the higher the frequency of exchange between the parties, the higher is the level of positive emotion and the higher is the level of relational cohesion, and (d) increases in relational cohesion are positively related with increases in commitment behaviors. In the final analysis, ‘there is substantial support for the notion that relational cohesion is a proximal cause of commitment behavior’ (Lawler & Yoon, 1996, p. 103).

Zafirovski (2003) provides a sociological perspective of social exchange theory. Zafirovski’s model indicates that social exchange has both bivariate and multivariate perspectives. The bivariate perspective provides that people are highly

inclined to make rational choices in order to maximize their benefits and minimize their costs in selecting a particular course of action from among alternatives (Mowday et al, 1982). It is therefore, concerned with exchanges of rewards and material resources and is consistent with the rational choice paradigm of economics. This paradigm holds that people behave rationally in order to maximize the utility of their actions (Zafirovski, 2003). However, this appears to be a very narrow interpretation of the rational choice model (Zafirovski, 2003). From a socio-economic perspective, rational choice theory is concerned more with social rather than individual outcomes (Hechter & Kanazawa, 1997). This limitation of the bivariate perspective significantly reduces its relevance in explaining the theory of social exchange as an integral part of the theory of organizational commitment.

The multivariate perspective captures the multi-dimensional nature of the explanatory factors of social exchange theory (Zafirovski, 2003). The preferred multi-dimensional or a macro-social perspective focuses on the structural underpinnings of exchange relations (Settoon, Bennett & Liden, 1996). The model incorporates economic, non-economic, cultural, behavioral, individual and structural variables, most of which are missed when the bivariate model is used (Lie, 1992). Thus, an individual's evaluation of a commitment under the multivariate model is based on several factors including socio-cultural and socio-economic factors and the organizational climate in which the individual functions to determine the valence or the frailty of that commitment relative to others and the enthusiasm with which it is pursued (Hechter & Kanazawa, 1997). This helps the individual to arrive at a more informed conclusion from which to launch any action.

The multivariate model is supported by a number of empirical studies in market behavior (Zafirovski, 2003; Hechter & Kanazawa, 1997). Thus, according to the social exchange theory, an individual's commitment to an organization defines a socio-economic relationship in which both parties will seek to maximize their benefits from, and minimize the cost of, the relationship (Molm & Peterson, 1999). The parties will maintain the relationship based on their perception that the cost of terminating it is higher than the anticipated benefits of doing so (Settoon, Bennett & Liden, 1996). To this end, the parties periodically evaluate the commitment so as to maintain benefit maximization and cost minimization. Thus, an individual's behavior is driven by both social and economic forces (Hechter & Kanazawa, 1997). The principal issue is whether managerial employees actually demonstrate a

propensity to act in consonance with the narrow perspective or the wider socio-economic perspective of the rational choice model. Simon and March (1958) might have supported the socio-economic perspective by interposing that people seek to *satisfice* rather than optimize because to do the latter is a highly cumbersome and virtually impossible process. They posit (p.140-141) that ‘most human decision-making, whether individual or organizational, is concerned with the discovery and selection of satisfactory alternatives; only in exceptional cases is it concerned with the discovery and selection of optimal alternatives. To optimize requires processes several orders of magnitude more complex than those required to satisfice.’

This proposition suggests that in order to capture the core elements of social exchange theory, there is need to look beyond the narrow confines of the rational choice model of economic theory. Lie (1992) found that economic factors play a secondary role to social factors in explaining market exchange. This means that rational choice variables such as profit or efficiency cannot adequately explain exchange, because they generate narrow explanations that are limited in scope and applicability. Second, a number of empirical studies have supported the multiple social determination of exchange rather than a univariate relationship suggested by the rational choice model (Zafirovski, 2003). In addition, Sakamoto and Chen (1991) found that the underlying assumptions of the narrow rational choice model with particular reference to utility maximization, perfect competition and equilibrium were not as potent as a social framework characterized by organizational constraints and institutionalized forces in explaining exchange. In essence, therefore, the inherent simplicity of the narrow rational choice model reduces its ability to explain as complex a concept as social exchange and concomitantly the commitment of managerial employees to an organization.

Additionally, a number of socio-cultural factors limit the utility of the rational choice model to explain social exchange (Hechter & Kanazawa, 1997). For instance, moral judgments couched in terms of justice and fairness often pervade the arena of pay disputes and the narrow rational choice model with its focus on logic and rational behavior is relegated to a position of secondary importance (Smith, 1990). In essence therefore, managers’ drive for utility maximization without ethical consideration with respect to their association with an organization is very rare indeed (Smith 1990).The contention is that the rational choice model

operates under the assumption that people are driven solely by self-interest involving the manipulation of the organization and other people for personal gain, in consonance with a Machiavellian application of social exchange (Smith, 1990). On the other hand, the evidence seems to indicate that the wider conceptualization of social exchange theory focuses largely on distributive justice rather than the selfish pursuit of utility maximization (Molm, Peterson & Takahashi, 2003). The inference is that the concept of social exchange has reciprocal connotations and organizational members who are the recipient of distributive justice will develop a moral obligation to the organization (Molm, Peterson & Takahashi, 2003).

In the final analysis, the empirical evidence provided by a number of researchers including: Lawler and Yoon (1996), Hechter and Kanazawa (1997), Lie (1992), Molm, Peterson and Takahashi (2003) and Smith (1990) indicates that organizational transactions are influenced more by social structure including institutional arrangements and interpersonal networks rather than the rational choice model of economic actors (Zafirovski, 2003 & 2005). Eccles and White (1988), for example, generate evidence to show that organizational transactions are influenced by hierarchical methods much more than the market mechanism of rational choice. Similarly, Molm and Peterson (1999) indicate that a cultural-political model of social exchange with its emphasis on studying the impact of social control is more efficient at explaining patterns of enterprise actions than the rational choice approach that emphasizes ex-post strategies. Therefore, social exchange theory has important implications for organizational commitment and utility for the formulation of a formal, unified theory of organizational commitment.

### **Dimensions of organizational commitment**

As indicated earlier, organizational commitment has three distinct dimensions- affective, moral and continuance commitment- in consonance with the conclusion of Meyer and Allen (1991). However, in contradistinction to the conclusion of Meyer and Allen (1991) these three dimensions of organizational commitment are not predominantly driven by psychological factors. An indepth examination of the evidence indicates that only affective commitment is psychologically driven. Moral commitment, on the other hand is driven primarily by ethical and philosophical forces, while continuance commitment is driven mainly by social and economic

forces. Therefore, it is erroneous to conclude that organizational commitment is purely psychological by nature or that it is a two-dimensional concept

### **Several versus one comprehensive theory of organizational commitment**

The examination of the various theories, concepts and models provides a solid basis for the development of an integrated theoretical framework of organizational commitment. First, organizational commitment is a separate and distinct construct from other forms of commitment, such as occupational commitment and union commitment (Morrow, 1983). This proposition is supported by Cohen (2003) who clearly articulates that commitment factors are not mutually exclusive. Moreover, a number of dual commitment research studies conducted on organizational and union commitments support the thesis that organizational commitment is distinct from union commitment (Bemmel, 1995). Similarly, other studies have clearly shown that organizational commitment is different from both occupational and professional commitment (Cohen, 2003).

The theory of values provides organizational commitment with its values basis, which may influence a person's response to a commitment object and the social exchange perspective provides a theory of organizational commitment with its socio-economic foundation, regardless of the limitation associated with the univariate nature of the rational choice paradigm. Organizational members will generally act to *satisfice* their benefit from their association with the organization and only in extreme situations will they attempt to maximize these benefits (March & Simon, 1958). Additionally, the multivariate perspective holds that a number of social and organizational factors such as culture and power relations influence social exchange much more than the rational choice model (Mohm & Petersen 1999).

The psychological contract perspective with its emphasis on the unwritten nature of the contract between employer and employee and the resultant belief system of mutual rights and responsibilities between the parties provides both a behavioral and values basis to the foundation of organizational commitment. Expectations arise from the contract and each party anticipates that the other will fulfill their end of the agreement. Failure by one party to honor obligations under the contract will have serious implications for trust and concomitantly organizational commitment. Thus, the psychological contract perspective provides

organizational commitment theory with its moral dimension. The psychological ownership theory, which focuses on the affective domain of organizational commitment, provides it with its affective dimension. Social exchange theory which emphasizes relationship reciprocity provides a unified theory of organizational commitment with its continuance dimension, which appears to have two subdimensions, cost and alternatives (Settoon, Bennett & Liden, 1996). It is proposed therefore, that: (a) the organizational commitment of managerial employees has three principal dimensions--affective, moral and continuance dimensions, and (b) while there is some overlap among the three dimensions, each dimension measures a separate and distinct aspect of organizational commitment.

### **Theoretical framework**

Figure 2.3 below is a simplified theoretical framework that provided the foundation for the formulation of a unified organizational commitment theory. It shows the connections between the parent theories and the unified commitment theory, including the moderator/mediator interventions, three dimensions of organizational commitment and the predictors. This study utilized a unified (socio-psychological) theory of organizational commitment to determine the degree to which managerial commitment to organizations may be predicted by perceived pay equity, organizational trust, socialization tactics, opportunities for development and job satisfaction. To this end, it was proposed that: (a) perceived pay equity positively influences managerial commitment, (b) organizational trust has a positive relationship with managerial commitment, (c) highly effective socialization tactics have a positive influence on managerial commitment, (d) the more effective are the opportunities for management development the higher will be the commitment of managerial employees, (e) the more managers are satisfied with their jobs, the higher will be their commitment to the organization, (f) these five predictor variables/antecedents of managerial commitment are positively related to one another, and (g) these inter-variable correlations are not sufficiently large to cause any serious problems for the data analysis.



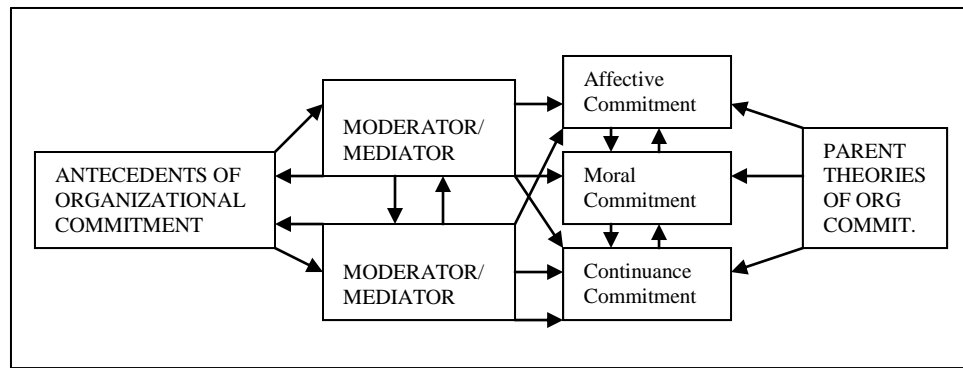


Figure 2.3: Unified theoretical framework of managerial commitment to organizations

There is a profusion of studies that utilize various organizational commitment models, including those developed by Allen and Meyer (1990), Meyer and Allen (1991 and 1997), and Steers (1977), but attempts to develop a unified theory of organizational commitment have failed to gain universal acceptance (Angle & Lawson, 1993). Thus, despite the significant progress that was achieved in elucidating the complexity of organizational commitment by Meyer and Allen (1997), Meyer and Herscovitch (2001), and Cohen (2003), there are still disputes among major organizational commitment theorists about its meaning and how it should be applied in organizations (Morrow, 1983; Reichers, 1985; Mathieu & Zajac, 1990; Hunt & Morgan, 1994; Singh & Vinnicombe, 2000; Meyer & Herscovitch, 2001; Snape & Redman, 2003; Cohen, 2003). Therefore, there is need to synthesize the extant models and theories into a comprehensive theoretical framework so that the theoretical lens used to examine the predictors of managerial commitment to organizations would reflect results of an overarching theory.

This unified theory of managerial commitment to organizations is multi-disciplinary because it elicits ideas, concepts and principles from socio-psychological and economic theories. Six parent theories were analyzed and synthesized to form a unified theory with a distinct set of research issues and propositions driven by a number of organizational interventions that are assumed to predict the commitment of managers. It is also multi-dimensional because it proposes three distinct dimensions of managerial commitment to organizations. The actual commitment outcomes are evaluated against the desired outcomes and fed back through the process either to justify maintaining the status quo or determine changes that will improve the outcomes.

Finally, this study utilized a socio-psychological theory of organizational commitment based on prior research including the Allen and Meyer's three-component theory (1990), Meyer and Allen's three-component model (1991), the typological model of Mowday, Steers and Porter (1979) and the social theory of exchange (Hechter & Kanazawa, 1997; Lie, 1992). This unified theory is based on the theoretical foundations of attitude, psychological ownership, psychological contract, the conflict of values, the three-component model and social exchange. The first five theories are socio-psychological in nature, while the sixth is based on social and economic factors.

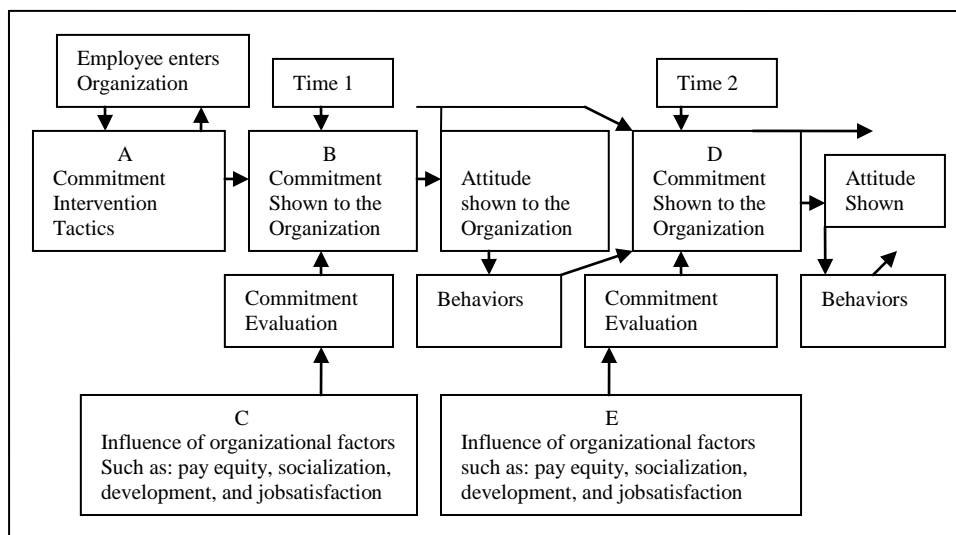


Figure 2.4: The dynamic nature of organizational commitment

In essence, organizational commitment is a macro, dynamic concept which influences employees' behavior toward an organization (McCaul, Hinsz & McCaul, 1995) as shown in Figure 2.4 above. This diagram shows the developmental process of organizational commitment over time. Individuals enter the organization with a repertoire of attitudes, beliefs, values and norms of behavior inculcated through their past experiences and interactions with the larger society. At point **A**, commitment may initially be the product of a combination of attitudinal, cultural, moral, economic, contextual and normative factors, and the process by which individuals evaluate the commitment. The process of evaluating the commitment is influenced by attitudes and circumstances as well as organizational factors listed in box **C**. This evaluation determines the extent to which the individual's expectations are either met or remain unfulfilled and influences negative or positive behaviors which are then channeled to box **D** where the process continues. Organizational

commitment is therefore, a dynamic process that is founded on socio-psychological factors and not only on psychological forces.

In the final analysis, the theory of organizational commitment is a complex blend of constructs drawn from attitude-behavior, values, social exchange, the psychological contract and psychological ownership theories and the three components model, with its own bases and foci. Theoretically, commitment is founded on social, economic, moral, and affective bases, is dependent on organizational factors for an effective evaluation of its continued relevance and acts as a force that binds people to an organization. Conceptually therefore, the socio-psychological framework shown in Figure 2.3 above is a useful approach in the formulation of a unified theory of organizational commitment. This framework systematically arranges the principles, concepts, and propositions examined above in order to explain a social phenomenon (managerial commitment), and depicts the needed linkages for this purpose. Additionally, these linkages depict the relationships between organizational commitment and its antecedents, which are examined next.

### **Antecedents of Organizational Commitment**

An antecedent is the first part of a conditional proposition, which states the condition and is the *p* component in the proposition phrased *p* is the precursor of *q* to generate *r*. Thus, antecedents are variables used to predict the behavior of one or more dependent variables. A number of researchers have established different antecedents for Meyer and Allen's (1991) three-component model, including: Meyer, Allen & Smith (1991), Bateman & Strasser, 1984; Snape & Redman, 2003; Cheng & Stockdale' 2003). Meyer and Allen (1991, 1997) found that work attitudes or perceptions about equity, and organizational dependability were among the best predictors of affective organizational commitment, individuals' accumulated side-bets and the availability of job alternatives were the two most important predictors of continuance commitment, and socialization experiences plus the receipts of benefits were the best predictors of moral commitment.

In the context of the present study, a number of antecedents or independent variables were proposed as predictors of organizational commitment of managerial employees, the dependent variable. The selected antecedents can be grouped as those dealing with personal characteristics and those emphasizing organizational

characteristics (Motaz, 1988). Examples of variables emphasizing personal characteristics include demographic variables such as age, tenure, education and gender (Motaz, 1988). Variables relevant to organizational characteristics include, perceived pay equity (Sauley & Bedeian, 2000), socialization tactics (Saks & Ashforth, 1997), organizational trust (Kramer, 1999), opportunities for development (Noe, 2002), and job satisfaction (Spector, 1997), including met-expectations (Porter & Steers, 1973). These antecedents are well supported in the literature.

### 1. Perceived Pay equity

Pay programs are generally designed to attract people of the right quality and in the right quantity, motivate their performance after they are hired, and generate employee stability through the enhancement of organizational commitment (Hills, Bergmann & Scarpello, 1994). In this process, ‘fairness perceptions of specific pay procedures have a differential impact on employee attitudes and behaviors’ (Jones, Scarpello & Bergmann, 1999, p. 142). According to Heneman and Schwab (1985) employees are concerned with four major areas of pay: pay level, benefits, pay raise, and pay structure/administration, with reliabilities for the manager sample (n = 179) of 0.89, 0.90, 0.79, and 0.78 respectively. These findings were supported by Judge (1993), Judge and Welbourne (1994), and Mulvey, Miceli, and Near (2001). Therefore, issues relating to perceived pay equity should be examined relative to the four pay dimensions established by Heneman and Schwab (1985). Additionally, Greenberg (1987) proposed that perceived pay equity has important implications for organizational commitment.

Perceived pay equity was earlier defined as the perception that employee reward is fair relative to the rewards received by similar others in the same and/or similar positions intra-and extra-organizationally. Feelings about equitable pay are consonant with the ‘felt- fair’ principle enunciated by Jaques (1961) and the concept of equity propounded by Adams (1963). Employees mentally evaluate equity by comparing one or more of the four dimensions of their pay with similar others in relation to what they feel is their contribution to the achievement of organizational outcomes. Essentially equity is an integral part of an organization’s total reward system and has both economic and psychological implications for the way an organization is perceived by its employees and concomitantly their commitment to it (Jones, Scarpello & Bergman, 1999).

Economically, employees generally want to enjoy a standard of life that compares favorably well with others of similar education, abilities and skills. If employees conclude that their total pay compares unfavorably with like others internally and externally, they would begin to experience the stress of pay inequity, which may impact their commitment to their organization (Summers & Hendrix, 1991). Psychologically, individuals want fair and equitable treatment from the organization, which brings into play the concepts of justice and fairness (O'Neill & Mone, 1998). In both instances it is not so much the dollar amounts of pay employees receive, but how these amounts compare with like others that is critical for their assessment of equity (King Jr. & Miles, 1994).

Equity theory as propounded by Adams (1963) combines concepts from a number of other theories including the theories of dissonance, exchange and comparison. The theory may be conveniently divided into four propositions. First, individuals assess whether they are equitably compensated by comparing their outcome/input ratio with the outcome/input ratios of equivalent others in the same and/or similar organizations (March & Simon, 1958). Second where employees perceive that their outcome/input ratios are less than those of the equivalent others, they will experience inequity (Sauley & Bedeian, 2000). Third, the higher are employees' feelings about perceived inequity, the greater is the level of stress they will experience which may affect their feelings for the organization (Sauley & Bedeian, 2000). Fourth, the higher the stress employees' experience, the more they will act to ameliorate it by various equity restoration strategies, including separation from the enterprise, becoming alienated from the organization, and other negative behaviors (O'Neill & Mone, 1998). At this point employees are experiencing organizational dissonance, which will adversely affect their commitment to the enterprise (Huseman, Hatfield & Miles, 1987).

The degree of dissonance managerial employees may experience as a result of their assessment that the enterprise has reneged on its obligations under the psychological contract may be sufficient to destroy their commitment to the organization (Morrison & Robinson, 1997). In this respect managerial employees are likely to respond in three ways to the perceived breach of the contract. They may: (a) respond in a conciliatory rather than an adversarial manner when the act is inadvertent (Rousseau, 1995), (b) conclude that the contract breach was caused by

circumstances beyond the control of the organization and is a bona fide breach, leading to a 'failure to cooperate' by the organization (Rousseau, 1995, p. 113), which may not affect their commitment to the enterprise but they will be more alert to organizational activities related to the availability of funds, and (c) feel betrayed if the enterprise blatantly refuses to honor the terms of the contract, which will destroy working relationships (Morrison & Robinson, 1997). This will undoubtedly destroy their commitment to the organization and may even evoke strong feelings of hostility against it (Robinson, 1996).

In essence, there seems to be a strong justice element that influences how employees perceive pay equity (Colquitt, Conlon, Wesson, Porter & Ng, 2001). The consensus seems to be that distributive justice which focuses on the assessed fairness of the amount of pay employees are paid has greater influence on person-specific outcomes such as satisfaction with pay increases (Folger & Konovsky, 1989). On the other hand, procedural justice which is defined as the assessed fairness associated with the methods used to determine how pay decisions are made has greater influence on organizational outcomes such as commitment and job satisfaction (McFarlin & Sweeney, 1992). Corroborative evidence indicates correlation coefficients of  $r=0.62$ ,  $p<.05$  and  $r=0.57$ ,  $p<.05$  between procedural justice, job satisfaction, and organizational commitment respectively compared to  $r=0.56$ ,  $p<.05$  and  $r=0.51$ ,  $p<.05$  for distributive justice and these two variables (Colquitt, Conlon, Wesson, Porter & Ng 2001). Conversely, the evidence indicates a correlation coefficient of  $r=0.61$ ,  $p<.05$  between distributive justice and outcome satisfaction compared to  $r=0.48$ ,  $p<.05$  for procedural justice and outcome satisfaction (Coquitt, Conlon, Wesson, Porter & Ng, 2001).

Justice theorists have proposed instrumental and value-expressive models to explain the socio-psychological processes that generate the perception of fairness (Jones, Scarpello & Bergmann, 1999). The instrumental explanation model provides that employees focus primarily on the outcomes of current decisions. Thus, procedural fairness, which appears to be a stronger predictor of organizational commitment, (McFarlin & Sweeney, 1992) is dependent upon employees' ability to influence final decision outcomes (Jones, Scarpello & Bergmann, 1999). This process generates decisional and process control mechanisms.

Decisional control defines the ability of employees to determine actual outcomes. Process control or voice defines the degree to which employees may indirectly influence outcomes by providing relevant information expeditiously to decision makers (Jones, Scarpello & Bergmann, 1999). The basis of the value-expressive model 'attributes perceptions of procedural fairness to the symbolic characteristics of social interactions and the social status information conveyed by the allocation process' (Jones, Scarpello & Bergmann, 1999, p.130). In this regard, neutrality, trust and social standing are the bases for assessing procedural fairness, and are respectively defined as honesty in making decisions, fairness in the treatment of employees, and the integrity of information people receive during procedural interactions (Jones, Scarpello & Bergmann, 1999). To this end, fair procedures must be consistent, unbiased, accurate, correctible, representative, and ethical (Leventhal, 1980). These attributes are important for the credibility that is needed from recipients of pay information, which in turn affects organizational commitment (Bies & Shapiro, 1988).

In conclusion, the critical issue is that pay equity is an important facet of jobsatisfaction and an antecedent of managerial commitment to organizations. It is therefore hypothesized that:

*H1: Perceived pay equity is positively, significantly and indirectly related to the organizational commitment of managerial employees, moderated by jobsatisfaction and organizational trust.*

## 2. Socialization Tactics

Socialization tactics are the process interventions used by an organization to structure the cognitions of new managerial and non-managerial employees and concomitantly integrate their interests with those of the organization (Saks & Ashforth, 1997). In essence, it 'is the process by which a person secures relevant job skills, acquires a fundamental level of organizational understanding, attains supportive social interactions with coworkers, and generally accepts the established ways of a particular organization' (Taormina, 2005, p.29). It is essentially, a learning process through which managerial and non-managerial employees may acquire knowledge and develop insights about their jobs, roles, work groups, and the culture of the organization, internalize and assimilate the values and norms of the organization in order to adjust to their environment and meaningfully participate as organizational members, all of which have implications for organizational

commitment (Hauter, Macan & Winter 2003; Ashforth, Saks & Lee, 1997; Jones, 1983).

Since it is generally believed that new employees are more susceptible to influence during the first six months of their assignment (Saks & Ashforth, 1997), and it is in this period that feelings about the enterprise are formed and crystallized (Buchanan, 1974), organizations implement strategies that integrate the interests of employees with their values and norms of behavior (Cooper-Thomas & Anderson, 2002; Saks & Ashforth, 1997; Buchanan, 1974). This is a process of learning and unlearning, the inculcation of fundamental organizational values and the assimilation of desirable attitudes that are essential for the process of identifying with the organization (Saks & Ashforth, 1997). These adjustments have important implications for organizational commitment (Ostroff & Kozlowski, 1992). Six theoretical notions have guided research in employee socialization: socialization tactics, uncertainty reduction theory, social cognitive theory, cognitive sense-making theory (Saks & Ashforth, 1997), social influence theory and persuasion theory (Wood, 2000).

*Theory of socialization tactics:* This theory holds that the three foci of socialization are: context of information, content of information and social support indicated in Table 2.2 below. Each focus requires specific institutionalized and individualized tactics (Ashforth, Saks & Lee, 1997). Van Maanen and Schein's (1979) model delineates the relationship between specific socialization tactics and desired outcome behaviors. It proposes six bipolar tactics (collective-individual, formal-informal, sequential-random, fixed-variable, serial-disjunctive, investiture-divestiture). Jones (1986) tested this model and found a significant and positive relationship between socialization tactics and organizational commitment. Additionally, Jones' (1986) developed a typology of socialization tactics based on the work of Van Maanen and Schein (1979), analyzed below. The foci of the tactics are the context in which information is provided, the content of information provided and social support given to both new managerial employees recruited from external sources and those newly appointed managers promoted from within the organization. In this situation, while the context and content of information provided to newly appointed managers is invaluable, the social support given to these employees by senior managers and peers is critical for their integration in the organization.



Table 2.4: Categorization of socialization tactics (Jones 1996)

	INSTITUTIONALIZED TACTICS	INDIVIDUALIZED TACTICS
Context of Information	<b>COLLECTIVE AND FORMAL</b> -Collective tactics put learners through common learning experiences to generate standardized responses, custodial role orientations, and passive acceptance of the status quo -With formalization learners are segregated from other managers, accept common norms, values and behaviors and inculcate custodial orientations	<b>INDIVIDUAL AND INFORMAL</b> -Each learner is provided with a unique set of learning experiences so as to evoke heterogeneous responses and develop innovative role orientations and flexibility in utilizing methods processes and policies. -With informal tactics learners become part of the work group and learners learn on the job. They are given wide discretion to respond innovatively.
Content of Information	<b>SEQUENTIAL AND FIXED</b> -With sequential tactics learners are given explicit information about processes and situations they will face subsequently. -Fixed tactics provide learners with precise material associated with each step in completing work processes	<b>RANDOM AND VARIABLE</b> -With variable and random tactics learners are not given any information about the steps in the learning process, thereby increasing the level of their uncertainty, ambiguity, and anxiety
Social Support	<b>SERIAL AND INVESTITURE</b> -With serial tactics learners are exposed to the influence of experienced managers who act as role models to model desired behaviors. -Investiture tactics reinforce learners' beliefs in their own competency, resulting in innovative role orientations.	<b>DISJUNCTIVE AND DIVESTITURE</b> -With disjunctive tactics learners are left on their own to develop their ideas about how to interact and handle situations. This leads to the development of active, innovative and unique role orientations. -With divestiture tactics learners are encouraged to question the status quo and develop innovative orientations to their roles

Table 2.5 Results of Regression Analysis of Socialization Outcomes (Morrison, 1993; Allen &amp; Meyer1990); Ostroff &amp; Kozlowski, 1992; Morrison, 1992)

(A) Morrison (1993): Multiple Regression Analysis					(C) Ostroff & Kozlowski: (1992):Multiple Regression Analysis								
<u>OUTCOME</u>	$\beta$	R sq	$\Delta$ Rsq	F-Ratio	<u>Interpersonal Sources</u>			<u>Knowledge</u>					
Task Mastery	.45	.41	.21	4.30	<u>R</u>	<u>Rsqu</u>	<u>F</u>	<u>R</u>	<u>Rsqu</u>	<u>F</u>			
Social Integration	.52	.35	.22	5.85	Commitment	.59	.34	38.92	.60	.37	16.59		
Role Clarity	.53	.55	.36	9.36	Adjustment	.69	.47	66.71	.71	.51	29.75		
					Stress (Psych)	.44	.19	17.70	.49	.24	8.90		
					Turnover Intent	.52	.27	27.49	.53	.28	11.10		
(B) Allen & Meyer (1990): MRA [Effects of socialization tactics on org. commitment]					(D)Morrison (2002): Multiple Regression Analysis (Network								
<u>TACTICS</u>	<u>Org. Comm</u>	<u>Org Comm</u>			<u>Informational</u>			<u>Friendship</u>					
	<u>6 months</u>	<u>12 months</u>			<u>Rsqu</u>	<u>F</u>		<u>Rsqu</u>	<u>F</u>				
Fixed	.28*	.04			Org. Knowledge	.15	3.46*	.11	2.76*				
Investiture	.40***	.44***			Task Mastery	.48	14.60***	.09	2.43				
Adjusted R <sup>2</sup>	.25	.13			Role Clarity	.23	4.77***	.14	3.58*				
F	7.95***	3.54**			Org Commit.	.08	1.91	.29	6.72***				

p\* < .05; p\*\* < .01; p\*\*\* < .001

While the data shown in quadrant (A) of Table 2.5 above do not indicate organizational commitment as an outcome variable, the outcomes covered are directly related to organizational commitment (Morrison, 1993). In quadrant (B) the two categories of socialization tactics seem to be good predictors of organizational commitment. In quadrant (C), the data indicate that interpersonal and knowledge sources of socialization explain 34% and 37% of the variance in organizational commitment. However, in quadrant (D) the data regarding organizational commitment are relatively strong only with respect to friendship network.

Uncertainty reduction theory: This theory provides that newly appointed managerial employees experience a high level of uncertainty and ambiguity particularly in the first few months of appointment and will actively seek to remove these impediments so as to establish a more predictable and controllable work environment (Cooper-Thomas & Anderson, 2002). Organizational actions that open up channels of communication for new managers such as interaction with peers and supervisors reduce uncertainty, enhance their ability to fulfill their responsibilities, and increase their commitment to the organization (Morrison, 1993). Moreover socialization tactics provide valuable information to newcomers, critically necessary to remove high levels of ambiguities and uncertainties (Morrison, 1993). Saks (1996) indicates that relevant induction training reduces newcomers' anxiety levels and concomitantly raises their performance effectiveness. Thus, effective socialization tactics, which explain as much as 32% of the variance in organizational commitment, are critical for ameliorating the uncertainty and ambiguity new managers must confront in the first few months of their appointment and concomitantly integrate their interests with the interests of the organization (Ashforth & Saks, 1998; Saks & Ashforth, 1997).

Cognitive sense-making theory: Sense-making, which is an important notion about socialization, is a cognitive process newly appointed managers employ to analyze and interpret uncertainty and ambiguities through interaction with people, processes, politics and symbols in their new roles and environment (Reichers, 1987). Sense-making helps new managers utilize social interactions to construct cognitive maps or interpretive schema of the culture, climate, operations and physical features of an organization (Weick, 1995). Moreover, frequent interactions among experienced managers and newcomers are an invaluable socialization strategy

because they help new managers to reduce ambiguities, understand the cultural milieu and concomitantly facilitate their social adjustment to the organization (Baker, 1995; Weick, 1995). This strategy enhances the organizational commitment of new managers (Ashforth & Saks, 1998).

*Social Cognitive theory:* Wood and Bandura (1989) succinctly examine the basis of social cognitive theory, which explains psycho-social functioning in terms of triadic reciprocal causation. In this model of reciprocal determinism, behavior, cognitive and other personal factors and environmental events operate as interacting determinants that influence each other bi-directionally. This theory provides that mastery modeling, self-efficacy beliefs, and goal systems influence the socialization of employees (Wood & Bandura, 1989). Mastery modeling is governed by attention processes (the assimilation and internalization of information), representational processes (the encoding and storage of information for future use), and the facilitation of retention and performance of the modeled behavior (Wood & Bandura, 1989). Self-efficacy beliefs define individuals' confidence that they have the ability to control their environment in order to accomplish predetermined goals (Wood & Bandura, 1989). Goal systems focus on the extent to which new managers may have the requisite ability for self-direction to achieve desired outcomes. The inference is that the individual establishes internal standards to evaluate performance of the competencies learned.

A number of researchers support social cognitive theory, including: (a) Saks (1995) who used it to integrate socialization and training concepts, (b) Ostroff and Kozlowski (1992) who used it to predict newcomers' acquisition of information from role models, (c) Saks and Ashforth (1996) who used it to demonstrate its utility in the development of task and role mastery of learners. Therefore, it appears that this theory can also be used to predict managerial commitment to an organization. Through this process, the organization helps new managers make the needed adjustment to a new culture, systematically develop the knowledge and skills necessary for effective job performance, and ameliorate uncertainties they countenance in the new environment (Kim, Cable & Kim, 2005)

*Social influence theory:* Attitude change for purposes of integrating individuals into an organization may be effected through social influence and persuasion (Wood, 2000). The theory of social influence holds that normative issues and the

desire to establish satisfactory relations with organizational members drive attitudinal change, because of the reward/punishment they can provide and the motivation to seek acceptance from them (Wood, 2000). In this regard, a distinction must be drawn among people's ego-defensive motives to attain a self-identity that is both valued and coherent, impression-related motives designed to impress others in a specific way, and validity-seeking motives that are concerned with the accuracy of assessing external reality (Eagly & Chaiken, 1998).

In essence, people have a strong desire to respond to social situations in informed, correct and appropriate ways that require an accurate perception of reality, which will result in an 'enduring private change in judgments' (Wood, 2000, p. 541). In this process, three variations of attitude/behavior may become apparent. First, when the motive of individuals is to defend their personal position on an issue (the ego-defensive motive), they will choose those arguments that support their views, which will often result in polarized attitudes. Second, when individual *A*'s motive is to convey a favorable impression on individual *B* (the impression-related motive), individual *A* will choose those arguments that are in consonance with *B*'s views. Third, when the motive is validity-seeking, an individual will choose both for and against arguments so as to portray a balanced perspective on the issue (Wood, 2000). These three motives seem to reflect three separate attitude effects: open-mindedness, agreeableness and protectiveness arising from accuracy motives, impression motives and ego-defensive motives respectively (Wood, 2000), the recognition of which is critical for successful socialization interventions (Eagly & Chaiken, 1998).

Social influence theory seems to have important implications for the socialization of managers in organizations particularly as it affects conformity and creativity (Cialdini & Goldstein, 2004). Conformity is the process people utilize to modify their behavior so that it is congruent with the responses of others such as mentors and role models with whom they interact to learn about the culture of the organization (Cialdini & Goldstein, 2004). Accuracy as an important motive for conformity drives newly appointed managers to conform to a group of organizational peers and/or superiors when these new managers must justify their decision on an issue about which some or all members have already addressed (Cialdini & Goldstein, 2004). The pressure in this situation is conformance with the position of influential organizational members so as to gain their approval (Cialdini

& Goldstein, 2004). Creativity is the process of providing unique individualized responses to organizational issues and problems (Cialdini & Goldstein, 2004). This is operationalized as individualized socialization tactics indicated in Table 2.4 above.

*Persuasion theory:* This theory holds that the process of attitude change is on a continuum of central and peripheral processes (Petty, Wegener & Fabrigar, 1997). Central or high elaboration processes focus on both objective and biased information processing (Petty, et. al, 1997). People may focus on biased information processing because of motivational reasons, including the need to maintain consistency and self-esteem, and ability reasons (Petty et. al 1997). Thus, biased assimilation is dependent on the motivation and ability of individuals. This means that individuals who examine both sides of the evidence related to a subject may experience biased assimilation if they continue to believe that the evidence supporting their view is more compelling. This mode of thinking may not be conducive to the effective development of newcomers because of the attitude polarization problems it may create (Schuette & Fazio, 1995).

The theories of dissonance as explained by Festinger's (1957) cognitive inconsistency model, Cooper's (1992) new look approach, Thibodeau and Aronson's (1992) self-concept analysis and Steel's (1988) self-affirmation theory fall under high elaboration processes and are permeated by a common element. This common element is the strategy to remove dissonance and promote consonance among newcomers in an organization, with the ultimate goal of effecting the inculcation of pro-social behavior through the process of socialization.

These six theoretical notions provide a comprehensive theory of organizational socialization of managerial employees through processes of attitudinal changes, attitudinal alignments with organizational values, norms, and the general socio-modus operandi. First, a number of contextual factors such as national laws, culture, climate, organizational structure and strategies, size and demographic aspects of the group, job design, induction programs, and management training courses at extra-organizational, organizational, group and job/role levels influence socialization tactics (Saks & Ashforth, 1997). In essence this is a critical period of learning for the newcomer, which predominantly occurs on the job. The assumption is that the newly appointed manager learns and unlearns, confirms and debunks beliefs and

ideologies, becomes au-fait with the complexities of his new organizational roles so as to become a valuable organizational member.

It seems that a newcomer's desire to procure information may be highly influenced by socialization factors and cognitive sense-making processes. The information so procured ameliorates newcomers' uncertainties and enhances their learning of key organizational elements such as goals, norms, values, culture, and power relations (Ostroff & Kozlowski, 1992). This is also a valuable learning process, which results in the attainment of proximal outcomes such as motivation, role clarity, social identification and integration, and attitudinal change. The organizational expectation is that these proximal outcomes will enhance the ability of newly appointed managers to attain a variety of distal outcomes including job satisfaction and concomitantly commitment to the organization (Jones, 1986).

In essence, the learners are influenced by their perceptions, and what they know and observe—cognitive sense-making. This process is designed to achieve certain proximal outcomes such as skills, and role clarity. Additionally, other interventions help newcomers to comprehend the dynamics of their environment and become valuable additions to the organization. Success at this point should lead to the attainment of important distal outcomes such as higher commitment to the organization. These positive outcomes are dependent on the relevance of the socialization tactics and the effectiveness and consistency with which they are implemented (Saks & Ashforth, 1996). The ultimate goal in this process is the effective integration of the individual into the organization (Ashforth, Saks & Lee, 1997).

Buchanan (1974) found good evidence to support the thesis that organizational socialization of managers predicts their commitment. First, he found that seven of thirteen experiences collectively explained 68% of the commitment variance. He then computed the regression coefficients for each phase separately utilizing nine independent variables and commitment as the dependent variable. In the first phase with  $N=66$ , he used three of the independent variables—group attitudes towards the organization, first year job challenge, and loyalty conflicts. These three independent variables explained 78% of the overall commitment variance. Seventy one managers were in the second phase of the project and he applied five of the ten independent variables to the regression equation—self-image reinforcement,

personal importance, first year job challenge, organizational commitment norms and group attitudes toward the organization. These five independent variables explained 73% of the commitment variance. Phase three managers numbered 142 and he applied four independent variables to the regression equation—group attitudes toward the organization, expectations realization, work commitment norms, and fear of failure. These four variables explained 58% of the commitment variance. These findings appear to confirm the hypothesis that organizational socialization is a predictor of managerial commitment.

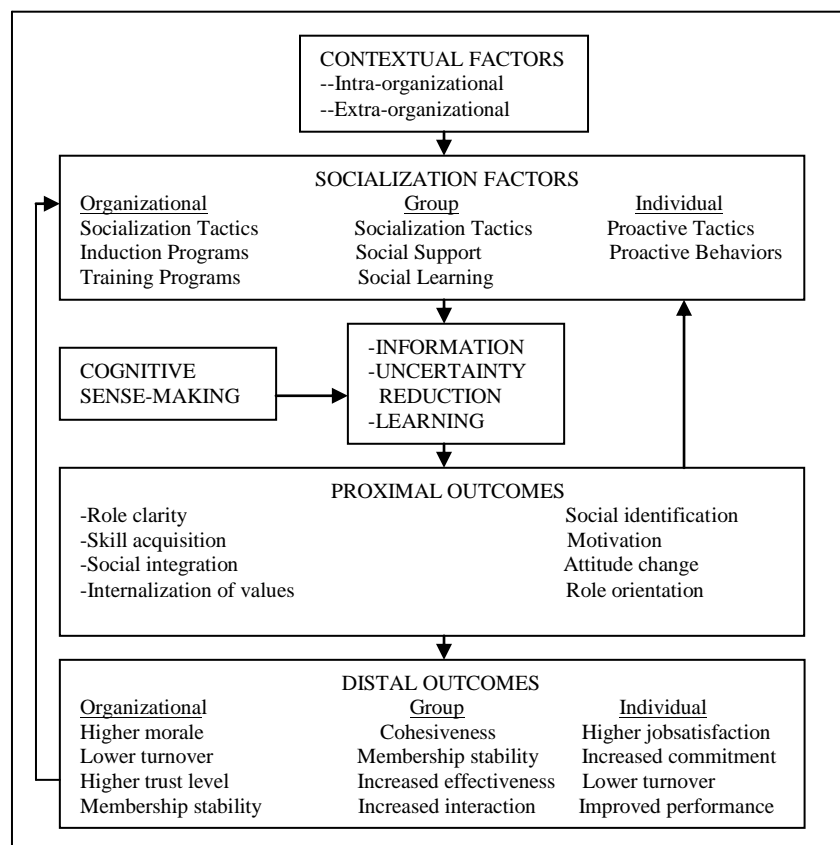


Figure 2.5: A model of organizational socialization

Figure 2.5 above is a multi-level process model of organizational socialization. It shows relationships among several contextual and socialization factors, that influence how newcomers/learners acquire information necessary to ameliorate uncertainties that confront them and facilitate the learning process. This process commences with an analysis of the extra-organizational and intra-organizational contextual factors such as national culture, laws, organizational structure and strategy that impact socialization factors. At the level of the organization, these factors include socialization tactics and training interventions. Individual

socialization factors include proactive behavior such as information seeking, establishing relationships, and building self reliance. Moreover, the socialization factors and the cognitive sense-making process have a direct impact on information acquisition, resulting in uncertainty reduction and the acquisition of knowledge in content areas such as organizational goals, power structures and relationships, climate and culture, values, and job functions. The objective of this learning is to achieve a number of proximal outcomes, which is expected to facilitate the attainment of certain distal outcomes for the learner, including higher job satisfaction and improved performance. In essence, the strategy inherent in this process is to cognitively restructure new managers by shaping and molding their frames of reference.

In the final analysis, the evidence indicates that managerial commitment to an organization can be predicted by socialization tactics employed to integrate the interests of managers with those of the enterprise. While this conclusion is supported by research evidence, success in this area depends on the emphasis given to the context and content of the socialization program and the balance between institutionalized and individualized tactics (Ashforth, Saks & Lee, 1998). The consensus seems to be that future research should focus ‘on the interaction between organizational context and various forms of newcomer activity such as information seeking [and] the content of socialization---the values, norms, beliefs, skills, and knowledge’ (Ashforth, Saks & Lee, 1998). Moreover, effectiveness and balance of socialization tactics are of critical importance to fulfilling expectations of managers and generate commitment to the enterprise (Cooper-Thomas & Anderson, 2002). Thus, it is hypothesized that:

*H 2: Socialization tactics are positively, significantly, and indirectly related to the organizational commitment of managerial employees, moderated by jobsatisfaction and organizational trust.*

### 3. Organizational trust

Kramer (1999, p. 2) conceptualizes trust as a psychological state because it ‘has been defined in terms of several interrelated cognitive processes and orientations’. Moreover, although organizational trust may still lack a universally accepted definition, the concept may be defined as the assured reliance on the character, ability, strength or truth of someone or some organization (Hosmer, 1995). Golembiewski and McConkie (1975, p. 132) posit that trust implies ‘reliance on, or



confidence in some event, process or person that something is being risked, including some degree of uncertainty as to outcome, and reflects an expectation of positive outcomes.' Hoy and Tshannen-Moran's (1999, p. 185) indicate that trust is multi-dimensional by nature and is 'one party's willingness to be vulnerable to another party based on the confidence that the latter party is (a) benevolent, (b) reliable, (c) competent, (d) honest, and (e) open.' This definition has important implications for the building of strong managerial commitment to an organization, because managers expect employer reliability, competence, honesty and openness and the lack of these ingredients may cause an erosion of their trust and adversely affect their commitment to the organization (Wanous, Poland, Premack & Davis, 1992).

Dirks and Ferrin (2002) found a significant relationship between trust and organizational commitment ( $r=0.49$ ,  $p<.05$ ). The implication of this relationship is that any enhancement of the level of organizational trust will be associated with higher organizational commitment (Lewickie, McAllister & Bies, 1998). Additionally, Shamir and Lapidot (2003) indicate that trust in supervisor reflects trust in the organization and concomitantly enhancement of organizational commitment. This conclusion is supported by Whitener, Brodt, Korsgaard, and Werner (1998), who report that supervisor communication, behavioral integrity, behavioral consistency, managerial style, and demonstration of concern play a significant role in subordinate perception of organizational trustworthiness. Thus, organizational actions particularly at the top of the organizational echelon affect the degree of employee trust and the extent of employee commitment to an organization (Jerrigan III & Beggs, 2005). Moreover, Payne and Huffman (2005) indicate that mentoring programs have a positive effect on subordinate perception of organizational trustworthiness and concomitantly affective and continuance organizational commitment. This analysis demonstrates that the trust level of managerial employees is critical for the degree to which they are committed to an organization. It is, therefore, necessary to briefly examine the trust building strategies, including communication, behavioral integrity, behavioral consistency, and organizational justice, which influence the trust levels of managerial employees.

*3.1 Communication:* Information accuracy, rationale for decisions, and more open communication seem to influence the level of organizational trust more than

any other communication factors (Konovsky & Cropanzano, 1991). Research evidence indicates that the communication of accurate information to organizational members has the strongest relationship with organizational trust (Sapienza & Korsgaard, 1996). Essentially, if managerial employees believe that organizational information is accurate and complete, they should be convinced that the organization is trustworthy and reliable (Folger & Konovsky, 1989).

*3.2 Behavioral Integrity:* Generally, employees examine the consistency between organizational messages and action to evaluate the integrity and honesty of their organization (Whitener, Brodt, Korsgaard & Werner, 1998). In this respect, employees focus on the extent to which their organization is truthful and keeps promises made (Robinson, 1996). Organizational integrity and honesty are attributions that affect employee trust (Mayer, Davis & Schoorman, 1995). Thus, an organization that demonstrates high integrity and honesty should raise the trust level of its employees and vice versa (Ring & Van de Ven, 1992).

*3.3 Behavioral Consistency:* Robinson and Rousseau (1994) indicate that organizational reliability and predictability (behavioral consistency) are critical for the development of trust among employees. The trust that people have in an organization is a reflection of their willingness to take risks and be vulnerable to the actions of an organization (Mayer, Davis & Schoorman, 1995). Thus, if an organization is observed to act consistently over a given period of time, employees should be able to more accurately predict its future behavior, which should enhance their confidence in making such predictions. Therefore, the more employees are able to accurately predict the future behavior of an organization, the more they should be willing to take risks and trust the organization (Konovsky & Cropanzano, 1991).

*3.4 Organizational Justice:* Colquitt, Conlon, Wesson, Porter, and Ng (2001) report corrected population correlation coefficients of  $r=0.61$ ,  $p<.05$  and  $r=0.57$ ,  $p<.05$  between trust and procedural justice, and trust and distributive justice respectively. Additionally, these authors indicate that organizational justice explains 45% of the variance of organizational trust ( $p<.05$ ).

Cummings and Bromiley (1996) posit that organizational trust is a three-dimensional construct with three distinct components. The three dimensions are: affect, cognition, and behavioral intent. Affect defines the bona-fide effort of an

individual or group to comply with both explicit and implicit commitments arising from an agreement between the parties. The implication of this dimension is that the person or group being trusted can be relied upon to fulfill their commitments (Cummings & Bromiley, 1996). Second, cognition implies that the statements and behavior of the individual or group before agreeing to the commitments are in consonance with the individual or group's actual wishes and facts known to the individual or group. Behavioral intent implies that the individual or group will refrain from taking advantage of the other party, if and when the opportunity arises. Cummings and Bromiley (1996) who employed latent variable structural equation analysis to analyze the survey data they collected found that: (a) each item loaded on its hypothesized dimension, (b) the Bentler's Comparative Fit Index was .081 and was considered acceptable, (c) the three factors correlated highly with a correlation range of 0.80 to 0.93 and a composite reliability of 0.95-0.96 for each of the three dimensions.

McAllister (1995) addressed both the nature and functioning of interpersonal trust among managerial and professional employees in organizations by collecting data from 194 managers and professionals, and found sufficient evidence to support the distinction between affect and cognition based trust with alpha coefficients of 0.89 and 0.91 respectively. Mishra (1996) proposed four trust dimensions: competence, openness, concern, and reliability. It seems Mishra's (1996) competence dimension is akin to the affect dimension of Cummings and Bromiley (1996) and McAllister (1995). Mishra's openness and concern dimensions are in line with Cummings and Bromiley's behavioral/intent dimension, and his reliability dimension corresponds to Cummings and Bromiley's cognitive dimension.

In the final analysis, organizational trust appears to have an important relationship with organizational commitment. Recent research conducted by Dirks and Ferrin (2002) found that organizational commitment is a significant consequence of organizational trust. Additionally, Irving and Meyer (1994) found that organizational trust also has an important relationship with met-expectations, which in turn affects organizational commitment. Moreover, it seems that unless managerial employees have a high level of trust for the organization per se, their commitment is likely to be sporadic and uncertain, which will then raise their propensity to migrate to other employers, provided the opportunities avail

themselves (Robinson, 1996). Thus, there appears to be a critical link between trust and organizational commitment resulting in favorable organizational outcomes (Robinson, 1996). It is therefore hypothesized that:

*H 3: Organizational trust is positively, directly and significantly correlated with the organizational commitment of managerial employees.*

#### 4. Opportunities for development

Management development activities may take several forms including mentoring, coaching, attendance at training courses and training programs, planned experience development through job rotation, special assignments in task forces and special projects, and participation in graduate management programs at universities and colleges (Maurer, Pierce & Shore, 2002). Increasingly, enterprises are utilizing their human resources to establish primacy in an arena of increasing competition, which makes the commitment of managers an imperative for the survival of businesses (King, Fowler & Zeithaml, 2001). To this end, organizations focus on developmental strategies that enhance managerial competence, motivate high levels of performance, and concomitantly managerial commitment. These developmental strategies, which energize feelings of moral obligation among managers, seem to be directly related to enhancing moral organizational commitment (Cohen, 2003; Meyer & Allen, 1997). Moreover, Aryee and Chay (1994) indicate a positive relationship between mentoring of managerial employees and organizational commitment. Allen, Eby, Poteet, Lentz, and Lima (2004) report similar results between career mentoring and affective organizational commitment. A number of other researchers, including Cohen (2003), Meyer and Allen (1997), and Iles, Mabey and Robertson (1990) found positive relationships between organizational programs of employee development and organizational commitment.

In developing managerial resources, organizations are likely to pursue one or more of a combination of four strategies: internal development, acquisition, contracting, and alliances (Lepak & Snell, 1999). These four strategies are based on three separate but related theories: transaction cost, human capital, and resource-based theories (Lepak & Snell, 1999). The crux of the issue is for the organization to identify which combination of strategies to pursue in order to have a nucleus of highly efficient and committed managers (Lepak & Snell, 1999).

First, an organization may either internalize or externalize the development of its managerial resources consistent with the economic theory of transaction cost (Lepak & Snell, 1999). This theory holds that internalized development of managerial resources is highly advantageous when it results in the optimal allocation of managerial resources and generation of a high level of commitment to an organization (Rousseau, 1995). Additionally, human capital theory holds that internalization as a development strategy is beneficial when it enhances future organizational productivity and motivates high commitment to an organization (Tsui, Pearce, Porter & Tripoli, 1997). Essentially therefore, the decision to internalize development depends on the value of the anticipated returns from the investment in managerial resource development exceeding the cost of such investment, operationalized as increased managerial commitment and efficiency to the organization (Payne & Huffman, 2005).

The strategic importance of core skills to an organization (Lepak & Snell, 1999) drives the decision to internalize or externalize the development of managers (Lepak & Snell, 1999). In this respect, the transaction cost hypothesis is replaced by the importance of skills or the resource based strategy as the critical aspect of management development, which solidifies the concepts that skills are critical for a firm's competitiveness (Wright, Smart & McMahan, 1995). The controlling factors are the value creating role of core organizational skills, their tacit importance to a firm's competitiveness, and the enhancement of the organizational commitment of managerial employees. Moreover, it should also be recognized that the more unique a specific set of skills are to a particular organization, the less feasible will it be to externalize the managerial resource development efforts of the enterprise.

Advocates of the resource-based perspective of organizations propose that the value or primacy of resources depends largely on the degree to which they contribute to an organization's ability in establishing efficiency and effectiveness enhancing strategies, expanding market share and minimizing threats from competitors (Barney, 1991). The higher this contribution the more strategically important managerial resources will be relative to other factors of production (Noe, 2002). Therefore, the externalization of core managerial skills development may jeopardize an organization's ability to effectively compete against its rivals or optimize the utilization of its resources (Lepak & Snell, 1999). However, while

internalization enhances a firm's competitive capabilities and the commitment of its managerial employees, it incurs bureaucratic costs including the cost of compensation, benefits, staffing, training and employee services, which can reduce the benefits accrued (Rousseau & Wade-Benzoni, 1994). Thus, these costs must be an integral part of the computation to determine the net value of internalized development (Barney, 1991). Moreover, highly specific skills are not amenable to mobility across organizations and may also be non-existent in the market, which reinforces the value of internalized development. Additionally, it follows that employees with these unique skills will be less likely to leave their organization and are very likely to manifest a higher level of organizational commitment (Barney, 1991). In this situation, the resultant employment relationship will be organization focused and the human resource configuration will be commitment-based (Lepak & Snell, 1999).

Acquisition of managerial resources rather than developing them internally is the second staffing strategy. The underlying assumption of this strategy is that managerial resources are both valuable and available in the labor market. However, while people with these generic skills may be valuable to an enterprise generally, they do not possess core organizational skills and therefore, are not of strategic importance (Lepak & Snell, 1999). Moreover, enterprises are often reluctant to invest in the internal development of peripheral skills and prefer to acquire them from the market at current market prices so that they can derive immediate benefits from people who are already fully trained (Becker, 1976). The employment relationship in this scenario is symbiotic, which means that while the employees possessing these skills may significantly contribute to organizational effectiveness, they may be less committed organizationally and more committed career-wise (Rousseau, 2000). This makes the human resource configuration market-based to be distinguished from the commitment-based configuration discussed above (Lepak & Snell 1999).

The third strategy is for the enterprise to contract for managerial resources. A serious limitation of this strategy is that the skills procured on contract are predominantly not of strategic importance and therefore, there is no incentive for an enterprise to invest in their development. Moreover, any attempt by an enterprise to outsource organizational activities that require core skills will not be successful

(Lepak & Snell, 1999). On the other hand, Lepak and Snell (1999) contend that the contracting out of low level and routine organizational activities may actually increase the competitiveness of an enterprise by lowering overhead costs. The resultant employment relationship of this strategy is primarily transactional and the human resource configuration is compliance and has no bearing on organizational commitment (Rousseau, 2000).

Fourth, an enterprise may collaborate with other entities to share in a particular area of skills that do not have high value-creating potential (Lepak & Snell 1999). The alliance is an agreement among the participating entities to contribute jointly to the provision of the service (Lepak & Snell, 1999). This type of relationship creates a synergistic value that the participants will achieve as a group, which will exceed the value each may realize as individual entities.

In conclusion, because core skills permeate the activities of an enterprise and are critical for its competitiveness and effectiveness, an enterprise should internalize their development to enhance both efficiency and competitiveness and elevate organizational commitment. Generic skills may be obtained through acquisition and externalized development. It must be emphasized that resources allocated to management development are an investment in human resources development and are very likely to create in the minds of beneficiaries strong feelings of moral obligation to the organization, thereby elevating the level of their moral commitment to the enterprise (Meyer & Allen, 1997). It is therefore hypothesized that:

*H 4: Opportunities for development are positively, significantly and indirectly related to the organizational commitment of managerial employees*

##### 5. Job satisfaction

Job satisfaction which defines the extent to which people either like or dislike their jobs (Locke, 1976) is the affective emotional response of jobholders to their jobs and represents a set of measures about the extent to which individuals derive pleasure from their jobs (Muchinsky, 1987). Locke (1976) who supports this definition defines job satisfaction as ‘a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences.’

One issue that has not yet been fully resolved is the high correlation found between job satisfaction and organizational commitment (Bateman & Strasser,

1984). Thus, the question is whether job satisfaction is an antecedent of organizational commitment or organizational commitment is an antecedent of job satisfaction. Bateman and Strasser (1984) indicate that organizational commitment is an antecedent of job satisfaction, while Mathieu and Zajac (1990) and Meyer and Allen (1997) indicate the opposite. Moreover, job satisfaction is based on a number of separate theoretical notions that should be examined in order to understand its relationship with organizational commitment (Bateman & Strasser, 1984). These notions are: personological, dispositional and met-expectations. The personological theories include: (a) need fulfillment, (b) values, (c) job characteristics, and, (d) social comparison. The dispositional theories include: (a) affectivity and, (b) personality. Each of these theories is analyzed below.

*Personological theories:* The need fulfillment theory portrays job satisfaction as a sense of achievement experienced by individuals and explains it from an intrapersonal perspective (McCormick & Ilgen, 1980). The underlying assumption is that people establish standards based on their needs and compare them with their perception about the degree to which these standards are attained (McCormick & Ilgen, 1980). This process identifies the difference between the established standards and those attained. The smaller the difference between the established standards and those attained, the higher is the feeling of satisfaction that individuals experience from performing their jobs (McCormick & Ilgen, 1980; Bateman & Strasser, 1984; Muchinsky, 1987; Stone, 1992).

However, the needs of an individual change over time and vary between senior and mid-level managers (Dawis, 1992). Essentially, individuals' needs go through three major phases of change (Dawis, 1992). As individuals move through the school system which is the first phase, to early career (the second phase), their needs change from concerns for security, safety and love to concerns for recognition, advancement, income, development, and friendship (Dawis, 1992). In the third phase, individuals are established career-wise and seek to fulfill needs for achievement, autonomy, involvement, power and prestige, and self-actualization (Dawis, 1992). Thus, if a set of individuals is in the third phase and their jobs are deficient in meeting their needs at this level, they may either leave the enterprise or become disenchanted with it. In both instances the non-fulfillment of their needs



will be tantamount to unmet expectations, which may detract from the satisfaction they derive from their job and their commitment to the organization (Dawis, 1992).

The values perspective provides that the standard for assessing job satisfaction is a function of human values, which people in organizations seek to acquire (George & Jones, 1996). Values may be defined as the specific modes of behavior or end states that individuals deem socially preferable to another mode of behavior or end state, which help them to choose, assess, and give meaning to work experiences (Dawis, 1992). Additionally, individuals use terminal values to measure accomplishments on the job and determine the extent to which their work is sufficiently satisfying and providing them with the opportunities to achieve valued outcomes (George & Jones, 1996). In this respect, George and Jones (1996) found a negative relationship ( $B=-.20$ ) between job satisfaction and turnover intentions in those values not attained. Again the disparity between what is desired and what is actually attained constitutes unmet expectations, which may detract from job satisfaction and concomitantly organizational commitment (Dawis, 1992).

The job characteristics theory provides that individuals can be intrinsically motivated by the nature of the tasks and responsibilities inherent in their job (Eby, Freeman, Rush & Lance, 1999). The characteristics of a job refer to the nature and content of its tasks and functions (Spector, 1997). According to Hackman and Oldham, (1976) every job has five principal characteristics—skill variety, task identity, task significance, autonomy and job feedback. These characteristics lead to three fundamental psychological states—experienced meaningfulness, experienced responsibility, and knowledge of results—which in turn lead to job satisfaction (Hackman & Oldham, 1976). Additionally, these five characteristics provide the motivational barometer of a job, from which flows the motivation potential score of a job or the MPS, reflecting the scope or complexity of the job (Hackman & Oldham, 1976). Thus  $MPS = (SV+TI+TS)/3 * A * F$ , where SV=skill variety, TI=task identity, TS=task significance, A=autonomy and F=feedback. This formula is multiplicative, which makes the MPS equal zero if either autonomy or feedback is zero.

Hackman and Oldham (1976) also indicate that the higher the MPS or scope of a particular job, the more satisfaction it provides its holder. They define: (a) skill variety as the number of different skills the incumbent must use to perform the job

effectively, (b) task identity as the extent to which the employee performs the whole job or only a part of it, (c) task significance as the impact of the job on other members of the organization, (d) autonomy as the amount of freedom individuals have to perform their jobs as they deem fit, (e) feedback as the amount, quality and frequency of performance information provided to employees (Hackman & Oldham, 1976). Finally, job scope is the complexity of a job as determined by the five features defined above (Spector, 1997). These five characteristics have been found to be conducive to job satisfaction and concomitantly organizational commitment (Schneider, Gunnarson & Wheeler (1992).

The theory of social comparison provides that the satisfaction of individuals with their work outcomes is based on relative comparisons with similar others (Sweeney & McFarlin, 2004; Buunk & Mussweiler, 2001; and Mussweiler, 2003). In essence, people compare the satisfaction they derive from what they do with the perceived satisfaction similar others derive from what they do. Comparisons may be made with specific satisfaction facets such as pay or opportunities for development and recognition perceived to be enjoyed by similar others on an on-going basis, and may induce the person making the comparison either to remain with or leave an organization, which will affect the level of continuance commitment to the organization (Mussweiler, 2003).

*Dispositional theories:* These theories focus on people's affectivity, personality, and cognitive restructuring as critical aspects of job satisfaction. The theory of affectivity provides that the degree to which people are satisfied with their jobs is based on their affectivity and certain attitudinal factors (Spector, 1997). Watson, Clark and Tellegen (1988) applied the positive affectivity-negative affectivity (PA-NA) model to examine the dispositional basis of job satisfaction and found that high PA people are strongly inclined to be emotionally positive and those with high NA are emotionally negative. Additionally, Connolly and Viswesvaran (2000) found correlations of  $r=0.49$ ,  $p<.05$  and  $r=-0.33$ ,  $p<.05$  between job satisfaction and PA and NA respectively. However, the PA-NA model suffers from several limitations, including: an overwhelming number of studies on NA rather than PA, the unsettled issue of the independence of PA and NA, and its focus on only two traits (Connolly & Viswesvaran, 2000).

Table 2.6: The five-factor personality model and job satisfaction

Personality Traits	N-weighted correlations			Huffcott et al (1996) weighting		
	B/R	SE	T	B/R	SE	T
Neuroticism	-0.20	0.06	-3.38*	-.21	.06	3.68*
Extraversion	0.21	.06	3.80*	0.21	.06	-3.80
Openness to experience	-.04	.06	0.71	-.04	.06	0.75
Agreeableness	0.04	.06	0.61	.05	.06	0.86
Conscientiousness	0.20	.06	3.40*	.21	.06	3.67*
Multiple R	0.41	.06	7.70*	0.43	.06	8.27*

**B=standardized regression coefficient,  $p^* < .05$**

In the last two decades scholars have predominantly used the five factor model of personality because it appears to provide a much better basis to examine the principal aspects of personality and job attitudes, including job satisfaction (Connolly & Viswesvaran, 2000). The five personality factors are neuroticism, extraversion, openness to experience, agreeableness and conscientiousness. Judge, Heller and Mount (2002) found a strong positive relationship between job satisfaction and the five personality factors (Multiple  $R=0.41$ ). Table 2.6 above provides the relevant data compared to the findings of Huffcott et al (1996). Similar results were found by Viswesvaran and Ones (1995). In both cases neuroticism has a negative relationship with job satisfaction ( $R=-.20$  &  $-.21$ ). Table 2.6 also shows how the five factor model is a solid basis for analyzing the dispositional source of job satisfaction particularly with respect to neuroticism, extraversion and conscientiousness, which correlate moderately with job satisfaction. The negative correlations between neuroticism and job satisfaction across studies seem to indicate that greater job satisfaction and organizational commitment are associated with lower neuroticism. The primary reasons for this situation are that neurotics are highly inclined to establish transactional rather than relational psychological contracts with their employers (Judge, Higgins, Thorsen & Barrick, 1999), demonstrate low trust, and expect their employers to violate the psychological contract (Morrison & Robinson, 1997). In similar vein, the correlations across studies between job satisfaction and extraversion seem to show that extraverts are more satisfied with their jobs than introverts and as a result are most likely to demonstrate a higher level of commitment to their organization (Judge, Higgins, Thorsen & Barrick, 1999). The positive relationship between conscientiousness and job satisfaction across studies is also important for organizational commitment

because managers who are conscientious prefer relational psychological contracts, emphasize achievement over economic rewards, seek and maintain long term relationships with employers and are inclined to exhibit both affective and continuance forms of commitment toward an organization (Morrison & Robinson, 1997).

The data in Table 2.6 above also suggest that organizations that are successful in establishing relational psychological contracts with their managers not only design and implement cognitive restructuring strategies as part of their socialization processes, but also design their recruitment and selection system to attain this outcome (Viswesvaran & Ones, 1995). Additionally, organizations that conduct realistic job previews (RJP's) and pre-hire decision-making training to help short-listed applicants make realistic job choices seem to experience greater success in generating higher levels of job satisfaction and organizational commitment among employees (Ganzach, Pazy, Ohayun & Brainin, 2002).

*Met-Expectations theory:*

Steers and Porter (1973) define the concept of met expectations as the discrepancy between what employees expect to encounter on the job and their actual experiences (reported by Wanous, Poland, Premack & Davis, 1992). Porter and Steer's (1973) discrepancy model of met expectations provides that unmet expectations are associated with low employee satisfaction and commitment to an organization, and pre-entry expectations are compared with post-entry experiences to measure either negative or positive gaps, on the assumption that difference scores computation provides a feasible yard-stick of met/unmet-expectations. Research evidence also indicates that realistic job previews (RJP's) may lower pre-entry expectations and concomitantly reduce a person's desire to leave an organization (Premack & Wanous, 1985). Additionally, the meta-analytical study of Wanous, Poland, Premack and Davis (1992) shows that met-expectations correlate with job satisfaction ( $r=.39, p<.05$ ) and organizational commitment ( $r=.39, p<.05$ ).

The measurement of met-expectations was affected by early problems which have since been partially resolved by the contribution of Irving and Meyer (1994; 1995) and Hom, Griffeth, Palich and Bracker (1999). The discrepancy model of Porter and Smith (1973) was initially based on the assumption that met-expectations can be successfully measured by the use of difference scores. This assumption was

destroyed by Edwards (1994), Irving and Meyer (1995), and Hom, Griffeth, Palich, and Bracker (1999) because difference scores generate 'artifactual relations with outcome variables which cause the scores to be systematically correlated with their component parts' (Irving & Meyer, 1995, p. 1159).

The replacement of difference scores by direct measures of met expectations was also confuted by Irving and Meyer (1995), notwithstanding the significant correlations ----found with a number of job attitudes such as organizational commitment and job satisfaction. Direct measures are beset by some of the same problems as difference scores, including the lack of evidence necessary to establish construct validity and the bias associated with self-perception of individuals providing judgments about pre-entry expectations in the context of the current environment (Edwards, 1994). Irving and Meyer (1995, p. 1171) indicate that 'a larger share of the variance in direct measures of confirmed expectations is accounted for by recent work experiences rather than by pre-entry expectations.'

It would appear therefore, that neither the method of difference scores nor the direct method is viable as an approach to compute met-expectations. To overcome these problems, Irving and Meyer (1995, p. 1172) propose that future studies of met-expectations utilize 'separate measures of pre-entry expectations and post-entry experiences' that would facilitate the use of other techniques including polynomial regression analysis, which would make it easier to measure the separate and joint contributions of expectations and experiences on outcome variables. These authors found a relatively strong relationship between met expectations and reward ( $R_{sq} = 0.39, p^{**} < .01$ ).

Critical expectations of newly appointed managerial employees include concerns about compensation equity, opportunities for growth and development, trust, procedural justice and job satisfaction (Rousseau, 1998). Thus failure to meet expectations about compensation equity, for example, may constitute a violation of the psychological contract newly appointed managers believe they have with the organization (Rousseau, 1998). If this perceived breach goes to the root of the contract, it would have an adverse effect on trust and concomitantly commitment to the organization, which might induce separation, particularly where there are attractive alternative opportunities available (Kramer, 1999). It seems, therefore, that unless managerial employees have a high level of trust for top management and

the organization per se, their commitment is likely to be weak, which will then raise their propensity to migrate to other employers, provided alternative employment opportunities avail themselves (Robinson, 1996).

Managerial expectations may also be affected by the current climate of the organization. For example, an organization that has recently experienced lay-offs and re-engineering may be affected by feelings about job security and have a significant impact on managerial commitment (Robinson & Rousseau, 1994). Organizational changes create important employment relationships which eventually become embedded in the climate of the organization (Rousseau, 1995). Moreover, economic obligations such as compensation and benefits are specific, transactional by nature and define the economic relationship between the individual and the organization (Rousseau, 1995). The other part of these obligations is general, relational in nature, focuses on both economic and non-economic factors and takes the form of a psychological contract. They are often concerned with organizational support, training and development and job security obligations of the organization, and commitment obligations of the employee (Robinson, Kraatz & Rousseau, 1994). The critical issue is that if organizational obligations to employees are not met, the result may be a violation of the psychological contract, which will have a deleterious effect on job satisfaction and concomitantly organizational commitment (Rousseau, 1995).

The culture of the organization may also influence managerial expectations. Organizational culture refers to shared attitudes, assumptions, beliefs and values that have a dictating effect on the behavior of organizational members and the management systems established in the organization (Dennison 1996). In essence, organizational systems are an integral part of the culture of an organization that provides a vehicle to communicate valuable information about the culture of an organization (Sheridan, 1992). Thus organizational culture performs a critical function of integrating, channeling, and shaping the symbolic and contextual meanings of messages about the organization that may influence the commitment of managers and other employees. Political behaviors such as coalition building, positioning and power acquisition are important characteristics of the cultural milieu of an organization (Mintzberg, 1985) and influence the way people feel and think about an organization (Berg, 1985). The core values of organizational culture, such as diversity, justice and fairness play a critical part in the formulation of

policies from which practices flow (Sheridan, 1992). Some organizations incorporate core values not only for humanistic reasons, but more importantly to stimulate employee involvement and commitment (Sheridan, 1992).

Finally, job satisfaction seems to be a good predictor of managerial commitment to an organization. Managers who are generally satisfied with their jobs are very likely to have their expectations fulfilled, which should have a positive effect on their commitment to the organization (Judge et al 1999). On the other hand, managers who are generally not satisfied with their jobs are very likely to experience unmet expectations, which would have a deleterious effect on their commitment to the organization (Wanous, Poland, Premack & Davis, 1992). It is therefore hypothesized that:

*H 5: Job satisfaction is positively, significantly, and directly correlated with the organizational commitment of managerial employees.*

### **Chapter Summary**

The chapter provides a comprehensive conceptual examination of the literature in organizational commitment and its antecedents: pay equity, socialization tactics, organizational trust, opportunities for development and job satisfaction. The extant literature provides evidence of a proliferation of organizational commitment studies that have focused in one or more of three principal areas-employee commitments generally to organizations, the exploration, explanation and validity of Meyer and Allen's three component theory and the antecedents/determinants of organizational commitment. However, attempts to develop a comprehensive theory of organizational commitment have not met with much success and concomitantly there is currently no unified organizational commitment theory. Second, notwithstanding the vast amount of research in organizational commitment, very few, if any, studies have focused on the commitment of managerial employees to organizations. One possible explanation for this is the assumption that there are no differences between managerial and non-managerial employees. Moreover, the continuing confusion and debate about the meaning, theoretical foundations, development and behavioral impact of the concept appear to have impeded the development of a comprehensive theory.

### **CHAPTER 3 - RESEARCH METHODOLOGY**

Chapter 2 examined the extant literature of organizational commitment and proposed the theoretical foundations for the commitment of managerial employees to organizations. This chapter provides an overview of the study design, methodology, population, instrumentation, procedures, operationalization of the variables, and data analysis.

#### **Overview of the study design**

##### **1. Purpose of the study**

This study has investigated the state of the theory of organizational commitment and proposed a unified socio-psychological theory that provided the theoretical foundation to identify the antecedents and dimensions of managerial commitment to organizations.

##### **2. Type of investigation--establishing correlations**

This study has examined the relationships between managerial commitment to organizations and five predictor variables: perceived pay equity, socialization tactics, organizational trust, opportunities for development, and job satisfaction.

##### **3. Time horizon**

Cross-sectional data were collected from four different organizations at two separate time periods of three months apart to facilitate generalization of results to managerial employees and draw inferences from these results about the contribution of each variable to the organizational commitment of managerial employees (Babbie, 1989)

#### **Methodology**

##### **1. Population**

The population was a group of about 6,000 middle managerial employees, divided into two subgroups, comprising managers, assistant managers and supervisors of two public sector and two private sector organizations in the Southwest of the United States of America. For purposes of anonymity, these organizations were given letter names, A, B, C, and D. Organization A is a large county with 800 managerial employees. Organization B is a large state agency employing approximately 6,000 employees including 1300 managerial employees. Organization C is a medium-sized private sector organization employing 900 managerial employees. Organization D is a large mining operation employing about



3000 managerial employees. For subgroups 1 and 2 the survey was administered to participants in organizations A and C (sample) and organizations B and D (sample 2), respectively. The data from organizations A and C (sample1) were used to pilot the study and make adjustments for processing the data of organizations B and D (sample 2).

## 2. Data collection and analysis

A survey questionnaire was administered anonymously at two separate time periods to four groups of approximately 6,000 middle managers and supervisors for their responses. Both SPSS, 12.0 and AMOS, 16.0 were used to analyze the data. The results of Sample 1 data were used to make minor modifications to some of the indicators for purposes of refining the questionnaire to collect Sample 2 data.

## 3. Sampling design and strategy

This study utilized the convenience sampling technique to collect data. The term mid-level manager covers managerial employees at all organizational levels except those who occupy policy-making positions. In convenience sampling all employees in the group are provided with equal opportunity to participate in the study (Babbie, 1989). The advantages of utilizing this approach are: (a) the availability of a wide array of people who are potential participants, and (b) the avoidance of problems of selected people not being available when the systematic, stratified sampling method is used.

Kline (2004) indicates that sample size is of critical importance because structural equation modeling 'SEM' relies on tests that are sensitive to both sample size and the magnitude of differences in covariance matrices. Kline (2004) further suggests that sample sizes below 100 are too small for SEM analysis, while a sample of 150 may be untenable unless the covariance coefficients are relatively high. Loehlin (1992) interposes that where the number of variables exceed ten, a sample size under 200 would mean unstable parameter estimates and significance tests that lack power. Stevens (1996) recommends fifteen cases per measured variable. Bentler and Chou (1987) suggest that where latent variables have multiple indicators, there should be at least five cases per parameter estimate, including error terms and path coefficients. It was also recommended that the investigator should go beyond these minimum sample size recommendations especially where the data are skewed, kurtotic or incomplete (Stevens, 1996).

While SEM is a flexible and powerful extension of the general linear model, a reasonable sample size is of critical importance. In this regard, fifteen cases per measured variable is a useful yardstick (Bolen, 1989). Measured variables typically have a minimum of one path coefficient associated with another variable in the analysis, plus any residual term. Loehlin (1992), for example, recommends that a model with two to four factors requires between 100-200 cases. If the sample is deficient in size it will create convergence failures, improper solutions, such as negative error variance estimates for measured variables, and lowered accuracy of parameter estimates (Loehlin, 1992). Additionally, a larger sample is needed for data that are not normally distributed, for the analysis of a complex model. (Kline, 2004). Moreover, while sample size affects  $\chi^2$ , it was found not to affect the computation of fit indices such as TLI, GFI, and AGFI (Schumacker & Lomax, 2004). To be in line with the principles enunciated above, sample 1 data set was smaller than sample 2 data set.

#### 4. Level and unit of analyses—micro and individual levels

Level of analysis refers to ‘the level of social reality to which theoretical explanations refer’ (Neuman, 2000, p. 132). The dimensions of social reality are on a micro-macro continuum indicating whether individual or small group processes (micro) or whole societies (macro) are being analyzed. The present study was designed to examine individual processes and the level of analysis was micro by nature. A micro-level analysis provides a micro-explanation for the behavior of a specific social phenomenon and cannot be applied to a macro-level phenomenon (Neuman, 2000). Unit of analysis ‘refers to the type of unit a researcher uses when measuring’ (Neuman, 2000, p. 132). Units of analysis can be the individual, group, organization, social class, tribe or the nation (Neuman, 2000). The unit of analysis of this study was the individual. Clarity of unit of analysis is important to avoid problems associated with ecological fallacy and reductionism (Babbie, 1989). Neuman (2000) interposes that ecological fallacy is the outcome of a mismatch of units of analysis. This mismatch arises from imprecise reasoning which leads to generalizing beyond the scope of the available evidence (Neuman, 2000). Reductionism or the fallacy of nonequivalence results from an attempt to explain a macro-level phenomenon by utilizing evidence specific to individuals (Neuman, 2000).

## 5. Scales

The indicators and their respective reliability and validity coefficients of each construct scale are examined in some detail below. These indicators were drawn from several sources in order to reflect the theoretical framework of this study. The scales that operationalized the variables were taken from the work of researchers who reported separate reliability and validity coefficients. A five-point agree-disagree Likert scaling model was used. Minor modifications were made to the indicators based on the responses received from the first administration of the questionnaire in order to increase their relevance for the second administration of the questionnaire.

### 5.1. Organizational commitment of managerial employees

This study defines organizational commitment of managerial employees as the socio-psychological forces, including values, beliefs, and norms of acceptable behavior that bind managerial employees to a particular organization (Morrow, 1993; Meyer and Allen, 1991, 1997). Several studies, utilizing both exploratory and confirmatory factor analyses, have concluded that the three dimensions of organizational commitment are separate constructs (Allen & Meyer, 1990; Reilly & Orsak, 1991; Dunham et al., 1994). In addition, Blau et al (1993) who performed factor analyses to determine the extent to which organizational commitment dimensions are distinguishable from other related constructs reported that they are, indeed, distinguishable from job satisfaction, career and work values, and career and occupational commitments.

Twenty seven items drawn from several sources operationalized organizational commitment. The following seven items measured the affective dimension of organizational commitment. (1) 'I would be very happy to spend the rest of my managerial career in this organization' (Meyer & Allen, 1997). (2) 'I really feel as if this organization's problems are my own' (Buchanan, 1974). (3) 'I feel myself to be part of this organization' (Cook & Wall, 1980). (4) 'This organization has a great deal of personal meaning for me' (Meyer & Allen, 1997). (5) 'I really feel as if this organization's problems are my own' (Buchanan, 1974). (6) 'I really feel a sense of belonging to my organization' (Lamastro, 2003). (7) 'I find that my values and this organization's values are similar' (Porter & Smith, 1970). (Item 5) is a repeat of item (2).

Nine items measured moral organizational commitment. (1) 'To know that my work had made a contribution to the good of this organization would please me'

(Cook & Wall, 1980, reviewed by KO, Price & Mueller, 1997). (2) 'I feel a strong sense of loyalty toward this organization' (Buchanan, 1974). (3) 'I feel a sense of ownership for this organization rather than just an employee' (Caldwell, Chatman & O'Reilly, 1990). (4) 'As a manager, I would feel guilty about abandoning my organization' (Meyer, Allen & Smith, 1993). (5) 'I owe a great deal to this organization' (Meyer, Allen & Smith, 1993). (6) 'I would not leave this organization right now because I have a sense of obligation to it' (Meyer & Allen, 1997). (7) 'I would feel guilty about leaving my organization now' (Meyer & Allen, 1997). (8) 'I feel I owe this organization because it has supported me' (Maertz & Campion, 2004). (9) 'I believe that to be fair, I should stay in this job a while longer' (Maertz & Campion, 2004).

Eleven items operationalized continuance commitment: (1) 'I believe I have too few options as a manager to consider leaving my organization' (Dunham, Grube & Castenada, 1994). (2) 'One of the few negative consequences of leaving this agency would be the scarcity of available alternatives' (Dunham, Grube, and Castenada, 1994). (3) 'I have invested too much time in this organization to consider working elsewhere' (Blau, 2003). (4) 'Too much of my life would be disrupted if I decided I wanted to leave this organization right now' (Dunham, Grube & Castenada, 1994). (5) 'Leaving this organization would require considerable personal sacrifice' (Meyer & Allen, 1991). (6) 'For me personally, the cost of leaving my organization would be far greater than the benefits' (Dunham, Grube & Castenada, 1994). (7) 'I feel quite proud to be able to tell people that I work for this organization' (Porter & Smith, 1970). (8) 'I feel that leaving this organization at this time would prove costly to my career' (Maertz & Campion, 2004). (9) 'I feel obligated to stay in this organization, (Shore, et al. 2000). (10) 'I believe I would lose pension investments or other benefits if I quit' (Maertz & Campion, 2004). (11) 'I feel that there are other comparable managerial jobs available' (Maertz & Campion, 2004).

## 5.2. Perceived Pay equity

Perceived pay equity defines the perception that employee reward is fair relative to the rewards received by similar others in the same and/or similar positions internally and externally. Ten items taken from Spector (1997) and the Pay Satisfaction Questionnaire developed by Heneman and Schwab (1985) and validated by Judge (1993), Mulvey, Miceli, and Near (1991), and Judge and Welbourne (1994) operationalized perceived pay equity. Heneman and Schwab

(1985) established coefficients alpha of 0.94, 0.93, 0.84, and 0.88 for the four dimensions of the scale: pay level, benefits, raise, and structure/administration respectively. Judge (1993) confirmed the four dimensions found by Heneman and Schwab (1985). These four dimensions and their reliabilities for the manager sample (n=179) are: pay level (0.89), pay raises (0.90); benefits (0.79) pay structure/administration (0.78). Similarly, Judge and Welbourne (1994) found reliability coefficients of 0.96, 0.95, 0.82, and 0.84 for pay level, benefits, pay raise, and structure/administration respectively.

The items are: (1) 'I feel I am being compensated well for the work I do' (Spector, 1997). (2) 'As a manager my compensation compares favorably well with others in my line of work' (Heneman & Schwab, 1985). (3) 'I feel my efforts are not rewarded the way they should be' (Spector, 1997). (4) 'Comparatively, I feel I am paid enough for the work I do' (Heneman & Schwab, 1985). (5) 'I am not satisfied with the benefits I receive' (Spector, 1997). (6) 'The benefits we receive are equal to or better than most other organizations offer' (Spector, 1997). (7) 'Pay raises for managers are too few and far in between' (Spector, 1997). (8) 'This organization's pay structure for managers is equitable' (Heneman & Schwab, 1985). (9) 'This organization administers its pay policy for managers very consistently' (Heneman & Schwab, 1985). (10) 'I am generally satisfied with my overall pay' (Heneman & Schwab, 1985).

### 5.3. Opportunities for development

This concept defines the degree to which an organization positively provides for the career growth and development of its managerial employees through management development programs, other relevant education and training opportunities and planned upward mobility, consistently administered (Noe, 2002). A ten-item scale drawn from a number of sources including: Hackman and Oldham (1975), Lepak and Snell (1999), Hackman and Lawler (1971), Tsui, Pearce, Porter, and Tripoli (1997), and Cook, Hepworth, Wall and Warr (1981) operationalized opportunities for development. The foci of these items are on the intrinsic features of the job including the extent to which the manager is satisfied with opportunities provided by the enterprise for development and the emphasis placed on the internalization of developmental efforts.

These items are: (1) 'Managerial employees who do well on the job stand a fair chance of being promoted' (Hackman & Oldham, 1975). (2) 'This organization

prepares its managers for advancement' (Lepak & Snell, 1999). (3) 'This organization has an effective program to develop the core skills of managerial employees' (Lepak & Snell, 1999). (4) 'I am satisfied with the opportunity for personal growth and development in my managerial position' (Hackman & Lawler, 1971). (5) 'I am happy with the feeling of accomplishment I get from doing my job' (Hackman & Lawler, 1971). (6) 'My chances of promotion in this organization are very good' (Tsui, Pearce, Porter & Tripoli, 1997). (7) 'This organization has in place an effective program for internally developing its managers' (Lepak & Snell, 1999). (8) 'I feel good about the amount of challenge in my job' (Hackman & Oldham, 1975). (9) 'I get to do a number of different things on my job' (Seashore, Lawler, Mirvis & Cammann, 1982). (10) 'I have all the skills I need to do my job' (Cammann, Fichman, Jenkins & Klesh (1979).

#### 5.4. Socialization tactics

The construct, socialization tactics, defines the process interventions used by an organization to structure the cognitions of new managers in, and integrate their interests with those of an organization so that they assimilate its values, norms and culture. It is a learning process that focuses on both the cognitive and affective domains of learning (Jones, 1983; Ashforth, Saks & Lee, 1998). Haueter, Macan, and Winter (2003) adopted a construct validation approach to 'develop a measure of newcomer socialization that addresses the shortcomings of a prior scale,' developed by Chao, Kelly, Wolf, Klein and Gardener (1994). Chao et al (1994) developed a six-dimensional scale of organizational socialization, which was beset by a number of problems (Klein & Weaver, 2000). Haueter, Macan, and Winter (2003) performed a longitudinal study to modify the Newcomer Socialization Questionnaire with three principal dimensions-organization, group, and task, with alpha coefficients of 0.88 (organization), 0.92 (group) and 0.89 (task). Haueter et al (2003) also reported that mentoring and job training significantly impact the socialization of newcomers.

Eight items taken from Jones (1986) and two from Hauter, Macan and Winter (2003) operationalized socialization tactics. The eight items taken from Jones (1986), reviewed and confirmed by Ashforth, Saks, and Lee (1998), Ashforth and Saks (1996), and Cooper-Thomas and Anderson (2002) are: (1) 'My colleagues have gone out of their way to help me adjust to this organization.' (2) 'This organization puts all new managers through the same set of learning experiences.'

(3) ‘I have been through a set of training experiences specifically designed to provide new managers with in-depth job-related skills.’ (4) ‘I can predict my future career path in this organization by observing other people’s experiences.’ (5) ‘Almost all of my colleagues have been supportive of me personally.’ (6) ‘The steps in the career ladder are clearly specified in this organization.’ (7) Each stage of the training process builds upon the job knowledge gained in the preceding stages of the process.’ (8) ‘In this organization experienced managers see the training of new managers as one of their main job responsibilities.’ The two items taken from Hauter, Macan, and Winter (2003) are: (9) ‘I understand this organization’s goals and objectives.’ (10) ‘I understand how my particular work group contributes to this organization’s goals.’ Table 3.1 provides alpha coefficients found by Ashforth, Saks and Lee (1998), Ashforth and Saks (1996), Cooper-Thomas and Anderson (2002), and Jones (1986).

Table 3.1: Comparison of alpha coefficients of socialization tactic

Tactics concerned mainly with:	Socialization Tactics	Ashforth, Saks and Lee	Ashforth and Saks	Cooper-Thomas and Anderson	Jones
Context of	Collective/Individual	0.77	0.77	0.74	0.84
Information	Formal/Informal	0.66	0.66	0.68	0.68
Content of	Sequential/Random	0.82	0.82	0.83	0.78
Information	Fixed/Variable	0.79	0.79	0.78	0.79
Social	Serial/Disjunctive	0.77	0.77	0.69	0.78
Support	Investiture/Divestiture	0.68	0.68	0.70	0.79

The data indicate clearly that the alpha coefficients of formal/informal socialization tactics are consistently below 0.70. Consequently, none of the items in this area is included in the ten-item scale. The alphas of the investiture/divestiture category of socialization tactics are split between the 0.60 and 0.70 ranges. As a result only one item was used.

##### 5.5. Organizational trust

Organizational trust defines a manager’s belief that the organization will act in her interest, based on her evaluation of past behaviors of that organization. In essence, it is one party’s willingness to be vulnerable to another party because of the trustor’s belief, based on past experiences, that the trustee is benevolent, reliable, competent, honest, and open (Hoy & Tschannen-Moran, 1999; Tschannen-Moran & Hoy, 2000).

Ten of the sixty two-item scale developed and used by Cummings and Bromiley (1996), reported in *Trust in organizations: frontiers of theory and research* by Kramer and Tyler, 1996) with a composite reliability coefficient of 0.95-0.96 operationalized organizational trust. These items which cover the affective, cognitive and behavioral intentions of core trust issues were slightly modified for the present study. Six items focus on the organization, two are directed at senior management, and the remaining two target colleagues. The authors addressed organizational trust on a definitional matrix with three dimensions of organizational trust on the vertical axis and three components of belief or response modes on the horizontal axis. The three trust dimensions are: reliability, honesty, and fairness. The components of belief are: affective state, cognition, and behavioral intent (Cummings & Bromiley (1996). The reliability results of each dimension and the overall inventory are reported in Table 3.2 below.

Table 3.2: Composite reliabilities by dimension and response mode

Dimension	Affect	Cognition	Behavior	Goodness- of -Fit
1. Reliability	0.89637	0.95853	0.83856	0.8585
2. Honesty	0.92694	0.94192	0.77604	0.8321
3. Fairness	0.89495	0.91997	0.88408	0.7906

The authors employed latent variable structural equation analysis and confirmatory factor analysis to analyze the survey responses. They executed the analysis in three stages ‘(a) estimation of the items versus the three trust dimensions; (b) estimation for each dimension of trust of the affective, cognitive and behavior/intent response-mode factor; and (c) estimation of the model that included trust factors and reported behavior,’ (Cummings & Bromiley, 1996, p. 308). The authors used maximum likelihood techniques to estimate the model and found that it was acceptable with a Bentler’s Comparative Fit Index of 0.81. The items are: (1) ‘I feel that I can depend on this organization to fulfill its commitments to me.’ (2) ‘I feel that this organization is dependable.’ (3) ‘I feel that my managerial colleagues fairly represent their competence.’ (4) ‘I can trust my colleagues to lend me a hand when I need it.’ (5) I feel confident that this organization will always treat me fairly.’ (6) I feel that this organization manipulates its managerial employees for its own gain.’ (7) ‘I feel that



this organization will keep its word.’ (8) ‘I feel that I cannot depend on this organization to fulfill its obligations to managers at my level.’ (9) ‘I believe that senior management in this organization is dependable.’ (10) ‘I feel that senior management in this organization try to get out of their obligation to lower level managers.’

#### 5.6. Job satisfaction

Job satisfaction defines the overall feeling individuals have about their job. As an attitudinal variable, job satisfaction is ‘a related constellation of attitudes about various aspects or facets of the job’ (Spector, 1997, p 2). The general approach to job satisfaction is relevant when the objective is to identify the extent to which a particular group of employees like or dislike their jobs. This can be used in conjunction with the facet approach when it is also necessary to determine which aspects of the job contribute to satisfaction and dissatisfaction (Spector, 1997).

Thirteen items taken from three sources operationalized job satisfaction: four from the ‘Overall Job Satisfaction Scale (OJS), developed by Brayfield and Rothe (1951), five from the Minnesota Satisfaction Questionnaire, developed by Weiss, Dawis, England and Lofquist (1967), one from the work of Spector (1997) and three from the work of Irving and Meyer (1994, 1995). The four OJS items and two of the MSQ items are also found in the Brayfield and Rothe (1951) eighteen-item index of job satisfaction. Brayfield and Rothe (1951) found Spearman-Brown coefficients of internal reliability of 0.87 and 0.92 at two different times. Brayfield, Wells and Strate (1957) found Spearman-Brown coefficients of internal reliability of 0.90 and 0.78. Baker and Hansen (1975) reported Kuder-Richardson internal reliability of 0.99. Similarly, Lopez and Greenhaus (1978) reported an internal reliability coefficient of 0.87. Met-expectations, as an integral part of general job satisfaction, were operationalized by three items adapted from Irving and Meyer (1994; 1995).

Irving and Meyer’s (1995) regression analysis of expectations, experiences, and met-expectations indicated that: (a) expectations contributed significantly to met expectations in two of nine cases, (b) comfort expectations accounted in a very small way to predicting the variance in met-expectations ( $R^2=.03$ ,  $p < .05$ ), (c) expectations contributed significantly to the prediction of met-expectations, (d) the regression coefficient for responsibility experiences was larger than that of responsibility expectations, (e) regarding the reward variables, only the experience

measures contributed significantly to the prediction of met-expectations. Table 3.3 provides this information.

Table 3.3 Relationships between expectations, experiences and met-expectations  
(Values are unstandardized regression coefficients)

VARIABLES	Met-expectations at one month from experiences at one month			Met-expectations at 6 months			Met-expectations at 12 months		
	COM	REW	RESP	COM	REW	RESP	COM	REW	RESP
Expectations	-.24	-.01	-.38	-.50**	-.24	-.16	-.37	-.13	-.50**
Experiences	.26	1.34**	1.21**	.33**	1.51**	1.12**	.33	1.54**	1.49**
Rsq.	.01	.29**	.20**	.03*	.37**	.22**	.02	.39**	.28**
F	1.09	51.02**	30.52**	4.11*	71.01**	33.28**	1.89	78.21**	47.72**

\*p < .05; \*\*p < .01; \*\*\*p < .001

The thirteen items are: (1) 'I feel fairly well satisfied with my present job' (Brayfield & Rothe, 1951). (2) 'My job is enjoyable' (Spector, 1997). (3) 'I enjoy my work more than my leisure time' (Brayfield & Rothe, 1951). (4) 'I consider my job rather unpleasant' (Brayfield & Rothe, 1951). (5) 'I find real enjoyment in my work' (Brayfield & Rothe, 1951). (6) 'I am satisfied with the chance to do something that makes use of my abilities' (Weiss, Dawis, England & Lofquist, 1967). (7) 'I am satisfied with the chances of advancement on this job' (Weiss, Dawis, England & Lofquist, 1967). (8) 'I am satisfied with the freedom to use my own judgment' (Weiss, Dawis, England & Lofquist, 1967) (9) 'My job is like a hobby to me' (Brayfield & Rothe, 1951). (10) 'I feel that I am happier in my work than most other people in this organization' (Brayfield & Rothe, 1951). (11) 'At this point, my experiences as a manager in this organization have exceeded my expectations' (Irving & Meyer, 1995). (12) 'Presently, my experiences as a manager are equal to my expectations.' (13) 'At this point, my experiences as a manager in this organization have fallen short of my expectations' (Irving & Meyer, 1995).

### Data Screening

This subsection examines the importance of reliability and validity for the constructs scales, the associated issues of these two constructs and other issues.

#### 1. Reliability

Reliability measures the extent to which the scores on a test are free from random measurement error and is the proportion of the observed variance due to random error from 1.00. Thus, a reliability coefficient of 0.92 means that 8% of observed variance is due to random error. Cronbach's alpha which measures the

internal consistency or the degree to which responses are consistent across the items of a single measure is well known as the internal consistency reliability (Kline, 2004). The rule of thumb employed by most researchers is that values of .90 and above are excellent, values above .80 and less than .90 are very good, and values that are about .70 to .79 are considered good.

Reliability is also the consistency and dependability of the measurement instrument across time, group and different indicators (Neuman, 2000). Reliability across time provides the degree of stability of the instrument administered at two or more different time periods (Neuman, 2000). Reliability across groups measures the degree of representativeness of the indicators in the questionnaire, accomplished by performing a subpopulation analysis that provides accurate information about the two groups (Neuman, 2000). Reliability across multiple indicators is equivalence reliability and it will be measured by the split-half method. In addition to the test-retest method, subpopulation analysis and the split-half method, reliability issues were dealt with by clearly conceptualizing the constructs, utilizing multiple indicators, and by running a pilot study of the survey instrument (Neuman, 2000). .

This study has not used any scale with a reported reliability coefficient of less than 0.70 (Cortina, 1993). Cronbach's alpha is the most common estimate of the internal consistency of items in a scale. Alpha measures (a) the degree to which responses to items collected simultaneously are highly correlated with one another, and (b) the level of the mean intercorrelation weighted by variances or the mean intercorrelation for standardized data (Cortina, 1993). The alpha formula also takes into account the number of items of a scale, based on the theory that the higher the number of items, the higher the reliability of the scale and concomitantly, the higher will be the alpha coefficient. Additionally, the size of alpha is directly related to: (a) within-subject responses that are more consistent and the variability between subjects in the sample is greater, and (b) the homogeneity of variances among the items of a scale. However, there are minor problems associated with the use of alpha, including: (a) the internal consistency issue, (b) alpha as the lower bound reliability of a test, and (c) the arbitrary selection of .70 as the lowest desired level of the alpha coefficient.

Internal consistency and homogeneity are not synonymous concepts. Internal consistency defines the interrelatedness among the items of a survey instrument (Cortina, 1993), and homogeneity focuses on the unidimensionality of these items.

Thus, while ‘internal consistency is a necessary but not a sufficient condition for homogeneity, alpha is a function of internal consistency’ (Cortina, 1993, p. 100) and concomitantly, it is possible to have a set of items that is both interrelated and multidimensional. This may affect the precision of alpha, which is an outcome of the standard error of item intercorrelations. The implication is that the size and precision of the alpha coefficient, which is the outcome of the average correlation among the items of an instrument is based on the spread of item correlations, and will reflect this range of correlations notwithstanding measurement errors or multidimensionality.

Alpha is both ‘the lower bound of reliability of a test [and] is equal to reliability in conditions of essential tau-equivalence’ (Cortina, 1993, p.101). The inference seems to be that Cronbach’s alpha is essentially a lower bound of reliability and will approach reliability as the measurements move towards tau-equivalence. Tau-equivalent measures display relationships that are essentially linearly related and ‘Cronbach’s alpha is a lower bound of reliability because perfect essential tau-equivalence is seldom if ever achieved’ (Cortina, 1993, p. 101). Cronbach’s alpha, per se, must be distinguished from standardized alpha, which ‘is not lower bound, but is a direct approximation of reliability given items with equal observed variance’ (Cortina, 1993, p. 101). Thus, when the items of a survey instrument are tau-equivalent, Cronbach’s alpha equals reliability (Cortina, 1993).

Third, both Cronbach’s and the standardized form of alpha are a function of the number of items in a scale. This fact makes the conventional wisdom that prescribes an alpha coefficient of .70 as the lowest desired level without consideration of the number of items in a scale somewhat arbitrary. This is not a condemnation of alpha, which is an excellent measure of the proportion of error variance regardless of the length of a scale. The value of this assertion is that ‘when many items are pooled, internal consistency estimates are relatively invariant and somewhat useless’ (Cortina, 1993, p.101). Thus, the adequacy of alpha must also consider context of a study, including the optimum number of items so as to avoid the incidence of invariant internal consistency estimates.

In the final analysis, coefficient alpha is particularly useful when ‘item-specific variance in a unidimensional test is of interest (Cortina, 1993, p. 103). Thus, if the alpha of a scale is large, then it may be concluded ‘that a large portion of the

variance in the scale is attributable to general and group factors [and not] item-specific variance, (Cortina, 1993, p. 103).

## 2. Validity

Validity measures the extent to which the scores of variables converge with, and diverge from, one another. Measurement validity is concerned with construct validity or the degree to which the various indicators are operating consistently (Neuman, 2000). Construct validity was determined by confirmatory factor analysis in order to ensure the sufficiency of both convergent and discriminant validities of the measurement device of the construct (Neuman, 2000). Thus, particular attention was given to construct validity, which is concerned with the logic of items measuring the constructs in this study. A good construct should have a sound theoretical basis, with clear operational definitions involving measurable indicators. This means that each scale in this study measured the unobservable social construct that it was intended to measure. Two of the three variants of construct validity are discriminant and convergent validities. Discriminant validity indicates, for example, the degree to which the operationalization of construct A diverges from the operationalizations of constructs B, C, D, and E., determined by correlation analysis, which shows whether the indicators of construct A are highly correlated with those of construct B. If the correlation coefficient is higher than .85, then it may be concluded that they are measuring the same thing. Convergent validity indicates the degree to which the operationalization of construct A converges on one or more of the other operationalizations. The degree of convergence is assessed by the correlation among the indicators of the scale to measure construct A and the correlation of the construct found by previous researchers. This is a form of internal consistency which seeks to ensure that there is reasonable convergence among the indicators of a construct.

Validity also implies reliability (consistency) and credibility of an explanation of relationships among a set of variables (Krathwohl, 1985). However, the fact that a scale or a test is reliable does not mean that it is also valid. Krathwohl (1985) indicates that apart from well-known external and internal validities specifically concerned with causal relationships, there is also external validity and internal validity concerned with relationships generality and linkages of variables respectively. Thus, external validity focuses on the extent to which the evidence

unequivocally supports the generality of the relationship with respect to subjects, measures, situations, and procedures (Krathwohl, 1985). Internal validity focuses on the extent to which the evidence supports the proposed relationship of the variables and the exclusion of other interpretations (Krathwohl, 1985). There are certain threats to both external validity and internal validity. External validity may be jeopardized by selection biases. Internal validity may be affected by history or events occurring between the first survey and the second, maturation of participants, instrumentation or calibration changes of the measurement tool, and selection biases.

Selection bias arises from distorting a statistical analysis because of the methodology used to collect samples. While statistical analysis of existing data alone will not solve the problems associated with selection bias, it is possible to measure selection bias through an examination of correlations between independent variables (Krathwohl, 1985). These threats were minimized through the use of appropriate assignment procedures, establishing the validity and reliability of the measuring instrument, and the removal of confounding variables (Krathwohl, 1985).

### 3. Other Issues

First, nonnormality issues may arise from the SEM assumption that dependent variables are continuously distributed with normally distributed residuals (Kline, 2004). Should this issue arise, more data would be collected, and normality tests will be administered on the data collected, including, probability plots, histograms, computation of skewness and kurtosis, resolved by data transformation.

Second, the possibility that the model can be theoretically identified but unsolvable was considered. This issue could arise because of high multicollinearity caused by high intercorrelations among some variables, analysis of composite variables and their constituent variables together, standardized regression weights close to 1, indicating that the two variables are almost identical, higher standard errors computed from two almost identical independent variables that are used as predictors of the dependent variable, high covariances of parameter estimates, and negative error variance estimates (Bolen, 1989). Multicollinearity issues will be resolved by the elimination of variables or combining redundant variables into a composite variable (Kline 2004).

Third, outliers are those scores that are quite different from the others (Kline, 2004), or 'data values that are extreme or atypical on either the independent variable ( $X$ ) or the dependent variable ( $Y$ ) or both' (Schumacker & Lomax, 2004, p. 31-32). Outliers are the outcome of errors arising from observation, data entry, faulty instrument construction, and extreme values of self-report data (Schumacker, & Lomax, 2004). Outliers will be resolved by explaining, deleting or accommodating, utilizing robust statistics, including collection of additional data to fill the gap along the  $Y$  or  $X$  axis (Schumacker & Lomax, 2004).

Fourth, self report and common method biases may also arise. Common method biases have a random and a systematic component and are caused by the effects of (a) common rater, (b) item characteristic, (c) item context and (d) measurement context. Podsakoff, MacKenzie, Lee, and Podsakoff (2003, p. 882) indicate that: (a) common rater effects are 'any artifactual covariance between the predictor and criterion variable produced by the fact that the respondent providing the measure of these variables is the same,' (b) item characteristic effects are 'any artifactual covariance that is caused by the influence or interpretation that a respondent might ascribe to an item solely because of specific properties or characteristics the item possesses,' (c) item context effects 'refer to any influence or interpretation that a respondent might ascribe to an item solely because of its relation to other items making up an instrument,' and (d) measurement context effects are 'any artifactual covariation produced from the context in which the measures are obtained.'

The systematic component 'provides an alternative explanation for the observed relationships between measures of different constructs that is independent of the one hypothesized' (Podsakoff, MacKenzie, Lee & Podsakoff, 2003, p. 879). Additionally, method variance through systematic component error may arise because of the content of items, type of scale, response format, and general context. Regardless of the source of the problem, systematic measurement error has an adverse effect on empirical results and procedural and statistical remedies may be used to control common method biases (Podsakoff, MacKenzie, Lee & Podsakoff, 2003). They are procedural and statistical.

This study planned to utilize one or more of the following procedural remedies should the necessity arise. First, identify anything that the predictor and criterion variables may have in common and remove or minimize it through the design of the

study (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). Second, determine whether the predictor and criterion variables are connected through the respondent, contextual cues, and wording and format of items and utilize one or more of Podsakoff et al's (2003) four strategies to minimize or eliminate common method biases: (a) procure measures of the predictor and criterion variables from different sources, where possible, which would minimize respondents' mindset from biasing 'the observed relationship between the predictor and criterion variables and eliminate the effects of consistency motifs, implicit theories, social desirability tendencies, dispositional and transient mood states' (Podsakoff et al, 2003, p. 887); (b) protect respondents' anonymity, which should minimize respondents' natural inclination to edit their responses so that they become more socially desirable, acquiescent, and in consonance with what they believe the researcher wants (Podsakoff, et al, 2003); (c) counterbalance the order of the measurement of the predictor and criterion variables to control for item embeddedness such as item-context-mood states. The problem associated with this technique is its disruptive effect on the logical flow (Peterson, 2000); (d) improve scale to: avoid the use of vague concepts and double-barreled questions, redefine unfamiliar terms, reconstruct clear, simple, specific and concise scale items, and eliminate item social desirability (Podsakoff, et al, 2003).

Podsakoff et al (2003) indicate that it is appropriate to use one of the statistical remedies where the procedural remedies are unsuccessful in minimizing or eliminating the effects of common method biases. These remedies include, inter alia, Harman's single factor and partial correlation procedures (Podsakoff et al, 2003). Harman's single factor test, particularly confirmatory factor analysis, is based on the assumption that (a) a single factor will emerge from the analysis or (b) a general factor will cover most of the covariance among the measures (Podsakoff et al, 2003). This test, though popular, is insensitive to method effects, limited in its application, and has low utility as a remedy for common method variance. Spector, Chen and O'Connell, (2000), indicate that partial correlation procedures do not distinguish between constructs and their measures and assume that the shared variance between the variables of interest and the common method variable is inapplicable to some other variables. Moreover, the partial correlation technique allows the investigator to model the effects of method variance at the item level but



not at the construct level. Consequently, the investigator cannot examine the relative impact of these effects (Williams, Gavin & Williams, 1996).

Fifth, it was anticipated that one or more of three principal patterns of missing data may arise: missing completely at random (MCAR), missing at random (MAR) and non-ignorable (Little & Rubin, 1987). 'MCAR represents the most restrictive assumption and argues that the missingness is independent of both the unobserved and observed values of all other variables in the data' (Byrne, 2001, p. 288). MAR is less restrictive than MCAR and holds that the missingness 'is independent only of the missing values and not of the observed values of the other variables in the data' (Byrne, 2001, p. 288). The non-ignorable category of missing data is the least restrictive and is nonrandom or systematic. This may be a serious condition because the problem cannot be alleviated statistically and may impair generalizability of findings (Byrne, 2001).

Conventionally, the standard methods for dealing with missing data are listwise deletion, pairwise deletion, and data imputation. AMOS 16.0 does not use any of these methods. Instead it computes maximum likelihood estimates and assumes that missing data are random occurrences (Arbuckle, 2007)

### **Procedures**

Detailed procedures were developed to cover: (a) permission from the University of Southern Queensland to conduct the study, (b) approval of the survey instrument to be used for data gathering, (c) the notification to participants individually about their selection to participate in the study and the request that they complete the questionnaire (d) the security of the completed questionnaires.

1. Ethical clearance: Permission was obtained from the University as per regulation to conduct the study before any field work was performed. This is consistent with the University regulations governing human subjects' research.

2. Piloting the questionnaire: The draft questionnaire was first administered to a group of 40-50 randomly selected managers and modified as necessary before it was administered to participants of the study. Minor modifications were made to a few of the indicators after the questionnaire was administered to the first group of participants, labeled sample 1 to improve the measurement model.

3. Sampling strategy and procedure: This study utilized the convenience sampling method to survey managerial employees below the level of policy makers

(Neuman, 2000). This procedure ensured that every managerial employee of the four participating organizations had equal chance of participate in the study (Neuman, 2000).

4. Survey strategy and procedure: Two separate administration of the survey questionnaire were conducted three months apart to gather data from a wide spectrum of people at two different time periods to facilitate generalization of the results. The data sets collected in the first and second administration of the questionnaire were labeled sample1 and sample 2 respectively. Additionally, this procedure provided the opportunity to make minor modifications to some of the indicators in order to refine the questionnaire for its second administration.

5. Security of completed questionnaires: Action was taken to ensure the safety, security, and confidentiality of the completed questionnaires. To this end, participants were provided with envelopes in which they placed the completed questionnaires and sealed them. The sealed questionnaires were then placed in a sealed drop boxes in the human resource offices of the organizations participating in the study. The investigator collected the sealed boxes after one week.

### **Data Analysis**

Descriptive and inferential statistical methods including: frequency distributions, means, modes, medians, and standard deviations, Pearson's correlation coefficients and structural equation modeling were used to summarize and analyze the data. Structural equation modeling or SEM is particularly useful for the simultaneous examination of multiple relationships (Bollen, 1989). First, it provides the researcher with the necessary tools to investigate a multi-relationships model with both independent and dependent variables (Kline, 2004). Second, according to Kline (2004) the dependent variables in the model may perform as intervening variables and explain other dependent variables in the model. Third, this process provides the researcher with a more potent tool than the individual utilization of multivariate techniques, including multiple regression analyses, factor analysis, and multivariate variance analyses (Kline, 2004). Fourth, the use of SEM techniques allows the investigator to analyze a given set of interrelated questions which is particularly important where a dependent variable in one situation becomes an independent variable in a subsequent situation (Kline, 2004)

### 1. Structural equation modeling

The principal purpose of using structural equation modeling in this study was to test a theory and to find ‘a statistically significant model that also has practical and substantive meaning’ (Schumacker & Lomax, 2004, p.81). An important requirement of SEM application is the establishment of the indexes of overall fit (Hoyle & Painter, 1995). To accomplish this, the investigator (1) selected, and provided justification for, the omnibus fit indexes that were used, (2) clearly defined each index that was reported, and (3) selected the critical value of each index (Hoyle and Panter, 1995). Goodness-of-fit tests determine whether or not the model being tested should be accepted. However, these overall fit tests do not indicate that particular paths within the model are significant. It was planned that if the model was accepted, the investigator would proceed with the interpretation of the path coefficients in the model. The problem here, however, is that LISREL prints 15 and AMOS 25 different goodness of fit measures and it appears that there is no consensus among researchers about which and how many of these goodness of fit tests should be used (Kline, 1998).

Structural equation modeling or ‘SEM’ has two components: (a) the measurement model, accomplished primarily through confirmatory factor analysis, and (b) the structural model, accomplished through path analysis. It is essentially a multivariate extension of multiple linear regression model with one dependent  $Y$  variable, so that  $Y = i + Xb + e$ , where  $y$  = a vector containing observed scores on the dependent variable,  $i$  is a vector  $I$ 's representing the  $y$  intercept,  $X$  is a matrix of categorical (dummy-coded) independent variables,  $B$  is the vector of regression weights, and  $e$  is vector of residual or error (leftover scoring) which the model does not explain. SEM is a series of multiple regression equations, which produce an overall test of model fit, parameter estimates, unstandardized regression coefficients, standard errors for those coefficients, the standardized version of regression coefficients, and the squared multiple correlation or  $R^2$  indicating the proportion of variance in the dependent variable accounted for by the set of independent variables in the regression equation. Therefore, SEM provides a statistically efficient approach to simultaneously analyze multiple relationships comprehensively and concomitantly facilitates a transition from exploratory to explanatory analysis (Hair, Anderson, Tatham & Black, 1992). The SEM process

has two steps: (a) validation of the measurement model, and (b) fitting the structural model. This study will use SPSS 12.0 and AMOS 16.0 to perform the data analysis. The measurement and structural models are examined below.

### 1.1. The measurement model

The specified model of this study was based on theory, and comprised a number of independent and dependent variables, each of which was measured by multiple indicators. First, confirmatory factor analysis was used to confirm how many of the a-priori indicators actually measured each variable or factor. In this regard, three indicators constitute the minimum desired number of indicators that should measure a variable. Second, confirmatory factor analysis tested the meaningfulness of the variables and their indicators (Byrne, 2001), and assessed the role of the measurement error in the model. Third, confirmatory factor analysis validated the proposed multi-factorial model and determined group effects on the factors. This model was modified by changing the wording of some of the indicators.

### 1.2. The structural model

The structural model shows the relationships among the independent variables. In this respect it defines how each independent variable directly or indirectly influences the other variables in the model.

## 2. The moderator/mediator research model

This study utilized a combined moderator-mediator research model the justification for which is examined below.

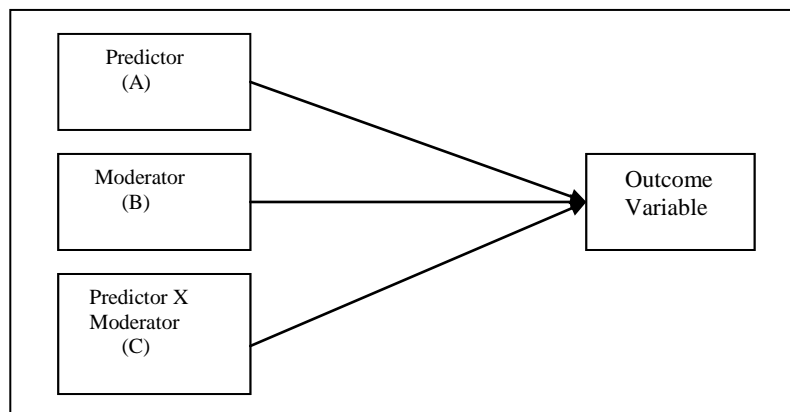


Figure 3.1. Moderator Model

Figure 3.1 above is a schematic of the moderator model. The model has a three-variable system with three causal paths which flow into the outcome variable of

managerial commitment to organizations. Each of the three paths performs a specific function. Path (a) flows directly from the predictor variable such as pay equity to the outcome variable, affective organizational commitment of managers. Path (b) shows the impact of the moderator. Path (c) is the interaction or product of the predictor and the moderator variables. A significant path (c) supports the moderator hypothesis. Two other requirements of the moderator variable are: ‘it must be uncorrelated with both the predictor and criterion or dependent variables to provide a clear interaction term [and] be at the same level in regards to their roles as causal variables’ (Baron & Kenny, 1986, p. 1174).

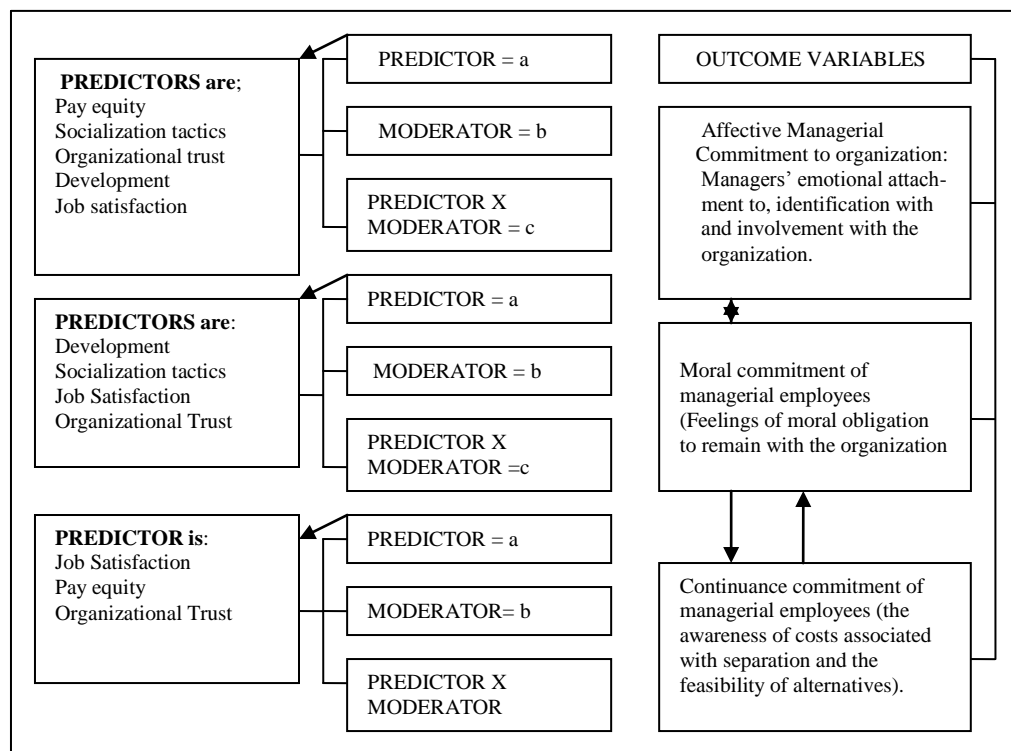


Figure 3.2. Application of the moderator model

Figure 3.2 above provides an example of an application of the moderator model. According to Baron and Kenny (1986, p. 1174), ‘a moderator is a variable that affects the direction and/or strength of the relation between an independent or predictor variable and a dependent or criterion variable.’ In Figure 3.2, the independent variables are shown in three boxes to demarcate their predictive relationships with each of the three dimensions of organizational commitment. The first box has five independent or predictor variables—job satisfaction, organizational trust, socialization tactics, development, and pay equity. For each of the predictor variables shown, there are three causal paths that feed into the

outcome variable of affective managerial commitment—the predictor variable (path A), the moderator (path B) and the interaction or product of the predictor and the moderator (path C). Conceptually any significant main effects for the predictor and the moderator variable (paths A and B) are not relevant in testing the moderator hypothesis. Second, the antecedents or predictor variables and the moderator are at the same level with respect to their role as predictor variables. Thus the moderator variable always functions as an independent variable. Third, with moderation ‘the causal relation between two variables changes as a function of the moderator variable’ (Baron & Kenny, 1986, p 1174). Therefore, the statistical procedures used should ‘measure and test the differential effect of the independent variable on the dependent variable as a function of the moderator’ (Baron & Kenny, 1986, p 1174).

Moderation implies that the relationship between the predictor and the criterion variables changes ‘as a function of the moderator variable’ (Baron & Kenny, 1986, p. 1174). To this end, ‘the statistical analysis (will) measure and test the differential effect of the independent variable on the criterion variable as a function of the moderator’ (Baron & Kenny, 1986, p. 1174). Moreover, the moderator variable is used in this study where there is a weak or inconsistent relationship between a predictor and a criterion variable. According to Barron and Kenny (1986, p. 1174), ‘a basic moderator effect can be represented as an interaction between a focal independent variable and a factor that specifies the appropriate conditions for the operation’ and where the ‘relation is substantially reduced, instead of being reversed.’

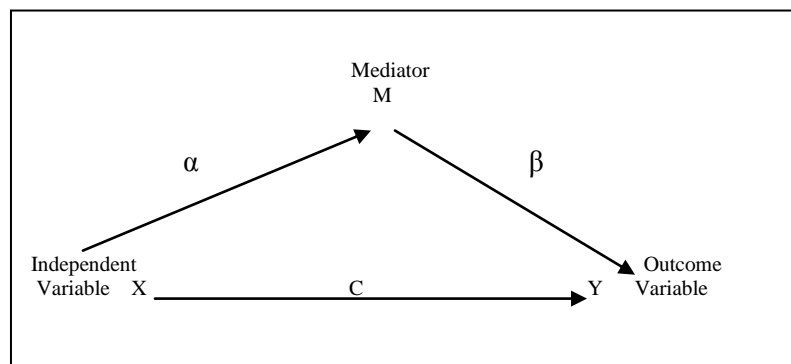


Figure 3.3: The Mediator model

Figure 3.3 depicts the mediator model, the rationale for which is based on the principle that ‘the effects of stimuli on behavior are mediated by various transformation processes internal to the organism’ (Barron & Kenny, 1986, p.

1176). In this regard, a variable functions as a mediator when it accounts for the relation between a predictor and a criterion variable. The mediator variable explains how other factors or events assume internal significance in the relationship between a predictor and a criterion (Barron & Kenny, 1986). Thus, while a moderator specifies when a certain effect will hold, a mediator explains how or why such an effect occurs. Figure 3.3 is a path diagram which shows predictive relationships in a three-variable system: two paths feeding into an outcome variable path  $c$  which is the direct path and path  $\beta$  which is the mediator path. Path  $\alpha$  flows from the independent variable to the mediator.

A variable must meet three conditions to function as a mediator: (a) variations in the level of the independent variable significantly account for variations in the mediator variable shown in path  $\alpha$ ; (b) variations in the mediator variable significantly accounts for variations in the independent variable: path  $\beta$ , and (c) when paths  $\alpha$  and  $\beta$  are controlled, any previously significant prior relationship between the independent and dependent variables is rendered insignificant. Additionally, if path  $\mathbf{XY}$  is rendered zero, then there is strong evidence in support of a single dominant mediator (Barron & Kenny, 1986). With the causal steps approach, the criteria for establishing mediation are: (a) X must be correlated with Y, (b) X must be correlated with M, (c) M must be correlated with Y, holding constant any direct effect of X on Y

### *Combining moderation and mediation*

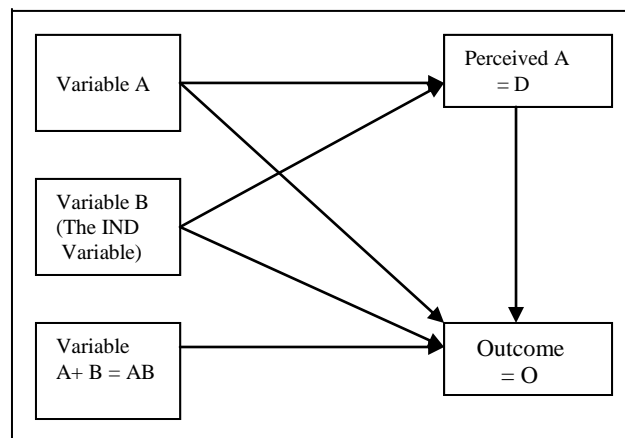


Figure 3.4 Path diagram combining mediation and moderation

Figure 3.4 above provides a combined moderator-mediator model. In this model variable **A** has both moderator and mediator status, variable **B** is the independent variable, the interaction between A and B is denoted as **AB**, **D** measures the

perceived influence of A and O is the dependent variable, which is the outcome. The analysis utilizing a combined mediator-moderator model is done in three steps (Baron & Kenny, 1986).

Step 1 measures the effects of manipulated variables on O, the outcome. The regression at this stage of the process is a 2x2 ANOVA on O, the outcome variable. If A has a significant effect on O, then it may be a mediator of the effect of the independent variable B on the outcome O. If B affects O, then it would be important to assess the mediating effects of variable A. The effects of A on O and B on O support the mediation hypothesis. However, direct evidence for mediation is found in Step 2. The AB effect is indicative of moderation (Baron & Kenny, 1986)

Step 2 assesses the effects to and from D. The two regressions estimated in this stage of the analysis are shown in Figure 3.4. D is regressed on A, B, and AB accomplished by a 2x2 ANOVA. (2) O is regressed on A, B, D, and AB. Thus, for D to mediate the B to O relation B must affect D and D must affect O. Where there is complete mediation, B does not affect O when D is controlled. If AB affects D, then the manipulation of A is not equally effective in determining D across the level of B, and B moderates the effectiveness of A. If AB affects O in the Step 1 regression, and it has a weaker effect on O in the step 2 regression, then D has mediated the AB effect on O. This is termed a mediated moderation, which is indicated by AB affecting O in Step 1 and in Step 2 AB affecting D and D affecting A. This means that it is possible for D to mediate both the effect of B on O and the effect of AB on O (Baron & Kenny, 1986).

Step 3 assesses the effect of AB. At this stage, O is regressed on A, B, D, AB, and DB. Thus, the equation is identical to the second equation in Step 2 except for adding the DB term. The primary question is the degree to which the DB effect on O declines in moving from Step 2 to Step 3 (Baron & Kenny, 1986). If the DB effect on O declines as a result of the movement, then it is reasonable to conclude that D and not A moderates the B to O relation (Baron & Kenny, 1986). If this is the case, then D will mediate the moderating effects of A on B, provided AB has less effect on O at Step 3 than at Step 2 and DB affects O (Baron & Kenny, 1986)

### 3. Model fit criteria and recommended fit indexes

Three criteria were used to judge the substantive meaning and statistical significance of the theoretical model (Schumacker & Lomax, 2004). These are (a)



the non-statistical significance of the  $\chi^2$  test and the root-mean-square error of approximation, (b) the statistical significance of individual parameter estimates for paths in the model, and (c) the size and direction of the parameter estimates (Schumacker & Lomax, 2004). With respect to the first criterion, a root-mean-square error of approximation (RMSEA) value of less than or equal to .05 was considered acceptable (Kline, 2004; Schumacker & Lomax, 2004). Regarding the second criterion, the statistical significance of individual parameter estimates for the paths in the model were determined by dividing the parameter estimates by their respective standard errors, which is the  $t$  value that must be compared to a tabled  $t$  value of 1.96 at the .05 significance level. The final criterion required an examination of the presence of whether a negative or positive coefficient is relevant to the parameter estimate.

Schumacker and Lomax (2004, p. 100) posit that ‘model fit determines the degree to which the sample variance-covariance data fit the structural equation model’ and the most commonly used model fit criteria are Chi-square ( $\chi^2$ ) and the root-mean-square residual (RMR). Schumacker and Lomax (2004, p.100) also indicate that these two fit criteria ‘are based on differences between the observed (original,  $S$ ) matrix and the model-implied (reproduced,  $\Sigma$ ) variance-covariance matrix.’ Jaccard and Wan (1996) recommend that it would be appropriate to use three fit tests from among Chi-Square, the Goodness of Fit Index (GFI), the Normed Fit Index (NFI), the Comparative Fit Index (CFI), the Non-normed Fit Index (NNFI), and the Standardized Root Mean Square Residual (SRMR). Kline (1998) recommends that four of the fit tests named above are more appropriate.

Other recommendations include the Tucker Lewis Index (TLI) and the Root Mean Square Error of Approximation (RMSEA). Chi-square and RMSEA are model fit criteria, referred to as absolute fit indices by Kline (2004). The information theoretic measures are the Akaike Information criterion (AIC) (Akaike, 1987) and the Bayes information criterion (BIC) (Raftery, 1993). The predictive fit indices are the Expected Cross-validation index, (ECVI) (Bozdogan’s, 1987) and the CAIC (consistent AIC). The Tucker Lewis (TLI), the NNFI, and the CFI are model comparison indices. The following fit indexes were chosen for this study.

*3.1. Chi-Square ( $\chi^2$ ):* Kline (2004) indicates that chi-square (shown as NPAR, CMIN/DF and P by AMOS output) is about the most common fit test in use and it is the only test that is capable of showing the difference between the observed

and estimated matrices. A nonsignificant chi-square ( $\chi^2$ ) value with associated degrees of freedom is advised by Schumacker & Lomax (2004) because a nonsignificant chi-square ( $\chi^2$ ) provides evidence that is indicative of a good model fit (Hoyle, 1995). However, Chi-square is sensitive to sample size above 300 and the larger the sample size, the more likely a Type 11 error and even a small difference between the observed model and the perfect-fit model may be significant. Conversely, a sample size below 100 is very likely to produce a non-significant level (Hair, Anderson, Tatham and Black (1998). This means that a non-significant chi-square relative to degrees of freedom would indicate that the difference between observed and estimated matrices is statistically insignificant (Hoyle, 1995). Hair, Anderson, Tatham and Black (1998) recommend that an outcome in which the significance level  $p > .05$  but  $< .10$  is the minimum acceptable fit, and a good fit is found when  $p > .2$ .

*3.2. Absolute Indexes (RMR):* RMR or root mean square residual is the average residual value that is derived from the process of fitting the variance-covariance matrices for the hypothesized model  $\Sigma (\hat{\theta})$  and the sample data ( $S$ ) (Byrne, 2001). The RMR is a coefficient computed from the square root of the mean of the squared residuals, which are the differences between the sample variances and covariances and the corresponding estimated variances and covariances. The standardized RMR is the average value across all standardized residuals, with a range of zero to 1.00. The RMR uses the square root of the mean-squared differences between matrix elements in  $S$  and  $\Sigma$ , where  $S$  represents values in the sample covariance matrix and  $\Sigma$  represents the reproduced implied covariance matrix created from the specified theoretical model (Schumacker & Lomax, 2004). The coefficient is computed on the assumption that the model being tested is correct (Hoyle, 1995). The closer the RMR value is to zero for the model being tested, the better is the model fit (Kline, 2004).

*3.3. Comparative Indexes (NFI, CFI, and the TLI):* The normed-fit index (NFI) which initially indicated a tendency to underestimate fit in small samples was revamped by Bentler (1990) to account for sample size (Byrne, 2001). Bentler (1990) also recommended the comparative fit index (CFI), which is an incremental index that can be used to assess the 'relative improvement of fit of the researcher's model compared with a baseline model' or the null model (Kline, 2004, p. 140). The objective of the researcher is to propose a model with

a higher  $\chi^2$  than that of the null model (Kline, 2004). Additionally, the CFI does not assume a perfect population fit of the researcher's model or zero error of approximation (Schumacker & Lomax, 2004). Hu and Bentler (1999) indicate that the range of outcomes is between 0 and 1. Values between .85 and <.90 are marginally acceptable, values between .90 and .95 are acceptable and values above .95 are indicative of a good model. Finally, the Tucker-Lewis Index (TLI)/Non-normed fit index is an incremental fit index used to compare alternative models or a proposed model relative to a null model (Schumacker & Lomax, 2004). This index is particularly applicable to an assessment of a single a priori model and/or viable alternative models. The index is scaled from zero (no fit) to one (perfect fit). Values that are .95 and over are good, .90 to .95 acceptable, and .85 to .90 marginally acceptable (Kline, 2004).

3.4. Root mean-square error of approximation (RMSEA): RMSEA is a parsimony adjusted index because its computation 'includes a built-in correction for model complexity' (Kline, 2004, p. 137). Thus, if there are two models with similar explanatory power, preference will be given to the simpler model (Kline, 2004). RMSEA is considered an alternative to  $\chi^2$  because it provides an adjustment strategy against the tendency of  $\chi^2$  to reject a specified model with a large sample (Gordon, 2006). It is also necessary to distinguish between error of approximation and error of estimation (Browne & Cudeck, 1993). Error of approximation which is concerned with the lack of fit of the researcher's model in relation to the population covariance matrix is measured by the RMSEA (Browne & Cudeck, 1993). The error of estimation which is affected by the sample size is concerned with the difference between the fit of the model to the covariance matrix and to the population matrix (Kline, 2004). RMSEA  $\leq$  .05 indicates good fit, between .05 to .10 acceptable fit, and  $>$  .10 poor fit (Browne & Cudeck, 1993).

3.5. Parsimony indexes (AIC and CAIC): Akaike's (1987) information criterion (AIC) and Bozdogan's (1987) CAIC address parsimony issues in the assessment of model fit (Byrne, 2001). Therefore, 'statistical goodness of fit and the number of estimated parameters are included in their computation. The AIC emphasizes degree of freedom and the CAIC takes sample size into account. These two indices indicate the degree to which the parameter estimates from the original sample can cross-validate in future samples. Both the Bayes

information criterion (BIC) and the Browne-Cudeck criterion (BCC) perform the same way as the AIC and the CAIC and will not be used in this study.

*3.6. Expected cross-validation index (ECVI):* This is the index of expected cross validation, initially recommended to assess, in a single sample that the model cross-validates across similar-sized samples from the population (Byrne, 2001). This index ‘measures the discrepancy between the fitted covariance matrix in the analyzed sample and the expected covariance matrix that would be obtained in another sample of equivalent size’ (Byrne, 2001, p. 86). To this end, the ECVI index is calculated for each model and all values are then rank-ordered. The model with the smallest ECVI value has the highest potential of being replicated.

The AMOS 16.0 program produces three models: the hypothesized model (shown as your model), saturated model, and the independence model, which may represent three points on a continuum, with the independence model on one extreme, the saturated model on the other extreme, and the hypothesized model at some point between the two. The hypothesized model is the model under test. The independence model is completely independent of all variables in the model so that all the correlations among the variables are zero, and the model is the most restricted. With the saturated model, the number of estimated parameters is equal to the number of data points and it is the least restricted (Arbuckle, 2007).

#### 4. Testing model fit

This study used two strategies to test model fit: (1) assessing the fit of the a priori theoretical model for the data, and (2) examining the fit of individual parameters of the model (Schumacker & Lomax, 2004). The first strategy, known as the model criteria, used a combination of the fit indices examined above. A number of ‘these measures are based on a comparison of the model-implied covariance matrix  $\Sigma$  to the sample covariance  $S$ ’ (Schumacker & Lomax, 2004, p. 70). The closer  $\Sigma$  is to  $S$ , the better is the model fit. With the second strategy, three features of the individual parameters were examined (Schumacker & Lomax, 2004). First, it was necessary to compute a ratio of the parameter estimate to the estimated standard error to form a critical value that was assumed to be normally distributed. This critical value was then assumed to be equal to the parameter estimate divided by standard error of the parameter estimate. Where the critical value is greater than the specified value at a specified alpha level, then the parameter significantly differs

from zero (Schumacker & Lomax, 2004). Second, it was necessary to determine whether the sign of the parameter agreed with the expected outcome from the theoretical model. For example, the expectation was that more opportunities for development would generate higher managerial commitment to the organization, resulting in an estimate with a positive sign which supported the expectation (Schumacker & Lomax, 2004). Third, parameter estimates fell within an expected range of values, as for example no correlation coefficient exceeded one (Schumacker & Lomax, 2004).

### 5. Alternative Models

The extent to which a hypothesized model fits or adequately describes the sample data is of critical importance in structural equation modeling (Byrne, 2001). Essentially, the model must fit the data of a sample with respect to goodness-of-fit indexes and parameter estimates. Burnham and Anderson (1998) recommended that the model with the smallest AIC should be the preferred model. In line with this recommendation, the model with  $AIC_0$  that showed zero value was the preferred model. Burnham and Anderson's (1998) scale is shown in Table 3.4 below.

Table 3.4: Burnham and Anderson's scale for interpreting the  $BCC_0$  and  $AIC_0$

<b><math>AIC_0</math> <math>BCC_0</math></b>	<b>or</b>	<b>Burnham and Anderson recommended interpretation</b>
0 - 2		There is no credible evidence that the model should be ruled out as being the actual K-L best model for the population
2 - 4		There is weak evidence that the model is not the K-L best model
4 - 7		There is definite evidence that the model is not the K-L best model
7 - 10		There is strong evidence that the model is not the K-L best model
> 10		There is very strong evidence that the model is not the K-L best model

### 6. The Four-step Approach

Maximum likelihood estimation, using AMOS 16.0 determined the degree to which items from the commitment scale loaded on their a-priori dimensions and the extent to which the dimensions were empirically separable. Structural equation modeling can be analyzed under a four-step process: model specification, model identification (validation of the measurement model), model fit, and model modification (fitting the structural model) (Bolen, 1989). The basic approach to used to perform the SEM analysis is shown in Figure 3.1 below. Model

specification was performed by using the gamut of the available relevant theory to develop a theoretical model (Schumacker & Lomax, 2004). With model identification, the researcher found a unique set of parameter estimates given ‘the sample data contained in the sample covariance matrix (*designated as S*) and the theoretical model implied by the population covariance matrix (*designated as  $\Sigma$* ) (Schumacker & Lomax, 2004). Model fitting was performed by analyzing how well the theoretical model is supported by the sample data (Kline, 2004).

Figure 3.5 shows six elements in the process on performing SEM analysis, starting with a theory and then moving to model construction, instrument construction, data collection, model testing and finally the results. The interpretation flows directly from theory to results and back to theory to determine the extent to which the results reflect what the theory postulates. This feedback process is an essential requirement in the use of structural equation modeling.

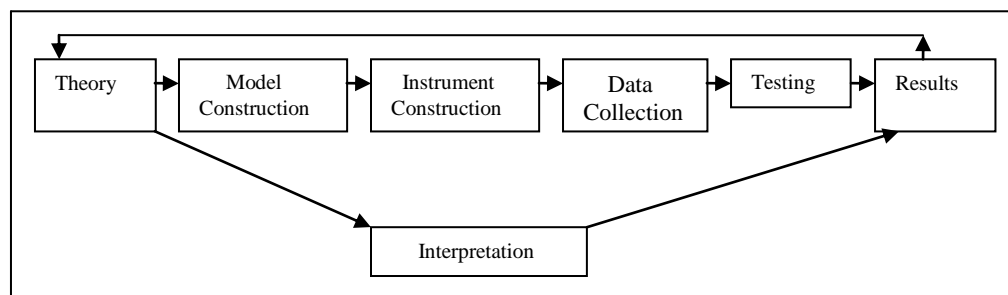


Figure 3.5: Approach to performing SEM analysis: (Bolen, 1989)

## 7. Parameter Estimates

The parameters of a structural equation model are: (a) the independently estimated loadings, (b) error variances and covariances in the measurement model, (c) the independently estimated directed arc coefficients, (4) disturbance variances and covariances in the path model (McDonald & Ho, 2002)

### 7.1. Independently estimated loadings

The Maximum Likelihood Estimation method determined the independently estimated factor loadings. This method assumes that: (a) the samples are asymptotic, (b) the distribution of the observed variables is multivariate normal, and (c) the hypothesized model is normal. In addition to the estimated factor loadings, the computations showed the standardized regression weights, standard errors, critical ratios and P labels for the data. In this respect, one of the principal foci was residuals. The residual matrix consists of the discrepancies

between the restricted covariance matrix  $[\Sigma(\theta)]$  which is implied by the hypothesized model and the sample covariance matrix ( $S$ ). Thus, the residual matrix may consist of several elements, with each representing the discrepancy between covariances in  $\Sigma(\theta)$  and those in ( $S$ ) for each pair of observed variables. These residuals are not independent of one another; therefore, it would be inappropriate to test them. It is only the magnitude that is important in drawing the attention of the researcher to any possibility of model misfit. Moreover, only the standardized residuals are important in this analysis because they are fitted residuals divided by their asymptotically standard errors (Byrne, 2001). They are therefore analogous to  $Z$  scores and are 'estimates of the number of standard deviations the observed residuals are from the zero residuals that would exist if model fit were perfect' (Byrne, 2001, p. 89).

According to Byrne (2001), values in excess of 2.58 are large. Thus, because all of the residual values fell below the 2.58 cutoff score, it was concluded that the hypothesized model was a good fit for the data. Additionally, it was also necessary to examine the standardized covariances, correlations and variances.

#### 7.2. Error variances and covariances in the measurement model

The second set of parameters in a structural equation model is the error variances and covariances in the measurement model.

### 8. Model specification

According to Bollen (1989), validation of the measurement model is a two-step process of model specification and model identification. Model specification which is based on theory classifies effects as fixed, null and variable and each variable in the model is conceptualized as either an independent or dependent variable measured by multiple indicators. Bollen (1989) also indicates that fixed effects should be set to 1.0 to establish the metric for each variable. The metric according to Bollen (1989) is a measurement range that will constrain one of the paths from a variable to one of its indicators or reference variables in order to estimate the remaining paths. Bollen (1989) further states that these indicators are the items in a survey instrument and are also known as observable, reference or manifest variables.

It was decided that the reference item selected would be the one which loaded most heavily on the dimension represented by the independent or dependent

variable (Kline, 2004) Each variable, also called a construct or a factor, cannot be directly observed and must be inferred from measured variables or indicators (Kline, 2004). Variables in the model are dependent, independent and intervening variables, as for example organizational commitment and socialization tactics (dependent and independent variables respectively in this study) (Kline 2004). Independents that are not influenced by other variables and may be correlated with other independent variables are depicted by a double-headed arrow (Kline, 2004).

Second, confirmatory factor analysis established construct validity because it permits direct investigation of the degree to which specific items jointly load on their a-priori constructs (convergent validity) and the extent to which seemingly different constructs can be distinguished from one another (discriminant validity) (Schumacker & Lomax, 2004). Confirmatory factor analysis in structural equation modeling (SEM) also: (a) assessed the role of measurement error in the SEM, (b) validated the multifactorial model, and (c) determined group effects, if any, on the factors. SEM uses confirmatory factoring rather than principal components analysis to facilitate examination of factor loadings of indicator variables in order to determine whether they load on factors predicted by the model (Schumacker & Lomax, 2004)

#### 9. Model identification

Model identification was accomplished by identifying a sufficient number of correlations or covariances as inputs to generate meaningful results (Schumacker & Lomax, 2004). Moreover, each equation was properly identified, which requires that there be at least one unique solution for each parameter estimate in the SEM model in order to make it a just-identified model (Schumacker & Lomax, 2004). Model identification is concerned with the determination of every relationship and parameter in the model in which the researcher is interested. Estimation was performed by utilizing confirmatory factor analysis (CFA) (Kline, 2004). This technique makes estimates by maximizing the probability or likelihood that the observed covariances are drawn from a population that is assumed to be identical with that reflected in the coefficient estimates (Kline, 2004). Finally, the measurement model describes the measurement properties such as reliabilities and validities (Kline, 2004). A structural equation model has two components: the measurement model and the path model. The measurement model has a set of observable variables which are the indicators of a smaller set of independent and



dependent variables (McDonald & Ho, 2002). These independent and dependent variables are the common factors. Generally, the measurement model is a confirmatory factor model in which indicators load on a number of common factors.

A model is, therefore identified when the known information available implies that there is one best value for each parameter in the model whose value is not known (Byrne, 2001). One method which was used to identify the model was the LM test of parameter estimates. For example if there are 26 free parameters in the structural models to be estimated, then the number of distinct values in the matrix S is 26 for the model. Assume further that the number of distinct values in matrix S is equal to 28 for the model calculated by using the formula  $p(p+1)/2$  where  $p$  is the number of observed variables:  $7(7+1)/2 = 28$ . Since 28 are higher than the number of free parameters (26) the structural model is identified. However, there is also need to identify (1) the measurement model (2) the path model, and (3) scaling of the independent and dependent variables.

First, evidence of the measurement model identification is present when the factor loadings form independent clusters (McDonald & Ho, 2002). There is the pure factor indicator which requires that each observed variable load only on one of the common factors. This condition may not always be present and as a consequence McDonald (1999) recommended the independent clusters basis. This model requires that each common factor should have at least two pure indicators if the factors are correlated or at least three if they are not correlated.

Second, according to McDonald and Ho (2002), the choice of nondirected arcs significantly influences the identifiability of the path model. One condition for identifiability of the path model is that the independent variables should not have any directed arc resting on them.

Third, regarding identifiability and scaling, the AMOS 16.0 program sets the variances of the independent and dependent variables to unity by utilizing constrained minimization process. This procedure has the advantage of yielding correct standard errors in a standard model. The standardized solution avoids underidentifiability because of arbitrariness of scale (McDonald & Ho, 2002). Additionally, standardized solutions facilitate interpretation of results.

In addition to the above, four pertinent aspects of model identification that must be examined are: (a) model fitting, (b) the model proposed for this study, (c) model modification, and (d) model underidentification.

Fitting the structural model which specifies the relationships among the variables including a description of the amount of unexplained variance was accomplished by path analysis (Fan, Thompson & Wang, 1999), utilizing the model estimating program, AMOS 16.0. The model path coefficients were compared to the predicted path coefficients computed from the correlation matrix after which the model coefficients were tested for goodness-of-fit with the predicted coefficients.

The path model relates independent and dependent variables (Fan, Thompson & Wang, 1999). Path coefficients or weights are the standardized regression coefficients (betas) indicating the relationships of the variables in the model (Tomarken & Waller, 2003). Thus, path analysis is an extension of the regression model that tested the fit of the correlation matrix against two or more other models. To this end, a regression was performed on the dependent variables as dependents on the independent variables in the model. The regression weights shown by the model were compared with the observed correlation matrix for the variables and a goodness-of-fit ratio was computed. The best-fitting of the models was selected as the best model for the advancement of theory. This model is full or complete because it comprises both a measurement model and a path model (McDonald & Ho, 2002). It is also known as a recursive model because it specifies direction of relationships only from one direction.

The model below shows three independent variables influencing two dependent variables and the three dimensions of organizational commitment, which are also dependent variables. The rationale for this model is threefold. First, opportunities for development, pay, and socialization tactics are antecedents of job satisfaction and trust (Spector, 1997; Locke, 1976; Tett & Meyer, 1993, Wanberg & Kammeyer-Mueller, 2000). Second, both distributive and procedural justice in the determination and administration of employee pay has serious implications for organizational trust (Dirks & Ferrin, 2002). Thus, both job satisfaction and organizational trust are second order independent variables that moderate/mediate the relationships between the three first order independent variables, development, pay and socialization, and the outcome variables affective, moral and continuance commitment.

This CFA model shown below facilitates the specification of regression structure among the dependent and independent variables and allows the researcher to ‘hypothesize the impact of one construct on another in the modeling of’

relationships (Byrne, 2001, p. 6). Additionally, this model consists of both the measurement and the structural model (Byrne, 2001). The measurement model depicts the linkages between the independent and dependent variables and their observed measures, and the structural model shows the linkages among the variables per se. These models are also recursive because they specify the direction of relationships from one direction

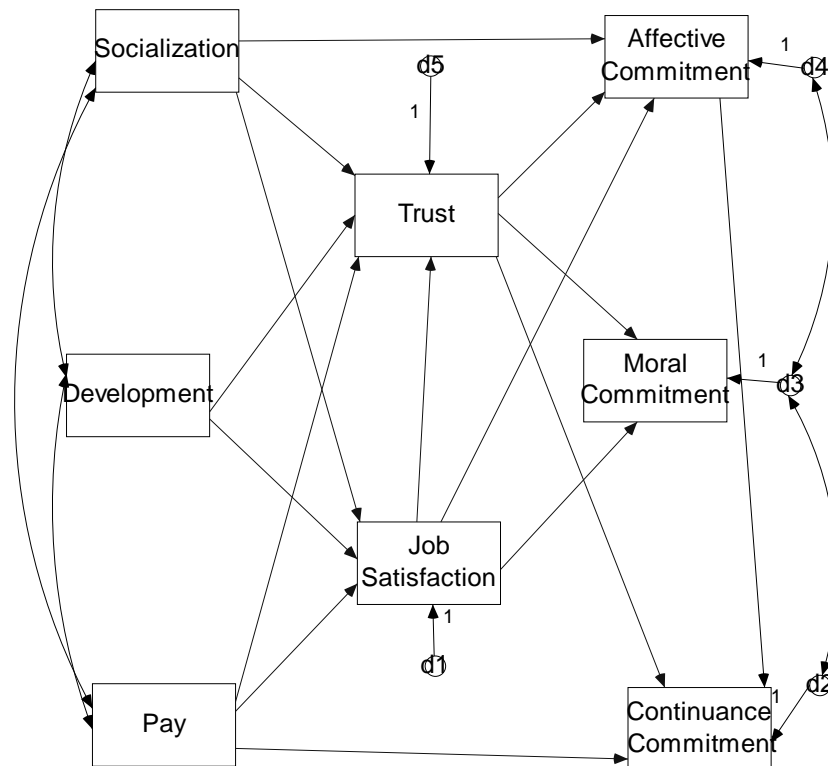


Figure 3.6: Recursive CFA model relating independent and dependent variable

While there is no one best approach that may be used to effect modification of a model, some useful methods were used to perform specification search and detect specification errors. The objective of a specification is to modify the original model in order to obtain parameters that have both substantive meaning and practical value (Kline, 2005). Substantive meaning is of critical importance because a model without substantive meaning is useless. It was decided that model modification, if necessary, would be achieved in this study by examining (a) the statistical significance of nonfixed parameters, and where feasible, the Wald statistic, (b) the modification indices, expected change in parameter statistics and where possible the

Lagrange multiplier statistic, and (c) the standardized residual matrix to ferret out any abnormalities such as larger values for an observable variable (Kline 2005).

Structural models may be just-identified, overidentified or underidentified (Byrne, 2001). Structural equation modeling requires a sufficient number of known correlations and properly identified equations as inputs to generate meaningful results. Identification means that there is only one unique solution for each parameter estimate in the model, referred to as just-identified. An underidentified model which has many parameter estimate values must be avoided. An overidentified model has more than one possible solution, including one optimal solution, for each parameter estimate (Loehlin, 1992). The strategy was to locate the source of underidentification to determine whether it is empirical or structural underidentification. It was also decided that empirical underidentification would be corrected either by collecting more data and/or modifying the model. The problem of structural underidentification may also be corrected by respecifying the model (Bolen, 1989), and as indicated earlier, AMOS 16.0 takes care of this problem

#### 10. Model assessment

Model assessment is concerned with the degree to which the hypothesized model fits or adequately describes the sample data (Byrne, 2001). This process requires a systematic detection of any source of misfit derived 'from a variety of perspectives and be based on several criteria' (Byrne, 2001, p.75). Of primary concern here are: (a) the adequacy of the parameter estimates, including their feasibility, (b) the appropriateness of standard errors, and (c) the statistical significance of parameter estimates. Parameters with: (a) correlations exceeding 1.00, (b) negative variances, and (c) covariance or correlation matrices which are not positive definite are exhibiting unreasonable estimates (Byrne, 2001). Second, the presence of standard errors that are too large or too small is also indicative of poor fit. Model assessment was achieved by analyzing: (1) model fit indices (2) alternative models, and (3) parameter estimates.

Additionally, the model of sample 1 data was utilized to determine the extent to which: (a) it fit sample 2 data and (b) any improvements in the fitness statistics of sample 2 versus sample 1 data. This process was used to make adjustments to the sample 1 model so as to generate important missing relationships in the second application.

### **Scope and Limitations**

The objectives of this study were to: (a) examine the relationships between the organizational commitment of managerial employees and five predictor variables: pay equity, organizational trust, socialization tactics, opportunities for development and job satisfaction, and (b) replicate the results of the first application of the model. It therefore examined the power of the five predictors to predict the organizational commitment of managerial employees. It examined theories of motivation only as they relate to managerial commitment and the antecedents of commitment. It did not deal with either job involvement or autonomy.

## CHAPTER 4 - RESULTS

### **Introduction**

This Chapter reports: (a) the results of the survey, (b) the degree to which the research purpose is attained and (c) analysis of the research issues identified.

### **Demographics**

#### 1. Population

Table 4.1 provides the age distribution of both samples of the participants of this study. Participants worked for four different organizations.

#### 2. Response rate

Five hundred and eighteen (518) sample 1 and eight hundred and seventy seven (877) sample 2 participants completed the questionnaire.

#### 3. Age distribution of participants

The mean age of sample 1 participants is 48.9 years with a standard deviation of 9.19. The age distribution of sample 1 participants is shown in Table 4.1.A. The mean age of sample 2 participants is 44.88, with a standard deviation of 11.50. The age distribution of sample 2 participants is shown in Table 4.1. B

Table 4.1 A: Age distribution of Sample 1 participants

Age Distri.	<20	20/24	25/29	30/34	35/39	40/44	45/49	50/54	55/59	60/64	65+	Tot.	M
Number of Resp.	0	0	6	30	59	70	92	105	87	58	11	518	48.9
% of Tot.	0	0	1.2	5.8	11.4	13.5	17.8	20.3	16.8	11.2	2.1	100	

Table 4.1 B: Age distribution of Sample 2 participants

Age Distri.	<20	20/24	25/29	30/34	35/39	40/44	45/49	50/54	55/59	60/64	65+	Tot.	M
Number of Resp	2	20	75	102	110	101	113	139	122	75	18	877	44.9
% of Tot.	0.2	2.3	8.6	11.6	12.5	11.5	12.9	15.8	13.9	8.6	2.1	100	

The differences in the mean ages of sample 1 and sample 2 participants reflect the fact that the managerial employees of organizations A and C were mostly in their late forties and early fifties while managerial employees of organizations B and D were mostly supervisors and younger managers. The correlation coefficient of the age distribution data of the two groups  $r = .87$  ( $p < .001$ ). The t-test score for the age distribution of the two groups is 1.77 ( $p = .09$ ). This suggests that the age difference between the two groups is not sufficiently significant to influence the outcome of participants' responses.

#### 4. Educational attainments of respondents

Table 4.2 A indicates that thirty five and twenty eight percent respectively of sample 1 respondents have Bachelors and Masters Degrees. Table 4.2 B shows that twenty seven and twelve percent respectively of sample 2 respondents have Bachelor's and Master's degrees.

Table 4.2 A: Respondents' educational attainments: Sample 1 participants

Education Attain.	High School	Some College	Assoc. Degree	Bach. Degree	Master's Degree	Doctorate Degree	No Resp	Total
-----	30	91	40	181	144	28	4	518
-----	6.0	18.0	8.0	35.0	28.0	5.0	0.0	100

Table 4.2 B: Respondents' educational attainments: Sample 2 participants

Education Attain.	High School	Some College	Assoc. Degree	Bach. Degree	Master's Degree	Doctorate Degree	No Resp	Total
-----	102	293	105	237	108	14	18	877
-----	12.0	33.0	12.0	27.0	12.0	2.0	2.0	100

#### 5. Gender distribution of respondents

Overall, the gender distribution of respondents achieved a high degree of parity with a female to male ratio of 51: 49.

Table 4.3. A : Gender distribution of Respondents of Sample 1

Gender	Frequency	Percent
Female	185	36.0
Male	301	58.0
Missing	32	6.0
Total	518	100.0

Table 4.3 B: Gender distribution of Respondents of Sample 2

Gender	Frequency	Percent
Female	468	53.0
Male	321	37.0
Missing	88	10.0
Total	877	100.0

### **Data Screening**

#### 1. Reliability

Tables 4.4 and 4.5 provide the reliability statistics of both samples 1 and 2 data. These statistics indicate that the scales do not have any reliability problems. The

scale reliability coefficients and Chronbach's alpha are above .70, which is the minimum cut-off specified in this study.

Table 4.4: Reliability Statistics of Sample 1 data:

ITEMS	[Without covariance matrix]			[With covariance matrix]			Reliability of scale	Reliab. of scale (Unbiased)
	Cases	Tot	Cron. Alpha	No. of Items	cases	Tot		
Valid cases	503	503	.949	<b>67</b>	503	503		
Job satisfaction	503	503	.900	13	503	503	.900	.901
Development	503	503	.894	12	503	503	.894	.895
Trust	503	503	.928	08	503	503	.928	.929
Pay	503	503	.893	07	503	503	.893	.893
Cont. Comm	503	503	.856	09	503	503	.856	.856
Affec Comm	503	503	.915	07	503	503	.915	.915
Moral Comm	503	503	.842	06	503	503	.894	.894
Socialization	503	503	.807	05	503	503	.807	.808

Table 4.5: Reliability Statistics of Sample 2 data

ITEMS	[Without covariance matrix]			[With covariance matrix]			Reliability of scale	Reliab. of scale (Unbiased)
	Cases	Tot.	Cron. Alpha	No. of Items	cases	Tot.		
Valid cases	811	811	.942	<b>65</b>	811	811	.942	.942
Job satisfaction	811	811	.928	17	811	811	.928	.928
Development	811	811	.879	07	811	811	.879	.879
Trust	811	811	.734	13	811	811	.734	.735
Pay	811	811	.907	05	811	811	.907	.908
Cont. Comm	811	811	.865	08	811	811	.865	.865
Affec Comm	811	811	.877	07	811	811	.877	.878
Moral Comm	811	811	.890	03	811	811	.890	.891
Socialization	811	811	.744	05	811	811	.744	.745

## 2. Validity

Table 4.6 indicates both convergent and divergent validities among the items of each factor of Sample 1 data. The factor values shown in Table 4.7 indicate both convergent and divergent validities for Sample 2 data. Additional evidence of convergence and divergence validities is shown in Tables 4.8 and 4.9. A weaker but sufficient condition is the independent clusters basis, which 'requires each variable to have at least two pure indicators if the factors are correlated and three if they are not' (McDonald & Ho, 2002, p. 67). Tables 4.6 and 4.7 show that each factor has at least three pure indicators and Tables 4.8 and 4.9 indicate that the factors are correlated from very low to moderately high. The items and their corresponding factor coefficients are provided in Appendix A.



Table 4: 6: Results of factor analysis for sample1 data

Jobsat	Develop	Trust	Pay	Contin. Comm.	Affective Comm.	Moral Comm.	Socialization Tactics
.820	.791	.707	.886	.769	.624	.769	.644
.799	.771	.682	.879	.753	.596	.712	.607
.676	.718	.672	.877	.702	.593	.671	.530
.654	.617	.650	.796	.668	.571	.553	.500
.630	.545	.644	.592	.650	.502	.490	.407
.615	.553	.584	.484	.635	.486	.427	
.551	.527	.555	.433	.598	.452		
.475	.520	.475		.440			
.465	.484			.425			
.453	.481						
.446	.473						
.442	.451						
.441							

Table 4.7: Factor analysis for sample 2 data

Jobsat	Trust	Con. Comm.	Pay	Develop.	Affective Comm.	Socialization Tactics	Moral Comm.
.827	.807	.790	.867	.719	.558	.642	.872
.808	.799	.740	.842	.680	.549	.624	.871
.797	.772	.690	.833	.626	.530	.622	.510
.767	.746	.688	.689	.552	.497	.539	
.765	.732	.673	.544	.529	.494	.482	
.686	.679	.635		.495	.458		
.602	.605	.630		.448	.438		
.598	.503	.467					
.595	.450						
.588	.438						
.548	.435						
.520	.414						
.500	.408						
.477							
.441							
.428							
.424							

The factors generated from Sample 2 data are identical to those generated from Sample 1 data. They are: job satisfaction, trust, continuance commitment, pay, development, affective commitment, socialization, and moral commitment. In Sample 2 administration of the questionnaire, nineteen of the indicators failed to reach the minimum requirement of .40 and were dropped from computation.

As indicated earlier, the model depicted above is a recursive CFA model. This model facilitates the specification of regression structure among the dependent and independent variables and allows the researcher to ‘hypothesize the impact of one construct on another in the modeling of’ relationships (Byrne, 2001, p. 6). Additionally, this model consists of both the measurement and the structural model

(Byrne, 2001). The measurement model depicts the linkages between the independent and dependent variables and their observed measures, and the structural model shows the linkages among the variables per se. These models are also recursive because they specify the direction of relationships from one direction only.

### 3. Non-normality Issues

There was no need to employ any of the nonnormality tests to the data of both samples because non-normality problems were not discerned.

### 4. Resolving missing data

AMOS 16.0 utilizes full information maximum likelihood estimation in the presence of missing data, and does not have to impute or replace values for missing data (Schumacker & Lomax, 2004).

### 5. Resolving outlier problem

No outliers were identified that required removal of any indicators.

### 6. Resolving multicollinearity issues

No evidence of multicollinearity issues was found including any evidence of: (a) high intercorrelations among some variables, (b) standardized regressions close to 1.0, (c) higher standard errors computed from two almost identical independent variables that are used as predictors of the dependent variables, (d) high covariances of parameter estimates and negative error variance estimation. Tables 4.8 and 4.9 below contain the means, standard deviations and correlations of the eight factors of both groups surveyed.

Table 4.8 below shows that job satisfaction has significant and moderate correlations with opportunities for development ( $r=.49$ ,  $p<.05$ ), trust ( $r=.50$ ,  $p<.05$ ), moral commitment ( $r=.54$ ,  $p<.05$ ), and socialization ( $r=.52$ ,  $p<.05$ ), and a significant, moderate to high correlation with affective commitment ( $r=.70$ ,  $p<.05$ ). Second, opportunities for development show a significant and moderate to high correlation with organizational trust ( $r=.66$ ,  $p<.05$ ), significant and moderate correlations with affective commitment ( $r=.53$ ,  $p<.05$ ) and socialization ( $r=.51$ ,  $p<.05$ ). Third, organizational trust has significant and moderate correlations with affective commitment ( $r=.64$ ,  $p<.05$ ), moral commitment ( $r=.54$ ,  $p<.05$ ), and socialization ( $r=.55$ ,  $p<.05$ ). Fourth, affective commitment is correlated significantly and moderately to high with moral commitment ( $r=.68$ ,  $p<.05$ ), and moderately but significantly with socialization ( $r=.53$ ,  $p<.05$ ). However, the overlap

among these constructs does not present any issues of multicollinearity. Additionally, continuance commitment has a low but significant correlation with the other constructs except moral commitment, and even here the correlation is .33

Table 4.8. Means, standard deviations, and correlations of sample 1 factors

Row Type	Factor	Job Sat.	Dev	Trust	Pay	Con Com	Affec Com	Moral Com	Soc
N		503	503	503	503	503	503	503	503
Corr	Jobsatisfaction	1.00							
Corr	Development	.49**	1.00						
Corr	Trust	.50**	.66**	1.00					
Corr.	Pay	.36**	.35**	.45**	1.00				
Corr	Con. Com.	.12**	.02**	-.05*	.05**	1.00			
Corr	Affec. Commit.	.70**	.53**	.64**	.31**	.08**	1.00		
Corr	Moral Commit.	.54**	.43**	.54**	.34**	.33**	.68**	1.00	
Corr	Socialization	.52**	.51**	.55**	.23**	.06**	.53**	.42**	1.00
Mean	-----	3.51	2.79	3.34	2.54	3.21	3.75	2.93	3.81
Std. Dev.	-----	.64	.73	.89	.84	.82	.80	.90	.68

\*p < .05; \*\*p < .01

Table 4.9. Means, standard deviations, and correlations of sample 2 factors

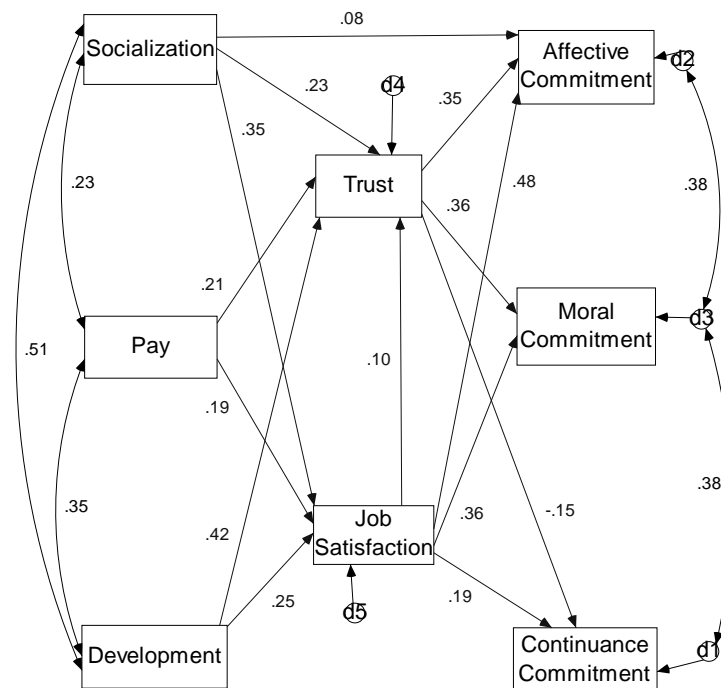
Row Type	Factor	Job. Sat.	Dev.	Trust	Pay	Con. Com.	Affec. Com	Moral Com	Soc
N	-----	811	811	811	811	811	811	811	811
Corr	Jobsatisfaction	1.00							
Corr	Development	.51**	1.00						
Corr	Trust	.54**	.65**	1.00					
Corr	Pay	.28**	.43**	.50**	1.00				
Corr	Con. Com.	.06	.04	.01	.20**	1.00			
Corr	Affec. Com.	.70**	.51**	.58**	.31**	.11**	1.00		
Corr	Moral Com.	.43**	.30**	.35**	.19**	.24**	.60**	1.00	
Corr	Socialization	.27**	.20**	.23**	.07	.05	.32**	.11**	1.00
Mean	-----	3.40	2.63	2.89	2.52	3.00	3.07	2.61	3.80
Std. Dev.	-----	.72	.84	.82	.92	.85	.84	1.01	.67

p\* < .05; p\*\* < .01

Table 4.9, above shows that job satisfaction has significant and moderate correlations with: opportunities for development ( $r=.51$ ,  $p, .05$ ), trust ( $r=.54$ ,  $p, .05$ ), and significant, moderate to high correlation with affective commitment ( $r=.70$ ,  $p, .05$ ). Second, opportunities for development have significant and moderate correlations with trust ( $r=.65$ ,  $p<.05$ ), and affective commitment ( $r=.51$ ,  $p<.05$ ). Third, trust has significant and moderate correlations with jobsatisfaction ( $r=.54$ ,  $p<.05$ ), opportunities for development ( $r=.65$ ,  $p<.05$ ), pay ( $r=.50$ ,  $p<.05$ ), and affective commitment ( $r=.60$ ,  $p<.05$ ). Fourth, affective commitment has a significant and moderate to high correlation with jobsatisfaction ( $r=.70$ ,  $p<.05$ ); significant and moderate correlations with development ( $r=.51$ ,  $p<.05$ ), trust

( $r=.60, p<.05$ ), and moral commitment ( $r=.60, p<.05$ ). Again, continuance commitment has low but significant correlations with the other factors

### Findings: Sample 1



( $\chi^2 = 16.113, p = .065, RMR = .013, NFI = .991, CFI = .996, TLI = .987, RMSEA = .04, AIC = 70.113$ ).

Figure 4.1: Recursive SEM model showing relationships between independent and dependent variables:

#### 1. The structural equation model

Figure 4.1 above shows the structural equation model of Sample 1 data generated by AMOS 16.0. The model has three independent variables (development, pay, and socialization) influencing two intermediate variables (jobsatisfaction and organizational trust) and the dependent variable, organizational commitment which has three dimensions (affective commitment, moral commitment, and continuance commitment). The curved lines with two arrowheads connecting development, pay and socialization represent the correlations between the variables because they are standardized. Figure 4.1 also indicates that: (a) development has a positive direct relationship with both jobsatisfaction and organizational trust ( $\beta=0.25$  and  $0.42$  respectively), (b) pay has a positive direct relationship with both jobsatisfaction and trust ( $\beta=0.19$  and  $0.21$  respectively), and (c) socialization has a positive direct relationship with jobsatisfaction and trust ( $\beta=0.35$  and  $0.23$  respectively). Second, job satisfaction moderates the relationships between development, pay, socialization and (a) affective commitment ( $\beta=0.48$ ),

(b) moral commitment ( $\beta=0.36$ ) and (c) continuance commitment ( $\beta=0.19$ ). Fourth, job satisfaction mediates the relationship between socialization and affective commitment ( $\beta=0.08$ ). Fourth, jobsatisfaction mediates the moderator effects of pay on continuance commitment. Fifth, jobsatisfaction mediates the moderator effects of socialization on affective commitment. Sixth, job satisfaction mediates the relationship between development and trust ( $\beta=0.10$ )

Organizational trust moderates the relationships between development, pay, and socialization and (a) affective commitment ( $\beta= .35$ ), (b) moral commitment ( $\beta=0.36$ ), and (c) continuance commitment ( $\beta= -0.15$ ). Second, trust mediates the relationship between socialization and affective commitment ( $\beta=0.10$ )

This model has two components: (a) the measurement model, which comprises of three independent variables [development, pay, and socialization] two intermediate variables [job satisfaction and trust] and one dependent variable comprising three dimensions [affective, moral, and continuance commitments] and (b) the structural model, which shows the inter-relationships among three independent variables the two intermediate variables and the three dimensions of the dependent variable.

## 2. Goodness-of-Fit Indices: Sample 1 data :

Table 4.10 below shows that: (1) the Chi-Square value is 16.113 with a probability value of **.065**, indicating that the hypothesized model is a very good fit for sample 1 data; (2) the standardized RMR for sample I data is **.013** which is less than .05, indicating that the model explains the correlations to within an average error of .013 for sample 1 data; (3) the (a) NFI for sample 1 data is **.991**, indicating good fit of the hypothesized model to the data, (b) the CFI (comparative fit index) is **.996**, indicating good fit, (c) the RFI (relative fit index) is **.972**, indicating superior fit of the hypothesized model, (d) the IFI (incremental index of fit) which addresses the issues of parsimony and sample size arising from the NFI is **.996**, indicating very good fit, and (e) the TLI (Tucker-Lewis index) is **.987**, indicating very good fit of the hypothesized model to the data, (4) the RMSEA value for the hypothesized model is **.040** with a 90 % confidence interval ranging from .000 to .070 with **p** value for closeness of fit equal to **.671**, representing good fit. Moreover, the results indicate a 90% confidence level that the true RMSEA values in the population are .000 to .070 representing a good degree of precision. Therefore, the conclusion can be drawn that the hypothesized model fits sample 1 data very well.

## 2. Goodness-of-Fit Indices: Sample 1 data

Table 4.10 Goodness-of-fit statistics for Sample 1 data

MODEL	<u>NPAR</u>	<u>CMIN</u>	<u>DF</u>	<u>P</u>	<u>CMIN/DF</u>
<b>Default</b>	<b>27</b>	<b>16.113</b>	9	<b>.065</b>	1.790
Saturated	3	.000	0	.000	63.158
MODEL	<u>RMR</u>				
<b>Default</b>	<b>.013</b>				
Saturated	.000				
MODEL	<u>NFI</u>	<u>RFI</u>	<u>IFI</u>	<u>TLI</u>	<u>CFI</u>
<b>Default</b>	<b>.991</b>	<b>.972</b>	<b>.996</b>	<b>.987</b>	<b>.996</b>
Saturated	1.000		1.000		1.000
MODEL	<u>RMSEA</u>	<u>LO90</u>	<u>HI90</u>	<u>PC</u>	
<b>Default</b>	<b>.040</b>	.000	.070	.671	
MODEL	<u>AIC</u>	<u>BIC</u>	<u>CAIC</u>		
<b>Default</b>	<b>70.113</b>	<b>184.068</b>	<b>211.068</b>		
Saturated	72.000	223.941	259.941		
MODEL	<u>ECVI</u>	<u>LO90</u>	<u>HI90</u>		
<b>Default</b>	<b>.140</b>	.125	.170		
Saturated	.143	.143	.143		

Table 4.10 additionally shows that the AIC and CAIC values, which are used to compare two or more models, with smaller values providing better fit of the hypothesized model, are 70.11 and 211.68 respectively. The Bayes information criterion (BIC), is very similar to the AIC and the CAIC except that the former indices impose more penalty with respect to model complexity. The BIC in Table 4.1 is 184.068 for sample 1 data.

### 3. Model: Sample 1 data

The data in the model shown in Table 4.1 indicate 27 parameters, a low chi-square value with a  $p$  value of **.065**, and a low C/df value, where C is  $\chi^2$  and  $df$  the degree of freedom. The AIC, BCC, and BIC values reinforce the relevance of this model.

Table 4.11: Fit statistics--Sample 1 data

Name	Par	df	C	C-df	AIC <sub>0</sub>	BCC <sub>0</sub>	BIC <sub>0</sub>	C/df	p
<b>Default</b>	<b>27</b>	<b>9</b>	<b>16.113</b>	<b>7.113</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>1.790</b>	<b>0.065</b>

### 4. Parameter Estimates

The estimated loadings of sample 1 data are shown in Table 4.12 below. In structural equation modeling, the primary focus is the extent to which the hypothesized model describes the sample data (Byrne, 2001). The information shown in Tables 4.12 and 4.13 below indicates that the hypothesized model adequately describes sample 1 data. Additionally, Table 4.13 indicates that all of the residual values are well below the 2.58 cutoff score recommended by Byrne (2001). Thus, it may be concluded that the hypothesized model is a good fit for

sample 1 data. However, there are a few important missing relationships that should be examined. First, the relationship between pay and continuance commitment is only indirect. This relationship would suggest that pay, which is an economic factor influences continuance commitment through jobsatisfaction, which may weaken the proposition that economic factors have a primary influence on continuance commitment. Thus, it was decided to adjust a few of the pay and continuance commitment indicators in the second application to collect sample 2 data. A second concern with this model was the very low direct relationship shown between socialization tactics and affective commitment. Again it was decided to adjust a few of the socialization and affective commitment indicators.

Table 4.12: Estimated loadings: Sample 1 data

Observed Variables =9	Unobserved Variables =5	Variable Counts:	Parameter Summary	D/F (9)
Con. Comm	d 1	In model = 13	Fixed = 5	Samp. moments Moments =36
Affective Comm	d 2	Observed = 8	Labeled = 0	Df (36-27) = 9
Moral Comm	d 3	Unobserved = 5	Unlabeled=27	$\chi = 16.113$
Org Trust	d 4		Total =32	P level = .065
Jobsatis.	d 5			

Table 4.13: Regression weights, standard errors, critical ratios and P labels: Sample 1 data

(RESIDUALS)				
<u>Standardized regression weights: Estimates</u>				
VARIABLES	W	S.E.	C.R.	P Label
Jobsat ← Development	.246	.038	5.750	***
Jobsat ← Socialization	.349	.038	8.476	***
Jobsat ← Pay	.192	.029	5.066	***
Trust ← Jobsat	.099	.053	2.618	.009
Trust ← Development	.421	.046	11.299	***
Trust ← Socialization	.232	.049	6.218	***
Trust ← Pay	.210	.035	6.377	***
M.C ← Trust	.356	.040	8.837	***
A.C. ← Trust	.348	.031	10.014	***
C.C. ← Trust	-.145	.047	-2.855	.004
C.C. ← Jobsat	.192	.065	3.773	***
A.C. ← Jobsat	.483	.043	14.133	***
M.C. ← Jobsat	.364	.056	9.037	***
A.C. ← Socialization	.084	.038	2.573	.010

p\* < .05; p\*\* < .01; p\*\*\* < .001

Table 4.14: Standardized covariances and correlations: sample 1 data

VARIABLES	Estimate	S.E.	C.R.	P. Label
Pay ↔ Development	.215	.029	7.420	***
Development ↔ Socialization	.253	.025	10.148	***
Pay ↔ Socialization	.131	.026	4.981	***
d 1 ↔ d 3	.214	.025	8.520	***
d 2 ↔ d 3	.132	.016	8.501	***
d 3 ↔ d 4				
Pay ↔ Development	.351			
Development ↔ Socialization	.508			
Pay ↔ Socialization	.228			
d 1 ↔ d 3	.380			
d 2 ↔ d 3	.379			

$p^* < .05$ ,  $p^{**} < .01$ ,  $p^{***} < .001$

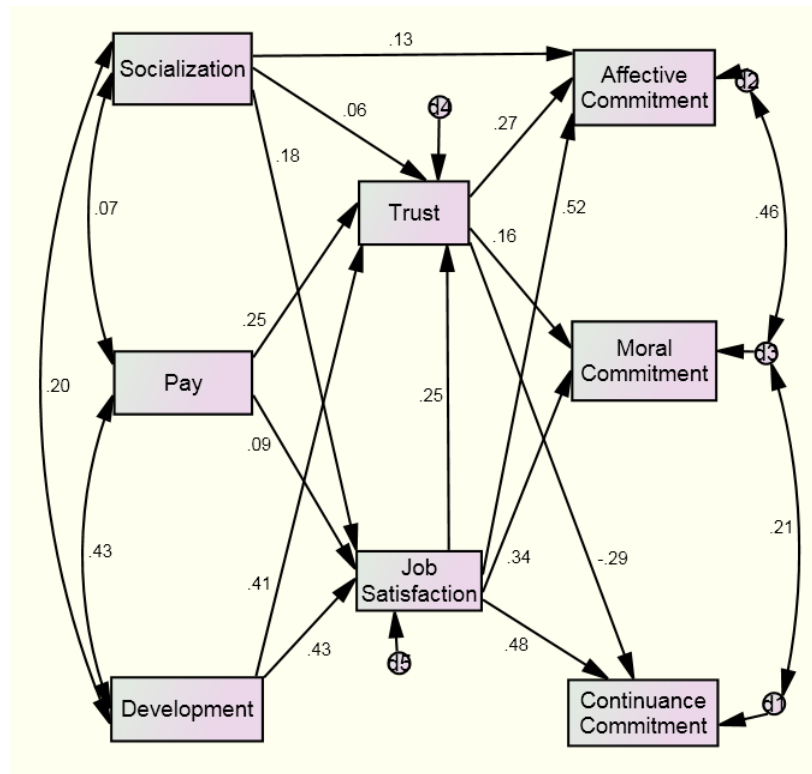
Table 4.15: Variances: Sample 1 data

VARIABLES	Estimate	S.E.	C.R.	P Label
Pay	.704	.044	15.843	***
Development	.531	.034	15.843	***
Socialization	.467	.029	15.843	***
d 5	.257	.016	15.843	***
d 4	.358	.023	15.843	***
d 1	.652	.041	15.843	***
d 2	.251	.016	15.843	***
d 3	.485	.030	15.843	***

Tables 4.12, 4.13, 4.14 and 4.15 provide: (1) the estimated loadings (2) regression weights, stan

### Findings; Sample 2

As indicated earlier, the model shown in Figure 4.1 above was tested utilizing sample 2 data. The results of this test are shown below



$\chi^2 = 15.564$ ,  $p = .060$ ;  $RMR = .019$ ,  $NFI = .978$ ,  $CFI = .982$ ,  $TLI = .944$ ,  $RMSEA = .076$ ,  $PC = .014$ ,  $AIC = 105.564$ ,  $ECVI = .130$ ) Figure 4.2: Recursive SEM Model showing relationships between independent and dependent variable.



### 1. The Structural equation model

Figure 4.2 above indicates that the model has three independent variables (development, pay, and socialization) which influence two intermediate variables (organizational trust and job satisfaction) and the dependent variable, organizational commitment, which has three dimensions (affective commitment, moral commitment, and continuance commitment), identical to sample 1 model. The curved lines with two arrowheads connecting the opportunities for development, pay and socialization represent the correlations between the variables because they are standardized.

Figure 4.2 also indicates that: (a) development has a positive, direct and significant relationship with both jobsatisfaction and organizational trust ( $\beta=0.43$  and  $0.41$ ) respectively, (b) pay has a positive, direct and significant relationship with both jobsatisfaction and trust ( $\beta=0.09$  and  $0.25$ ) respectively, and (c) socialization has a positive, direct and significant relationship with job satisfaction and trust ( $\beta=0.18$  and  $0.06$ ) respectively. Second, job satisfaction moderates the relationships between development, pay, socialization and (a) affective commitment ( $\beta=0.52$ ), (b) moral commitment ( $\beta=0.34$ ) and continuance commitment ( $\beta=0.48$ ). Third, job satisfaction mediates the relationship between: (a) socialization and affective commitment ( $\beta=0.13$ ). Fourth, organizational trust moderates the relationships between development, pay, socialization and (a) affective commitment ( $\beta= 0.27$ ), (b) moral commitment ( $\beta=0.16$ ), and (c) continuance commitment ( $\beta= - 0.29$ ). Second, trust mediates the relationship between: (a) job satisfaction and affective commitment ( $\beta=0.27$ ), and (b) socialization and affective commitment ( $\beta=0.13$ ).

### 2. Goodness-of-fit Indices: Sample 2 data

Table 4.16 below shows: (1) The  $\chi^2$ , value is 15.564 with a probability of .060, which indicates that the hypothesized model is a good fit for sample 2 data; (2) a standardized RMR of .019 which is less than .05, indicating that the model explains the correlations to within an average error of .019 for sample 2 data; (3) (a) NFI of .978, indicating good fit of the hypothesized model to the data, (b) CFI of .982, indicating very good fit, (c) RFI of .933, indicating very good fit, IFI of .982, indicating very good fit, and (d) TLI of .944 indicating very good fit of the hypothesized model to the data; (4) a RMSEA value for the hypothesized model of .076 with a 90 % confidence interval ranging from .000 to .057 with p value for

closeness of fit equal to .014. An analysis of the confidence interval indicates that one can be 90% confident that the true RMSEA values in the population are .000 to .057 representing a good degree of precision. Therefore, the conclusion can be drawn that the model fits sample 2 data very well.

Table 4.16 Goodness-of-fit statistics for Sample 2 data

<u>MODEL</u>	<u>NPAR</u>	<u>CMIN</u>	<u>DF</u>	<u>P</u>	<u>CMIN/DF</u>
Default	27	15.564	9	.060	1.729
Saturated	3	.000			
<u>MODEL</u>	<u>RMR</u>				
Default	<b>.019</b>				
Saturated	.000				
<u>MODEL</u>	<u>NFI</u>	<u>RFI</u>	<u>IFI</u>	<u>TLI</u>	<u>CFI</u>
Default	<b>.978</b>	<b>.933</b>	<b>.982</b>	<b>.944</b>	<b>.982</b>
Saturated	1.000		1.000		1.000
<u>MODEL</u>	<u>RMSEA</u>	<u>LO90</u>	<u>HI90</u>	<u>PC</u>	
Default	<b>.076</b>	.057	.097	.014	
<u>MODEL</u>	<u>AIC</u>	<u>BIC</u>	<u>CAIC</u>	<u>BCC</u>	
Default	<b>105.564</b>	<b>232.418</b>	<b>231.287</b>	<b>106.171</b>	
Saturated	72.000	241.138	277.138	72.809	
<u>MODEL</u>	<u>ECVI</u>	<u>LO90</u>	<u>HI90</u>		
Default	<b>.130</b>	.107	.163		
Saturated	.089	.089	.089		

Table 4.16 also shows the AIC and CAIC values, which are used to compare two or more models, with smaller values providing better fit of the hypothesized model (Hu & Bentler, 1995). The AIC and CAIC are 105.564 and 231.287 respectively. The value of the Bayes information criterion (BIC), which is very similar to the AIC and the CAIC is 232.418. Finally, the model with the smallest ECVI value has the highest potential of being replicated. The value of ECVI with respect to the default or hypothesized model is .130, indicating that the model fits the data quite well.

### 3. Model: Sample 2 data

On the basis of the Burnham and Anderson's (1998) recommendations, the model in Table 4.17 below fits sample 2 data quite well.

Table 4.17: Fit statistics: Sample 2 data

Name	Param	df	C	C - df	AIC <sub>0</sub>	BCC <sub>0</sub>	BIC <sub>0</sub>	C/ df	p
Default	27	9	15.564	6.564	<u>0.000</u>	<u>0.000</u>	1.458	1.729	0.600

4.18: Estimated loadings: sample 2 data

Observed Variables (8)	Unobserved Variables(5)	Variable Counts	Parameter Summary	Degrees of Freedom (9)
Con. Comm.	d 1	In model = 13	Fixed = 5	Sample moments = 36
Aff. Comm.	d 2	Observed = 8	Labeled = 0	DF (36-27) = 9
Moral Comm.	d 3	Unobserved = 5	Unlabeled=27	Chi-square = 51.564
Org. Trust	d 4		Total =32	Probability level = .0600
Jobsatis	d 5			

Table 4.19: Regression weights, Standard errors, critical ratios and P Labels

Variables	(RESIDUALS)			
	Standardized Regression weights W	S.E.	C.R.	P Label
Jobsat ← Development	.428	.209	12.829	***
Jobsat ← Socialization	.177	.033	5.831	***
Jobsat ← Pay	.089	.026	2.709	.007
Trust ← Jobsat	.246	.032	8.685	***
Trust ← Development	.412	.029	13.955	***
Trust ← Socialization	.061	.030	2.467	.014
Trust ← Pay	.248	.024	9.358	***
M.C ← Trust	.159	.047	4.276	***
A.C. ← Trust	.268	.028	9.671	***
C.C. ← Trust	-.286	.049	- 7.510	***
C.C. ← Jobsat	.484	.038	12.715	***
A.C. ← Jobsat	.523	.032	18.716	***
M.C. ← Jobsat	.344	.052	9.237	***
A.C. ← Socialization	.126	.027	5.916	***
C.C ← Pay	.248	.035	6.482	***
C.C ← A.C.	.164	.051	3.262	.001

P\* < .05; P\*\*<.01; P\*\*\*<.001

Table 4.20: Standardized covariances and correlations: Sample 2 Data

Variables	Estimate	S.E.	C.R.	P Label
Pay ↔ Development	.327	.029	11.154	***
Development ↔ Socialization	.113	.020	5.635	***
Pay ↔ Socialization	.041	.022	1.874	.061
d 1 ↔ d 3	.130	0.20	6.653	***
d 2 ↔ d 3	.130	.020	6.653	***
d 3 ↔ d 2	.235	.019	12.219	***
Pay ↔ Development	.327	.029	11.154	***
Development ↔ Socialization	.202			
Pay ↔ Socialization	.066			
d 1 ↔ d 3	.213			
d 2 ↔ d 3				
d 3 ↔ d 2	.464			
d 4 ↔ d 4	.449			

P\* < .05; P\*\* < .01; P\*\*\* < .001

Table 4.21: Variances: Sample 2 data

VARIABLES	Estimate	S.E.	C.R.	P Label
Pay	.846	.042	20.125	***
Development	.697	.035	20.125	***
Socialization	.450	.022	20.125	***
d 5	.378	.019	20.125	***
d 4	.307	.015	20.125	***
d 1	.444	.022	20.125	***
d 2	.306	.015	20.125	***
d 3	.838	.041	20.324	***

$p^* < .05$ ;  $p^{**} < .01$ ;  $p^{***} < .001$

As indicated earlier, the parameters of a structural equation model are: (a) the independently estimated loadings, (b) error variances and covariances in the measurement model, (c) the independently estimated directed coefficients, and (d) disturbance variances and covariances in the path model. The estimate loadings, standardized covariances and correlations, and variances are shown in Tables 4.18, 4.19, and 4.20, and 4.21 above. Sixty five indicators loaded on eight factors shown in Table 4.7 above. A summary of the independently estimated loadings is provided in Table 4.18 above.

Error variances and covariances in the measurement model are the second set of parameters of a structural equation model. All of the residual values in Table 4.19 are well below the 2.58 cut off score recommended by Joreskog and Sorbom (1988). Thus, it may be concluded that the hypothesized model is a good fit for sample 2 data. However, it is also necessary to examine the standardized covariances, correlations and variances, shown in Tables 21 and 22

## Model Specification

### 1. Factor Loadings

In sample 1 administration of the questionnaire seventeen of the 84 items failed to reach cut-off of .40 in the factor analytical process and were discarded from the study. The remaining sixty seven indicators were factor analyzed for a second time and the results are shown in columns 1--8 in Table 4.6. The distribution of indicators that load on each of the eight factors is as follows: job satisfaction (13), development (12), trust (8), pay (7), continuance commitment (9), affective commitment (7), moral commitment (6), and socialization (5). Generally, the measurement model is an independent clusters model in which no indicator loads on more than one common factor (McDonald & Ho, 2002). Table 4.8 shows the correlations of the five independent variables (job satisfaction, development, trust,

pay, socialization), and the three dimensions of the dependent variable, organizational commitment.

The factors generated from sample 2 data are identical to those generated by sample 1 data. These factors are: job satisfaction, trust, continuance commitment, pay, development, affective commitment, socialization, and moral commitment. In sample 2 administration of the questionnaire, nineteen of the eighty four indicators failed to reach the minimum requirement of .40 and were dropped from computation. The remaining 65 indicators were again factor analyzed and the results are in Table 4.7. The distribution of items among the common factors is: jobsatisfaction (17), trust (13), continuance commitment (8), pay (5), development (7), affective commitment (7), socialization (5), and moral commitment (3). Table 4.9 shows the correlations of the five independent variables (job satisfaction, development, trust, pay, socialization), and the three dimensions of the dependent variable, organizational commitment.

## 2. The independent clusters basis

A weaker but sufficient condition is the independent clusters basis, which ‘requires each variable to have at least two pure indicators if the factors are correlated and three if they are not’ (McDonald & Ho, 2002, p. 67). Tables 4.6 and 4.7 show that each factor has at least three pure indicators and Tables 4.4 and 4.5 indicate that the factors are correlated.

### **Model Identification**

A model is identified when the known information available implies that there is one best value for each parameter in the model whose value is not known. One method that may be used for purposes of model identification is the LM test of parameter estimates. There are 27 free parameters in structural models 1 and 2 to be estimated. The number of distinct values in matrix S is equal to 36 for both models calculated by using the formula  $p(p+1)/2$  where  $p$  is the number of observed variables:  $8(8+1)/2 = 36$ . Since the number 36 is higher than the number of free parameters (27), both structural models are identified. However, there is also need to identify (1) the measurement model (2) the path model, and (3) scaling of the latent variables.

#### 1. Identifiability of the measurement model

The independent clusters basis (McDonald & Ho, 2002) requires that each common factor should have at least two pure indicators if the factors are correlated

or at least three if they are not correlated. Tables 4.8 and 4.9 indicate that the common factors correlate in both samples. Additionally, Tables 4.6 and 4.7 provide information that each common factor has at least two pure indicators. This means that the measurement model is identified.

## 2. Identifiability of the path model

According to McDonald and Ho (2002), the choice of nondirected arcs significantly influences the identifiability of the path model. One condition for identifiability of the path model is that the independent variables must not have any directed arc resting on them. This is demonstrated in Figures 4.1 and 4.2 above in which the three independent variables development, pay, and socialization do not have any directed arc resting on them. Second, the diagrams also show that the models have no nondirected arcs between the dependent variables, and as such the path models of both samples are identified.

## 3. Identifiability and scaling

The AMOS 16.0 program sets the variances of the endogenous latent variables to unity by utilizing a constrained minimization process. This procedure has the advantage of yielding correct standard errors in a standardized model. The standardized solution avoids underidentifiability because of arbitrariness of scale (McDonald & Ho, 2002). Additionally, standardized solutions facilitate interpretation of results. Table 4.14 and 4.15 above provide information about estimates, standard errors, critical ratios and P label for both sets of data.

The models depicted in Figures 4.1 and 4.2 facilitate the specification of regression structure among the variables and allow the researcher to ‘hypothesize the impact of one construct on another in the modeling’ of relationships (Byrne, 2001, p. 6). These models consist of both the measurement and the structural model (Byrne, 2001). The measurement model depicts the linkages between the independent variables and their observed measures, and the structural model shows the linkages among the variables. These models are also recursive because they specify the direction of relationships from one direction only.

## 4. Other measures

Two other measures of model identifiability are the ratio of chi-square to degrees of freedom and the LM test of parameter estimates. The computations of each for the two data sets are provided below:

### Ratio of chi-square to degrees of freedom

The ratios of chi-square to the degrees of freedom for the two models are detailed in Table 4.22 below.

Table 4.22: Ratios of chi-square to degrees of freedom

Model	Sample Size	Number of distinct Sample moments	Number of distinct Parameters to be Estimated	Degrees of Freedom	$\chi^2$	Ratio	Prob. Level
1	503	36	27	9	16.113	1.79 to 1.00	.065
2	811	36	27	9	15.564	1.73 to 1.00	.060

### LM test of parameter estimates

There are of 27 free parameters in structural models S1 & S2 to be estimated. The number of distinct values in the matrix S is 27 for both models. The number of distinct values in matrix S is equal to 36 for both models calculated by using the formula  $p(p+1)/2$  where  $p$  is the number of observed variables:  $8(8+1)/2 = 36$ . Since 36 is higher than the number of free parameters (27), both models are identified.

### **Summary of Results**

This section summarizes the results relative to the five hypotheses and research issues posed in Chapter 2. A detailed discussion of the findings will be provided in Chapter 5 of this paper.

*Hypothesis 1: Perceived pay equity has a significantly, positive and indirect relationship with the affective moral and continuance commitment of managerial employees moderated by jobsatisfaction and organizational trust. Hypothesis 1 is fully supported.*

*Hypothesis 2: Socialization tactics have a significant, positive and indirect relationship with the affective and moral commitment of managerial employees and a negative, indirect relationship with continuance commitment, moderated by jobsatisfaction and organizational trust, and a positive direct relationship with affective commitment. Hypothesis 2 is supported by the data.*

*Hypothesis 3: Organizational trust is significantly, positively and directly correlated with the affective and moral organizational commitment of managerial*

employees, and directly and negatively correlated with continuance commitment. Hypothesis 3 is supported with respect to affective and moral commitment but not continuance commitment.

*Hypothesis 4: Opportunities for development have a positive significant and indirect relationship with the organizational commitment of managerial employees moderated by jobsatisfaction and organizational trust.* Hypothesis 4 is supported. However, there is a significant negative and direct relationship between organizational trust and continuance commitment.

*Hypothesis 5: Job satisfaction is significantly and positively correlated with the organizational commitment of managerial employees.* Hypothesis 5 is supported.

In addition to the above findings, this study confirms that: (1) A unified theory of the organizational commitment of managerial employees is three-dimensional with affective, moral and continuance commitment as separate constructs, consistent with the theory formulated in Chapter 2. (2) Opportunities for development, perceived pay equity and socialization tactics are the independent variables, with job satisfaction and organizational trust as intermediate variables that induce managers' feelings of obligation to continue their relationship with an organization. (3) The five correlates of the three commitment dimensions---job satisfaction, opportunities for development, socialization tactics, perceived pay equity, and organizational trust--act as predictors of organizational commitment. (4) Job satisfaction and organizational trust moderate and/or mediate the effects of independent variables affecting organizational commitment of managerial employees.



## **CHAPTER 5 - DISCUSSION AND CONCLUSION**

### **Introduction**

This study addressed the research problem concerning a lack of a unified theory of organizational commitment that was needed to provide the foundation to identify the predictors/antecedents of managerial commitment in organizations. Its purpose was to investigate the state of the theory of organizational commitment and propose a unified socio-psychological theory that provided the foundation to identify the predictors/antecedents of organizational commitment of managerial employees. A model of the unified theory was successfully developed and tested using structural equation modeling (SEM), which provided an answer to the research question of what are the antecedents of managerial commitment in organizations? It should be noted, however, that the results obtained from the first administration were used to make minor changes to some of the indicators of the questionnaire used for the collection of data on the second occasion. This strategy was intended to further refine the items of the questionnaire.

. The study found and analyzed a number of conceptual and process issues associated with organizational commitment, including: (a) disagreements about the meaning, theoretical foundations, and behavioral impact of the concept (Cohen, 2003) resulting from the apparent unsystematic nature of the research in this area, precipitated by ‘the lack of consensus in the conceptualization of commitment itself [and] failure to consider process issues’ (Meyer & Herscovitch, 2001, p. 315), (b) researchers’ preoccupation with correlations between organizational commitment and antecedent variables, with scant attention to the reasons for these relationships (Mathieu & Zajac, 1990; Meyer & Allen, 1991, 1997; Meyer & Herscovitch, 2001), (c) the array of definitions found in the literature which covers an equally diverse collection of constructs (Cohen 2003), (d) the meager attention given to process issues which have apparently stultified the development of a unified organizational commitment theory (Meyer & Herscovitch, 2001), (e) ‘the existence of different multi-dimensional frameworks of organizational commitment [that] poses a problem for the development of a general model’ (Meyer & Herscovitch, 2001, p.303), (f) the controversy over the number of dimensions of organizational commitment. These six issues raised a number of conceptual problems associated

with the theory of organizational commitment, which the study examined in some detail.

The data did not reject the model of the new unified theory of organizational commitment. Thus, the study provides empirical support for the new unified theory of organizational commitment, including the relations tested and confirmed within the model. Moreover, the study confirms that organizational commitment has three principal dimensions, namely: affective, moral and continuance commitment, consistent with part of its underlying purpose and the findings of Meyer and Allen (1991). Specifically, for each of the two samples surveyed, the organizational commitment model shows significant but low to moderate relationships among the three commitment dimensions. Thus, while there is some overlap among the three organizational commitment dimensions, each dimension measures a distinct aspect of the concept.

This Chapter analyzes and discusses the findings of the study with respect to: (a) the research problem, (b) research purpose, (c) research question, and (d) research issues associated with the purpose of the study. In addition, the Chapter examines: (a) implications of the study for theory, (b) implications for policy and practice, (c) limitations of the study, and (d) areas for future research.

### **Research problem**

The research problem identified for this study focused on developing a unified theory of organizational commitment that would provide the foundation to identify the predictors/antecedents of managerial commitment to organizations. The study appears to have accomplished this outcome. It has successfully developed and tested a unified socio-psychological theory of organizational commitment, utilizing structural equation modeling, and has identified six major theoretical elements of a unified theory of organizational commitment. To this end, the study examined the array of definitions proffered by a number of scholars, including Mowday, Porter and Steers (1979), Weiner (1982), O'Reilly and Chatman (1986), Allen and Meyer (1990), Sheldon (1971), and Hrebiniak and Alluto (1972) and integrated them to provide a comprehensive, unified definition of the organizational commitment of managerial employees. Thus, organizational commitment is: the valence of an individual's involvement in, psychological attachment to, identification and

integration with, an organization, including its ethos, mission and goals based on attitudinal, psychological, philosophical, ethical, cultural and economic forces.

First, since organizational commitment is partly the valence of an individual's identification with, involvement in, and psychological attachment to an organization, it has an affective dimension that emphasizes feelings and emotions such as interests and deep appreciation for the organization. In this regard, individuals recognize the value of associating with an organization and derive their identity from this association. This feeling contributes meaningfully to the development of individuals' affective commitment for, and their manifestation of a deep sense of ownership for, the organization.

Second, an individual's integration with and psychological attachment to, an organization in a way that meets organizational goals and interests (Weiner, 1982; Meyer & Allen, 1991) provide the basis for the development of a mind-set that convinces the person that it is morally right to remain with the organization (Meyer & Allen, 1997). Thus, organizational commitment has a moral dimension, which infers a willingness by individuals to be guided by internalized norms and values governing appropriate conduct and the need to reciprocate (Jaros, 1997), including their recognition of their psychological contract obligations (Meyer, Allen & Topolyntsky, 1998). Therefore, both psychological contract and values theories are important elements of organizational commitment.

Third, organizational commitment is influenced by economic forces, conceptualized as 'a structural phenomenon which occurs as a result of individual-organizational transactions and alterations in side-bets or investments over time' (Hrebiniak & Alluto, 1972, p.556). This relationship is clearly shown in Figure 4.2 which indicates that pay equity has a direct, positive, and significant relationship with jobsatisfaction and organizational trust and a positive significant and indirect relationship with continuance commitment moderated by jobsatisfaction and organizational trust. This dimension of organizational commitment which defines a socio-economic relationship between an individual and an organization, and known as continuance commitment is directly connected to the theory of social exchange (Jaros, 1997).

Fourth, cultural forces seem to be a common pervasive factor in all three dimensions of organizational commitment. These forces may be conveniently

placed in two categories: those that are society specific and those that are organization specific (Beyer, Hannah & Milton, 2000; Virtanen, 2000). Beyer, Hannah and Milton (2000, p. 326) proffer that ‘affective and cognitive processes, social interactions and symbolism, and behaviors’ are three major categories of social processes that foster the development of attachment. In essence, individuals bind themselves to organizations, manifested as commitment through involvement in, identification with, loyalty to, and good organizational citizenship behaviors relative to, their organizations, based on their cognitions and feelings, which are driven by societal specific cultural forces coupled with the willingness of each individual to fit in with the culture of the organization. This process of person-organization fit is therefore, both a precursor and consequence of organizational commitment, particularly for managerial employees. In essence, managers who do not meet the person-organization fit criterion are much more likely to sever their relations with the organization than those who meet it.

### **Research purpose**

The purpose of this study was to investigate the state of the theory of organizational commitment and propose a unified socio-psychological theory that provides the theoretical foundation to identify the predictors/antecedents of the organizational commitment of managerial employees. It can be inferred from the analysis done under ‘research problem’ that managerial commitment is a compound of six theoretical notions: attitude-behavior, psychological ownership, psychological contract, values, social exchange, and culture. Each of these notions has specific characteristics but together they constitute the theoretical foundation of the organizational commitment of managerial employees.

The attitude-behavior theory which is strongly related to Fishbein’s theory of reasoned action was expanded by Ajzen (2001) to the theory of planned behavior. It shows that attitudes build up intentions before manifestation of the behavior. Thus, one may have the intent to do something, but the strength of the attitude has overriding importance. Consequently, it is both the attitude and the resultant behavior arising from the intent that are of value in creating committed behavior. Attitudes, therefore, constitute a core ingredient of managerial commitment to an organization (Ajzen, 2001).

Second, psychological ownership theory explains the identification of the individual with an organization and the concomitant internalization of the organization's values, norms of behavior and culture, which are critical ingredients of organizational commitment (Pierce, Kustova & Dirks, 2001). It shows that managerial employees have deep-seated interest in their organization and demonstrate this through the performance of their stewardship responsibilities.

Third, according to psychological contract theory, a system of beliefs governs the relationship between the organization and each individual regarding the terms and conditions of employment and establishes reciprocal obligations that each of the parties is expected to fulfill. Failure by one party to fulfill obligations can have disastrous consequences for organizational commitment (Milward & Hopkins, 1998; Rousseau, 2001), because of the deleterious effect the breach would have on the organizational trust of the employees affected (Deery, Iverson & Walsh, 2006). Much, however, depends on the particular element of employee trust that is affected. According to Montes and Irving (2008), employees who perceive that they have relational as against transactional contracts with their employers will react more negatively to unfulfilled promises than employees who perceive that they have transactional contracts with their employers.

Fourth, the theory of values provides that the values individuals hold determine how they perceive and interpret the values organizations hold and concomitantly the degree to which they can fit into different organizations. Conceptually, individual-organizational fit largely determines the extent to which individuals can adapt to the culture of an organization, and consequently, it has important implications for their commitment (Schwartz, 1992; Roe & Ester, 1999; Van Wart, 2001).

Fifth, social exchange theory holds that commitment has a focus or object such as an organization and provides insights about a committed party's willingness to act or refrain from acting in order to uphold the commitment (Settoon, Bennett & Liden, 1996; Hector & Kanazawa, 1997, Zafirovski, 2005). Thus, social exchange theory focuses on establishing social associations. In this regard, several factors may influence people's feelings, attitudes, values, and behaviors. The critical issue is the role of trust in cementing the social bonds between the parties to engender long term relationships. Lawler and Yoon (1996, p.89) refer to this process as 'relational

cohesion' because each individual must necessarily forgo the ownership of power to maximize the benefits from the social bond (Yamaguchi, 1996).

Sixth, as a job attitude, organizational commitment is based on beliefs, values, and norms of behavior, which are important elements of organizational culture (Meyer & Allen, 1991). Conceptually, organizational culture is a manifest pattern of behavior or the consistency with which employees perform tasks, solve work problems, manage conflicts, interact with one another, and build associations, including commitment to their organization. Thus, culture is the bedrock of organizational commitment.

Together these six constructs constitute the bases of a unified theory of organizational commitment, reflecting a major theoretical framework of organizational commitment founded on socio-psychological principles and concepts. Socio-psychologically, organizational commitment is the embodiment of people's values, cognitions, expectations, affect, mores, context, culture and the general socio-modus operandi in which they function. These factors influence, and are influenced by people's attitudes, behaviors, their belief system that the organization will fulfill its obligations to them, and the degree to which they inculcate a sense of belonging or ownership for the organization.

In the final analysis, organizational commitment is the manifestation of an individual's values, beliefs, and norms of behavior, which reflect feelings such as affection, moral obligations and loyalty, identification with and a sense of ownership for an organization (Morrow, 1993; Meyer & Allen, 1991, 1997). This manifestation also reflects the economic relationship between the individual and the organization, culminating in the willingness or unwillingness of the individual to continue with this relationship.

### **Research question**

This study examined the following research question. What are the antecedents of managerial commitment in organizations? It established five principal antecedents of organizational commitment: (a) perceived pay equity, (b) socialization tactics, (c) organizational trust, (d) opportunities for development, and (e) job satisfaction.

#### **A. Perceived pay equity**

The results of this study indicate that perceived pay equity shows a significant and low indirect relationship with the three dimensions of organizational

commitment. It may be concluded that while perceived pay equity may have a lower impact on managerial commitment than some of the other antecedents, pay equity has important implications for the organizational commitment of managerial employees, including: (a) the importance of fairness perceptions of pay procedures; (b) perceived pay versus actual pay; (c) the importance of pay for perceptions about organizational justice, and (d) perceptions about pay and employee retention.

As stated by Jones, Scarpello, and Bergmann (1999, p. 142) 'fairness perceptions of specific pay procedures have a differential impact on employee attitudes and behaviors,' particularly with respect to continuance organizational commitment, which defines both an economic and a market relationship between the organization and an employee. An individual subjectively evaluates the fairness of organizational pay procedures with respect to pay level, benefits, pay increase, and pay administration, which may impact continuance organizational commitment. This situation becomes even more critical because pay programs are generally designed to attract people of the right quality and in the right quantity to work in, and manage, an organization

Feelings about equitable pay are consonant with the 'felt-fair' principle enunciated by Jaques (1961) and Adams' (1963) conceptualizations of equity. Employees determine pay equity by comparing their pay and the pay received by similar others and this evaluation has important implications for organizational commitment for three reasons: (a) employees may conclude that the organization has somehow reneged on its promise to play fair with them, (b) if employees surmise that the employer is reneging on its promises, it may adversely impact their trust level and concomitantly their commitment to the organization, and (c) while managerial employees who desire a long-term relationship with their organization will establish relational contracts with the employer (Huseman, Hatfield & Miles, 1987), it would be erroneous to assume that managerial employees do not place a high value on pay equity. If actual pay is below the pay assumed under the psychological contract, managerial employees will begin to experience a certain degree of organizational dissonance, which may be enough to destroy their commitment to the organization.

Finally, there appears to be a strong justice element in employees' assessment of equity in pay, which may be examined under distributive and procedural justice. Distributive justice focuses on the assessed fairness of the amount of pay employees

receive, and exerts greater influence on person-specific outcomes including satisfaction with pay raises (Folger & Konovsky, 1989). Two important allocation rules of distributive justice are equity and equality. Equity theory holds that employees will perceive unfairness when they surmise that the ratio of their job inputs to job outcomes is unequal to the ratio of similar others (March & Simon, 1958). Equality norms indicate that resources should be allocated equally across groups in an organization that emphasizes team work and group cohesion. Procedural justice, on the other hand, focuses on the methods used to determine how pay decisions are made and has much greater influence on broader issues, including organizational outcomes such as commitment and job satisfaction.

#### B. Socialization tactics

This study also found that socialization tactics have a significant indirect relationship with the three dimensions of organizational commitment, and a significant low direct effect on affective organizational commitment. First, socialization tactics help employees to: (a) acquire relevant job knowledge and skills, (b) develop insights into the inner workings of the organization, (c) attain the support of colleagues, and (d) accept the culture of the enterprise. Through socialization processes, employees acquire indepth understanding of their jobs, work roles, and work groups. Additionally, socialization strategies assist employees to assimilate the values and norms of their organization, which helps them to make the necessary adjustment to their new work environment. Moreover, this study's corroboration of Jones' (1986) finding of a significant positive relationship between socialization initiatives and organizational commitment has important implications for the relationships between socialization strategies and managerial commitment to an organization.

First, the three important aspects of the foci of socialization tactics which are the context in which information is provided to new managerial employees, content of information provided to new managerial employees, and social support given to newly appointed managers- provide new managers with: (a) the opportunity to acquire special skills that can be used to formulate unique and innovative solutions to organizational problems, (b) guidelines to manage organizational issues and develop original and creative problem-solving methods, and (c) the necessary help to more readily adjust to the culture of the organization and become a productive participant, respectively.



Second, uncertainty reduction theory which is an integral part of the theory of socialization indicates that newly appointed managerial employees must confront both uncertainty and ambiguity as a matter of routine in the first few months of their appointment. New managers will naturally seek ways to ameliorate ambiguous and uncertain situations in order to create a more predictable and controllable work environment. Socialization strategies that open up communication channels, including interaction with peers and superiors will help new managers to reduce ambiguity and uncertainty, enhance their ability to meet their accountabilities, and concomitantly increase their commitment to the organization.

Third, effective socialization of new managerial employees facilitates their ability to use cognitive sense-making to analyze and interpret ambiguities and uncertainties through interaction with people, processes, politics and symbols in their new roles and work environment (Reichers, 1987). In essence, new managers use sense-making to construct cognitive maps of the culture, climate, operations, and physical features of the enterprise (Weick, 1995). The understanding generated from sense-making enhances the organizational commitment of new managers (Ashworth & Saks, 1998).

Social cognition theory which is also an integral part of the theory of socialization has important practical implications for the integration of new managers with the organization. Individuals establish internal standards to measure performance of the competencies learned through exposure to socialization tactics. Social cognitive theory was used by: (a) Saks (1995) to integrate socialization and training concepts, (b) Ostroff and Kozlowski (1992) to predict newcomers' acquisition of information from role models, and (c) Saks and Ashforth (1996) to demonstrate its usefulness in developing task and role mastery of learners.

Social influence and persuasion are also important elements of employee socialization. In practice, the socialization of managers has implications for managerial conformity and creativity. Managers modify their attitudes and behaviors so that their responses are congruent with those of their mentors and other organizational members.

In conclusion, this study confirms that there is an important relationship between socialization tactics and organizational commitment. From a practical view point, socialization tactics are developed and implemented to help new managers: (a) learn their new roles, (b) develop good organizational-citizenship behavior, (c)

integrate their interests with those of the organization, (d) reduce their propensity to leave the organization, (e) become more satisfied with their job and (f) raise the level of their commitment to the organization.

### C. Organizational trust

This study has shown that organizational trust is significantly and positively related with affective and moral commitments and significantly but negatively related with continuance commitment. The inference is that organizations that are interested in high levels of commitment from their managers should engage in earnest trust building activities. Dirks and Ferrin (2002) who found a positive relationship between trust and organizational commitment ( $r = 0.49, p < .05$ ), seem to corroborate the above conclusion. The trust-building activities contemplated here should include: communication accuracy, behavioral integrity, behavioral consistency, and organizational justice.

First, information accuracy, rationale for decisions, and open communication are of critical importance in enhancing the level of trust managers demonstrate for an organization (Folger & Konovsky 1996). Second, employees use the consistency between organizational messages and actions to assess organizational honesty and integrity on an on-going basis (Whitener, Brodt, Korsgaard & Werner, 1998). Third, behavioral consistency, which is the outcome of organizational reliability and predictability are critical for the development of organizational trust. Managers' willingness to take risks and be vulnerable to organizational actions is a function of how much they trust an organization. Thus, if an organization is seen to act consistently over a given period of time, managerial employees will be able to predict with a high degree of accuracy its future behavior, which in turn will enhance their confidence in the organization. Fourth, Colquitt et al (2001) found moderate correlation coefficients between trust and procedural justice, and trust and distributive justice respectively ( $r = .61, p < .05$ ;  $r = .57, p < .05$ ). They reported that organizational justice explains 45% of the variance of trust ( $p < .05$ ).

Generally, people become preoccupied with justice and fairness issues when they believe that they have to deal with issues arising out of social interdependence and other social dilemma, the most fundamental of which is concerned with trust. In this regard, fairness becomes critical to individuals when they must accept the authority of another person or organization in a social relationship, which they perceive may give rise to exploitation and deprivation. Questions about trust in

others may be resolved by providing people with direct information about the trustworthiness of the authority source, be it an individual or an organization, to help people form fairness judgments concerning their inclusion and standing in the group or organization. In essence, individuals use fairness judgments to guide them in evaluating how they should respond to the outcomes and procedures they face, and the policies, orders and other requests they receive from authority sources (Van den Bos, Wilke & Lind, 1998).

In conclusion, this study indicates that organizational trust has an important relationship with the organizational commitment of managerial employees, consistent with the recent findings of Dirks and Ferrin (2002). Additionally, consistent with Robinson's (1996) finding, unless managerial employees trust their organization, their commitment may well be superficial.

#### D. Opportunities for development

This study has shown that opportunities for development have a positive, significant and indirect relationship with the three dimensions of organizational commitment through job satisfaction and organizational trust. Four important implications arise out of this relationship. First, the finding that opportunities for development are significantly and positively correlated with the organizational commitment of managerial employees moderated by job satisfaction and organizational trust enhances the value of management development programs in organizations and is critical for at least two practical reasons and one theoretical reason.

First, the commitment of managers is vital for the survival of businesses in a global economy in which managerial talents are increasingly being used to establish primacy among competing enterprises, consistent with the findings of King, Fowler and Zeithaml (2001). Second, the transactions cost theory, which holds that an organization must decide whether or not it should internalize or externalize the development of its managerial resources based purely on cost considerations must be evaluated against the need for human capital development because: (a) internal developmental strategy results in the optimal allocation of managerial employees and generates a high level of managerial commitment to an organization, and (b) human capital theory holds that the internal development strategy enhances future organizational productivity, growth and survival (Tsui, Pearce, Porter & Tripoli, 1997).

The theoretical implication is that it is prudent for an organization to emphasize an internalized development policy for its managerial resources and not to rely wholly on external sources to acquire these resources. First, the internalization of management development contributes positively to the development of the core skills an organization needs to enhance its core capabilities, which is critical for its competitiveness. Second, the more unique the core skills are to an organization, the less likely will it be possible to find these skills readily in the labor market (Barney, 1991). Third, while it may be relatively easy to find people with generic management skills in the labor market and the people possessing them may well be very valuable, these people do not have strategic value until they develop their core skills. Thus, an enterprise will have to incur cost to develop these core skills, requiring a large outlay of scarce resources. Third, people with generic skills may be less committed organizationally and more committed career-wise (Rousseau, 2000).

In conclusion, organizations may find it prudent to pursue a two prong management development policy: (a) internalize the development of core skills because these skills permeate the core activities of an enterprise and are critical for its success and survival; (b) buy generic skills from the market because they are not strategically important to an enterprise.

#### E. Job satisfaction

The analysis of the data indicates that development, pay, and socialization have a significant, direct and positive relationship with job satisfaction, which in turn has a direct and positive effect on the outcome variable, organizational commitment. This relationship suggests that job satisfaction directly influences the organizational commitment of managerial employees. Additionally, these relationships seem to suggest that organizations should emphasize those factors that positively enhance the job satisfaction of their managerial employees. In attempting to do so, organizations should focus their attention on personological, dispositional, and met-expectations theories.

First, personological factors explain the importance of need fulfillment, values, job characteristics and social comparison as important aspects of job satisfaction. Moreover, managerial employees seek to fulfill their higher order needs for achievement, autonomy, involvement, power, prestige and self-actualization. Thus, if an organization emphasizes the fulfillment of lower order needs, it may create

some degree of dissatisfaction among managers, which may also affect their commitment to the organization.

Second, individuals use terminal values to: (a) assess work accomplishments, (b) the degree to which the work provides them with satisfaction, and (c) the opportunities to achieve valued outcomes. The unattainment of valued outcomes may result in job dissatisfaction and unmet expectations for individuals, which in turn may enhance their intentions to separate from the organization. It is therefore, desirable for an organization to identify outcomes which its managers hold highly, and provide the means for these employees to attain these outcomes. Failure to do so may have adverse consequences for job satisfaction and concomitantly organizational commitment.

Hackman and Oldham's (1976) job characteristics model indicates that jobs must be designed in such a way that employees are: (a) required to utilize a variety of skills (b) held responsible for the whole job (c) given the latitude to make decisions about how they will perform their jobs, and (d) provided with feedback about performance. This arrangement positively contributes to organizational commitment.

Sweeny and McFarlin (2004), Buunk and Mussweiler (2001), and Mussweiler (2003), support the notion of social comparison, which provides that the satisfaction of individuals with their work outcomes is based on relative comparisons with similar others. People who make such comparisons may use pay, opportunities for development, and recognition as referents in drawing conclusions about their own level of job satisfaction.

The dispositional factors of job satisfaction include: affectivity, personality, and relational psychological contracts. First, while affectivity and certain dispositional factors may indicate the degree to which people are satisfied with their jobs, there are problems with the positive affectivity-negative affectivity (PA-NA) model. Consequently, many scholars and practitioners have been using the five factor model of personality to measure feelings about job satisfaction. A number of researchers, including Judge, Heller, and Mount (2002), Huffcutt (1996), and Viswesvaran and Ones (1995) found a negative relationship between neuroticism and job satisfaction. They also found that neurotics are highly inclined to establish transactional rather than relational psychological contracts with their employers.

While this finding may have some implications for the recruitment of managerial talents, it also has important consequences for organizational commitment.

Met expectations as a measurement of job satisfaction has experienced some technical problems, some of which have been resolved, but there are lingering doubts about its utility. However, Irving and Meyer's (1995) recommendation that organizations should measure pre-entry expectations and post-entry experiences at two different times to prevent the recency issue associated with the difference scores method should be taken seriously.

In conclusion, job satisfaction has important consequences for the organizational commitment of managerial employees. This study shows that opportunities for development, perceived pay equity, and socialization tactics make meaningful contributions to job satisfaction and should be emphasized by those organizations that are interested in enhancing the organizational commitment of their managerial employees.

### **Research issues and implications for theory**

This study examined six research issues that are discussed below as: (a) **theoretical foundations**; (b) **major dimensions**; (c) **the predictors of commitment**; (d) **correlates of organizational commitment**; (e) **moderators and/or mediators**, and (f) **the relationships among predictor variables**. However, because there is so much affinity between the research issues and implications for theory, they will be examined together.

#### Theoretical Foundations

The results of this study indicate that six theories provide the ingredients for the theoretical framework of a unified theory of organizational commitment. This finding establishes organizational commitment as a complex blend of attitude-behavior, psychological ownership, psychological contract, values, social exchange, and the three-component theories, with important implications for both theory and management practice. This study also indicates that the organizational commitment of managerial employees has three distinct dimensions--affective, moral, and continuance commitment. Additionally, the study indicates that organizational commitment is a multi-disciplinary theory composed of psychological, sociological, ethical, philosophical and economic ingredients.

#### A. Commitment as a manifestation of attitudes

Psychologically, attitudes constitute an essential core of organizational commitment, particularly the affective domain, which also manifests feelings about organizational ownership, justice and mutual trust. People's attitudes are influenced by the extent to which they are effectively and opportunely socialized into an organization, which can promote the formation of either negative or positive beliefs about the organization.

One important implication for theory is that commitment as an attitude defines a state of positive obligation to an organization and a state of obligation developed as a by-product of past actions' (Brown, 1996, p. 232). This feeling of obligation is a socialized outcome of the employee's cultural background and the effectiveness of the socialization tactics used by the organization.

A second implication is that because the attitudinal element of organizational commitment is demonstrated as planned behavior, or reasoned action by an individual, commitment is concomitantly a manifestation of an individual's intention to behave in a certain way towards a particular organization. Behavior is, therefore, an outcome of attitude, which has important psychological implications for both the individual and the organization. First, attitudes are learned and predispose an individual to respond either positively or negatively to a given object. Second, an individual's intent about a particular object is based on his/her knowledge and feelings about the object, which constitutes the social cues salient to that individual. Moreover, because knowledge is acquired through a cognitive process, it can be expanded, deleted or modified through the acquisition of new knowledge. Feelings are also the product of learning, effectuated through the affective domain of learning and can be unlearned through appropriate interventions, including socialization tactics. Organizational commitment, therefore, is the outcome of an individual's attitude acquired from exposure to certain environmental factors including culture, school, church, community, and home circumstances.

Additionally, because attitude is such an important psychological ingredient of organizational commitment, it would be mere circumlocution to classify organizational commitment as attitudinal and behavioral commitment. It must be emphasized that attitude is a pervasive ingredient of organizational commitment

and it should not be surprising that researchers have branded organizational commitment as a predominantly psychological concept. However, one conclusion of the present study is that only affective commitment is predominantly influenced by psychological factors. Moral commitment is predominantly influenced by philosophical and ethical factors, while continuance commitment is predominantly driven by economic factors.

Finally, Salancik and Pfeffer's (1978) three-phased process of attitudinal formation indicates that attitudes are the learned outcomes from exposure to cultural forces, including: religious persuasion, school curricula, home environment, and the socio-modus operandi of society at large. The resultant cognitions developed from these various exposures give rise to people's feelings about a variety of objects, which in turn affect their behaviors. In similar vein, the situational perspective of attitudes provides that people's cognitions are dynamic, and they are adaptive organisms. Consequently, people adapt their attitudes to the demands of the social milieu in which they function. Moreover, the principal argument of Calder and Schurr's (1981) information processing theory is that attitude is a phenomenon that is learned and acquired from the environment. Therefore, it can be molded to influence the commitment of organizational members to an organization through well-planned and implemented interventions.

#### B. Commitment as an expression of ownership

Organizational commitment is also manifested as psychological ownership which is the state of mind of an individual about a particular organization. This state of mind is demonstrated in several ways including an individual's identification with, and internalization of the mission, values, norms, and goals of, an organization. An individual's identification with an organization is an expression of his/her desire to be affiliated with it for some specific reason, including the deep sense of pride he/she may derive from this association and their concomitant internalization of the organization's values, norms of behavior and culture, which are critical ingredients of organizational commitment (Pierce, Kustova & Dirks, 2001)

The prosocial behavior of managers is an undoubtedly critical element distinguishing managers from non-managers. In essence, managers are expected to behave in ways that manifest feelings of one-ness with the organization, and to



display their loyalty and fealty to the system. In this respect, managers must be weaned into the culture of the organization from the inception of their managerial tenure to closely identify with the values and norms of the organization. This integration of managers' interests with the interests of the organization requires them to internalize the values, mores and norms of the organization. It assumes that an organization will formalistically provide those interventions that will influence the establishment of new schemata in the longterm memory banks of managers. This reinforces the valuable role effective programs of socialization play in shaping the cognitions of managerial employees.

The implication is that socialization tactics are critical for newcomer adjustment, the maintenance of managerial prosocial behavior, and periodic schemata modifications to accommodate reshaping of organizational values, norms and priorities. Managers need to periodically refine their roles, re-think their self-efficacy and social acceptance, and minimize feelings of uncertainty. This process of continual adjustment requires that managers be provided periodically with opportunities for introspection and the internalization of new information. The outcomes of manager adjustment should be increased job satisfaction, higher job performance, low turnover, intentions to remain with their organization, and concomitantly organizational commitment. Thus, adjustment and re-adjustment are critical factors in generating managerial prosocial behavior, including the enhancement of their feelings of loyalty, one-ness with and dedication to, the organization, which translates into feelings of psychological ownership.

Another implication is that in proactively seeking information to ameliorate feelings of uncertainty, adapt to their new culture, and create a predictable environment, new managers seek: (a) referent information, which enhances role clarity, (b) appraisal information, which focuses on self-efficacy, and (c) relational information which focuses on social acceptance (Bauer, Bodner, Erdogan, Truxillo & Tucker, 2007). The resultant adjustment helps new managers to: (a) resolve role demands, which promote role clarity, (b) enhance mastery of the job, which is concerned with self-efficacy, and (c) adjust to the sub-culture of the work group, which enhances social acceptance. Therefore, there is a critical connection between the effectiveness of socialization tactics, the integration of new managers into the culture of an organization and the concomitant feelings of psychological ownership

for the organization. To accomplish the adjustment process required, and concomitantly enhance deep feelings of psychological ownership for the organization, the socialization tactics designed for managerial employees should include: (a) collective and individual approaches, (b) formal and informal methods, (c) sequential and random tactics, (d) fixed and variable methods, (e) serial and disjunctive methods, and (f) investiture and divestiture strategies.

Organizational identification is also a particular form of social identification, which engenders loyalty for an organization. The implication is that identification is also a mechanism through which individuals become so attached to an organization that they and the organization become closely intertwined. The resultant relationship should portray a shared destiny between the organization and its managers, which would generate mutual affection for, and moral obligation to, each other.

Internalization which flows from identification defines a feeling of congruence between the values embraced by individuals and the values of the organization. Generally, this perspective of organizational commitment holds that people are drawn to an organization because they perceive that their beliefs, norms of behavior, and values coincide very closely with those of the organization. Therefore, this process of identification and integration constitutes a major aspect of the commitment-theoretic foundation, which fosters affection for, loyalty to, and feelings of obligations for the organization, and in turn requires reciprocity from the organization or psychological contracting relations.

### C. Commitment as the fulfillment of psychological contract obligations

Psychological contract theory as an integral part of a unified theory of organizational commitment holds that a system of beliefs defines the relationship between the organization and an individual regarding the terms and conditions of employment and establishes mutual obligations that each party is expected to fulfill. Failure by one party to meet obligations may have disastrous consequences for trust and concomitantly, organizational commitment (Milward & Hopkins, 1998; Rousseau, 2001). The theoretical implication is that unless there is mutual trust between employees and their employer, the type of psychological contract materializing from this relationship may well be short-term, transactional and/or transitional, which may not be in the interest of either the employee or the employer. Both parties may be interested in establishing an open-ended balanced

and relational contract but because of the trust factor, they may not achieve this objective.

Schema theory holds that a schema comprises facts, assumptions and inferences about employer-employee relations with the expectation that each party will honor the terms and conditions of the agreement, based upon one party's interpretation of the other party's verbal communication. Further, this interpretation by each party creates promises and perceptions about intent, which may cause misunderstandings about obligations. Essentially, an individual's belief about an employment relationship generates elaborate meaning about duties and obligations, which gives rise to the formulation of schemas.

Schema theory effectively explains the intricacies involved in the formation of, evolutionary growth of, and compliance with, psychological contracts (Rousseau, 2001). First, professional norms, ideological beliefs, and legal standards influence the formation of psychological contract schemas. This means that psychological contract schemas are based on cultural factors, which may have important implications for the theory of organizational commitment. Second, most new recruits are often unaware of the ramifications of employer-employee relations because they possess incomplete information. Schema theory helps new employees to understand and interpret the formation and significance of psychological contracts. Third, because schema becomes stable over time, it attains a level of maturity through which experiences and beliefs become embedded into the individual's memory banks.

Since the essential ingredient of the psychological contract theory is that it provides a basis to explain the relationships and belief systems between an employer and an employee that creates mutual expectations of performance by the employee for employer rewards, a psychological contract incorporates promises made by both parties through a relationship of exchange and the resultant understanding about mutual obligations. The psychological contract element of organizational commitment also recognizes the rights of both parties to bargain, influenced by law and culture of the society. Perhaps the most important aspect of the psychological contract element of organizational commitment is the willingness of both parties to honor its terms and conditions. The failure of one party to do so would constitute a breach of the contract, which may totally destroy relationships

arising out of the contract and concomitantly destroy the level of mutual trust between the parties. The implication is that trust is an important ingredient of psychological contracts and a violation of a contract term may be tantamount to a breach of trust. This breach may have a deleterious effect on the commitment of the party harmed and expose the differences between the values and norms espoused and practiced by the entity violating the contract.

The implications for theory are: (a) psychological contract is a critical element of organizational commitment, and (b) a breach of a psychological contract is per se a violation of an important foundation of organization, which may go to the heart of employer-employee relations and cause the organization to become dysfunctional.

#### D. Commitment as a manifestation of values

The fourth theoretical foundation of organizational commitment is values, which are the normative standards by which people judge and select among alternative behavior modes. Values also influence people's perceptions of situations, choices and preferences. Managers' values are based on the assumptions, beliefs, and ingrained views they espouse and hold sacred as individuals. In essence, basic assumptions shape the most profound aspects of the values people hold to the extent that these values become embedded in their subconscious and dictate how they respond to environmental stimuli. Additionally, values are the evaluative standards through which individuals and organizations determine their preferences and assess the degree of fit between them. The implication is that the degree of commitment an individual will display to an organization is based on the extent to which the values of the organization and the individual coincide. The closer the values match, the greater will be the individual's commitment to the organization. Additionally, the values that the individual and an organization hold will influence how they effectuate exchange relationships.

In light of the above discussion, it is now evident that as an integral part of a unified theory of organizational commitment values influence employees' perceptions of situations, preferences and choices, which may dictate the way they view an organization and concomitantly, their commitment to that organization. Moreover, organizational commitment incorporates the concept that people's values are based on the basic assumptions, beliefs and embedded views they espouse and hold sacred. Basic assumptions shape the most profound aspects of people's values,

which become embedded in their subconscious and dictate their responses to environmental factors. Thus, one important implication for theory is that an analysis of organizational commitment is in part an examination of the values which organizational members and the organization hold sacred. These values constitute the identity of each organizational member, and people use them as evaluative standards through which they are able to discern what is right or wrong (Dose, 1997).

Second, the values individuals hold are critical for the way they perceive and interpret the values organizations hold and the extent to which they can fit into different organizations. Individual-organizational fit has important implications for the organizational commitment of individuals because: (a) when the values an individual holds match the values of an organization, that individual is more likely to fit into the organization and identify with its culture, and (b) if the individual-organization values differ, the individual will not fit into the organization. This conclusion is consistent with the Porter, Steers, Mowday and Boulian's (1974, p. 604) definition of organizational commitment as a "strong belief in and acceptance of the organization's goals and values, a willingness to exert considerable effort on behalf of the organization, and a definite desire to maintain organizational membership." This definition points to the fact that the congruence between the values individuals hold and the values of an organization is of critical importance for their commitment to the organization.

Third, in addition to the finding that values are an important ingredient of the theory of organizational commitment, Abbott, White and Charles' (2005) humanity and vision values provide a significant building block of the affective and moral dimensions of organizational commitment. Of equal importance to the theoretical foundations of organizational commitment is that: (a) perceived organizational values are unrelated to continuance commitment, and (b) with respect to both affective and moral organizational commitment the higher the conservatism of organizational members and the higher they perceive the conservatism of the organization to be, the higher will be their commitment to the organization.

#### E. Commitment as social exchange

Social exchange theory explains the focus of commitment forces on the committed party to act or refrain from acting in order to uphold the commitment.

Additionally, several factors including the concepts of marginal utility, power relations, trust, and social structure may influence people's feelings, attitudes, behaviors and values, and consequently, the way they evaluate their commitment to an organization. Moreover, the concept of marginal utility applies to both pure social action and economic action notwithstanding their differences. Pure social action is rooted in trust between an organization and an individual and the resultant social bonds between them are required for long-term relationships. In essence, employees seek to optimize their social and economic interests, and in relation to the organization, the individual is willing to forego ownership of power to maximize the utility of pure social action and economic action.

Second, organizational transactions are influenced more by social structure than the rational choice model espoused by economists. Rational choice theory cannot fully elucidate a concept as complex as organizational commitment. This makes organizational commitment more of a social question that is better explained by social exchange between each individual manager and his/her organization. Additionally, the theory of social exchange indicates that organizational commitment is focus driven and individuals establish social associations from which they expect to derive certain benefits.

Third, social exchange theory holds that several factors influence people's attitudes, feelings, values, and behaviors about a particular commitment in terms of its importance relative to alternative courses of action. Thus, people seek to optimize benefit from their economic resources and social relationships to build social capital, because they: (a) are objectives driven, (b) have preferences, (c) act deliberately to attain planned goals, and (d) are cognizant of the constraints they have to manage. The implication is that the organizational commitment of an individual is founded on socio-psychological and economic forces.

Fourth, the distinction social exchange theory makes between pure social action and economic action has important implications for a unified theory of organizational commitment. Pure social action creates social bonds rooted in trust between people and organizations that are needed for the establishment and maintenance of longterm relationships. Lawler and Yoon (1996) use the expression *relational cohesion* to explain the meaning of pure social action and indicate that not only do individuals seek to optimize their social interests but they do so paripasu with their quest to optimize their economic resources. This process of

developing positive relationships between the organization and the individual provides the basis for future continual negotiations that eventually leads to the establishment of strong cohesive relationships. Moreover, in this process of building cohesive relations, the trust level between the individual and the organization becomes elevated resulting in the establishment of a strong cohesive bond between the parties and a corresponding reduction of power relations. Social exchange therefore, has unique trust building consequences which are critical for both affective and moral organizational commitment, particularly with respect to psychological ownership, prosocial behavior, and compliance with psychological contract conditions among managerial employees.

#### F. Commitment as culture

Meyer and Allen's (1991) focus on the psychological nature of organizational commitment has important implications for the theory of organizational commitment. As a job attitude, organizational commitment is a construct that is driven by beliefs, values and norms, which are important elements of organizational culture. Conceptually, organizational culture is a set of tacit assumptions about how the world is and how it ought to be, shared by a particular group of persons, and determines their perceptions, thoughts, feelings and overt behavior. In essence, culture is the shared meanings, beliefs, norms, and the general *modus operandi* embraced by people in an organization. It manifests itself as over organizational behavior, organizational ideology and philosophy, group and organizational norms, espoused organizational values, policies, procedures, and rules of socialization. Therefore, organizational culture is a collection of relatively uniform and enduring beliefs, values, mores, customs, norms, traditions, and practices shared by members of an organization, and transmitted from one generation of employees to another (Beyer, Hannah & Milton, 2000).

This study has identified three commitment dimensions--affective, moral, and continuance. Other studies have also identified trichotomies including: (a) moral, calculative, and alienative (Etzioni, 1958); (b) affective, continuance, and normative (Allen & Myer, 1990); (c) continuance, affective, and moral (Jaros et al. 1993). Continuance and calculative forms are economically driven and involve inducements and the benefits and costs of leaving an organization. On the other hand, moral and affective forms involve internalization of or identification with the values, beliefs, and goals of an organization, including emotional attachment to the

organization. Thus, moral and affective commitment dimensions are culturally driven. They require each individual to share values, goals, beliefs, and assumptions, which constitute being committed to them (Virtanen, 2000). Moreover, when the definitions of organizational commitment and culture are compared, there is no doubt that there is a high degree of overlap.

From an organizational context, values, goals, policies, principles and artifacts such as myths and heroes are the ideational objects of commitment and also important elements of organizational culture. Additionally, the affective moral and continuance commitment trichotomy corresponds closely to Virtanen's (2000) emotion, obligation and utility trichotomy. Virtanen's (2000) categorization of his trichotomy into rational and arational appears to be equally applicable to the organizational commitment dimensions of this study. The term 'arational' refers to an individual's demonstration of overt emotion versus emotion that is more covertly expressed. Thus, the affective dimension of commitment is emotionally driven through expressions of love for, a desire for affiliation, and identification with, an organization.

In similar vein, obligation as a binding force is a product of rational and arational analysis, which drives the moral dimension of commitment. Each individual rationally elects to comply with the system norms and system values that regulate behavior in an organization. However, some of the norms and values are not clear-cut, which may well connect obligations to arational thinking. In essence, the stronger the individual's acceptance of the norms and values the stronger their moral commitment to the organization.

The third element, utilities, flow from rational analysis, and influence continuance organizational commitment. In this regard the greater the benefit of keeping a promise, the stronger the commitment to the promise and the less likely are employees to leave an organization. On the other hand, if the benefit of keeping a promise or pledge is being eroded by acts of the organization, the situation will be rationally analyzed and the consequence is highly likely to be separation from the organization.

In the final analysis, 'the strength of commitment is the function of norms, strategies, and desires determine interactively the roles of obligations, utilities and emotions in each situation' (Virtanen, 2000, pp. 347-348). People continually



examine their options through processes of introspection and internalization in order to attain an optimal level of social relations with their organizations and other people in them.

#### Dimensions of organizational commitment

This study has established three principal dimensions of a unified theory of organizational commitment: affective, moral and continuance commitment. Sample 1 data indicate a significant and low positive relationship between continuance and moral commitment, ( $b = .38$ ) and a significant low positive relationship between moral commitment and affective commitment ( $b = .38$ ). However, the data show no relationship between continuance and affective commitment. Sample 2 data indicate a significant and moderate, positive relationship between affective and moral commitment ( $b = .46$ ), and a significant low relationship between moral and continuance commitment ( $b = .21$ ). Additionally, the information in Table 4.4 indicates correlation coefficients of: (a)  $r=.08$ ,  $p=.01$  between affective and continuance commitment, (b)  $r=.33$ ,  $p=.01$  between continuance and moral commitment, and (c)  $r=.68$ ,  $p= .01$  between moral and affective commitment. In similar vein, the information shown in Table 4.5 indicates correlation coefficients of: (a)  $r=.11$ ,  $p =.01$  between continuance and affective commitment,  $r=.24$ ,  $p =.01$  between continuance and moral commitment, and  $r=.60$ ,  $p =. 01$  between affective and moral commitment.

The relationships examined above indicate that: (a) continuance commitment is a separate and distinct dimension of a unified theory of organizational commitment, focuses on evaluations of economic gains and losses, labor market conditions, and the availability of alternative employment, and (b) while the overlap between affective and moral commitment is moderate, both dimensions are distinct and constitute different aspects of organizational commitment. Similarly, affective commitment is predominantly based on psychological forces that bind a person to an organization. Finally, moral commitment which focuses predominantly on the good and right thing to do by an individual reflects both ethical and philosophical ingredients of person-organizational relationships. Moral commitment therefore, manifests a deep sense of an employee's obligation, engendering a need for reciprocation to the organization for some benefit received.

These findings have important theoretical implications. First, the once sweeping generalization that organizational commitment is predominantly a psychological

construct seems to be untenable. While replication of the results of the present study may be needed to debunk the conclusion that organizational commitment is predominantly a psychological concept, the evidence evinced from this study seems to be theoretically well founded. This finding therefore, appears to make a solid contribution to the theory of organizational commitment.

#### Predictors of organizational commitment

This study establishes five principal antecedents of organizational commitment: **(a) perceived pay equity, (b) socialization tactics, (c) organizational trust, (d) opportunities for development, and (e) job satisfaction.** This finding has important implications for both policy and practice in organizations.

##### A. Perceived pay equity

The results of this study show that perceived pay equity has a significant but low indirect relationship with the three dimensions of organizational commitment. Thus, it may be concluded that pay may not have as much impact on organizational commitment as some of the other antecedents. Intuitively, however, as indicated earlier, perceptions about pay equity do have important implications for the organizational commitment of managerial employees, including: (a) the importance of fairness perceptions of pay procedures; (b) perceived pay versus actual pay; (c) the importance of pay for perceptions about organizational justice, and (d) perceptions about pay and employee retention.

Jones, Scarpello, and Bergmann (1999, p.142) indicate that ‘fairness perceptions of specific pay procedures have a differential impact on employee attitudes and behaviors,’ particularly with regard to continuance organizational commitment, which defines both an economic and a market relationship between the organization and an employee. Individuals subjectively evaluate the fairness of organizational pay procedures with respect to pay level, benefits, pay increase, and pay administration, which may influence continuance commitment. The criticality of this situation becomes even more apparent when consideration is given to the fact that pay programs are generally designed to attract people of the right quality and in the right quantity to work in, and manage, an organization

Feelings about equitable pay are consonant with the ‘felt-fair’ principle enunciated by Jaques (1961) and Adams’ (1963) conceptualizations of equity. Employees determine pay equity by comparing their pay and the pay received by similar others and this evaluation has important implications for organizational

commitment for three reasons: (a) employees may conclude that the organization has reneged on its promise to play fair with them, (b) if employees surmise that the employer is reneging on its promises, it may adversely impact their trust level and as a result, their commitment to the organization, (c) while managerial employees who desire a long-term relationship with their organization will establish relational contracts with the employer (Huseman, Hatfield & Miles, 1987), it would be erroneous to assume that managerial employees do not place a high value on pay equity. If actual pay is below the pay assumed under the psychological contract, managerial employees will begin to experience a certain degree of organizational dissonance, which may be enough to destroy their commitment to the organization.

Finally, there appears to be a strong justice element in employees' assessment of equity in pay, which may be examined under distributive and procedural justice. Distributive justice focuses on the assessed fairness of the amount of pay employees receive, and exerts greater influence on person-specific outcomes including satisfaction with pay raises (Folger & Konovsky, 1989). Two important allocation rules of distributive justice are equity and equality. Equity theory holds that employees will perceive unfairness when they surmise that the ratio of their job inputs to job outcomes is unequal to the ratio of similar others (March & Simon, 1958). Equality norms indicate that resources should be allocated equally across groups in an organization that emphasizes team work and group cohesion. Procedural justice, on the other hand, focuses on the methods used to determine how pay decisions are made and has much greater influence on broader issues, including organizational outcomes such as commitment and jobsatisfaction.

#### B. Socialization tactics

This study also found that socialization tactics have a significant indirect relationship with the three dimensions of organizational commitment and a significant but low direct effect on affective organizational commitment. First, socialization tactics help managers to: (a) acquire relevant job knowledge and skills, (b) develop insights into the inner workings of the organization, (c) attain the support of colleagues, and (d) assimilate the culture of the enterprise. Socialization processes help employees acquire indepth understanding of their jobs, work roles, and work groups. Additionally, socialization strategies assist employees to assimilate the values and norms of their organization, which helps them to make the necessary adjustment to their new work environment. Moreover, this study's

corroboration of Jones' (1986) finding of a strong positive relationship between socialization initiatives and organizational commitment has important implications for the relationships between socialization strategies and managerial commitment to an organization.

First, the three important aspects of the foci of socialization tactics which are the context in which information is provided to new managerial employees, content of information provided to new managerial employees, and social support given to newly appointed managers- provide new managers:(a) with the opportunity to acquire special skills that can be used to formulate unique and innovative solutions to organizational problems, (b) with guidelines to manage organizational issues and develop original and creative problem-solving methods, and (c) with the necessary help to more readily adjust to the culture of the organization and become a productive participant, respectively.

Second, uncertainty reduction theory which is an integral part of the theory of socialization indicates that newly appointed managerial employees must confront both uncertainty and ambiguity as a matter of routine in the first few months of their appointment. Consequently, new managers will naturally seek ways to ameliorate ambiguous and uncertain situations in order to create a more predictable and controllable work environment. Socialization tactics that open up communication channels, including interaction with peers and superiors will help new managers to reduce ambiguity and uncertainty, enhance their ability to meet their accountabilities, and concomitantly increase their commitment to the organization.

Third, effective socialization of new managerial employees facilitates their ability to use cognitive sense-making to analyze and interpret ambiguities and uncertainties through interaction with people, processes, politics and symbols in their new roles and work environment (Reichers, 1987). In essence, new managers use sense-making to construct cognitive maps of the culture, climate, operations, and physical features of the enterprise (Weick, 1995). The understanding generated from sense-making enhances the organizational commitment of new managers (Ashworth & Saks, 1998).

Social cognition theory which is also an integral part of the theory of socialization has important practical implications for the integration of new managers with the organization. Individuals establish internal standards to measure performance of the competencies learned through exposure to socialization tactics.

Social cognitive theory was used by: (a) Saks (1995) to integrate socialization and training concepts, (b) Ostroff and Kozlowski (1992) to predict newcomers' acquisition of information from role models, and (c) Saks and Ashforth (1996) who to demonstrate its usefulness in developing task and role mastery of learners.

Social influence and persuasion are also important elements of employee socialization. In practice, the socialization of managers has implications for managerial conformity and creativity. Managers modify their attitudes and behaviors so that their responses are congruent with those of their mentors and other organizational members.

In conclusion, this study confirms that there is an important relationship between socialization tactics and organizational commitment. From a practical view point, socialization tactics are developed and implemented to help new managers: (a) learn their new roles, (b) develop good organizational-citizenship behavior, (c) integrate their interests with those of the organization, (d) reduce their propensity to leave the organization, (e) become more satisfied with their job and (f) raise the level of their commitment to the organization.

### C. Organizational Trust

This study has shown that organizational trust is significantly and positively related with affective and moral commitments and significantly but negatively related with continuance commitment. Since organizations are interested in high levels of commitment from their managers, they should engage in earnest trust building activities. Dirks and Ferrin (2002) who found a positive relationship between trust and organizational commitment ( $r=0.49$ ,  $p=.05$ ), support the above conclusion. Trust-building activities contemplated here should include: communication accuracy, behavioral integrity, behavioral consistency, and organizational justice.

Information accuracy, rationale for decisions, and open communication are of pivotal importance in enhancing the level of trust managers demonstrate for an organization. (Folger & Konovsky, 1996). Moreover, employees use the consistency between organizational messages and actions to assess organizational honesty and integrity on an on-going basis (Whitener, Brodt, Korsgaard & Werner, 1998). Likewise, behavioral consistency, which is the outcome of organizational reliability and predictability, is critical for the development of organizational trust. Managers' willingness to take risks and be vulnerable to organizational actions is a

function of how much they trust their organizations. Thus, if an organization is perceived to act consistently over a given period, managerial employees will be able to predict with a high degree of certainty its future behavior, which in turn will enhance their confidence in the organization. Finally, Colquitt et al (2001) found correlation coefficients of  $r=.61$ ,  $p<.05$  and  $r=.57$ ,  $p<.05$  between trust and procedural justice, and trust and distributive justice respectively. They reported that organizational justice explains 45% of the variance of trust ( $p<.05$ ).

Generally, people become preoccupied with justice and fairness issues particularly when they have to deal with issues arising out of social interdependence and other social dilemma, the most fundamental of which is concerned with trust. In this regard, fairness is critical to individuals when they must accept the authority of another person or organization in a social relationship, which they believe may result in exploitation and deprivation. Thus, questions about trust in others may be resolved by providing people with direct information about the trustworthiness of the authority source, be it an individual or an organization, to help people form fairness judgments concerning their inclusion and standing in the group or organization. In essence, people use fairness judgments to determine how they should respond to the outcomes and procedures they face, and the policies, orders and other requests they receive from authority sources (Van den Bos, Wilke & Lind, 1998).

In conclusion, this study found that organizational trust has an important relationship with the organizational commitment of managerial employees, consistent with the recent findings of Dirks and Ferrin (2002). Additionally, consistent with Robinson's (1996) finding, unless managerial employees trust their organization, their commitment may well be superficial, which will eventually elevate their desire to move to other organizations.

#### D. Opportunities for development

Four important implications arise out of the relationship found between opportunities for development and managerial commitment to organizations. First, the finding that opportunities for development are significantly and positively correlated with the organizational commitment of managerial employees moderated by jobsatisfaction and organizational trust enhances the value of management development programs in organizations and is critical for at least two practical reasons and one theoretical reason.

Second, the commitment of managers is vital for the survival of business in a global economy in which managerial talents are increasingly being used to establish primacy among competing enterprises, consistent with the findings of King, Fowler and Zeithaml (2001). Second, the transactions cost theory, which holds that an organization must decide whether or not it should internalize or externalize the development of its managerial resources based purely on cost considerations must be evaluated against the need for human capital development for a number of reasons including: (a) internal developmental strategy results in the optimal allocation of managerial employees and generates a high level of managerial commitment to an organization, and (b) human capital theory holds that the internal development strategy enhances future organizational productivity, growth and survival (Tsui, Pearce, Porter & Tripoli, 1997).

The theoretical implication is that it is prudent for an organization to emphasize an internalized development policy for its managerial resources and not to rely wholly on external sources to acquire these resources. First, the internalization of management development contributes positively to the development of the core skills an organization needs to enhance its core capabilities, which is critical for its competitiveness. Second, the more unique the core skills are to an organization, the less likely will it be possible to find these skills readily in the labor market (Barney, 1991). Third, while it may be relatively easy to find people with generic management skills in the labor market and the people possessing them may well be very valuable, these people do not have strategic value until they develop their core skills. Thus, an enterprise will have to incur cost to develop these core skills, requiring a large outlay of scarce resources. Third, while people with generic skills may be less committed organizationally and more committed career-wise (Rousseau, 2000).

In conclusion, organizations may find it prudent to pursue a two prong management development policy: (a) internalize the development of core skills because these skills permeate the core activities of an enterprise and are critical for its success and survival; (b) buy generic skills from the market.

#### E. Job satisfaction

Analysis of the data indicate that development, pay, and socialization have a significant and direct and positive relationship with job satisfaction, which in turn has a significant, direct and positive relationship with the organizational

commitment of managerial employees. These relationships indicate, *inter alia*, that organizations should emphasize those interventions which positively enhance the jobsatisfaction of their managerial employees. In attempting to do so, organizations should focus their attention on the personological, dispositional, and met-expectations theories.

The personological factors explain the importance of need fulfillment, values, job characteristics and social comparison as important aspects of job satisfaction. Moreover, managerial employees seek fulfillment of the higher order needs for achievement, autonomy, involvement, power, prestige and self-actualization. The implication is that if an organization emphasizes the fulfillment of lower order needs for managers, it may create some degree of dissatisfaction among these employees that may affect their commitment to the organization.

Generally, individuals use terminal values to: (a) assess work accomplishments, (b) the degree to which the work provides them with satisfaction, and (c) the opportunities to achieve valued outcomes. Unattained valued outcomes create a gap between job satisfaction and turnover intentions, which constitutes unmet expectations. It is therefore, desirable for an organization to identify outcomes which its managers hold highly, and provide the means for these employees to attain these outcomes. Failure to do so may have adverse consequences for job satisfaction and concomitantly organizational commitment.

The Hackman and Oldham (1976) job characteristics model provides that jobs must be designed in such a way that employees are: (a) required to utilize a variety of skills (b) held responsible for the whole job (c) given the latitude to make decisions about how they will perform their jobs, and (d) provided with feedback about performance. This arrangement positively contributes to organizational commitment.

Sweeny and McFarlin (2004), Buunk and Mussweiler (2001), and Mussweiler (2003), support the notion of social comparison, which provides that the satisfaction of individuals with their work outcomes is based on relative comparisons with similar others. Such comparisons may use pay, opportunities for development, and recognition as referents in drawing conclusions about their own level of jobsatisfaction.

The dispositional factors of job satisfaction include: affectivity, personality, and relational psychological contracts. First, while affectivity and certain dispositional



factors may indicate the degree to which people are satisfied with their jobs, there are problems with the positive affectivity-negative affectivity (PA-NA) model. Consequently, many scholars and practitioners have been using the five factor model of personality to measure feelings about job satisfaction. A number of researchers, including Judge, Heller, and Mount (2002), Huffcutt (1996), and Viswesvaran and Ones (1995) found a negative relationship between neuroticism and job satisfaction. They also found that neurotics are highly inclined to establish transactional rather than relational psychological contracts with their employers. While this finding may have some implications for the recruitment of managerial talents, it also has important consequences for organizational commitment.

Met expectations as a measurement of job satisfaction has experienced some technical problems, some of which have been resolved, but there are lingering doubts about its utility. However, Irving and Meyer's (1995) recommendation that organizations should measure pre-entry expectations and post-entry experiences at two different times to prevent the recency issue associated with the difference scores method should be taken seriously.

In conclusion, job satisfaction has important consequences for the organizational commitment of managerial employees. This study shows that opportunities for development, perceived pay equity, and socialization tactics make meaningful contributions to jobsatisfaction and should be emphasized by those organizations that are interested in enhancing the organizational commitment of their managerial employees.

#### Correlates of the three commitment dimensions

Perceived pay equity, socialization tactics, organizational trust, opportunities for development and job satisfaction are correlates of the three dimensions of organizational commitment. The degree to which each of these variables is a correlate of organizational commitment is examined below with respect to each of the two data sets.

##### A. Perceived Pay Equity

The relationship between perceptions about pay equity and organizational justice adds to the value of pay and continuance commitment. In essence, it seems that continuance commitment is driven by economic forces, particularly because individuals will invariably compare the cost against the economic benefit of leaving an organization. Admittedly, socio-psychological factors are also considered in

making the decision either to remain with or leave an organization, but these factors may not have over-riding importance for the final decision.

#### B. Socialization Tactics

As indicated in both Figures 4.1 and 4.2, the importance of effectively socializing managers into an organization must not be discounted. Other researchers, including Buchanan (1974), Jones (1986), Allen and Meyer (1990), Ostroff and Kozlowski (1992), and Morrison (1993, 2002) have shown that socialization tactics, appropriately administered, have significant effects on organizational commitment. Therefore, the socialization of managerial employees should be an organizational imperative.

#### C. Organizational Trust

Organizational trust is the other variable that shows a significant and positive direct relationship with organizational commitment. Figure 4.1 indicates that organizational trust explains 35% and 36% of the variance in affective and moral commitment respectively ( $b = 0.35$  and  $0.36$ ). Figure 4.2 shows that organizational trust explains 27% and 16% of the variance in affective and moral commitment respectively ( $b = 0.27$  and  $0.16$ ). However, organizational trust shows a significant, low, negative relationship with continuance commitment, indicated in both Figures 4.1 and 4.2. Thus, the evidence seems to show that while trust building strategies do have some positive effects on affective and moral commitment, the negative relationships shown between organizational trust and continuance commitment do not augur well for focusing trust building as a strategy to reduce managerial turnover. However, this conclusion is at best tentative and should not be the driving force behind trust building activities. Future research efforts in organizational commitment should either corroborate or nullify this finding.

#### D. Opportunities for development

Figure 4.1 indicates that opportunities for development explain 25% and 42% respectively of the variance in job satisfaction and organizational trust, but shows no direct relationship with the three dimensions of organizational commitment. Figure 4.2 shows that opportunities for development explain 43% and 41% respectively of the variance in job satisfaction and organizational trust but no direct relationship with the three dimensions of organizational commitment. This brings into focus the topic of moderators and mediators, which are examined below.

### E. Job satisfaction

Among the five correlates of organizational commitment, this study shows that job satisfaction has the highest relationship with organizational commitment. With respect to sample1 data, job satisfaction explains 48%, 36%, and 19% respectively of the variance in affective, moral, and continuance commitment ( $b = 0.48, 0.36,$  and  $0.19$ ), as shown in Figure 4.1. Sample 2 data indicate that jobsatisfaction explains 52%, 34% and 48% respectively of the variance in affective moral and continuance commitment ( $b = 0.52, 0.34$ and  $48$ ) as shown in Figure 4.2. It may be concluded from the evidence that job satisfaction is a significant but low to moderate predictor of the dimensions of organizational commitment. Thus, if an organization's focus is to reduce the turnover rate of its managerial staff, these findings would indicate that interventions aimed at either increasing or stabilizing job satisfaction may be helpful. Moreover, this conclusion should encourage organizations to utilize interventions aimed at enhancing job satisfaction. Additionally, actions to stabilize job satisfaction should seriously consider the value of perceived pay equity, socialization tactics, and opportunities for development in enhancing job-satisfaction. It must also be recognized that these findings need to be replicated to be conclusive about the influence of jobsatisfaction on continuance commitment.

### Moderators and mediators

Figures 4.1 and 4.2 show that jobsatisfaction and organizational trust moderate and/or mediate the effects of the predictors of organizational commitment. The details of these relationships are provided below.

#### . A. Job satisfaction

Table 5.1: Moderator/Mediator effects of Job satisfaction shown in Figures 4.1 & 4.2

INTERMEDIATE VARIABLE	ROLE	INDEPENDENT VARIABLES	DEPENDENT VARIABLES	$\beta$ VALUE	FIG.
Job satisfaction	Moderator	Dev. ,Pay & Soc	Affective Comm	0.48	4.1
Job satisfaction	Moderator	Dev., Pay & Soc.	Moral Comm	0.36	4.1
Job satisfaction	Moderator	Dev., Pay & Soc.	Contin. Comm	0.19	4.1
Jobsatisfaction	Mediator	Development	Trust	0.10	4.1
Job satisfaction	Mediator	Socialization	Affective Comm	0.48	4.1
Job satisfaction	Moderator	Dev., Pay & Soc.	Affective Comm	0.52	4.2
Job satisfaction	Moderator	Dev., Pay & Soc.	Moral Comm	0.34	4.2
Jobsatisfaction	Mediator	Socialization	Affective Comm	0.52	4.2
Jobsatisfaction	Mediator	Pay	Trust	0.25	4.2

Figure 4.1 and information shown in Table 5.1 above indicate that: (1) job satisfaction moderates the relationships between opportunities for development, perceived pay equity, socialization tactics and: (a) affective organizational commitment ( $\beta=0.48$ ), (b) moral organizational commitment ( $\beta=0.36$ ), and (c) continuance commitment ( $\beta=0.19$ ), and (2) job satisfaction mediates the relationship between socialization tactics and affective commitment ( $\beta=0.48$ ). Figure 4.2 shows that: (1) job satisfaction moderates the relationships between opportunities for development, perceived pay equity, socialization tactics, and (a) affective organizational commitment ( $\beta=0.52$ ), (b) moral organizational commitment ( $\beta=0.34$ ), (2) job satisfaction mediates the relationship between socialization tactics and affective commitment ( $\beta=0.52$ , and (3) job satisfaction mediates the relationship between organizational trust and pay ( $\beta= 0.25$ ). These relationships have important implications for generating and maintaining a high level of managerial commitment.

#### B. Organizational Trust

Table 5.2:moderator/mediator effects or organizational trust shown in Figures 4.1 & 4.2

INTERMEDIATE VARIABLE	ROLE	INDEPENDENT VARIABLES	DEPENDENT VARIABLES	$\beta$ VALUE	FIG.
Org. trust	Moderator	Pay, Dev. & Soc.	Affective Comm	0.35	4.1
Org. trust	Moderator	Pay, Dev. & Soc.	Moral Comm	0.36	4.1
Org. trust	Moderator	Pay, Dev. & Soc.	Contin. Comm	-0.15	4.1
Org. trust	Mediator	Socialization	Affective Comm	0.35	4.1
Org. trust	Mediator	Job satisfaction	Affective Comm	0.35	4.1
Org trust	Moderator	Pay, Dev. & Soc.	Affective Comm	0.27	4.2
Org trust	Moderator	Pay, Dev. & Soc.	Moral Comm	0.16	4.2
Org trust	Moderator	Pay, Dev. & Soc.	Contin. Comm	-0.29	4.2
Org trust	Mediator	Pay	Contin. Comm	-0.29	4.2
Org. Trust	Mediator	Jobsatisfaction	Affective Comm	0.25	4.2

Figure 4.1 indicates that: (1) organizational trust moderates the relationships between opportunities for development, perceived pay equity, socialization tactics and (a) affective organizational commitment ( $\beta=0.35$ ), (b) moral organizational commitment ( $\beta=0.36$ ), and (c) continuance organizational commitment ( $\beta= -0.15$ ), and (2) organizational trust mediates the relationship between socialization tactics and affective organizational commitment ( $\beta=0.35$ ), and between job satisfaction and affective commitment ( $\beta=0.35$ ). Figure 4.2 indicates that organizational trust moderates the relationships between opportunities for development perceived pay equity, socialization tactics and (a) affective organizational commitment ( $\beta=0.27$ ), (b) moral organizational commitment ( $\beta=.0.16$ ), and (c) continuance organizational

commitment ( $\beta = -0.29$ ). Second, organizational trust mediates the relationship between: (a) job satisfaction and affective commitment ( $\beta = 0.27$ ), (b) pay and continuance commitment ( $\beta = -0.29$ ), and (c) socialization and affective commitment ( $\beta = 0.27$ ).

The information in Figure 4.1 indicates that developmental opportunities, perceived pay equity, and socialization tactics predict job satisfaction, which in turn predicts the three dimensions of organizational commitment. Similarly, in Figure 4.2 developmental opportunities, perceived pay equity, and socialization tactics predict job satisfaction which in turn predicts the three dimensions of organizational commitment. Thus, Figures 4.1 and 4.2 indicate that developmental opportunities, perceived pay equity, and socialization tactics have indirect effects on organizational commitment through job satisfaction and organizational trust. The implication is that an organization which is interested in elevating the affective and moral commitment of its managers should emphasize trust building and job satisfaction interventions that will enhance managers' job satisfaction and trust levels in the organization.

#### Relationships among the predictor variables

The correlation coefficients of the five predictor variables are shown in Table 4.8 for sample 1 data and Table 4.9 for sample 2 data. These relationships indicate that opportunities for development, perceived pay equity and socialization tactics are the independent variables for both data sets and are low to moderately intercorrelated.

Figure 4.1, indicates (a) a moderate and positive relationship between opportunities for development and socialization tactics ( $\beta = 0.51$ ), (b) a low positive relationship between opportunities for development and perceived pay equity ( $\beta = 0.35$ ), and (c) a low positive relationship between perceived pay equity and socialization tactics ( $\beta = 0.23$ ). Figure 4.1 also shows that (a) opportunities for development have a direct and positive relationship with both job satisfaction and organizational trust ( $\beta = 0.25$  and  $0.42$ , respectively), (b) perceived pay equity has a direct and positive relationship with both job satisfaction and organizational trust ( $\beta = 0.19$  and  $0.21$ , respectively) and (c) socialization tactics have a direct and positive relationship with job satisfaction and organizational trust ( $\beta = 0.35$  and  $0.23$ , respectively), (d) job satisfaction has a positive and direct relationship with

organizational trust ( $\beta = 0.10$ ). These relationships are all moderate to low and seem to avoid the problem of multicollinearity.

Figure 4.2 indicates that the independent variables, socialization tactics, opportunities for development, and perceived pay equity are positively intercorrelated ( $\beta = 0.07, 0.20, \text{ and } 0.43$ , socialization  $\leftrightarrow$  pay, socialization  $\leftrightarrow$  development, and development  $\leftrightarrow$  pay, respectively). Figure 4.2 also indicates that: (a) socialization tactics have a direct and positive relationship with job satisfaction and organizational trust ( $\beta = 0.18$  and  $0.06$  respectively), (b) opportunities for development have a positive and direct relationship with job satisfaction and organizational trust ( $\beta = 0.43$  and  $0.41$  respectively), (c) perceived pay equity has a direct and positive relationship with job satisfaction and organizational trust ( $\beta = 0.09$  and  $0.25$  respectively), and (d) job satisfaction has a positive and direct relationship with organizational trust ( $\beta = 0.25$ ). In similar vein to the conclusion drawn above with respect to sample 1 data, the relationships with respect to sample 2 data are moderate to low.

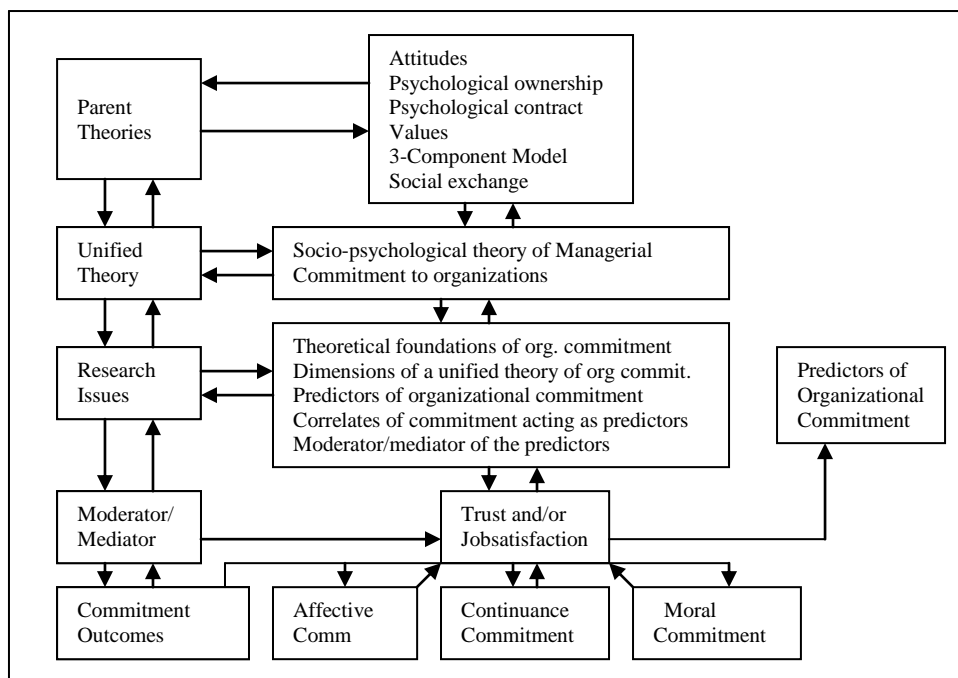


Figure 5.1: Framework of the new unified theory of organizational commitment

Figure 5.1 above shows the elements of the new, unified theory of organizational commitment. First, the theory is a composite of six parent theories taken from social science disciplines, including psychology, sociology, philosophy, ethics, and economics. The theory was formulated, data were collected at two different time

periods and hypotheses were tested, utilizing structural equation modeling to establish its viability. This initial research effort indicates that this new unified theory of organizational commitment has fulfilled all of the requirements of a valid theory. In essence, the results of the study show that the theory is multi-disciplinary, in contradistinction to the conclusions of prior research efforts. The theory and multi-dimensional in consonance with the findings of Meyer and Allen (1990).

In conclusion, it must be stated that if a few of the indicators were not modified after sample 1 data were collected, Figure 4.2 might have shown different results. However, as stated earlier, the indicators were modified to increase their clarity. The  $\chi^2$  value of sample 2 data justifies the decision to modify a few of the indicators.

### **Implications for policy**

The results of this study have several important implications for human resource policy in organizations. The study confirms that opportunities for development, perceptions about pay equity, socialization tactics, job satisfaction and organizational trust are important predictors of managerial commitment in organizations. The implication of this finding is that there is now a reasonable amount of information to support policy that focuses on managerial employees' pay equity, the socialization, trust building activities, development, and job satisfaction. Each of these five areas is examined below.

#### **A. Perceived pay equity**

The finding that perception about pay equity is a predictor of managerial commitment has important justice implications for managerial pay policy. The first is distributive justice which is concerned with the amounts of pay managers receive. Procedural justice, on the other hand focuses on the perceived fairness of the mechanisms used to determine managers' pay. In this respect, it is necessary to refer once more to the work of McFarlin and Sweeney (1992) who found that procedural and distributive justice explain 37% of the variance in pay satisfaction after controlling for tenure, gender, age, and job type. The McFarlin and Sweeney (1992) study also found that procedural and distributive justice explain 26% of the variance in organizational commitment after controlling for the same demographic variables. However, there is evidence to support the assertion that distributive justice accounts for more variance in pay satisfaction than procedural justice. Thus, it seems that a managerial pay policy has to incorporate those characteristics that

will demonstrate both distributive and procedural justice, with more emphasis on the former. This is a necessary condition for an organization to portray an image of being just and fair in its dealings with its employee.

#### B. Socialization tactics

The finding that there is a positive relationship between socialization tactics and the organizational commitment of managerial employees also has important policy implications. Socialization is defined in this study as the process through which individuals acquire relevant job skills, internalize the cultural framework of the organization, achieve supportive socio-political relations with colleagues and superiors, identify with the values, norms and goals of the organization, and integrate their interests with the interests of the organization. This definition indicates a number of characteristics that should be captured by an organization's socialization policy, including: (a) socialization of managers should be a continuous process and not a single activity, (b) socialization is a construct consisting of several domains including: training, support, internalization, and integration.

Feldman (1989) states with some emphasis that: (1) training programs help new managers acquire job-related skills in order to enhance their proficiency and concomitantly their confidence in taking risks and making decisions; (2) it is imperative for an organization to identify the knowledge, skills, and abilities new managers need to learn and master, which are directly influenced by the socialization process; and (3) mentoring of protégés helps them to: (a) adopt the values of an organization and concomitantly to identify with it (Payne & Huffman, 2005), (b) cope more effectively with the stress associated with career management and develop more positive attitudes such as commitment (Scandura, 1997) and, (c) provide role models for protégés, and as a result, mentors are accorded both personal and moral authority by protégés, which may influence their commitment to the organization (Scandura, 1997).

Socialization tactics should also include organizationally assisted support of new managers in their quest for information and acceptance by their peers and superiors. This is consistent with the concept that one of the several foci of socialization is to help newcomers establish effective work relationships with organizational members and to find a mentor or mentors from whom they can learn about the organization, work group, and the job. In addition to the acquisition of



relevant knowledge, skills and abilities, the socialization of new managers should include information about the formal and informal work relationships and power relations in the organization. This includes learning to function from within the culture of the work group (Schein, 1985).

Next, socialization tactics should also focus on helping new managers to develop deep insights into organizational politics in order to help them adjust to their new culture and know who among organizational members are more knowledgeable and powerful than others (Feldman, 1989). To this must be added the importance of helping them learn the language that is unique to the organization so that they will develop their ability to effectively communicate with other organizational members. These activities and exposures will, in essence, help them to internalize the inner workings of the organization and eventually shape them into valuable organizational members.

Finally, socialization tactics should help new managers clearly understand the goals, mission, vision, values, and history of the organization, which in turn will help them to understand the principles that characterize the integrity of the organization. Through this process, new managers will eventually be able to integrate their individual interests with the mission, vision, goals and objectives of the organization (Argyris, 1964)

### C. Organizational trust

This study seems to indicate that a high level of employee trust is of significant importance to organizational effectiveness. Moreover, present day organizational life is characterized by continuing changes and the concomitant need to involve employees at all levels through the use of participative management methods and team work to build cooperative organizational relationships, tap the creative abilities of organizational members at all levels and enhance the trust level of employees. Thus, organizational trust has serious implications for both policy and management practices in organizations.

First, the correlation found by Dirks and Ferrin (1996) between trust and organizational commitment ( $r = 0.49$ ,  $p < .05$ ) is consistent with the correlations found in this study between trust and affective and moral organizational commitment. Thus, it may be inferred from these relationships that trust is a: (a) critical factor for a high level of employee commitment to organizations, and (b) a

necessary prerequisite for the achievement of organizational excellence. Additionally, high or low levels of trust are indicative of employees' feelings about an organization, particularly with respect to employee commitment, job satisfaction and employee identification with the organization (Powell, 1996; Fairholm, 1994). This makes it imperative for organizations to establish and pursue a policy of building and maintaining a high level of trust with employees at all organizational levels as a strategic device to promote organizational survival, growth and transformation.

Second, the strong relationship between low levels of trust and high levels of stress among people at all levels of an organization is anathema to organizational effectiveness and performance (Powell, 1996). Low trust levels stifle creative thinking, frustrate the decision-making process, lower employee morale, increase absenteeism and turnover and create an un-quantifiable organizational cost in terms of untapped employee creativity (Dirks & Ferrin, 2002). In contrast, high trust levels increase employee morale, reduce absenteeism, stimulate creativity and contribute positively to the effective management of organizational change (Bloomqvist, 1997; Powell, 1996). This puts a premium on trust building activities in organizations leading to the establishment of optimal interdependence between the organization and its employees (Wicks, Berman, & Jones, 1999).

Third, organizations are increasingly confronted with the dilemma of insufficient resources to meet the demands for fair and equitable employee compensation, which dictates that they must devise alternative strategies of employee rewards (Dirks & Ferrin, 2002). Thus, organizational goals such as employee loyalty, commitment, and satisfaction must increasingly be met through strategies that are designed to enhance trusting relationships founded on honesty, integrity, and a genuine concern for the welfare of others (Fairholm, 1994). To this end, policies covering strategies such as participative decision making, employee empowerment and human resource development should increasingly be used by enterprises to foster and sustain trust (Tyler, 2003).

Fourth, organizations increase their competitiveness globally by an accumulation and sustenance of human capital (Starling, 1996). To this end, they are increasingly becoming the magnet for attracting the skilled, experienced and well-educated in a highly competitive job market and as a necessary concomitant must devise strategies to retain these skills (Starling, 1996). The knowledge worker

who arrived decades ago has been permeating all parts of organizational life (Starling, 1996). These workers are highly educated, more knowledgeable than their supervisors, less dependent, and very apt to question the decisions of management on a much wider scale than their predecessors (Dirks & Ferrin, 2002). This inevitably places a premium on effective trust building (Mishra & Morrissey, 1990).

Fifth, research evidence indicates that there are serious consequences of low trust for an organization. These include productivity decline (Tyler, 2003); low employee morale (Lewicki & Bunker, 1996); increased employee stress (Sonnenburg, 1994); employee resistance to organizational change efforts (Sonnenburg, 1994); feelings of hostility to the organization (Fukuyama, 1995); disruptive employee behavior (Carnevale, 1995); sabotage by employees (McAllister, 1995); and the development of passive-aggressive behavior among employees (Powell, 1996; Fukuyama, 1995; Miller, 1992). Thus, it is imperative for organizations to build and maintain a high level of employee trust.

Sixth, a climate of trust: (a) increases employees' motivation and concomitantly their job performance (Becker et. al 1996), (b) improves the effectiveness of managers (Gabarro 1978), (c) improves the performance of teams (Porter & Lilly 1996), (d) enhances problem-solving effectiveness, (e) enhances employees' satisfaction and as a result reduces turnover rates (Butler et al.1999, Costigan et al (1998), (f) increases organizational altruism or organizational citizenship behavior (Kanovsky & Pugh 1994), (g) enhances the acceptance of organizational change and reduces negative outcomes (van den Boss 1998), (h) enhances the effectiveness of communicating the organization's mission statement (Fairhurst et al 1997), the attainment of the organization's business mission and the value of work for individuals, (i) contributes significantly to the development and maintenance of cooperation among organizational members (La Porta et al 1997), (j) enhances the quality and amount of an organization's communication and the satisfaction associated with it, and (k) enhances job satisfaction, employee motivation and concomitantly job performance.

#### D. Opportunities for development

The inference to be drawn from the results of the study is that a management development policy should incorporate three major characteristics: (a) individualization of skills development (b) socialization of the organization's

vision, values, and mission through its managerial employees, and (c) utilization of management development programs for strategic intervention (Conger & Benjamin, 1999).

First, the individualization of skills development is necessary to help managers and potential managers develop their leadership skills and be provided with feedback on both strengths and weaknesses. Second, the socialization of managerial employees to the vision, mission, and values of an organization: (a) integrates their interests with those of the organization, (b) prepares them for advancement to more senior managerial positions, (c) helps them to closely identify with the mission, goals and objectives of the organization, and (d) motivates them to internalize the organization's system norms and system values. Third, the utilization of management development programs for strategic intervention creates a situation in which managers are exposed to action learning and facilitated group discussion to identify initiatives which can facilitate a major organizational change.

#### E. Job satisfaction

Job satisfaction emerged from the present study not only as a predictor of organizational commitment but also as both a mediator and a moderator of this construct. These relationships suggest that the job satisfaction of managerial employees has serious policy implications for organizations, including implications arising from the: (a) job satisfaction-performance connection and (b) job satisfaction-turnover relationship as they relate to the organizational commitment of managerial employees.

Job satisfaction as an attitude has (a) an affective component which focuses on the individual's feelings (positive and/or negative) of an object such as a job and (b) a cognitive component which focuses on the individual's beliefs about a job. The evidence indicates that stable orientation to a job or other object is dependent upon affective-cognitive consistency. The higher this consistency, the more stable is job satisfaction as a job attitude, and the higher is the performance of job holders who demonstrate high affective-cognitive consistency (Schleicher, Deidra, Watt & Greguras, 2004). Conceptually, affective-cognitive consistency seems to raise certain economic issues that should be carefully analyzed before action is taken to incorporate it in managerial selection programs.

There is an inverse relationship between job satisfaction and turnover (March & Simon, 1958). Additionally, Martin (1979) indicates that the correlation and partial regression coefficients between job satisfaction and turnover are  $-.55$  and  $-.37$  respectively. Martin (1979) also indicates that pay, instrumental communication, distributive justice, upward mobility, and formal communication explain 12, 15, 19, 12 and 8 percent respectively of the variance in job satisfaction. It seems, therefore, that it would be in the interest of organizations to establish programs to develop, equitably pay, and socialize its managerial employees as a matter of both priority and policy. The resulting synergy that will eventually evolve from such programs should enhance the longterm viability of an organization through managerial stability, commitment, and competence. It will also create and sustain an environment which will attract potential employees to the organization thereby facilitating the organization's recruitment and selection system. This latter benefit is crucial for organizational competitiveness and ascendancy in the global market place that is characterized by intense competition and the concomitant drive for organizational excellence.

### **Implications for management practice**

The present study confirms that organizational commitment is a multi-dimensional, multi-disciplinary socio-psychological theory with five principal antecedents/predictors: perceived pay equity, socialization tactics, organizational trust, opportunities for development, and job satisfaction. The identification of these antecedents/predictors of managerial commitment is indicative of the emphasis managers' place on fulfilling higher-order needs vis-à-vis the lower-order physiological and security needs. This information has strategic importance for organizations with respect to the emphasis that should be given to: (a) equitable pay for managers, (b) socialization strategies for managers, (c) the need to build high levels of trust among managerial employees, (d) management development programs, and (e) the job satisfaction programs for managers. Managers' perceptions about pay equity may influence the degree to which they experience organizational consonance or dissonance, which will affect the level of their job satisfaction and as a result their commitment to the organization (Sweeney & McFarlin, 2004).

First, perceived pay equity may influence managers' job satisfaction and resultantly their commitment to the organization. In this respect managers experience either organizational consonance or dissonance depending upon their perception about pay equity (Sweeney & McFarlin, 2004), which in turn will have an important influence on managers' trust levels. It seems, therefore, that perceptions about pay equity will influence the way managerial employees evaluate the degree to which their expectations are met and concomitantly their commitment to an organization.

Second, while this study indicates that socialization tactics show a significant but low relationship, both direct and indirect, with organizational commitment, previous studies, including Morrison (1993; 2002), Allen and Meyer (1990), Ostroff and Kozlowski (1992) indicate stronger relationships between socialization tactics and organizational commitment. Additionally, these four studies indicate that there are several other benefits of socialization tactics for employees, including task mastery, acculturation, social integration, role clarity, and adjustment, which make meaningful contributions to organizational commitment. Thus, an important practical implication of the present study is that organizations should be actively engaged in utilizing needs-based socialization tactics to enhance the organizational commitment of newly appointed managerial employees. These tactics should focus on task mastery, acculturation, social integration, adjustment of individuals, role clarity as a means of: (a) reducing the uncertainties new managers experience, (b) facilitating the efforts of new managers to utilize sense-making to construct cognitive maps of the culture and climate of the organization, (c) helping managers to learn competencies through mastery modeling and enhancing their self-efficacy, and (d) shaping the cognitions of managers through social influence and persuasion.

Third, the present study indicates an important relationship between trust as a moderator and a mediator variable and organizational commitment. It therefore, underscores the importance of organizational trust for organizational commitment and concomitantly the need for organizations to be actively involved in trust building initiatives. Trust building requires behavioral change at all organizational levels (Kramer, 1999). Moreover, leadership involvement at the top and throughout the organization is of critical importance in any trust building effort, because the culture of the organization plays such an important role in this process (Tyler, 2003).

Shortcuts in building organizational trust is a counterproductive strategy and any attempt to accelerate the process may be anathema to the effective building of trust among employees (Kramer, 1999). Successful trust building in an organization is dependent on: (a) creating a culture founded on a system of shared values and beliefs that organizational members will accept (Tyler, 2003, Fairholm, 1994, Schein, 1985); (b) leadership, which is of critical importance in all trust building initiatives and success requires an environment of mutual trust based on shared values and vision (Tyler, 2003); (c) building non-dependent trust, which requires close collaborative relations between managerial and nonmanagerial employees, through mutual understanding, shared vision and mission and employee involvement through genuine empowerment (Tyler, 2003; Morin, 1990; Sonnenburg, 1994; Schindler & Thomas, 1993); (d) managerial integrity (Bloomqvist, 1997; Mishra, 1996; O'Brien, 1995; Das & Teng, 1998; Jones & George, 1998; Nonaka, 1995); (e) consistency of managerial behavior which has both cognitive and emotional effects on employees (Creed & Miles (1996); (f) establishing converging goals jointly, which creates trust and commitment among those organizational members involved (Das & Teng, 1998; Dirks & Ferrin; Whitener, Brodt, Korsgaard & Werner, 1998); (g) the systematic and expeditious dissemination of organizational information, which is a profound source of organizational trust building (Dirks & Ferrin, 2002; O'Brien 1986; Bloomqvist, 1997; Mishra, 1996); and (8) knowledge of mutual competencies and differences which lessens any negatively experienced dissimilarity, enhances mutual understanding and promotes empathy for the organizational roles the various actors must play (McAllister, 1995).

Fourth, the power of opportunities for development to predict managerial commitment provides an organization with useful information to establish and maintain management development programs, designed to: (a) prepare potential managers to assume higher levels of responsibilities in the future, (b) staff the organization with fully trained managers, and (c) be more competitive vis-à-vis other organizations. While these programs are costly, they are an investment in developing managerial talent and essentially, an investment in the future, which is no less important.

Fifth, job satisfaction which shows an important relationship with organizational commitment both as a moderator and a mediator in the present study

has some important implications for management practice. These implications may be explained from three perspectives: personological, dispositional, and met-expectations.

Personologically, job satisfaction is an outcome of individuals' values, the extent to which their jobs can fulfill their needs, the characteristics of their jobs, and comparisons with other individuals performing similar jobs.

People's values have a dictating effect on their assessment of the satisfaction they derive from their jobs (Dawis, 1992). According to the findings of George and Jones (1996), who found a negative relationship between job satisfaction and turnover intentions, individuals use terminal values to evaluate the degree to which job accomplishments provide them with satisfaction and valued outcomes. While socialization strategies may be successful in shifting employees' values so as to make them exhibit more pro-social behaviors, it may behoove organizations to increasingly utilize organizational fit measures as an integral part of their managerial selection process.

The need fulfillment criterion requires that organizations be sensitive to the fact that job satisfaction is a sense of achievement experienced by individuals who establish standards based on their needs and compare them with their perception about the extent to which these standards are attained. Thus, job satisfaction results when perceived attainment of standards exceeds expected attainment, and the larger this difference, the higher will be the satisfaction individuals derive from their jobs (McCormick & Ilgen, 1980; Stone 1992; Dawis, 1992). However, needs are not static and this puts a premium on organizational sensitivity to people's changing needs as an outcome of their life and career cycles.

Eby, Freeman, Rush, and Lance (1999) proffer evidence to support the notion that people can be intrinsically motivated by the nature of the tasks and responsibilities inherent in their jobs. Hackman and Oldham's job characteristics model speaks to this notion and provides a way to effectively look at the nature of jobs. In essence, there is much logic in the notion that a job which: (a) requires the incumbent to use a wide variety of skills, (b) makes the job holder perform the whole job, (c) impacts the jobs of other employees, (d) gives the incumbent freedom to make decisions concerning their work, and (e) provides feedback to the job incumbent, will provide greater satisfaction to the job holder than a job that does not have these attributes. Therefore, the design and structuring of jobs to



incorporate these attributes seem to be of critical importance in making them more inherently satisfying.

The notion of social comparison provides that employees compare the satisfaction they derive from their jobs with the satisfaction they perceive others derive from performing similar or identical jobs. In this regard, employees are very likely to use pay, opportunities for development, and recognition as measures of their job satisfaction and the job satisfaction they perceive like others derive from their work.

The dispositional perspective of job satisfaction has had a particularly checkered history with utilizing the Watson, Clark and Tellegen (1988) passive affectivity-negative affectivity (PA-NA) model to measure job satisfaction. This situation motivated investigators to make increasing use of the five factor model of personality to analyze the major aspects of personality and job satisfaction (Connolly & Viswesvaran, 2000). Judge, Heller and Mount (2002) meta-analyzed 334 correlations of 163 samples of the five factor personality model and found a multiple correlation coefficient of 0.41. It would appear that the five factor personality model discussed in Chapter 2 provides useful information to identify managerial personality types, particularly neurotics, extraverts, and 'conscientiousness'. Neurotics prefer for (a) transactional psychological contracts, and (b) demonstrate low trust and job satisfaction. Extraverts demonstrate higher job satisfaction than introverts, and are more likely to be more committed to an organization. Conscientiousness demonstrate high job satisfaction, prefer relational psychological contracts, emphasize achievement over economic rewards and exhibit both affective and continuance dimensions of commitment.

The met-expectations perspective of job satisfaction is still unsettled and should not be relied upon to provide highly useful information. However, it is intuitively appealing and may be used to supplement information from other sources about jobsatisfaction. Moreover, one approach that can be taken to ameliorate the mathematical issues associated with measuring met-expectations is to survey employees' expectations upon entry into the organizations and compare the results with those of subsequent survey results.

### **Limitations**

This study successfully developed a new unified socio-psychological theory of organizational commitment that integrates principles, concepts and constructs

elicited from six parent theories. The study therefore, epitomizes the multi-disciplinary nature of organizational commitment a characteristic which was much talked about in many previous studies but was not fully developed. It will therefore make an important contribution to the theory of organizational commitment. The study also identifies five predictors of organizational commitment, which has important implications for both policy formulation and management practice in organizations. Notwithstanding the obvious importance of this study, it is not without limitations.

First, the modification made to the indicators in the questionnaire could have resulted in the minor differences found between figure 4.1 and 4.2. However, the intent in doing so was to further refine the instrument, and the results obtained from Sample 2 data indicate some important improvements over the values found in the manipulation of Sample 1 data, particularly the Chi-sq. values. These findings seem to justify the modifications made to the items of the questionnaire.

First, the results of the study may be generalized only with respect to managers of the four organizations surveyed. The inference is that this study is internally valid because it fulfills all the necessary conditions of internal validity, which according to Krathwohl (1985) includes: (a) explanation credibility, which is built on already accepted knowledge, formulated prior to demonstration, and permits prediction, (b) translation fidelity because the explanation leads to a theory, (c) demonstrated relationship with respect to evidence authenticity, covariation and predictive power, (d) the elimination of rival explanation; and (e) achievement of results that are credible. However, the results of the study may not fulfill all of the conditions necessary for external validity. These conditions include: (a) explanation generality or an explanation that is reasonable but it is still only one of several that may be deduced from the results, (b) translation generality or the degree to which the results may be generalized to all middle managers, rather than only those of the four organizations surveyed, (c) demonstrated generality which is dependent on demonstrated relationship or an inference that the results will apply to the mid-level managers of the four organizations surveyed and not to all mid-level every where, (d) the elimination of restrictive explanations, and (e) replicability or the core of external validity, which is concerned with the degree to which the results can be

replicated. This question can only be answered through additional research focusing on mid-level managers.

Second, the study omitted autonomy, supervision, decisional participation, and motivation as probable predictors of the organizational commitment of managerial employees. These four factors were omitted from the study because the literature reviewed does not indicate their primacy in predicting organizational commitment in the same way as the five predictors utilized by this study. Moreover, this omission may not be sufficiently serious to detract from the contribution the study makes to both theory and management practice.

Third, while the results of the study indicate several important and statistically significant relationships between organizational commitment and the five predictors, most of them are relatively low. One possible reason for this may be the number of indicators of both the independent and dependent variables. Twenty one of the total indicators were discarded because they failed to reach the required benchmark for inclusion. Regardless of the underlying reason/s for this situation, the relatively low relationships found do not detract from the utility of the study with respect to its contribution to theory and management practice.

In the final analysis, the results of this study need to be replicated several times utilizing data from other organizations other than those surveyed in the present study. If, as is anticipated, the results are replicated, it will provide data that may well justify some semblance of generalizability.

### **Implications for future research**

An important outcome of this study is that it has either minimized or removed a number of issues, which may have important implications for future research studies in organizational commitment. First, the study seems to have resolved issues associated the: (a) unsystematic nature of prior research in the field, (b) apparent ambiguity associated with the literature, (c) unique characteristics of managerial employees, (d) apparent emphasis on the correlations between commitment and antecedent variables without much consideration being given to the reasons for these correlations, and (e) existence of a number of multi-dimensional frameworks of organizational commitment.

#### A. Unsystematic nature of prior research

This study has synthesized the theories, concepts, constructs, and findings of prior research in order to formulate a unified socio-psychological theory of organizational commitment, which provides the foundation to identify the predictors/antecedents of managerial commitment to organizations. Additionally, data were systematically collected over two time periods and statistically examined, utilizing structural equation modeling. This process indicates that organizational commitment is a product of six parent theories. The theoretical foundation established by this study makes it possible to pursue future studies systematically versus the approaches that were used in previous research studies.

The continuing unsystematic nature of research in organizational commitment appears to possess a life of its own. Examples of this include: (1) Solinger, van Olffen and Roe (2008) who opine that Meyer and Allen's (1990) three-component model of organizational commitment should be dismantled and replaced by the attitude-behavior model developed by Eagley and Chaiken (1993), and (2) Ko, Price and Mueller's (1997) position that the three-component model should be abandoned because it cannot be justified, and research in organizational commitment should revert to the theory proposed by Mowday et al (1982) that commitment is only an affective attachment to an organization. At the other end of the spectrum are those who have advocated a four-prong model comprising affective and normative commitment plus subdividing continuance commitment into lack of alternatives and high sacrifices (Cohen, 2003). Thus, it seems that the lack of uniformity in organizational commitment research is increasing rather than decreasing. The present study attempts to move research in organizational commitment in the direction of uniformity through consolidation and synthesization of existing theories, principles and concepts. Moreover, it is very likely that unless future research efforts in organizational commitment move in the direction of developing and utilizing a generally accepted theory, model, set of concepts and definitions, the unsystematic and ambiguous nature of the organizational commitment literature will persist to the detriment of the field. It is therefore recommended that the model established by this study be used in future studies to test its viability.

Second, researchers seem to be still preoccupied with the high correlation coefficients they have found between affective and normative commitment

(Solinger, van Olffen & Roe, 2008). The present study has not found correlations that are so high to justify abandoning moral commitment as a separate concept, proposed by Solinger et al (2008). If their proposal is accepted, organizational commitment and affective commitment would then be classified as a single concept. The issue arising from the close relationship found between affective and normative commitment seems to be more of a measurement than a conceptual problem. Moreover, normative commitment is not a psychological concept. It is more akin to ethics and philosophy than it is to psychology, as proposed by the present study. There is a similar issue with continuance commitment. As indicated in the present study, continuance commitment is not a psychological concept. It has very strong social and economic attributes but it is not utilitarian as advocated by Solinger et al (2008).

#### B. Ambiguity associated with the literature

While it is virtually impossible to completely remove all of the ambiguities in the literature, this study has systematically minimized many of the ambiguities that have stultified the formulation of a unified theory. Second, this study seriously questions the conceptualizations of the: (a) attitude-behavior, (b) affective-continuance commitment, (c) typological, (d) two-component, and (e) two three-component theories of organizational commitment. Third, the study has systematically established a three-dimensional unified theory of organizational commitment. This finding should resolve part of the issues examined above. It should also pave the way for future research to be more focused and systematic with the objective of refining and building upon existing theory rather than perpetuating and enhancing differences in the conceptualization of organizational commitment. If there are perceived differences, then they should be empirically examined based on a unified, comprehensive theory, rather than on the basis of piecemeal analyses.

#### C. Unique characteristics of managerial employees

The study also demonstrates that managers are a separate sub-group of employees with their own set of characteristics, which require that they be analyzed separately with respect to their commitment to organizations. The implication of this finding is that it is no longer tenable for an organization to generalize from the findings of commitment studies of nonmanagerial employees to establish policy and practices for managerial employees. In essence, in so far as organizational

commitment is concerned, one size really does not fit all. This thought process that one size fits all has, to a large extent, contributed to many of the unsystematic nature of past research in, and the confusion associated with the theory of, organizational commitment. Thus, the present study seems to have provided a useful theoretical framework for future research in the organizational commitment of managerial employees. Therefore, it is recommended that future research efforts be channeled in this direction.

#### D. Correlations

The study has also delved into the preoccupation of prior organizational commitment studies with correlations between commitment and antecedent variables, without equal concern for the underlying reasons of these relationships. In this respect, the study concludes that this omission was partly responsible for the lack of a unified theory of organizational commitment. Correlations focus only on relationships. On the other hand, structural equation modeling has so much more to offer both in terms of theory building and policy formulation. Therefore, future research should focus more on the use of SEM for data analysis and model building and less on correlations between organizational commitment and antecedent variables. In essence, the focus should now be on establishing predictability rather than mere correlations between organizational commitment and antecedent variables.

#### E. Divergent commitment models

As indicated in chapters 1 and 2, there are several divergent and conflicting organizational commitment models in the literature, which impeded the development of a unified organizational commitment theory. These models include: (1) the divergent unidimensional models of Weiner (1982), Mowday, Porter and Steers (1982), Blau (1985), and Brown (1986) (2) the conflicting three-dimensional models of Allen and Meyer (1990), O'Reilly and Chatman (1986), and Jaros, Jermier, Koehler and Sincich (1993), and (3) the conflicting two-dimensional models of Angle and Perry (1981), and Mayer and Schoorman (1992 & 1998). While these nine divergent models have provided insights into the complexity of organizational commitment, it is apparent that they have also created the confusion associated with the concept and is partly responsible for the lack of a unified organizational commitment theory.

The present study has provided a valid theoretical framework and model that should guide future research in managerial commitment. To this end, it would be useful for future commitment research efforts to examine other antecedent variables such as: autonomy, participative management, motivation, supervision, leadership styles, and organizational culture. Some work has been done in identifying the relationships between organizational commitment and organizational culture (Lok & Crawford, 2008; Mathew & Ogbonna (2009). This subject may interest both scholars and management consultants whose work requires them to have deep insights into multi-national cultures. While, research studies in organizational commitment were carried out in South Korea and China, these studies focused primarily on the extent to which Meyer and Allen's three component model is applicable to other cultures. Second, the focus of these studies was on all employees and not managerial employees as a specific sub-group of employees. In fact, the findings of Cohen and Gattiker (1992), Near (1989) and Vandenberghe et al (2001) confirm that the conceptualization of organizational commitment in the West is applicable only to similar cultures and not the cultures found in India and Japan (Cohen, 2003). Thus, there appears to be some need for increased focus on international comparisons of the organizational commitment of managerial employees, using the unified commitment theory this study has developed.

Managerial autonomy in decision making has important implications for the organizational commitment of managerial employees. It goes to the heart of managerial feelings of ownership for an organization, and the development of high trust level and job satisfaction of managerial employees. While some studies have been done on the relationship between autonomy and job satisfaction, these studies do not address the implications of autonomy for organizational trust and feelings of ownership for the organization.

In the final analysis, the results of this study may well provide the catalyst for a modified approach to the study of organizational commitment particularly of managerial employees. Managers as a group of employees can and do impact the life of organizations and the more information there is about what factors make them committed to organizations, the more organizations will be able to refine their personnel policies with respect to the recruitment, selection, retention, development, compensation, integration, and maintenance of their managerial staff.

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**APPENDIX A**  
**QUESTIONNAIRE**  
**SURVEY OF MANAGERIAL EMPLOYEES**

**INTRODUCTION**

**Dear Participant,**

Thank you very much for deciding to participate in this research project. The objectives of the project are two-fold. First the data you and other participants provide will be used to validate a unified theory of managerial commitment to organizations to satisfy the dissertation requirement of the Doctor of Business Administration (DBA) Degree. Second, your organization may use the data to examine personnel policy issues in specific areas of human resource management. In order to achieve these objectives, I kindly ask that you to respond statements/questions on the following pages. Generally, these statements are concerned with:

1. How much you are committed to your organization.
2. The extent to which you feel that your compensation is equitable and fair
3. The extent to which you feel managers and supervisors are effectively socialized into your organization.
4. Your assessment of the opportunities provided by your organization for the development of its current managers and supervisors.
5. Your interest and desire to remain with your organization regardless of suitable employment opportunities elsewhere
6. How much trust you have in your organization
7. The degree to which you are generally satisfied with your job
8. The extent to which your organization has met your expectations.

There are no correct or incorrect answers to the questions or statements in the survey. However, please read each statement or question carefully before you respond.

Thank you once more for your contribution to this project.

**SECTION 1**

**This section focuses on how you feel about six job facets or predictors of managerial commitment to organizations. Please read each statement carefully then circle one of the numbers 1-5 that reflects your opinion closest. There is no right or wrong answer to any of the statements. (1 = disagree very much (DAVM); 2 = disagree (DA); 3 = neither agree nor disagree (NEU); 4 = agree (A G); 5 = agree very much; (AVM))**

No.	ITEMS	DA VM	DA	NEU	AG	AV M
1	I feel I am being compensated well for the work I do	1	2	3	4	5
2.	As a manager, my compensation compares favorably well with others in my line of work	1	2	3	4	5
3.	I feel my efforts are not rewarded the way they should be	1	2	3	4	5
4.	Comparatively, I feel I am paid enough for the work I do	1	2	3	4	5
5.	I am not satisfied with the benefits I receive	1	2	3	4	5
6.	The benefits we receive are as good as most other organizations offer	1	2	3	4	5
7.	Pay raises for managers are too few and far in between	1	2	3	4	5
8.	This organization's pay structure for managers is equitable	1	2	3	4	5
9.	This organization administers its pay policy for managers very consistently	1	2	3	4	5
10.	I am generally satisfied with my overall pay	1	2	3	4	5
11.	Managerial employees who do well on the job stand a fair chance of being promoted	1	2	3	4	5

12.	This organization prepares its managers for advancement.	1	2	3	4	5
13.	This organization has an effective program to develop the core skills of managerial employees	1	2	3	4	5
14.	I am satisfied with the opportunity for personal growth and development in my managerial position	1	2	3	4	5
15.	I am happy with the feeling of accomplishment I get from doing my job	1	2	3	4	5
16.	My chances of promotion in this organization are very good	1	2	3	4	5
17.	This organization has in place an effective program for internally developing its managers	1	2	3	4	5
18.	I feel good about the amount of challenge in my job	1	2	3	4	5
19.	I get to do a number of different things on my job	1	2	3	4	5
20.	I have all the skills I need to do my job	1	2	3	4	5
21.	I feel that I can depend on this organization to fulfill its commitments to me.	1	2	3	4	5
22.	I feel that this organization is dependable	1	2	3	4	5
23.	I feel that my managerial colleagues fairly represent their competencies	1	2	3	4	5
24.	I can trust my colleagues to lend me a hand when I need it	1	2	3	4	5
25.	I feel confident that this organization will always treat me fairly	1	2	3	4	5
26.	I feel that this organization manipulates its managerial employees for its own gain	1	2	3	4	5
27.	I feel that this organization will keep its word	1	2	3	4	5
28.	I feel that I cannot depend on this organization to fulfill its obligations to managers at my level	1	2	3	4	5
29.	I believe that senior management in this organization is dependable	1	2	3	4	5
30.	I feel that senior management in this organization try to get out of their obligation to lower level managers	1	2	3	4	5
31.	My colleagues have gone out of their way to help me adjust to this organization	1	2	3	4	5
32.	This organization puts all new managers through the same set of learning experiences	1	2	3	4	5
33.	I have been through a set of training experiences specifically designed to provide new managers with in-depth job-related skills	1	2	3	4	5
34.	I can predict my future career path in this organization by observing other people's experiences	1	2	3	4	5
35.	Almost all of my colleagues have been supportive of me personally	1	2	3	4	5
36.	The steps in the career ladder are clearly specified in this organization	1	2	3	4	5
37.	Each stage of the training process builds upon the job knowledge gained in the preceding stages of the process	1	2	3	4	5
38.	In this organization experienced managers see the training of new managers as one of their main job responsibilities	1	2	3	4	5
39.	I understand this organization's goals and objectives	1	2	3	4	5
40.	I understand how my particular work group contributes to this organization's goals	1	2	3	4	5
41.	I feel that there are other comparable managerial jobs available	1	2	3	4	5
42.	I am very attracted to managerial opportunities some where else	1	2	3	4	5
43.	I feel that leaving this organization at this time would prove costly to my career	1	2	3	4	5
44.	I believe I would lose pension investments or other benefits if I quit	1	2	3	4	5
45.	I want to move to a location that is better for my family	1	2	3	4	5
46.	I feel obligated to stay in this organization	1	2	3	4	5
47.	I feel I would lose valuable relationships with the people here by quitting this organization	1	2	3	4	5
48.	I want to continue working with my coworkers here	1	2	3	4	5
49.	I feel I owe this organization because it has supported me	1	2	3	4	5

50.	I believe, that to be fair, I should stay in this job a while longer	1	2	3	4	5
51.	I feel fairly well satisfied with my present job	1	2	3	4	5
52.	My job is very enjoyable	1	2	3	4	5
53.	I enjoy my work more than my leisure time	1	2	3	4	5
54.	I consider my job rather unpleasant	1	2	3	4	5
55.	I find real enjoyment in my work	1	2	3	4	5
56.	I am satisfied with the chance to do something that makes use of my abilities	1	2	3	4	5
57.	I am satisfied with the chances of advancement on this job	1	2	3	4	5
58.	I am satisfied with the freedom to use my own judgment	1	2	3	4	5
59.	My job is like a hobby to me	1	2	3	4	5
60.	I feel that I am happier in my work than most other people in this organization	1	2	3	4	5
61.	At this point, my experiences as a manager in this organization have exceeded my expectations	1	2	3	4	5
62.	Presently, my experiences as a manager are equal to my expectations	1	2	3	4	5
63.	At this point my experiences as a manager in this organization have fallen short of my expectations	1	2	3	4	5

## SECTION 2

PLEASE READ EACH STATEMENT CAREFULLY THEN CIRCLE ONE NUMBER (OF 1-5) THAT MOST CLOSELY REFLECTS HOW YOU FEEL. (1 = disagree very much; 2 = disagree; 3 = neither agree nor disagree (neutral); 4 = agree; 5 = agree very much)

#	DESCRIPTION	DA VM	DA	NEU	AG	AVM
1.	I would be very happy to spend the rest of my managerial career in this organization	1	2	3	4	5
2.	I really feel as if this organization's problems are my own	1	2	3	4	5
3.	I feel myself to be a part of this organization	1	2	3	4	5
4.	This organization has a great deal of personal meaning for me	1	2	3	4	5
5.	I really feel a sense of belonging to my organization	1	2	3	4	5
6.	I find that my values and this organization's values are similar	1	2	3	4	5
7.	To know that my own work had made a contribution to the good of this organization would please me	1	2	3	4	5
8.	I feel a strong sense of loyalty toward this organization	1	2	3	4	5
9.	I feel a sense of ownership for this organization rather than just an employee	1	2	3	4	5
10.	I believe that I have too few options as a manager to consider leaving my organization	1	2	3	4	5
11.	One of the few negative consequences of leaving this agency would be the scarcity of available alternatives	1	2	3	4	5
12.	I have invested too much time in this organization to consider working elsewhere	1	2	3	4	5
13.	Too much of my life would be disrupted if I decided I wanted to leave this organization right now	1	2	3	4	5
14.	As a manager, I would feel guilty about abandoning my organization	1	2	3	4	5
15.	I owe a great deal to this organization	1	2	3	4	5
16.	Leaving this organization now would require considerable personal sacrifice	1	2	3	4	5
17.	I would not leave this organization right now because I have a sense of obligation to it	1	2	3	4	5
18.	I would feel guilty about leaving my organization now	1	2	3	4	5

19.	For me personally, the cost of leaving my organization would be far greater than the benefits	1	2	3	4	5
20.	I feel quite proud to be able to tell people that I work for this organization	1	2	3	4	5

**SECTION 3**

PLEASE PROVIDE THE INFORMATION REQUESTED BELOW. IT WILL BE USED FOR DATA REFINEMENT ONLY AND NOT TO IDENTIFY ANY PARTICULAR PERSON OR GROUP OF PERSONS.

1. In which Department do you work?
  
2. What is your position? (Check one only)
  - Administrative: (such as: Director, Manager, CEO)
  
  - Supervisory: (Supervisor, Foreman, Accounting supervisor, Office Supervisor, etc.)
  
3. What is your age? (Check one only)
  - Under 20
  - 20 and under 24
  - 25 and under 30
  - 30 and under 35
  - 35 and under 40
  - 40 and under 45
  - 45 and under 50
  - 50 and under 55
  - 55 and under 60
  - 60 and under 65
  - 65+
  
4. What is your Gender?
  - FEMALE
  - MALE
  
5. How many years have you worked for your present organization? (Check one)
  - 0 and under 5
  - 5 and under 10
  - 10 and under 15
  - 15 and under 20
  - 20 and under 25
  - 25 and under 30
  - 30 +
  
6. What is your level of education? (Check more than one if relevant)
  - High School Graduate
  - Some College but no degree
  - Associate Degree
  - Bachelor's Degree
  - Master's Degree
  - Doctoral Degree
  - Professional Certification / License (C.P.A, R.N, L.P.N, E.I.T, P.E etc.)

**PLEASE DO NOT SIGN THIS DOCUMENT**

## QUESTIONNAIRE

### INTRODUCTION

Dear Participant,

Thank you very much for deciding to participate in this research project. I am conducting the survey to collect data from managerial employees for purposes of preparing my dissertation for the award of a doctoral degree of the University OF Southern Queensland in Australia. The statements in the following pages are based on the following:

1. How much you are committed to your organization.
2. The degree to which you feel that your compensation is equitable and fair.
3. The extent to which managers are socialized/inducted into your organization.
4. Your assessment of the opportunities provided by your organization for the development of its current managers.
5. Your interest and desire to remain with your organization regardless of employment opportunities elsewhere.
6. How much trust you have in your organization.
7. The degree to which you are generally satisfied with your job.
8. The extent to which your organization has met your expectations.

Thank you once more for your contribution to this project.



## SECTION 1

This section focuses on how you feel about FIVE job facets or predictors of employee commitment to organizations. Please read each statement carefully then circle one of the numbers 1--5 that reflects your opinion closest. There is no right or wrong answer to any of the statements. (1 = disagree very much (DAVM); 2 = disagree (D); 3 = neutral (NEU); 4 = agree (A); 5 = agree very much (AVM))

No.	ITEMS	DA VM	D	NEU	A	AVM
1.	I feel I am being compensated well for the work I do	1	2	3	4	5
2.	As a manager, my compensation compares favorably well with others in my line of work	1	2	3	4	5
3.	I am generally satisfied with my overall level of pay	1	2	3	4	5
4.	I am not satisfied with the benefits I receive	1	2	3	4	5
5.	I feel my efforts are not rewarded the way they should be	1	2	3	4	5
6.	The benefits we receive are equal to or better than most other organizations offer	1	2	3	4	5
7.	Comparatively, I feel I am paid enough for the work I do	1	2	3	4	5
8.	Pay raises for managers are too few and far in between	1	2	3	4	5
9.	The organization's pay structure for managers is fair and equitable	1	2	3	4	5
10.	This organization administers its pay policy very consistently	1	2	3	4	5
11.	I am satisfied with the opportunity for personal growth and development I get in doing my job.	1	2	3	4	5
12.	I am happy with the feeling of accomplishment I get from doing this job.	1	2	3	4	5
13.	I feel good about the amount of challenge in my job.	1	2	3	4	5
14.	My chances of promotion in this organization are very good	1	2	3	4	5
15.	This organization has in place an effective program for internally developing its managers.	1	2	3	4	5
16.	This organization focuses on the development of core skills of all managers.	1	2	3	4	5
17.	This organization prepares its managers for promotion.	1	2	3	4	5
18.	I get to do a number of different things on my job.	1	2	3	4	5
19.	There really is too little chance for promotion in my job.	1	2	3	4	5
20.	I have all the skills I need to do my job.	1	2	3	4	5
21.	My colleagues have gone out of their way to help me adjust to this organization	1	2	3	4	5
22.	This organization puts all new managers through the same set of learning experiences	1	2	3	4	5
23.	I have been through a set of training experiences specifically designed to provide new managers with indepth job-related skills	1	2	3	4	5
24.	I can predict my future career path in this organization by observing other people's experiences	1	2	3	4	5
25.	The steps in the career ladder are clearly specified in this organization	1	2	3	4	5
26.	Each stage of the training process builds upon job knowledge gained in the preceding stages	1	2	3	4	5
27.	I have been made to feel that my skills and abilities are very important to this organization.	1	2	3	4	5
28.	Experienced organizational members see mentoring and training newcomers as one of their main responsibilities.	1	2	3	4	5
29.	I understand how my particular work group contributes to this organization's goals	1	2	3	4	5
30.	Almost all of my colleagues have been supportive of me personally	1	2	3	4	5
31.	I feel that this organization is a good place to work.	1	2	3	4	5
32.	I believe that I can easily find an equal or better job.	1	2	3	4	5
33.	I believe I would lose pension investments or other benefits if I quit.	1	2	3	4	5
34.	This organization provides ample opportunities for me to develop myself.	1	2	3	4	5
35.	I want to move to a location that is better for my family.	1	2	3	4	5
36.	I feel obligated to stay in this organization.	1	2	3	4	5
37.	I feel that I would lose valuable relationships with the people by quitting.	1	2	3	4	5
38.	I think of the community where I live as home.	1	2	3	4	5
39.	I fit in with the company's culture.	1	2	3	4	5

40.	The perks on this job are outstanding	1	2	3	4	5
41.	I feel that I can depend on this organization to fulfill its promises to me.	1	2	3	4	5
42.	I feel that this organization is dependable.	1	2	3	4	5
43.	I feel confident that this organization will always treat me fairly.	1	2	3	4	5
44.	I feel that this organization will keep its word.	1	2	3	4	5
45.	I think that this organization negotiates agreements fairly.	1	2	3	4	5
46.	I feel that my managerial colleagues fairly represent their competence	1	2	3	4	5
47.	I feel I cannot depend on this organization to fulfill its obligations to managers at my level	1	2	3	4	5
48.	I believe that this organization manipulates its managerial employees for its own gain	1	2	3	4	5
49.	I feel that senior management in this organization is dependable	1	2	3	4	5
50.	This organization can be trusted to make sensible decisions for the future.	1	2	3	4	5
51.	My job is like a hobby to me	1	2	3	4	5
52.	My job is enjoyable	1	2	3	4	5
53.	I enjoy my work more than my leisure time.	1	2	3	4	5
54.	I feel fairly well satisfied with my present job.	1	2	3	4	5
55.	I consider my job rather unpleasant	1	2	3	4	5
56.	I am satisfied with my chance of advancement on this job	1	2	3	4	5
57.	I find real enjoyment in my work.	1	2	3	4	5
58.	I am satisfied with the chance to do something that makes use of my abilities	1	2	3	4	5
59.	I feel I am happier in my work than most other people in this organization	1	2	3	4	5
60.	I am satisfied with the freedom to use my own judgment.	1	2	3	4	5
61.	At this point my experiences as a manager in this organization have exceeded my expectations.	1	2	3	4	5
62.	Presently my experiences as a manager are equal to my expectations	1	2	3	4	5
63.	At this point my experiences as a manager in this organization have fallen short of my expectations	1	2	3	4	5

## SECTION 2

Please read each of the following statements carefully then circle one of the numbers 1-- 5 that most closely reflects how you feel (1=disagree very much; 2=disagree; 3=neither agree nor disagree; 4=agree; 5=agree very much)

#	DESCRIPTION	DA VM	D	NEU	A	AVM
1.	I would be very happy to spend the rest of my career in this organization.*	1	2	3	4	5
2.	I feel myself to be a part of this organization.*	1	2	3	4	5
3.	I feel a sense of ownership for this organization rather than just being an employee.*	1	2	3	4	5
4.	This organization has a great deal of personal meaning for me.	1	2	3	4	5
5.	I really feel as if this organization's problems are my own*	1	2	3	4	5
6.	I find that my values and this organization's values are very similar.*	1	2	3	4	5
7.	I believe I would lose pension investments or other benefits if I quit	1	2	3	4	5
8.	To know that my work had made a contribution to the good of this organization would please me.	1	2	3	4	5
9.	I feel a strong sense of loyalty to this organization*	1	2	3	4	5
10.	One of the few negative consequences of leaving this organization is the scarcity of available alternatives*	1	2	3	4	5
11.	I believe I have too few options to consider leaving this organization.*	1	2	3	4	5
12.	I have invested too much time in this organization to consider working elsewhere	1	2	3	4	5
13.	Leaving this organization now would require considerable personal sacrifice.	1	2	3	4	5

14.	For me personally, the cost of leaving this organization would be far greater than the benefits.	1	2	3	4	5
15.	I would not leave this organization right now because I have a sense of obligation to it.	1	2	3	4	5
16.	Too much of my life would be disrupted if I decided I wanted to leave this organization right now*	1	2	3	4	5
17.	I would feel guilty about abandoning my organization now	1	2	3	4	5
18.	As a manager I would feel guilty about abandoning my organization	1	2	3	4	5
19.	This organization has a great deal of personal meaning for me*	1	2	3	4	5
20.	I feel a sense of ownership for this organization rather than just an employee	1	2	3	4	5
21.	I feel quite proud to be to tell people that I work for this organization	1	2	3	4	5
22.	I owe a great deal to this organization	1	2	3	4	5
23.	I would not leave this organization right now because I have a sense of obligation to it	1	2	3	4	5
24.	I feel I owe this organization because it supported me	1	2	3	4	5
25.	I believe to be fair I should stay in this job.	1	2	3	4	5
26.	I feel that leaving this organization at this time would prove costly to my career	1	2	3	4	5
27.	I feel that there are other comparable managerial jobs available	1	2	3	4	5

### SECTION 3

PLEASE PROVIDE THE INFORMATION REQUESTED BELOW. IT WILL BE USED FOR DATA REFINEMENT ONLY AND NOT TO IDENTIFY ANY PARTICULAR PERSON OR GROUP OF PERSONS.

1. What is your position?
  
2. In which department do you work?
  
3. What is your age? (Check one only)
 

Under 20  20 – 24  25 – 29  30 – 34  35 – 39

40 – 44  45 – 49  50 – 54  55 – 59  60 – 64  65 +
  
4. What is your Gender?
 

FEMALE  MALE
  
5. How many years have you worked for your organization? (Check one)
 

0 – 4  5 – 9  10 – 14  15 – 19

20 – 24  25 – 29  30 +
  
6. What is your level of education? (Check more than one if relevant)
 

High School Graduate  Some College but no degree

Associate Degree  Bachelor's Degree

Master's Degree  Doctoral Degree

Professional Certification / License   
(C.P.A.; R.N.; L.P.N.; E.I.T.; P.E.; MD. etc.)

**PLEASE DO NOT SIGN THIS DOCUMENT**

**APPENDIX B****RESULTS OF FACTOR ANALYSIS FOR SAMPLE 1 AND SAMPLE 2 DATA****SAMPLE 1: DATA**

Item #	DESCRIPTION OF INDICATORS	Coefficients
	<b><u>JOBSATISFACTION</u></b>	
1	My job is very enjoyable	.820
2	I find real enjoyment in my work	.799
3	I consider my job rather unpleasant @	.676
4	I am happy with the feeling I get from doing my job	.654
5	I feel fairly well satisfied with my present job	.630
6	I am satisfied with the chances of advancement on this job	.615
7	I feel good about the amount of challenge in my job	.551
8	I enjoy my work more than my leisure time	.475
9	I would be very happy to spend the rest of my career in this organization	.465
10	I feel that I am happier in my work than most other people	.453
11	At this point my experiences in this organization has fallen short of my expectations	.446
12	My job is like a hobby to me	.442
13	At this point my experiences in this organization have exceeded my expectations	.441
	<b><u>OPPORTUNITIES FOR DEVELOPMENT</u></b>	
14	This organization has in place an effective program for internally developing employees	.791
15	This organization has an effective program to develop core-skills of employees	.771
16	This organization prepares its employees at all levels for advancement	.718
17	Each stage of the training process build upon the knowledge gained in the preced..	.617
18	I have been through a set of training experiences .....indepth job related skills	.545
19	I am satisfied with the opportunity for personal growth in my current position	.533
20	The steps in the career ladder are clearly specified in this organization.	.527
21	In this organization experienced managers see the training of new managers as ...	.520
22	This organization puts all new managers through the same set of learning exper...	.484
23	Employees who do well on the job stand a fair chance of being promoted	.481
24	My chances of promotion in this organization are very good	.473
25	I am satisfied with the chances of advancement on this job	.451
	<b><u>ORGANIZATIONAL TRUST</u></b>	
26	I believe that senior management in this organization is dependable	.707
27	I feel that this organization is dependable	.682
28	I feel confident that this organization will always treat me fairly	.672
29	I feel I cannot depend on this organization to fulfill its obligations to employees at..	.650
30	I can depend on this organization to fulfill its commitment to me	.644
31	I feel that this organization manipulates employees at my level for its own benefit	.584
32	I feel that senior management in this organization is dependable	.555
33	I feel that senior man....in this organization tries to get out of their obligations to..	.475
	<b><u>PAY</u></b>	
34	I am being compensated well for the work I do	.886
35	Comparatively I feel that I am being paid enough for the work I do	.879
36	I am generally satisfied with my overall pay	.877
37	My pay compares favorably well with others in my line of work	.796
38	My organization's pay structure for employees at my level is equitable	.592
39	Pay raises for employees at my level are too few and far in between	.484
40	I feel my efforts are not rewarded the way they should be @	.433
	<b><u>CONTINUANCE COMMITMENT</u></b>	
41	Too much of my life would be disrupted if I decided to leave this org. right now	.769
42	I have invested too much time in this organization to consider working elsewhere	.753
43	Leaving this org. now would require considerable personal sacrifice...	.702
44	For me personally, the cost of leaving my org. would be far greater than the benefits	.668
45	I believe that I have too few options to consider leaving my organization	.650
46	One of the few negative consequences of leaving this or ...scarcity of alternatives	.635
47	I feel that leaving this organization at this time would prove costly to me	.598
48	I feel obligated to stay in this organization	.440
49	I believe I would lose pension investments or other benefits if I quit	.425

<b><u>AFFECTIVE COMMITMENT</u></b>		
50	I really feel a sense of belonging to my organization	.624
51	This organization has a great deal of personal meaning for me	.596
52	I feel myself to be part of this organization	.593
53	I feel a sense of ownership for this organization rather than just an employee	.571
54	I feel a strong sense of loyalty toward this organization	.502
55	I find that my values and this organization's values are very similar	.486
56	I feel quite proud to be able to tell people that I work for this organization	.452
<b><u>MORAL COMMITMENT</u></b>		
57	I would feel guilty about leaving my organization now	.769
58	I would feel guilty about abandoning my organization	.712
59	I would not leave this organization right now because I have a sense of obligation..	.671
60	I believe that to be fair , I should stay in this job a while longer	.553
61	I feel I owe this organization because it has supported me	.490
62	I owe a great deal to this organization	.427
<b><u>SOCIALIZATION TACTICS</u></b>		
63	I can trust my colleagues to lend me a hand when I need it	.644
64	Almost all of my colleagues have been supportive of me personally	.607
65	I feel that my colleagues fairly represent their competence	.530
66	My colleagues have gone out of their way to help to adjust to this organization	.500
67	I want to continue working with my co-workers	.407

### SAMPLE 2 DATA

Item #	DESCRIPTION OF INDICATORS	Coefficients
<b><u>JOBSATISFACTION</u></b>		
1	I am happy with the feeling of worthwhile accomplishment I from doing this job	.827
2	Generally speaking I am very satisfied with my present job	.808
3	I like my job better than the average person	.797
4	I feel that I am happier in my work than most other people in this organization	.767
5	I feel fairly well satisfied with my present job	.765
6	I am generally satisfied with the chance to do something that makes use of my ability	.686
7	I would be very happy to spend the rest of my career in this organization	.602
8	I am happy with the feeling I get from doing my job	.598
9	I consider my job rather unpleasant @	.595
10	My job is usually interesting enough to keep me from getting bored	.588
11	I feel that this organization is a good place to work	.548
12	I feel quite proud to tell people that I work for this organization	.520
13	I feel myself to be part of this organization	.500
14	I enjoy my work more than my leisure time	.477
15	Presently my experiences as an employee have exceeded my expectations	.441
16	My job is like a hobby to me	.428
17	I feel good about the amount of challenge in my job	.424
<b><u>ORGANIZATIONAL TRUST</u></b>		
18	I feel confident that this organization will always treat me fairly	.807
19	I believe that senior management in this organization is dependable	.799
20	I feel that this organization will keep its word	.772
21	I feel that I can depend on this organization to fulfill its promises to me	.746
22	I feel that this organization is dependable	.732
23	I feel confident that senior management won't take advantage on lower level mg'rs	.679
24	I share information openly with senior management because they will not.....	.605
25	I believe that members of senior management manipulates others for its...advantage	.503
26	At this point my experiences in this organization are equal to my expectations	.450
27	I intend to watch for misleading information from this organization	.438
28	I have been made to feel that my skills and abilities are very important to this company	.435
29	The perks on this job are outstanding	.414
30	I feel that my efforts are not rewarded the way they should be	.408
<b><u>CONTINUANCE COMMITMENT</u></b>		
31	Leaving this organization now would require considerable personal sacrifice	.790

32	For me personally, the cost of leaving this organization would far exceed the benefits	.740
33	I believe I have too few options to consider leaving this organization	.690
34	I feel that leaving this organization at this time would prove costly to my career	.688.
35	I have invested too much time in this organization to consider working elsewhere	.673
36	Too much of my life would be disrupted if I decided to leave this organization now	.635
37	One of the few negative consequences of leaving this agency is the scarcity of alter ....	.630
38	I believe that I can easily find an equal or better job	.467
	<b><u>PAY</u></b>	
39	I am generally satisfied with my overall pay	.867
40	Comparatively, I feel I am paid enough for the work I do	.842
41	I feel I am being paid well for the work I do	.833
42	My pay compares favorably well with others in my line of work	.689
43	This organization's pay structure is fair and equitable	.544
	<b><u>OPPORTUNITIES FOR DEVELOPMENT</u></b>	
44	This organization has...an effective program for internally developing its employees	.719
45	This organization prepares its employees for advancement	.680
46	This organization focuses on developing core skills of employees at all levels	.626
47	I am satisfied with my chances of promotion in this organization	.552
48	This organization provides ample opportunities for me to develop myself	.529
49	I am satisfied with the opportunity for personal growth I get in doing my job	.495
50	There really is too little chance for promotion in my job	.448
	<b><u>AFFECTIVE COMMITMENT</u></b>	
51	I feel a strong sense of loyalty to this organization	.558
52	I feel a sense of ownership for this organization rather than just an employee	.549
53	I really feel a sense of belonging to my organization	.530
54	I owe a great deal to my organization	.497
55	This organization has a great deal of personal meaning for me	.494
56	I really feel as if this organization's problems are my own	.458
57	I find that my values and this organization's values are very similar	.438
	<b><u>SOCIALIZATION TACTICS</u></b>	
58	This organization puts all new managers through the same set of learning experiences	.642
59	Almost all of my colleagues have been supportive to me	.624
60	In this organization senior managers see the training of new managers as a job responsibility	.622
61	I understand this organization's goals and objectives	.539
62	I understand how my particular work group contributes to this organization's goals	.482
	<b><u>MORAL COMMITMENT</u></b>	
63	I would feel guilty if I left my organization now	.872
64	I would feel guilty about abandoning my organization	.871
65	I would not leave this organization right now because I have a sense of obligation to it	.510

