

**ANTECEDENTS OF ORGANIZATIONAL COMMITMENT:**

**A STUDY AMONG THE HOTELS IN MALAYSIA**

**BY**

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## **DEDICATION**

This thesis is dedicated to my father, Mr.Asokan and my mother, Mrs.Parameswary that were ambitious to see me as a Masters graduate and supported me along this tough yet wonderful journey.

To, the Almighty God that have blessed me with His grace and blessings.

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## **Abstrak**

Kajian ini dijalankan untuk mengkaji tentang latar belakang komitmen organisasi. Kajian ini dijalankan di kalangan pekerja-pekerja hotel di Malaysia. Kajian ini dijalankan sebagai satu kajian irisan lintang untuk kira-kira lima bulan. Sebanyak 430 soal selidik telah diedarkan kepada pekerja hotel di seluruh Malaysia melalui bersemuka pengumpulan data dan juga melalui tindak balas e-mel. Untuk menguji hubungan antara pembolehubah, data yang diperoleh daripada responden telah dianalisis dengan menggunakan banyak teknik statistik seperti “descriptive statistics analysis, factor analysis, reliability analysis dan multiple linear regression” dengan menganalisis. Keputusan menunjukkan bahawa budaya organisasi, kepimpinan transformasi, jaminan pekerjaan dan pampasan pekerja mempunyai hubungan yang signifikan dengan komitmen organisasi. Hasil kajian ini menunjukkan pengurusan hotel untuk memberi tumpuan kepada empat aspek rapat dengan meningkatkan komitmen organisasi di kalangan pekerja mereka dan mengekalkan persekitaran organisasi yang sihat. Lebih-lebih lagi dimensi tiga komitmen organisasi dianalisis serta dalam kajian ini. Budaya organisasi, kepimpinan transformasi dan keselamatan kerja mempunyai hubungan yang signifikan dengan komitmen afektif. Kepimpinan transformasi dan pampasan pekerja mempunyai hubungan yang signifikan dengan komitmen berterusan. Keselamatan kerja hanya mempunyai hubungan yang signifikan dengan komitmen normatif. Kajian ini menyumbang kepada pengurus hotel dan juga pengurusan atasan untuk merumuskan cara strategik untuk memperkayakan komitmen pekerja organisasi. Penemuan kajian ini juga boleh menyumbang kepada Jabatan Pelancongan Malaysia dengan membantu mereka untuk merumuskan strategi untuk menambah baik sektor pelancongan dan membantu entiti pelancongan meledak dalam industri pelancongan di Malaysia.

## **Abstract**

This research is conducted to study on the antecedents of organizational commitment. This study was conducted among the hotel employees in Malaysia. This study was carried out as a cross sectional study for about five months. A total of 430 questionnaires were distributed to the hotel employees across the Malaysia via face to face data collection and also via email response. In order to test the relationship between variables, the data collected from the respondents were analysed using numerous statistical techniques such as descriptive statistics analysis, factor analysis, reliability analysis and multiple linear regression by analysing using the Statistical Package for Social Science 22 (IBM SPSS Statistics 22). The results show that organization culture, transformational leadership, job security and employee compensation have significant relationship with the organizational commitment. The findings of this study suggests the hotel management to focus on this four aspects closely to enhance organizational commitment among their employees and sustain a healthy organization environment. Moreover the three organizational commitment dimension were analysed as well in this study. The organizational culture, transformational leadership and job security have significant relationship with affective commitment. Transformational leadership and employee compensation have significant relationship with continuance commitment. Only job security had significant relationship with normative commitment. This study contributes to the hotel managers and also top managements to formulate strategic ways to enrich the employee's organizational commitment. This study's findings also can contribute to the Malaysia Tourism Department by helping them to formulate strategies to improvise the tourism sector and help the tourism entities to boom in the tourism industry in Malaysia.

## **Chapter 1: INTRODUCTION**

### **1.1 Introduction**

This study is conducted to examine and investigate the antecedents of organizational commitment in the service sector. Therefore this study is narrowed to the hospitality sector and choose hotels in Malaysia as the medium of this study. A successful organizational commitment presence will lead to profitable financial figures and high productivity that leads to the satisfaction of the human capital of an organizational. Sustaining a healthy level of commitments from the employees would be the utmost challenge for most the organization in this competitive world.

The idea of generating commitment had been largely grown in the past 20 years. Researchers have identified organizational commitment as both an antecedent and a consequence of any number of work related variables (Foote, Seipel, Johnson, & Duffy, 2005). Number of past studies describes that the organizational commitment is derived from culture and environment, leadership style of the superior management, job security and pay satisfactions variables and as predictor of lack of attendance, dip in performance and turnover (Mathieu & Zajac, 1990).

It is stated by (Bateman & Strasser, 1984) that organizational commitment had been known as multidimensional in nature, employee's loyalty's involvement in the organization, vision of goal, value congruency and the willingness to maintain in the organization. Basically the concept of organizational commitment are explained in variety of terms. (Becker, Randal, & Riegel, 1995) mentioned that organizational commitment can be divided into three dimension, firstly a strong desire that to sustain in the same organization, secondly is willingness to perform high productivity for the organizations, and lastly would be trusting and acceptance of the norms, goals and values of the organization. Besides that there are also the three component (Meyer &

Allen, 1991) that are known as the three dimension of organizational commitment which are affective commitment, continuance commitment and normative commitment. This components will be discussed in the next chapter in detail.

## **1.2 Background of study**

Appreciation and feeling being wanted by the organization is the key of sustaining the level of commitment that drives the human capital of the organization. This aspect will be studied by the researcher by testing the variables that leads to organizational commitment. There are various variables that plays their role in influencing the commitment level, thus researcher will be studying the main four variables which are tested popularly among the other past researchers. The variables that influences organizational commitment would be organization culture, the leadership style, job security and employee compensation.

Researcher will study the three dimensional of organizational commitment that influences the commitment level of employees towards the organization and that would be the three component model (Meyer & Allen, 1991) which is affective commitment, continuance commitment and normative commitment.

The scope of the research will be narrowed and studied on the hospitality sector by conducting a study on the hotels in Malaysia. Based on the Malaysian Economic Report 2012/2013 (Ministry of Finance Malaysia, 2014), there were vast number of job opportunity created which increase 12.5 million in 2012 and expected an increase to 12.7 million in 2013. Service industry is regarded as the biggest player in employment accumulating 53.5% of total employment. Productivity plays vital role to help the

economic to boom, and basically it has been lower right after the hit of financial crisis. Existence of correlation between wages and productivity says that productivity were declining. However it is said that the productivity is set to incline in the following years. In Malaysia, the hotel industry is regarded as a profitable sector by the government. In recent years, many international hotel chains have entered and establish their hotel chain in Malaysia. Thus it creates many job opportunities in this hotel industry. However, hotel lines are rated of having low skill level of employees, high number of turnover rates, and low level of loyalty to the organization (Malaysia Association of Hotels, 2008).

The report of Economic Report 2011/2012 stated that hotel industry had the highest vacancy that was caused by the high rate of turnover. Researcher is aiming to study the root cause of this high turnover rates, low productivity and understand the organizational commitment in the hotel service industry.

### **1.3 Problem Statement**

Numerous studies stated that the organizational commitment is an essential element in the service industries (Chiang & Birtch, 2010). Due to this, the importance of organizational commitment have been considered heavily by organization because decrease in organizational commitment can end up in absenteeism, low productivity and high turnover rate (Hemdi & Nasurdin, 2006). In the other hand, high commitment increases the quality of work, quality of service, raise of productivity, and organizational cohesiveness (Lee, Hung, & Chen, 2012).

The organizational culture varies from one organization to the other, as there are different sets of values, beliefs, norms and environment that influences the level of commitment. If one of the sets goes wrong, then there will be occurrence of job



dissatisfactions and leads to absenteeism. Leadership styles determines the level of attachments that the employees have towards the organization, thus this decides the organizational commitment whether they are being productivity enough or vice versa. Leadership influences the bonding among the leaders and the subordinates that shares the purpose of the organization (Daft, 2005). Thus lacking of leadership is causing the misdirection and disengage the commitments of the employees towards the organization.

Issues of job security becomes one of the critical issues in the organizational commitment. As job security is correlated with the continuous commitment. Lack of assurance of their job tend disrupt the flow of the work productivity and questions the commitment of those employees for a long time of period. Lastly the pay satisfaction becomes the latest issues that the organization is facing to keep their human capitals contended with the organization. Thus following a good employee compensation policy is had become a major challenge for the hotel management in Malaysia. As time passes by, emergences of technologies, changes is era and advancement in high pace work force, organizations are facing difficulties in fulfilling the demands of the pay scale of their employees. Due to this, pay satisfaction becomes as the key conflict of organizational commitment.

Hence, researcher intend to study what are the main problems that the organization is facing to sustain a good organizational commitment from their human capital in order to reach a high productivity organization. By studying this variables as stated above, researcher are expecting to provide strategies to create a good organizational commitment from their assets which is their human capital.

## **1.4 Research Objective**

The main purpose of the study is to study the antecedents of organizational commitment in the hospitality industry in Malaysia.

In order to create a good organizational commitment, an organization is expected to create:

A good organizational culture that makes the employees feel being welcome to the organization. As a working corporate, most of the employees are spending most of their time and energy in the work place, thus their work place can be considered as their second home. A good working culture brings a good vibe to the surroundings.

1. To study whether organizational culture have significant influence on overall organizational commitment.
2. To study whether organizational culture have significant influence on affective commitment.
3. To study whether organizational culture have significant influence on continuance commitment.
4. To study whether organizational culture have significant influence on normative commitment.

A good leadership can influence the employee's organizational commitment tremendously, and the leader can expect a good productivity from their employees. A charismatic leader tend to be a role model to the employees and makes them to understand the purpose of them in the organization. Creating a career path with a sensible purpose will increase the commitment level in the employees.

5. To study whether transformational leadership style have significant influence on overall organizational commitment.
6. To study whether transformational leadership style have significant influence on affective commitment.
7. To study whether transformational leadership style have significant influence on continuance commitment.
8. To study whether transformational leadership style have significant influence on normative commitment.

Providing a strong level of job security enhances the organizational commitment by making the employees are feel wanted by the organization. Moreover in this competitive world, securing a job would be the main goal for an employee as competition for the job opportunities are very high.

9. To study whether job security have significant influence on overall organizational commitment.
10. To study whether job security have significant influence on affective commitment.
11. To study whether job security have significant influence on continuance commitment.
12. To study whether job security have significant influence on normative commitment.

Paying their employees with the right scale and providing them a good remuneration will make the employees feel contented and appreciated of what they have contributed to the organization. At end of the day, it serves their purpose of being

attached to the organization which is to earn the ideal amount of compensation align with the job description that they are being assigned.

13. To study whether employee compensation have significant influence on overall organizational commitment.
14. To study whether employee compensation have significant influence on affective commitment.
15. To study whether employee compensation have significant influence on continuance commitment.
16. To study whether employee compensation have significant influence on normative commitment

Hence the aim of this study will be finding the problems that arise in the organization that determines the level of commitment of the employees. Thus these findings will be helpful for the researcher to formulate strategies to enhance the organizational commitment.

## **1.5 Research Question**

To understand the study, a few research questions are developed to find on how the facets of job satisfactions influences the organizational commitment.

1. Does the organizational culture have significant influence on overall organizational commitment?
2. Does the organizational culture have significant influence on affective commitment?
3. Does the organizational culture have significant influence on continuance commitment?

4. Does the organizational culture have significant influence on normative commitment?
5. Does the transformational leadership style have significant influence on overall organizational commitment?
6. Does the transformational leadership style have significant influence on affective commitment?
7. Does the transformational leadership style have significant influence on continuance commitment?
8. Does the transformational leadership style have significant influence on normative commitment?
9. Does the job security have significant influence on overall organizational commitment?
10. Does the job security have significant influence on affective commitment?
11. Does the job security have significant influence on continuance commitment?
12. Does the job security have significant influence on normative commitment?
13. Does the employee compensation have significant influence on overall organizational commitment?
14. Does the employee compensation have significant influence on affective commitment?
15. Does the employee compensation have significant influence on continuance commitment?
16. Does the employee compensation have significant influence on normative commitment?

## **1.6 Definition of Key Terms**

**Antecedent** - In a regression analysis, an antecedent variable would be one that influences both the independent variable and the dependent variable. Variable that has a certain condition or factor that predicts or influences certain behaviour that leads to a certain outcome (Saks, 2006).

**Organizational commitment** - Organisational commitment from this point of view is characterised by employee's acceptance of organisational goals and their willingness to exert effort on behalf of the organisation (Miller & Lee, 2001).

**Organizational culture** - A system of shared meaning held by members, distinguishing the organisation from other organisations (Martins & Martins, 2003). Organizational culture is the distinctive norms, beliefs, principles and ways of behaving that combine to give each organisation its distinct character (Arnold, 2005).

**Transformational Leadership style** – Leaders exist because of followers and followers exist because of leaders (Hogg, 2001). Thus charismatic leaders play an important role to ensure followers are committed to the leaders and the organization.

**Job security** – Expectation on his/her employment in the organization (Davy, Kinicki, & Scheck, 1997). The elements of job security are such as promotions, working conditions, long term opportunities and job features (Borg & Elizur, 1992). Employees will be more productivity if he/she feels secure with their job because they rather want satisfaction than insecurity.

**Employee compensation** – Combination of incentives in cash, benefits, bonuses, direct or indirect, financial or non-financial form (Rynes & Gerhart, 2000; Williams & Dreher, 1992). Perception of employees on the pay compensation that they get align with their contribution towards the work.

**Affective commitment** - Affective commitment to the employee who feels committed to the organizational and defines himself with the organization; employee stays in the organization by his or her will (Bilgin & Demirer, 2012).

**Continuance commitment** - Continuance commitment talks about employees thinking that they need the organization; they keep stay in the organization because it would be costly for him or her to leave the organization (Bilgin & Demirer, 2012).

**Normative commitment** - Normative commitment says that employee stays in the organization since their responsibilities to the organization; person stays in the organization due to that they are under some kind of obligation to the organization (Bilgin & Demirer, 2012).

## **1.7 Significance of study**

There are numerous studies on the organizational commitment and on hotels industry, but the researcher doesn't find any studies that are directly linked with the antecedents of organizational commitment in hotel industries in Malaysia. Most of the studies are discussed based in the organizational performances towards the organizational commitment but less studies on the facets of job satisfaction itself towards the organizational commitment. Hence this study's findings can contribute to the Malaysia Tourism Department by helping them to formulate strategies to improve the tourism sector.

In this study, researcher will study four variables that influences the organizational commitment level of employees. The variables would be organizational culture, transformational leadership, job security and employee compensation. By studying each of this variable, researcher can identify the importance of the each variable that influences the organizational commitment.

Researcher believe that hotel industry in Malaysia can benefit to the utmost by this study, and to whom are looking to understand more on how this antecedents can influence the hotel employee's organizational commitment. The hotel management can also use this as guidelines to reshape their organization for a better management.

## **1.8 Organization of the Remaining chapters**

This thesis comprise of five chapters with each of the chapters has its own specific aim and purpose.

**Chapter 1** gives an overview of the subject, research problem, the significant of the study and an overall research purpose will be briefed in chapter.

**Chapter 2** presents research on the antecedents of organizational commitment. It also gives rise to the research hypotheses and a theoretical framework.

**Chapter 3** illustrates the theoretical framework and the research methodology applied in this study. The research setting, the sampling procedure, statistical methods are used to analyse and explains how the research mechanisms were developed.

**Chapter 4** presents the data gathering and data analysis. The collected raw data will be interpreted into useful information for the study with the help of SPSS software and a series of hypotheses were tested.

**Chapter 5** discusses the findings and provide recommendations which leads to the conclusion of this research. Finally, the research limitations are highlighted with the recommendations for further study.



## **Chapter 2: LITERATURE REVIEW**

### **2.1 Introduction**

This particular chapter will be discussing about an overview of the past research that is related to this topic of research. This chapter will show the literature on antecedents of organizational commitment which is the facets of job satisfaction and how it effects on the organizational commitment in overall. Based on the literature review, this study will develop the theoretical framework and hypotheses.

### **2.2 Literature Review**

#### **2.2.1 Organizational commitment**

In the recent years, organizational commitment have been regarded an important aspect of determining the success of an organization. (Bateman & Strasser, 1984) mentioned that the organizational commitment have structured in multidimensional, attaches employee's loyalty with the organization, contribute effort to the organization, value of congruency importance of goal and retaining membership with the organization.

The importance of organizational commitment have been linked to a greater outcomes for organization and employees. Greater commitment can result in enhanced feelings of belonging, higher security, efficacy, greater career advancement, increased the compensation and increased the intrinsic rewards for the employees (Rowden, 2000). In the context of organization, having a good commitment will allow the increase in the greater job satisfaction, extending employee tenure, decreasing turnover, meeting the demand and goal in high quality of the organization (R. T. Mowday, L. W. Porter, & Steers, 1992). Employee's relationship with the organization is a psychological state

of organizational commitment where it influences the decision to continue membership in the organization (J. Meyer & Allen, 1997).

In order to have a strong motivational strategies at numerous level of organization, there is a must to make employees satisfy and commit to their work. In previous studies, there is a strong relationship between job satisfaction and organizational commitment (Ayeni & Phopoola, 2007). This says that in order to determine how well the organization in align with employees expectation, job satisfaction is the most factor that need to be fulfilled. Facets of job satisfaction would be the antecedent of the organizational commitment that will be studied in this research topic.

Organizational commitment was famously known for its three component model of organization by Allen and Meyer which is affective commitment, normative commitment and continuance commitment. Organizational commitment said as “psychological link between the employee and his or her organization that makes it less likely that the employee will voluntarily leave the organization” by (Allen & Meyer, 1996). Affective Commitment is known as psychological bonding to the organization; Continuance Commitment is known as the costs associated when exiting the organization; Normative Commitment is known as obligation to remain with the organization to serve continuing a strong membership with the organization (Ayeni & Phopoola, 2007).

### **2.2.2 Affective Commitment**

Affective commitment is a relational construct that captures the quality of employees' relationship with the organization (van Knippenberg & Sleebos, 2006; Lapointe, Vandenberghe, & Boudrias, 2013) . Affective commitment to the employee

who feels committed to the organizational and defines himself with the organization; employee stays in the organization by his or her will (Bilgin & Demirer, 2012). In the past studies, it's mentioned that the affective commitment and antecedent (job satisfaction facets) are closely related and positive relationship. Employees feel wanted by the organization by being responsible for the success of the organization. Responsibility in a way raises the organizational commitment values in the employees. The development of affective commitment can be done by aligning the socio economic needs of the employees and emotional support. Moreover, this can create a significance relationship to the organization as their emotional needs are met and makes them feel welcomed by the organization (Bilgin & Demirer, 2012). Affective commitment and job satisfaction are one of the famous variable in the research for organizational commitment. Normative and continuance commitment are different from affective commitment. This is mainly because affective commitment are a form of sentimental commitment that directs to satisfaction and strong bonding of commitment to the organization (Bilgin & Demirer, 2012). Meyer and other researchers mentioned that there is a relationship between affective commitment and job satisfaction in their study of meta-analysis (Meyer, Stanley D. J., Herscovitch, & T., 2002). If it is a family organization, affective commitment is regarded in a different perspective, where it is seen a long term orientation (Chua, Chrisman, & Sharma, 1999; Klein, Astrachan, & Smyrnios, 2005). In the time of economic crisis, there will be higher possibilities to keep their employees in the organization (Lee J. , 2006). All this will increase the trust, job security and a strong higher level of affective commitment (Astrachan & Kolenko, 1994; Le Breton-Miller & Miller, 2006). Hence, an employee that possesses affective commitment or strongly emotionally attached will trust and believe in the values and goals of the organization (Dixit & Bhati, 2012) and will remain in the organization.

### **2.2.3 Continuance Commitment**

Continuance commitment talks about employees thinking that they need the organization; they keep stay in the organization because it would be costly for him or her to leave the organization (Bilgin & Demirer, 2012). Employees are expected to maintain a relationship with the organization due to the lacking of the alternative opportunity or awareness of the cost that is accounted if they leave the organization. The cost that is associated would be the social cost such as friendships, networking, personal satisfaction and monetary cost such as attractive benefits and perks. According to (Allen & Meyer, 1990), the basic two factors that shapes up the continuance commitment would be the (1) perceived lack of alternatives of they leave the organization and (2) number of investment (benefits) that they have accumulated in the organization.

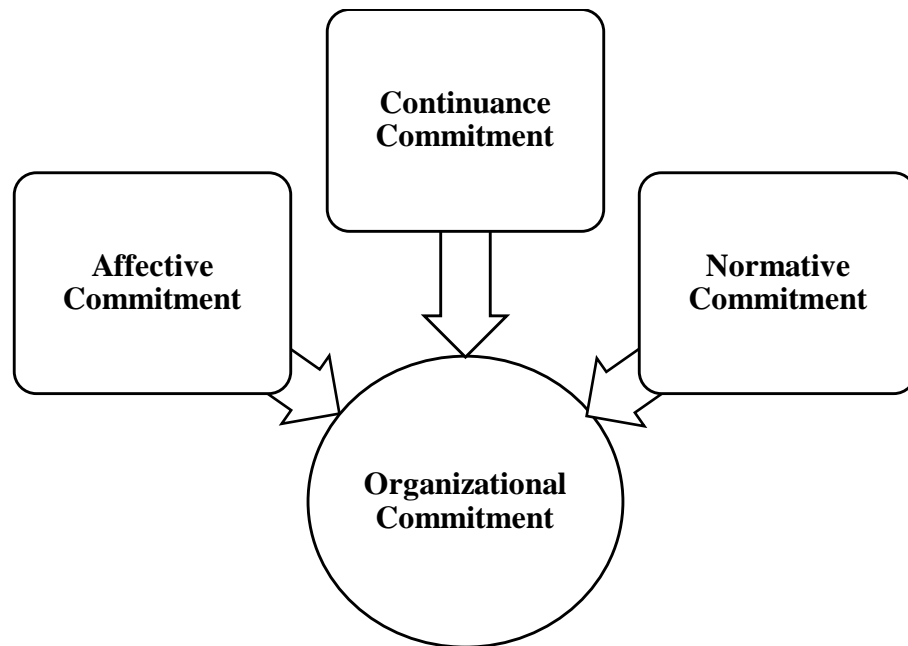
Strong continuance commitment of employees will make them to stay in the organization because that would be the best thing to do for them. This is merely because there are not much of better opportunities for them out of the organization. Due to the personal commitments they have towards themselves and their family, they don't want to incur losses in the form of money, job position and acknowledgment that they have earned from their organization. Some of the studies suggest that the affective commitment and normative commitment exert stronger relationship with the organizational commitment compared to continuance commitment. One study suggest that intrinsic, extrinsic, general job satisfaction and antecedents of organizational commitment have a significant effect on affective commitment (Gunlu, Aksarayli, & Percin, 2010). In other hand, antecedents of organizational commitment doesn't have significance effect on continuance commitment among workers in the hotels

(Kuruüzüm, Cetin, & Irmak, 2009). Thus, an individual remains to the organization by considering the investment lost and social cost that are bonded with the organization.

#### **2.2.4 Normative Commitment**

Normative commitment says that employee stays in the organization since their responsibilities to the organization; person stays in the organization due to that they are under some kind of obligation to the organization (Bilgin & Demirer, 2012). Normative commitment is known by the mind-set of obligation towards an organization (John P. Meyer & Parfyonova, 2010). According to (Allen & Meyer, 1996), at the early basis of the individuals life, normative commitment normally would have been shaped up for example cultural experiences and family based experiences. Nevertheless, employee's beliefs in normative commitment will increase if the organization can satisfy above the employee's expectation (Dixit & Bhati, 2012).

Although theoretically distinct from affective commitment (desire) and continuance commitment (cost-avoidance), normative commitment has been found to correlate strongly with affective commitment and to share many of the same antecedents of organizational commitment (Meyer J. P., Stanley, Herscovitch, & Topolnytsky, 2002; John P. Meyer & Parfyonova, 2010). Strong normative commitment arises in the employees when they think it would be the ideal thing to do. This maybe because employees feel they are emotionally grateful with what the organization have gave them in the past. Although they would have felt of leaving, but the strong normative commitment stops them from doing so.



**Figure 2.1 Three component model of Organizational Commitment (Meyer & Allen, 1991)**

### **2.2.5 Antecedents of Organizational Commitment**

This research paper is discussing the main four dominants of organizational commitment antecedents which is the organizational culture, transformational leadership style, job security and employee compensation. This antecedents are considered as the facets of job satisfaction, as all the variables explains the results of the job satisfaction in overall term. The most widely accepted term of job satisfaction term would be by (Locke, 1976) as “a pleasurable or positive emotional state resulting from the appraisal of one’s job and job experience” (Zeinabadi, 2010). The Herzberg’s two factor theory discusses the job satisfaction in two point which are intrinsic and extrinsic. Past researchers mentioned that the facets of job satisfaction would be (level of satisfaction of the employee that they get from the job and organization) as intrinsic

and (level of satisfaction of the employee with the work conditions, culture, appreciations, policies, compensation) as extrinsic (Chiu & Chen, 2005).

### **2.2.6 Organizational Culture**

Organizational culture can be defined in various terms, the most accepted meaning would be that it is the environment of working place that is derived from the communications and interaction of the employees in the workplace. Attributes that comes in the tree of organization culture would be the strength, weaknesses, life experience, background of education and origin place. The leaders plays an important role in shaping the culture of the organization by their leadership. Organizational culture defined in the view of norms, beliefs, values and attitudes that affects organizational commitment (Esra Aktaş, Işık Çiçek, & Kıyak, 2011). “Shared ideology, philosophy, assumption, value, beliefs, hope, behaviour and norms that bound the organization together” was defined by (Kilmann, 1985). It is important to understand the organization culture because it has a significant relationship on the feelings, thoughts, performance and commitment of the employees towards the organization (Saeed & Hassan, 2000). (Flamholtz & Randle, 1998) mentioned that the organization sees culture as an essential element for an organization to rave up their success by saying that their employees will treat the customers the same way that the organizational treat them. By this view, it have made many organization to reshape their human resource strategies to boost their employee’s feeling of being appreciated and drew much high organizational commitment (Zain, Ishak, & Ghani, 2009).

Past researcher’s literature, organizational culture have four main values. It is said that the organizational culture is a shared phenomenon by (Schein, 1997; Wilson, 2001; Baumgartner, 2009). Second is that the organizational culture has visible level

on commitment and also less visible levels (Wilson, 2001; Baumgartner, 2009). Thirdly is that the culture of the organization is learned by the each new members (Wilson, 2001; Baumgartner, 2009). Lastly, as the time passes by, the culture tend to change slowly adapting to the competitive world (Wilson, 2001; Baumgartner, 2009). Culture is seen as a medium to manipulate the organizational commitment in the management circle. Shaping the culture been gave importance in the balance scorecard projects (Kaplan & Norton, 2004). Organizational commitment, improved communications, building trust and establishing expectation is done by creating a good balanced organizational culture (Messner, 2013).

The organizational culture has a cultural dimension as defined by (Messner & Schafer, 2012) as listed below:

- Power distance is the level of employee's expectance and agreeableness of the power will be shared unequally in the organization. In other words, higher position superiors have higher power distance that comes along decision making power and privileges.
- Institutional collectivism where the organization welcomes employees for reward collection action (Gelfand, Bhawuk, Nishii, & Bechtold, 2004).
- In-group collectivism is when employees will be proud, pride and be loyal towards the organization (Gelfand, Bhawuk, Nishii, & Bechtold, 2004).
- Assertiveness is when employees are determined and tough in social relationships (Den Hartog, 2004).
- Future orientation explains the long term planning commitment towards an organizational (Ashkanasy, Gupta, Mayfield, & Trevor-Robert, 2004).



- Uncertainty avoidance is where ambiguous scenarios are avoided via proper planning and innovation when the rules and processes can guide employees (DeLuque & Javidan, 2004).
- Performance orientation is the level that the employees are encouraged the organization to perform for excellence, performance and innovation (Javidan, 2004). Good performance leads to good organizational commitment. Employees who are performance oriented gets the satisfaction of when they perform up to their capacity, and this leads a good commitment towards the organization. In a way, high job satisfaction is achievable in this manner of good performances.
- Gender egalitarianism means that the difference in gender role are minimized due to the gender equality; according to the professional development, education level, positions, the demanding of physical tasks and sports (Emrich, Denmark, & den Hartog, 2004).
- Human orientation that concerns on the general behaviour of surrounding that sets the organizational commitment level in them such as friendly, generous, caring and concern on other peer employees (Kabasakal & Bodur, 2004).

The connection between organizational culture and organizational commitment have been studied and mentioned on previous studies. Organizational culture were identified as eight established dimensions which is the training, communication, training and development, decision making, innovation, fairness, rewards, teamwork and management practices consistency (Recardo & Jolly, 1997; Lau & Idris, 2001). From this dimension, four of them were found significant relationship with organizational commitment and adapted to this study which is teamwork (Morrow,

1997; Osland, 1997; Karia & Ahmad, 2000; Karia & Asaari, 2006; Zain, Ishak, & Ghani, 2009), training and development (Karia & Ahmad, 2000; Acton & Golden, 2002), communication (Neher, 1997) and rewards and recognition (Zigon, 1997; Allen & Helms, 2002).

### **2.2.7 Transformational Leadership styles**

Organizational commitment is very much influenced by the style of the leadership in the organization. Hence the leaders will be able to influence the employee's organizational commitment; it is linked with the employee's attitude towards work, passion on the organization and willingness to perform work, that contributes to the success of the tourist hotel (Brotherton & Shaw, 1996).

Leadership is defined in a new term that creates a new vision; raises the self confidence in employees via the good communication, direction and leadership (Bohn & Grafton, 2002). Organizational commitment often reflected by the quality of the leadership (Stum, 1999). Effective leadership provides the wider measures of the leadership that strengthens the level of commitment of the employees. It is vital that the managers to highlight their employees their link and their contribution are needed for the success of the organization; managers to know the importance of building the positive relationship with their employees (Truckendbrodt, 2000). There are many types of leadership styles in the context of leadership such as laissez-faire, autocratic, participative, transactional and transformational. In this study, the researcher will be focusing on the transformational leadership style as it is the modern leadership style that is famous in the organization. Past researchers have mentioned that the transformational leadership is a better leadership style that leads to a positive

organizational commitment (Limsili & Ogunlana, 2008). Transformational leadership style have more significant impact on the organizational commitment and regarded as the most effective style in influencing the organizational commitment (Ismail & Yusuf, 2009).

The concept of transformational and transactional leadership was first introduced by (Burns, 1978). The transformational leadership is regarded as the most important topic of leadership studies and the theories of leadership (Bass, 1998; Pawar & Eastmen, 1997). The transformational leadership theories defines that the leader of the organization uses their charismatic skills, incentives of intellectual and individual attention to allow the empowerment and elevate followers that directs them into a higher level of commitment and productivity (Acar, 2012).

Transformational leaders are regarded to be the man of enthusiastic and visionary, that are able to motivate their employees (Acar, 2012). Thus, their followers expresses high level of commitment to their organization by involving more in their work (Acar, 2012). Based on the past study of multifactor leadership (Avolio, Bass, & Jung, 1999) , transformational leadership involves charismatic characteristics, inspirational motivation, intellectual stimulation and individualized consideration. All this characteristics mergers as a variable that is significantly related to organizational commitment. Transformational leadership enhances and significantly relates to the organizational commitment and loyalty of followers (Bass B. M., 1999), and strengthened organizational commitment can decrease turnover intentions (Stinglhamber & Vandenberghe, 2003).

The transformational leadership exerts the leadership skills that reflects the organization goals and turns it into a common goal and values (Podsakoff PM,

MacKenzie SB, Moorman RH, & R, 1990). Leaders will be expecting a high level performance from the employees, appreciate their feelings and needs and initiate innovation in working solutions. On above that, followers' performance and creativity are influenced by the greater role of transformational leadership (Boerner, Eisenbeiss, & Griesser, 2007). It also cultivates the team working spirit, cooperation among the employees, creating a cohesiveness environment in the organization. The flexibility and openness for change are the characteristic of transformational leaders. Transformational leadership plays an essential part in creating the job environment at the times when the work would be tough, challenging and has meaningful that directs to positive behaviour from the employees towards the job (Purvanova, Radostina K., Joyce E. Bono, & Dzieweczynski., 2006).

### **2.2.8 Job Security**

Job security plays an important role in sustaining the organizational commitment. In the competitive world, the rapid changes had made security of a person's job is been the number one priority. The emergence of technologies had reduce the necessity of man power in certain industries, thus many employees had been retrench. During the good times of economy, people tend to be normal about their job where they feel nothing much is going to happen to their job, but at the times of economy crisis employees are more worried about their job security. Due to this, the productivity and commitment tend to be less towards the organizational. According to a survey report (Hastings, 2010) employees have ranked the job security as the top of the priority that contributes to the organizational commitment. Employees who aren't worried of their jobs are opt to perform better and feel greater commitment for the

employee. Employees don't rely opt to take risk and are more willing to stay in the organization that provides them a good satisfaction in their job rather than optimized change (Abdullah & Ramay, 2012).

Past researchers have mentioned that the job security have a significant relationship with the organizational commitment (Davy, Kinicki, & Scheck, 1997). (Khan, Nawaz, M.M, & Hamed, 2012) have also supported that the job security have a strong relationship with commitment. Although there some studies that says that job security adverse relationship with organizational commitment (Guest, 2004), most of the studies support the theory of job security having a strong influences on organizational commitment (Akpan, 2013). More studies had signified the relationship between job security and organizational commitment (Iverson, 1996; Rosenblatt & Ruvio, 1996). From the social exchange theory and expectancy theory (Baruch, 1998) employees feel there should be organizational reward. Out of the rewards, job security is the one that an employee seeks that creates the organizational commitment, loyalty and higher productivity (Whitener, Brodt, Korsgaard, & Werner, 1998).

In a study by (Bedeian & Armenakis, 1998) mentioned that the organization facing declination, downsizing will lead of losing out valuable employees. Thus commitment of well qualified and productivity employees are valuable organizational assets for a downsizing organizational; findings of significant relationship of organizational trust is important for retention of high skills and performing employees. This is supported by (Allen, Freeman, Russell, Reizenstein, & Rentz, 2001) said that job security with the satisfaction of top management are significantly related with organizational commitment and turnover intentions.