

Impact of Job Tenure and Managerial Position on Employee's Organizational Commitment: Evidence from NGOs of KPK-Pakistan

Zaeema Asrar

Assistant Professor, Department of Commerce, University of Karachi, Karachi

Tabinda Ilyas

Department of Business Administration, Institute of Management Sciences, Peshawar

Muhammad Farrukh Aslam

Lecturer, Department of Commerce, University of Karachi

Abstract

The purpose of the study to find out the relation among job tenure, managerial position and employee's organizational commitment. Study was conducted in Non Government Organizations working in Peshawar and data was collected from the employees of the organization. Results of the study showed a significant relationship between managerial position and organizational commitment only in female and not in male. And there was not relationship in job tenure and organization commitment concluding committing factor for NGOs employee is not the tenure but decision making ability.

Keywords: Job Tenure, Organizational Commitment, Managerial Position

1. INTRODUCTION

It is one of the serious and constant problems for the personnel manager to select an employee who will deliver a longer period of service to the organization. Employee turnover cause significant cost to the organization for recruiting and training new employee. Independent research has showed the importance of the long tenure for the maintenance of the workforce (Schun, 1967). Tenure is the topic of debate since its beginning (Holley, 1977). Though tenure does not guarantee life time employment but it makes it difficult to fire an employee and it is also a costly process (Stephey, 2008). Job stability has gradually become an issue for public and professional interest and the recent focus of this interest is on the possible changes in the work distribution of the workforce (Mumford & Smith, 2004). Many institutions are worried by the growing tenure ratio and are in the search of the effective tenure policy (Simpson, 1976).

Career experts state that slowing of organizational growth has reduced mobility options which in return lengthened the tenure for the majority of American managers. Organizations in turn express great concern about the commitment and turnover of the valued managers (Taylor, Audia & Gupta, 1996). The concept of the organizational commitment has got the recognition in the literature of the industrial and organizational psychology (Cohen, 2003). Organizational commitment can be described as "an attachment to the organization, characterized by an intention to remain in it, identification with the values and goals of the organization and willingness to exert extra effort on its behalf" (Peter et al, 1974). Another perspective of the organizational commitment is the "exchanged based definition or side bet theory". This theory states that individuals are committed to the organization as far as they have their position, irrespective of the stressful circumstances they experience (Becker, 1960; Alluto, Hrebiniak & Alonson, 1973). The issue of the organizational commitment got interest both from scientists and practitioners. One of the main reasons of the interest in organizational commitment is its relation with most important outcomes of the organization such as turnover, turnover intentions, performance and absenteeism. Most important antecedents of organizational commitment are age and tenure (Cohen, 1993). Many organizations face the challenge of the reengineering, restructuring and downsizing as a result the need for factors of organizational commitment has become more critical. One of the factors that could lead to healthy organizational climate, productivity and motivation is organizational commitment (Salami, 2008).

2. PURPOSE OF THE RESEARCH

The purpose of the research is to find out the relations between job tenure and organizational commitment and the extent to which job tenure has an impact on employee's organizational commitment.

HYPOTHESIS

The proposed hypothesis of the research are;

H1a: Job tenure has positive relation with employee's organizational commitment

H0a: Job tenure does not have any relation with employee's organizational commitment

H1b: Managerial Position has significant relation with employee's organizational commitment
H0a: Job tenure does not have any relation with employee's organizational commitment

3. LITERATURE REVIEW

It is very important to understand the changes in work attitudes for developing theories of the relation among individual characteristics and work behavior. Past research on job satisfaction as indicator of work role experience has added to our experience of work attitude change and this understanding has realistic importance. Human resource initiatives aim to influence employee attitude and work behaviors. If attitudes like job satisfaction are correlated to age and tenure might have inference of how such initiatives are planned and implemented (Bedeian, Ferris & Kacmar, 1992). Much of the early literature on job tenure is concerted on the degree to which workers travel between jobs until they find a satisfactory match (Freeman, 1980). A distribution of the workplace and individual tenure contains both labor supply and demand elements (Mumford & Smith, 2004). Presence of labor unions increase job tenure by providing voice for grievance (Freeman & Medoff, 1984). Brief job tenure is problematic (Mueser, Becker & Wolfe, 2001) and the rising tenure ratios have been searching for effective tenure policy, described as below

1. No tenure appointments until the institution's tenure ratio is below some set value
2. Tenure appointments only to fix a vacant slot
3. Tenure appointments only when the department ratio is under some set value
4. Early retirements
5. Quota for tenure awards
6. No appointments until 6 years probation
7. Use of quota type policy
8. No appointments in the tenure system, hiring on one year contract
9. Vacated slots allocated to the departments according to the criteria (Simpson, 1976).

Employee tenure is always a concern for the faculty whether they have it or not. The original purpose of the tenure is to guarantee a freedom of expression (Premeaux & Mondy, 2002).

Commitment is multi dimensional in nature involving the high degree of employee's dedication towards organization, readiness to put extra efforts and strong wish and desire to be part of the organization. Commitment is the psychological relationship of the employee with the organization (Saleem, 2011). Employee's loyalty is based on these factors

- Faith in the objectives of the company
- To be ready to exert high level of efforts
- Strong wish to be part of the organization (Portel, Crampon & Smith, 1974)

Thus a committed employee is the one who work with interest, put efforts and believes in the objectives of the firm (Meyer, 1997). Benefits of the committed workforce are increased job pleasure, job performance, high retention and low absenteeism (Saleem, 2011). Employee commitment not only affects the employees but the society and organization as well. As the employees are more committed there is less withdrawal and more citizenship behavior (Mathieu and Zajac, 1990). Types of organizational commitment are

Affective Commitment refers to the feelings of belongingness and attachment with the organization and it is related to the personal characteristics, organizational structure and work experience (Hartmann & Bambacas 2000).

Continuance commitment, which reflects the recognition of costs related with leaving the organization, should be related to anything that increases perceived costs. Direct or indirect investment in the organization, side bets, symbolize such costs best and were operationalized mainly by variables like age, education and tenure. (Becker, 1960)

Normative commitment refers to an employee's feelings of responsibility to remain with the organization. Thus, employees with strong normative commitment will remain with an organization by virtue of their belief that is the "right and moral thing to do". Normative commitment develops as a result of socialization experiences that emphasize the correctness of remaining loyal to one's employer. (Wiener, 1982) or through the receipt of benefits, such as tuition payments and skill training. (Scholl, 1981). Normative commitment develops on the base of a particular type of investment that the organization makes in the employees specially, investment that seem difficult for employees (Meyer and Allen, 1993).

4. DATA AND METHODOLOGY

The hypothesis of the research is job tenure has positive relation with organizational commitment. The research is quantitative in nature and studies the relationship between job tenure and organizational commitment in the NGOs working in Pakistan. The study is cross sectional in nature.

4.1 DATA COLLECTION METHOD

Sample size of the study is 200 and sample was selected through random sampling technique. Response was 100% as all the questionnaires were retrieved.

4.2 QUESTIONNAIRE DEVELOPMENT

The study has used the scale of Cook and Wall (1980) to measure the variables. Questionnaire was on likert scale (1=strongly disagree and 5=strongly agree).

5. ANALYSIS AND RESULTS

The study has used SPSS for analysis. the sample size was of 200 out of which 139 questionnaires were retrieved. From retrieved questionnaires 68 respondents were males that makes 48.92% and 71 respondents were females that is 51.08%. 24 respondents (17.27%) were from top management, 93(66.91%) were from middle level and 22 (15.83%) respondents were from lower management level. Education level of the participants ranged from Fsc (12 years) to MS (18 years). Most of the participants held Masters Degree (16 years) that is 70 which makes 50.36% of the total sample, followed by Bachelors (14 years) 59 (42.45%) respondents , then 7 (5.036%) had MS degree (18 years) and 3(2.158%) respondents were FSc (12 years).

Table 1: Descriptives of Organization Commitment – Genderwise Respondent

VARIABLES	MALE	MEAN	FEMALE	MEAN
AGE	68	35.59	71	31.20
EDUCATION	68	15.22	71	15.08
INCOME	68	57,029	71	28,000
TENURE	68	7.838	71	5.894
OC	68	64.31	71	64.24

Table 1 shows the means of the variables, separately for males and females. Almost in every factor, mean of male respondent is higher than female respondent. It shows male dominant environment of study.

Table 2: Regression results of Organizational Commitment – Genderwise

VARIABLES	All OC	Male OC	Female OC
Tenure	-0.000409 (0.144)	0.0757 (0.174)	-0.180 (0.321)
Education	0.616* (0.328)	0.829 (0.611)	0.548 (0.433)
INCOME	-1.03e-05 (1.09e-05)	-1.33e-05 (1.57e-05)	-1.43e-05 (2.51e-05)
AGE	0.00117 (0.0725)	-0.0421 (0.0906)	0.0910 (0.166)
Managerial Position	-1.653** (0.737)	-1.579 (1.080)	-1.883* (1.112)
Constant	58.63*** (5.578)	56.40*** (8.850)	58.45*** (8.752)
Observations	139	68	71
R-squared	0.073	0.061	0.093

*** p<0.01, ** p<0.05, * p<0.1

It is also observed that the organizational commitment will increase with the increase in educational level both in males and females that is 82% in males and 54 % in females. Income and management level having negative relation with organizational commitment both in males and females while age has shown positive relationship with females and negative relationship with males. However, there is no significant impact of tenure on organizational commitment but significant negative impact of managerial position on organization commitment, it shows senior managers might leave organization if they will get better opportunity.

RECOMMENDATIONS

The study is cross sectional as the data was collected only point in time. For future researchers it is recommended to conduct longitudinal study. Data of the study was collected only from one city; future researchers can expand study to the other cities as well. Future researchers can use other variables as well along with organizational tenure.

REFERENCES

- Ansari, A., Azhar, T., Farrukh, M., Qadri, K., & Mubin, M. (2014), Beyond the Quick Fix Model—Evidence from Telecommunication Giant of Pakistan “PTCL”. *Information and Knowledge Management*, 4(4), 139-151
- Arifeen, N. U., Hussain, M., Kazmi, S., Mubin, M., Latif, S., & Qadri, W. (2014). Measuring Business Performance: Comparison of Financial, Non Financial and Qualitative Indicators. *European Journal of Business and Management*, 6(4), 38-45
- Alutto, J. A., Hrebiniak, L. G., & Alonso, R. C. (1973). On operationalizing the concept of commitment. *Social Forces*, 51(4), 448-454.
- Becker, H. S. (1960). Notes on the concept of commitment. *American journal of Sociology*, 32-40.
- Bedeian, A. G., Ferris, G. R., & Kacmar, K. M. (1992). Age, tenure, and job satisfaction: A tale of two perspectives. *Journal of Vocational behavior*, 40(1), 33-48.
- Cohen, A. (2003). *Multiple commitments in the workplace: An integrative approach*. Psychology Press.
- Cohen, A. (1993). Organizational Commitment and Turnover: A Meta-Analysis. *Academy of management journal*, 36(5), 1140-1157.
- Freeman, R. (1984). and James Medoff. 1984. What Do Unions Do.
- Habib, S., Masood, H., Hassan, S.T., Mubin, M. and Baig, U. (2014). Operational Risk Management in Corporate and Banking Sector of Pakistan. *Information and Knowledge Management*, 4(1), 1-10
- Hartmann, L. C., & Bamburg, M. (2000). Organizational commitment: A multi method scale analysis and test of effects. *The International Journal of Organizational Analysis*, 8(1), 89-108.
- Holley, J. W. (1977). Tenure and research productivity. *Research in Higher Education*, 6(2), 181-192.
- Mathieu, J. E., & Zajac, D. M. (1990). A review and meta-analysis of the antecedents, correlates, and consequences of organizational commitment. *Psychological bulletin*, 108(2), 171.
- Meyer, J. P. (1997). Organizational commitment. *Wiley Encyclopedia of Management*.
- Mubin, Muhammad and Vohra, Mohsin and Ijaz, Shafqat and Rafique, Mehwish and Hassan, Taimoor, Cultural Mapping and Its Ascertainment: A Case Study of PTCL (April 24, 2013). *European Journal of Business and Management*, Vol. 6, No.14, 2014. Available at SSRN: <https://ssrn.com/abstract=2500838>
- Mumford, K., & Smith, P. N. (2004). Job tenure in Britain: Employee characteristics versus workplace effects. *Economica*, 71(282), 275-297.
- Mumford, K., & Smith, P. N. (2003). Determinants of current job tenure: a cross country comparison. *Australian Journal of Labour Economics*, 6(3), 435.
- Meyer, J. P., Allen, N. J., & Smith, C. A. (1993). Commitment to organizations and occupations: Extension and test of a three-component conceptualization. *Journal of applied psychology*, 78(4), 538.
- Premeaux, S. R., & Mondy, R. W. (2002). Tenure's impact: Male versus female viewpoints. *College Teaching*, 50(4), 154-157.
- Porter, L. W., Crampon, W. J., & Smith, F. J. (1976). Organizational commitment and managerial turnover: A longitudinal study. *Organizational behavior and human performance*, 15(1), 87-98.
- Saleem, S. (2011). The Impact of Financial Incentives on Employees Commitment. *European Journal of Business and Management*, 3(4), 258-266.
- Salami, S. O. (2008). Demographic and psychological factors predicting organizational commitment among industrial workers. *Anthropologist*, 10(1), 31-38.
- Scholl, R. W. (1981). Differentiating organizational commitment from expectancy as a motivating force. *Academy of management Review*, 6(4), 589-599.
- Schuh, A. J. (1967). The predictability of employee tenure: a review of the literature. *Personnel Psychology*, 20(2), 133-152.
- Stephey, M. J. (2008). A brief history of tenure. *Time Magazine*, 17.
- Simpson, W. A. (1976). The case for a new tenure policy. *Research in Higher Education*, 5(3), 223-232.
- T. Mueser, Deborah R. Becker, Rosemarie Wolfe, K. (2001). Supported employment, job preferences, job tenure and satisfaction. *Journal of mental health*, 10(4), 411-417.
- Taylor, M. S., Audia, G., & Gupta, A. K. (1996). The effect of lengthening job tenure on managers' organizational commitment and turnover. *Organization Science*, 7(6), 632-648.
- Wiener, Y. (1982). Commitment in organizations: A normative view. *Academy of management review*, 7(3), 418-428.