

Impact of Perceived Organizational Support on Continuance Commitment in BFSI



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This research predominantly looks at the relationship between Perceived Organizational Support (POS) and continuance commitment among the representatives of BFSI Sector in Chennai with the end goal of giving further insights of knowledge into the relationship of POS and continuance commitment. To evaluate POS and continuance commitment of the representatives, Eisenberger et al's and Allen and Meyer's scales were utilized. Descriptive and inferential statistics were utilized to break down and decipher the connections among the factors. A significant effect of the research is that a supervisor should concentrate on issues that rise employees' POS to enhance continuance commitment.

Keywords: Perceived Organizational Support, Continuance Commitment, Employees, BFSI

1. Introduction

Economy is changing quickly and this has constrained organizations to keep themselves grasped with different sorts of assets. Without question, individuals at work spot are crucial. Organizations can't consider getting the boundless and appealing open doors without equipped, talented and submitted workforce. Such workers make certain to perform better in both in-job and extra-job front. This idea leads to the conceptualization of this exploration. This paper expects to investigate the relationship of continuance commitment and perceived organizational support (POS). Organizational commitment (OC) is a condition of being wherein hierarchical individuals are bound by their activities and convictions that support their exercises and their own contribution in the association Miller & Lee (2001). As indicated by Meyer et al., (1990) organizational commitment as a mentality is "described by good positive intellectual and affective component parts about the association". Further Meyer what's more, Allen (1991) characterized organizational commitment as "a mental express that portrays the employees association with the business, and has suggestions for the choice to proceed with participation in the association". Narteh (2012) characterized commitment as a felt condition of employees' connection to their associations, counting their readiness to disguise the estimations of the association and comply with the guidelines and guidelines in that. The creator stressed that organizational commitment should come readily from the worker. Organizational commitment comprises of three measurements viz. normative, affective and continuance. Meyer and Allen (1984) characterized the main measurement, in particular affective commitment, "as positive sentiments of distinguishing proof with, connection to and contribution in the work association," and they characterized continuance commitment as "the degree to which workers feel focused on their association by ideals of the costs that they feel are related with leaving". Allen and Meyer (1990) characterized normative commitment as "the employees sentiments of commitment to stay with the association". This paper is constrained to the investigation of normative commitment as it were.

2. Perceived Organizational Support

According to POS theory, feelings of trust between the parties will develop, leading to long-term obligations (Rhoades and Eisenberger 2002). POS involves the degree to which the organization is willing to compensate employees for their efforts, provide them with interesting work assignments, and provide adequate working conditions (Eisenberger et al. 1986).

POS derived from social exchange theory (Blau 1964) and the norm of reciprocity (Gouldner 1960). Blau defines social exchange as "voluntary actions of individuals that are motivated by the returns they are expected to bring and typically do in fact bring from others" (1964, pp. 91–92). Essentially, social behavior involves an exchange of resources (Homans 1958). Social exchanges involve unspecified obligations in contrast to economic exchanges where, for example, the employee gets paid a specified wage for performance. Social exchanges differ from economic exchanges in that social exchanges involve high levels of trust and obligation and go beyond the employment contract (Murphy et al. 2003). One major difference between social and economic exchanges is that social exchanges involve the parties working for a future unspecified reward, whereas economic exchanges involve receiving reciprocation now.

In their meta-analysis, Rhoades and Eisenberger (2002) cited 70 studies that had investigated the antecedents and consequences of POS. Their findings indicated that POS is correlated highly with fair treatment, rewards and job conditions, supervisor support, and affective commitment. Subsequent research since Rhoades and Eisenberger's (2002) study was published has confirmed these results (e.g., Muse and Stamper 2007; Vandenberghe et al. 2007).

POS theory emphasizes the importance of employees supporting the organization and vice versa. Support by the organization may be interpreted by employees as a commitment to them (Rhoades and Eisenberger 2002; Shore and Shore 1995). In turn, employees will feel an obligation to reciprocate this support by their enhanced commitment to the organization. For example, when the organization provides employees with proper training and fair compensation for their efforts, employees' organizational commitment will increase as a result of developing a positive attitude toward the organization based on their perception of being treated fairly. Thus, the results supporting a statistical link between POS and both job satisfaction and organizational commitment are not surprising (Bishop et al. 2005; Rhoades and Eisenberger 2002; Wayne, Shore, and Liden 1997).

3. Continuance Commitment

The continuance commitment is third component of organizational commitment recognized by Allen and Meyer (1990). Allen and Meyer (1990) portray continuance commitment as a component of two factors: (a) the proportion of efforts that employees make; and (b) an absence of choices". (p.4) That is, people who contribute a lot of time and exertion in learning certain aptitudes that are explicit to the organization, do as such with the point of increasing their income generating capacity. For this situation, employees can just understand the higher income by remaining with the organization. Commeiras & Fournier (2001) have explained that, continuance commitment is the result of employee's choice to remain with an organization as a result of the individual time and assets previously contributed to the organization and due to the expenses of shifting employments. Along these lines, people who have a great deal of interest in their organization are less inclined to leave.

Yong contends that a few people stay obligated in light of the idea of instructing. Lecturing makes numerous requests on lecturers: it is exhausting and complicated work. In any case, people who look for a difficult career likely could be pulled in to educating for this very reason. As Skilbeck and Connell (2004) have remarked: "the demands of educating - and the relative monetary rewards - are with the end goal that solid individual qualities and a well-developed outlook are important to support educators and nourish their dedication over numerous years" (p. 30). Continuance Commitment may likewise come to fruition if the educator focuses on the school in view of significant expenses acquired from quitting the job; for instance, monetary costs, (for example, pension increments) and social costs (kinship ties with co-employees). In this way the employees feels the person must choose the option to remain in the association.

4. POS and Continuance Commitment

Notwithstanding the dread of losing the efforts of the employees they have constituted resources into the organization, people create continuance commitment due to an apparent absence of options. Allen and Meyer (1990) and Meyer and Allen (1991) controvert that a person's pledge to the organization is probably the outcome of the work choices outside the organization. For instance, a worker may accept that the aptitudes gained are not attractive or that those abilities are lacking to go after different jobs in the field. Such a worker would feel secured to the present organization. Individuals who work in conditions where the preparation and aptitudes gained are quite certain to the organization may conceivably grow such obligations. Thus, the employee feels constrained to focus on the organization due to the money related, cognitive, and social and other expenses related with leaving the organization. In contrast to affective commitment, which includes affective association, continuation obligation mirrors a count of the expenses of leaving versus the advantages of remaining with the organization.

Examining into the connections of POS with continuance commitment, Eisenberger et al., (1990) found that POS is decidedly identified with continuance commitment. Nonetheless, Shore and Tetrick (1991, as referred to in Rhoades and Eisenberger, 2002) expressed that "POS may decrease sentiments of ensnarement (i.e., duration duty) that happen when representatives are compelled to remain with an association as a result of the significant expenses of leaving" (p. 701). Regarding rewards, if workers get better money related reward for their commitments in their present associations, which is far-fetched in different associations in center, they will organize the current monetary help given as remuneration that might be one of the significant purposes behind their keeping up participation with their present associations. Consequently, when representatives plan to change the present associations, their discernments with respect to benefits (for example profession development, other budgetary and non-money related advantages and so on.) that they have been accepting from their present associations, normally influence their choices as respects stopping or keeping up enrollment in the present associations. Gutierrez, Candela, and Carver, (2012) likewise found that POS is emphatically identified with continuance commitment.

5. Research Objectives

The following objectives have been formulated for the study;

1. To understand the Demographic profile of the respondents
2. To know whether men and women have the same perception towards continuance commitment.
3. To know the difference among single and married respondents towards perceived organizational support and continuance commitment.
4. To understand the impact of perceived organizational support on continuance commitment.

6. Research Hypothesis Formulated

The following hypotheses were formulated to study the above mentioned objectives;

- H1:** There is no significant mean difference persists among gender of the employees and their perception towards continuance commitment.
- H2:** There is no significant mean difference persists among single and married employees and their perception with regards to perceived organizational support.
- H3:** There is no significant mean difference persists among single and married employees and their perception with regards to continuance commitment.

7. Research Methodology

This descriptive study was conducted with the purpose of establishing a relationship between continuance commitment and perceived organizational support. The population for the study was employees working in NBFC. The data for the study was collected from 612 employees working in NBFC's. Perceived organizational support was measured using short version 8-item scale developed by Eisenberger et al. An example item includes "The organization really cares about my well-being." Continuance commitment was measured using six items from organizational commitment scale of Meyer, Allen and Smith. An example item includes "It would be very hard for me to leave my job at this organization right now even if I wanted to." All the items were measured on a five point scale. The data collected was edited coded tabulated for further statistical analysis, which includes descriptive statistics and inferential statistics.

8. Findings and Discussion

8.1 Percentage Analysis

8.1.1 Demographic profile of the respondents

Table 8.1 Frequency Distribution showing Gender of the respondents

Gender	Frequency	Percent
Male	485	79.2
Female	127	20.8
Total	612	100

From the above table it is found that majority (79.2%) of the sampled respondents is men and 20.8% of them are women.

Table 8.2 Frequency Distribution of Marital status of the respondents

Marital status	Frequency	Percent
Single	192	31.4
Married	420	68.6
Total	612	100

From the above table it is found that majority (68.8%) of the sampled employees are married and around one-third (i.e. 31.4%) of them are single which includes unmarried, divorced, and widow.

8.2 Independent Samples T Test

8.2.1 T Test: Gender Vs. Continuance Commitment

This test is used to recognize the existence of significant difference between men and women respondents and their perception towards continuance commitment.

- H1:** There is no significant mean difference persists among gender of the employees and their perception towards continuance commitment.

Table 8.3 T Test: Gender Vs. Continuance Commitment

Variable	Gender	N	Mean	Std. Deviation	T Test	
					t value	p value
Continuance Commitment	Men	485	18.64	4.239	4.837	<0.001***
	Women	127	16.67	3.409		

Note: *** means significance at less than 0.001 level.

Table 8.3 reveals that the significance values of the t test for equality of means of continuance commitment is significant at less than 0.001 significant level, which means that null hypothesis (H1) is not acknowledged. Henceforth, it is documented that significant mean difference persists among men and women employees and their perception about continuance commitment. The outcome of the above test discovered that the men are having healthier commitment with respect chosen NBFCs at less than 1% level of significance. The consequences of the research describes that overall men have healthier commitment towards organization while comparing to the women employees with a mean score of 18.64 and the standard deviation of 4.239. (Bakker & Leiter, 2010).

8.2.2 T Test: Marital status Vs. Perceived Organizational Support.

This test is used to recognize the existence of significant difference between Married and Single employees and their perception towards perceived organizational support.

H2: There is no significant mean difference persists among single and married employees and their perception with regards to perceived organizational support.

Table 8.4 T Test: Marital status Vs. Perceived Organizational Support

Variable	Marital status	N	Mean	Std. Deviation	T Test	
					t value	p value
Perceived Organizational Support	Single	192	23.56	4.774	-2.326	0.020*
	Married	420	24.59	5.186		

Note: * means significance at 0.05 level respectively.

Table 8.4 summarizes the results of T test of Marital status Vs. perceived organizational support. The p value is significant at 0.05level, hence the null hypothesis (H2) is not accepted. Therefore, it is acknowledged that there is a noteworthy mean difference persists among single and married employees' towards their perception on perceived organizational support.

The outcome of the above test discovered that the employees those who are married are having better perception towards perceived organizational support in the selected non-banking organization while compared to single (unmarried/divorced/widow) employees. The consequences of the research signposts that employees those who are married and are engaged in family life have perceived organizational support comparatively in a better manner than employees who single yet to marry or divorced / widow with a mean score of 24.59 with the standard deviation of 5.186.

8.2.3 T Test: Marital status Vs. Continuance Commitment.

This test is used to recognize the existence of significant difference between marital status of the employees and their perception towards continuance commitment.

H3: There is no significant mean difference persists among single and married employees and their perception with regards to continuance commitment.

Table 8.5 T Test: Marital status Vs. Organizational Commitment

Variable	Marital status	N	Mean	Std. Deviation	T Test	
					t value	p value
Continuance Commitment	Single	192	17.78	4.851	-1.805	0.072
	Married	420	18.43	3.784		

Note: ** and * means significance at 0.01, and 0.05 level respectively.

Table 8.5 discloses the results of T test of Marital status Vs. continuance commitment. The p value of continuance commitment is not significant at 5% level. Therefore, null hypothesis (H3) is accepted with respect to continuance commitment. Hence, it is established that significant mean difference does not persists among single and married employees and their perception with regards to continuance commitment. The outcome of the above test discovered that both the married and single employees are having healthier continuance commitment with respect the selected non-banking organization at 5% level of significance.

8.3 Regression Analysis

8.3.1 Impact of perceived organizational support on continuance commitment

In this study, the dependent variable is the continuance commitment (Y), and independent variable is perceived organizational support (X).

Multiple R value : 0.621
 R Square value : 0.371
 Adjusted R Square : 0.370
 F value : 227.263
 P value : <0.001***

Table 8.6 Variables in the multiple regression analysis

Variables	Unstandardized Coefficients	Std. Error	Standardized Coefficients	t value	P value
Constant	21.440	2.320	-	9.243	<0.001***
Perceived Organizational Support (X)	0.519	0.015	0.721	15.075	<0.001***

Note: *** denotes 0.001 level of significance

Table 8.6 discloses that the multiple correlation coefficient is 0.621 measures the degree of association among the actual values and the predicted values of continuance commitment.

The Coefficient of Determination R-square measures the goodness-of-fit of the estimated Sample Regression Plane (SRP) in terms of the proportion of the variation in the dependent variables explained by the fitted sample regression equation. Therefore the R-square value is 0.371, which means about 37% of the variation in adjustment is explained by the estimated Sample Regression Plane (SRP) that uses the Independent Variable perceived organizational support.

The Multiple Regression Equation is: $Y = 21.440 + 0.721X$

Here the coefficient of $X = 0.721$ represents the partial effect of perceived organizational support on continuance commitment. The projected positive sign suggests that such effect is positive that continuance commitment would rise by 0.721 for every unit of rise in perceived organizational support and where coefficient value is significant at 1% level.

9. Conclusion

The study was conducted to study the variables of continuance commitment and perceived organizational support with respect to demographic variables viz. gender and marital status. The results have supported the hypothesis that difference persists among gender of the employees and their perception towards continuance commitment. Further it was found that perceived organizational support differ with marital status. Besides, demographic variables were found to be significantly affecting the level of continuance commitment and there exist a significant mean difference among single and married employees and their perception with regards to continuance commitment. Though, the study provided with several findings which are useful for a manager to successfully achieve the objectives of the organization, yet, it's not free of limitations. This study is confined to NBFC only, so, findings cannot be replicated to other industries. Comparative studies of other sectors can also be undertaken in future research. As the finding from regression analysis shows that perceived organizational support is a significant contributor to continuance commitment, other related variables like employee empowerment, management styles, justice, personal variables (personality, attitude etc.) culture and climate can be covered in further researches.

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