Empirical Study on the Impacts of Psychological Commitment on Employee’s Engagement in NHK Manufacturing Company in Malaysia

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ABSTRACT
This paper attempts to investigate the impact that will be occurring of psychological commitment on employee engagement. Psychological commitment is assumed as individual’s identification with and involvement in the organization whether the employee will still work with the current organization or leave the organization while employee engagement is the level commitment and involvement an employee has toward his organization and its value. This research was carried out with the purpose that outcomes of this behavior or value may help to determine many work related interaction of the employees. It is mainly related to the employee’s desire to continue or getting engaged to working with the particular organization. The study was conducted on the private sector which is mainly in manufacturing company in Seremban city in Malaysia. A survey instrument of questionnaire was used to collect data. The results indicate that there is a significant impact of the three independent variables which is namely affective, continuance and normative commitment with the dependent variable employee engagement. Normative commitment is found to be the most independent variable in driving the employee engagement in the manufacturing company in Seremban. This research should further examine the particular circumstances under which psychological commitment might influence employee engagement.

Keywords: Psychological Commitment, Employee Engagement

1. Introduction

Psychological commitment and employee engagement is an imperative part of study to many researchers and organizations because they have identified psychological commitment as both an antecedent and a consequence of any number of work related variables. It is mainly related to the employee’s desire to continue or getting engaged to working with the
particular organization. Employees who are engaged in their work and committed to their organizations will give companies decisive reasonable advantages including higher productivity and lower employee turnover (Robert, 2006). Dramatic changes in the global economy over the past 25 years have had significant implications for commitment and tradeoff between employers and employees and thus for employee engagement. Most important, organization have to understand the factors that will influenced the psychological commitment and employee engagement so that they can implement more effective human resource practices to increase their psychological commitment and employee engagement in the organization. Raju and Srivastava (1994) described psychological commitment as the factor that promotes the attachment of the individual to the organization. Employees are regarded as committed to an organization if they willingly continue their association with the organization and devote considerable effort to achieving organizational goals (Raju & Srivastava, 1994). Having the right talent in pivotal roles at the right time is of strategic importance, making a difference to revenues, innovation and organization effectiveness (Ashton & Morton, 2005). This paper is an attempt to provide some valuable insights by creating the link between psychological commitment of the NHK Manufacturing Company and employee engagement. For this exploration, a construct of psychological commitment is developed. The affective, normative and continuance commitment are identified as components of psychological commitment. This way, psychological commitment is proposed to be an important antecedent of employee engagement. In the next section, the conceptual framework is presented, and hypotheses are proposed. Methods of study are then introduced, which includes information about the sample, measures, data analysis and results. Following a discussion of results, implications and limitations are offered.

2. Literature Review

The following section provides a summary of the academic literature that is relevant to this study. It includes a section on psychological commitment from an academic perspective, affective commitment, continuous commitment and normative commitment. And a section on employee engagement, engaged employees, and non-engaged employees and actively disengaged employees.

2.1 Psychological Commitment

Psychological commitment has been defined as an attitude involving employee loyalty to the organization with those individuals who are committed being willing to contribute something of themselves to their organizations (Smith & Hoy, 1992). According to Camp (1994), Chen, Chen and Chen (2010) defined psychological commitment as the extent of loyalty and responsibility felt toward a shared mission and the level of willingness to exert to achieve that mission. Psychological commitment is the employee’s psychological attachment to the organization. In general sense, it reacts one’s load and expectations contingent upon organizational priorities and goals (Henkin & Holliman, 2009; Johnson, Chang, & Yang, 2010; Reichers, 1985). In effect, it’s a universal rule in psychological commitment that a high degree of commitment would bring positive outcomes for the organization. According to the definitions in psychological, not only does an employee’s commitment, guarantee his
performance in the organization without considering the circumstances, but it also helps him take in organizational actions (Steyrer, Schifflinger, & Lang, 2008). Psychological commitment is an attitude, which happens between the individual and the organization. That is why; it is measured as a comparative strength of the individual’s psychological identification and contribution with the organization (Jaramillo, Prakash Mulki, & Marshal, 2005). Hence, this psychological conceptualization addresses affective commitment where it contains three factors: identification, involvement, and loyalty (Banai, Reisel, & Probst, 2004). Psychological commitment focuses on a bond linking individuals to the organization (Mathieu & Zajac, 1990; Meyer & Allen, 1991). It also refers to the employee’s emotional attachment to the organization. It is commonly measured as three dimensional construct comprising of affective commitment, continuance commitment and normative commitment that relates to a sense of obligation (Aydin, Sarier, & Sengul, 2011; Chen et al., 2010; Ware & Kitsantas, 2007). The personnel who have psychological commitment have more competence in doing their task in contrast to non-aligned personnel’s (Ng & Feldman, 2011). Highly committed employees will have high performance as compared to those employees that has less commitment to the organization (Muhammad, Ziauddin, Farooq, & Ramay, 2010). Therefore, psychological commitment has played a crucial role in an organization in which result in high individual and organizational performance.

2.1.1 Affective Commitment

The affective commitment can be considered as an employee’s intention to remain in an organization because of strong desire to do so (Robbins & Timothy, 2010). The impact of this construct on an employee’s working attitude and behaviors has been shown to be the strongest (Meyer, Stanley, Herchcovitch, & Topolnytsky, 2002; San Martin, 2009) compare to normative and continuance commitment (Allen & Meyer, 1990). Affective component is extensively studied the most generalizable across targets, and the most extrapolative of employee behavior (Solinger, van Olffen, & Roe, 2008; Somers, 2010). Employees who have emotional attachment toward the organization and with a strong affective commitment possess a durable desire to retain membership in the organization willingly (Chandel, Sharma, & Bansal, 2011). Employees who have a strong affective commitment stay in the institution because they “want to” (Mosadeghrad, Ferlie, & Rosenberg, 2008). Affective commitment is regarded as the most optimal commitment component (Murphy, 2009; Sinclair, Tucker, & Cullen, 2006).

2.1.2 Continuous Commitment

Continuous commitment refers to the commitment employee’s involvement towards the organization because of investments they have made or because of the costs allied with leaving the organization (Mathieu & Zajac, 1990; Robert, Carilla, & William, 1994). Research into continuous commitment suggests that this component contains of two linked sub-dimensions: personal sacrifice and perceived lack of alternatives (Dunham, Grube, & Castaneda, 1994; Meyer, Allen, & Gellatly, 1990). Both personal sacrifice and apparent lack of employment substitutes increase the costs associated with leaving the organization. Some researchers such as (Angle & Perry, 1981; Hrebinia & Alutto, 1972; McGee & Ford, 1987)
underlined continuance commitment where an individual is dedicated to the organization not because of a general positive feeling but because of superfluous interests such as pensions, family concerns, etc. (Shaw, Delery, & Abdulla, 2003). Continuous commitment shows the propensity to maintain working for the organization. The ones who have a strong continuance commitment keep on because they “need to” (Shaikh et al., 2005; Shirbagi, 2007). Employees with high continuance commitment begin to have little attention therefore this type of commitment is not constructive component of commitment (Murphy, 2009).

2.1.3 Normative Commitment

Normative component refers to the employee’s feelings of obligation to remain with the organization (Allen & Meyer, 1990). Employees who are normatively committed to the organization will stay because “they believe that it is the right and moral thing to do (Weiner, 1982). Employees who have a strong normative commitment stay because they feel they “ought to” (Salami, 2008). Thus, organizational commitment is an internal psychological sensation and force which content employees to continue in an organization. Normative commitment doesn’t have the consequences of affective commitment but it’s considered more positive than the continuance commitment (Murphy, 2009). This type of commitment is usually caused by the reality that employee has the sentiment toward the organization that treats him well and as a result he has to behave the same (Herscovitch & Meyer, 2002). Normative commitment is also known as a binding commitment whereby it proposed that responsibility as the part that keep employee with the organization (Kumar & Bakhshi, 2010).

2.2 Employee Engagement

Employee engagement has been well-defined as “an individual employee’s cognitive, emotional and behavioral state directed toward desired organizational outcomes” (Shuck & Wollard, 2010). Most often it has been describes as emotional and intellectual commitment to the organization (Baumruk, 2004; Richman, 2006; Shaw, 2005) or the quantity of optional effort revealed by employees in their jobs (Frank, Finnegan, & Taylor, 2004). Employee engagement is based on communication style, organizational culture, managerial styles, trust, leader-ship style and respect factors. In order to develop engaging culture workplace the environment that supports these factors must be develop (Ghafoor, Qureshi, Khan, & Hijazi, 2011). Based on William and Schneider (2008) state that engagement is the illusive force that motivates employees to higher (or lower) levels of performance. Organizations with high levels of employee engagement report positive organizational outcomes, a small bright spot in an otherwise bleak financial forecast (Harter, Schmidt, & Hayes, 2002; Kular, Gatenby, Rees, Soane, & Truss, 2008; Shuck & Wollard, 2010). Gallup organization stated employee engagement as involvement with and enthusiasm for work, likens employee engagement to a positive employees’ emotional attachment and employee’s commitment (Markos, 2010). According to the Gallup the consulting organization there are different types of people, engaged employees, non-engaged employees and actively disengaged employees.
2.2.1 Engaged Employees

“Engaged” employees are builders (Vazirani, 2008). They want to know the desired expectations for their role so that they can meet and exceed them. They are naturally curious about their organization and their place in it. They perform at consistently high levels. They want to use their talent and strengths at work every day. They work with passion and they drive innovation and move their company forward. Employees who are engaged in their work have an energetic, enjoyable, and effective connection with their work (Kahn, 1990; Macey & Schneider, 2008).

2.2.2 Non Engaged Employees

“Non-Engaged Employees” tend to concentrate on tasks rather than the goals and outcomes they are expected to accomplish. They want to be told what to do just so they can do it and say they have finished (Vazirani, 2008). They focus on accomplishing tasks vs. achieving outcome. Employees who are not-engaged tend to feel their contributions are being overlooked, and their potential is not being tapped. They often feel this way because they don’t have productive relationship with their managers or with their coworkers. Employees who are not engaged are likely to wasting their effort and talent on tasks that may not matter much and they are not sticking for things to change in their organization, have far more misgivings about their organization in terms of performance (Markos, 2010).

2.2.3 Actively Disengaged Employees

“Actively Disengaged Employees are the “cave dwellers”. They are consistently against virtually everything.” They are not just unhappy at work; they are busy acting out their happiness. They sow seeds of negativity at every opportunity. Every day, actively disengaged workers undermine what their engaged coworkers accomplish. As workers increasingly rely on each other to generate products and services, the problems and tensions that are fostered by actively disengaged workers can cause great damage to an organization’s functioning (Vazirani, 2008).

3. Methodology and Research Design

An organization that is able to improve the psychological commitment is through encouraging the employee to be committed to their current organization and continue their service with them. According to (Bateman & Strasser, 1984) state that the reasons for studying psychological commitment are related to employee engagement and employee behavior, attitudinal, affective, and cognitive constructs such as job satisfaction, characteristics of the employee’s job and role, such as responsibility and personal characteristics of the employee such as age, job tenure. In line with the view suggested in the literature, the study formulated the research hypotheses as below.

H1: There is significant relationship between psychological commitment and employee engagement.
H1a: There is a significant relationship between affective commitment and employee engagement.
H1b: There is a significant relationship between continuance commitment and employee engagement.
H1c: There is a significant relationship between normative commitment and employee engagement.

H2: There is a significant impact of psychological commitment on employee engagement.
H2a: There is a significant impact of affective commitment on employee engagement.
H2b: There is a significant impact of continuance commitment on employee engagement.
H2c: There is a significant impact of normative commitment on employee engagement.

The data for this study were collected via questionnaire survey. Most of the measurement items in the questionnaire were based on the previous studies. All items adopt the same five-point Likert scale, where 1 represents “strongly disagree”, and 5 represents “strongly agree”.

The study was conducted in NHK Manufacturing Company to identify the relationship between psychological commitments towards employee engagement. 150 respondents participated in the survey. In accordance with the norm, participation in the study is voluntary and the subjects are free to withdraw at any time without obligation. They are free to decline to answer any questions they do not wish to answer. The subjects are informed that their responses would be anonymous and confidential with the promise of research results upon their request. All the questionnaires were distributed and collected directly and personally. Of the 250 questionnaires distributed, 150 questionnaires were returned.
4. Results and Discussions

Data analyses were carried out by applying SPSS18.0. First, descriptive analysis was used to analyze the demographic characteristics of the respondents. Secondly, reliability test was conducted through Cronbach’s Alpha to verify the internal consistency is guaranteed for the measurement index. Then, Correlation analysis was followed to analyze the relations between Psychological Commitment and Employee Engagement. Finally, regression analysis was employed for the investigation to examine which among the three levels of independent variables is the most to explain employee engagement.

4.1 Descriptive Analysis

The respondent that took part for this paper consists of both male and female. The majority employee in NHK manufacturing sector is male of 60.0% compared to female (40.0%). This has showed that now days more male prefer themselves to be committed in work environment. As for the age groups, 25.3% were in the age group of 26-30 years which is the highest and 6.0% were in the group of more than 45 years which is the lowest. This indicates that a majority of the respondents who participated in this survey were fairly younger in age.

In term of race, there was an almost equal distribution among the three major races in Malaysia except others race, Malays 44.0%, Chinese 24.7% and Indians 25.3%. The reaming was others 2.7%. This shows that the study is done equally among the three races in Malaysia.

As for the highest level of education, the largest portion of the respondents are possessed diploma, 75 persons out of 150, up to 50.0%; 60 persons possess secondary, 40.0% of total; primary 5.3%; degree 2.0%; and master 2.7%. All of this indicates a positive qualifications and experience are provided by the respondents.

For the citizenship, the most is fall in the Malaysia which is 97.3% and the lowest is expatriate which is 0.7%, while for the type of employment, there have been proven that the highest is for permanent which is 60.7% and the lowest will be the temporary which is 17.3%. Besides that, for the employment group, majority of them are in the operator level 41.3% following by non-executive which is 24.0% and only a small number are in the senior manager which is 4.0%.

As for the years in the current organization, majority of the respondents have been with their present organization for 2-5 years which is 46.7%; 6-9 years which is 25.3% and only 8.7% have been with their present organization for more than 10 years. This may also indicate that there is a trend of employees in Malaysia to be more mobile and are more susceptible to change jobs in pursuit for career growth and development.

4.2 Reliability Analysis

Reliability was tested for each variable Psychological Commitment and the Employee Engagement. The results score ranged from .80 to .94. The results are normally within acceptable limit for social studies.
4.3 Correlation Analysis

In this section, Spearman’s Rank Correlation Coefficient was used to determine the relationship among the study variables. In addition, it identifies significant that opposites the potential value of the error from first type, and it is the amount probability uncertainty value is at significance (0.01) to determine the moral differences between the study variables. The statistical results are shown in Table 1, which verifies the first main hypothesis, that is, there are significant relationship between the Psychological Commitment and the Employee Engagement. The details are as in the following:

H1a: There is a significant relationship between affective commitment and employee engagement.

As the statistical results shown in Table 1, Spearman’s Rank Correlation Coefficient value on the relationship between affective commitment and employee engagement was 0.673 at a significant level of 0.01. Thus, it is a significant positive correlation, which means affective commitment have strong significant relationship with employee engagement. Thus, the sub-hypothesis H1a is verified.

H1b: There is a significant correlation between continuance commitment and employee engagement.

As the statistical results shown in Table 1, Spearman’s Rank Correlation Coefficient value on the relationship between continuance commitment and employee engagement was 0.644 at a significant level of 0.01. Thus, it is a significant positive correlation, which means continuance commitment have strong significant relationship with employee engagement. Thus, the sub-hypothesis H1b is verified.

H1c: There is a significant correlation between normative commitment and employee engagement.

As the statistical results shown in Table 1, Spearman’s Rank Correlation Coefficient value on the relationship between normative commitment and employee engagement was 0.718 at a significant level of 0.01. Thus, it is a significant positive correlation, which means normative commitment have strong significant relationships with employee engagement. Thus, the sub-hypothesis H1c is verified.

Table 1: The Correlation Results between Psychological Commitment and Employee Engagement

<table>
<thead>
<tr>
<th>Variables</th>
<th>Employee Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Psychological Commitment</td>
<td></td>
</tr>
<tr>
<td>Affective Commitment</td>
<td>0.673** Rs</td>
</tr>
<tr>
<td>0.000 Sig</td>
<td></td>
</tr>
<tr>
<td>Continuance Commitment</td>
<td>0.644** Rs</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
As the statistical results shown in Table 1, Spearman's Rank Correlation Coefficient value on the relationship between total psychological commitment and total employee engagement is 0.784 at a significant level of 0.01. Thus, it is a significant positive correlation which means the total employee engagement has strong significant relationship with the psychological commitment. Thus, the first main hypothesis is verified.

### 4.4 Regression Analysis

The analytical study has been used of simple linear regression method to measure the impact between the independent variables and the dependent variable. After measuring the impact, it is proven by the adjusted coefficient of determination $R^2$, which shows the percentage explained by the independent variable changes in the dependent variable. Thus, the value of $R^2$ is located between 0 and 1 sense $1 > R > 0$, whenever the value of $R^2$ become big, the interpretation strength of the regression equation become big. Fitness test (F) was made to analyze variance for measuring the significance model of simple linear regression to measure the degree of appreciates (Fitness) as dependent model. In addition, adoption of the statistical indicator supported note that the value of (F) spreadsheet is, as well as the adoption of the statistical indicator Beta Coefficient (B) or called by the amount of tendency regression model to determine the amount of change (impact) in the dependent variable unit when the value of the independent variable was changed by one unit. If the tendency significant degree is less than 0.05 sense $P < 0.05$, that is evidence of the impact of the independent variable in the dependent variable and the opposite is true. Therefore, this section includes the impact between the variables of the study according to the study hypotheses, as follows Table 2.

<table>
<thead>
<tr>
<th>Model</th>
<th>Adjusted R Square</th>
<th>F</th>
<th>Sig.</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective Commitment</td>
<td>Employee Engagement</td>
<td>0.450</td>
<td>122.031**</td>
<td>0.000</td>
</tr>
<tr>
<td>Continuous Commitment</td>
<td>Employee Engagement</td>
<td>0.418</td>
<td>104.229**</td>
<td>0.000</td>
</tr>
</tbody>
</table>

As the statistical results shown in Table 1, Spearman's Rank Correlation Coefficient value on the relationship between total psychological commitment and total employee engagement is 0.784 at a significant level of 0.01. Thus, it is a significant positive correlation which means the total employee engagement has strong significant relationship with the psychological commitment. Thus, the first main hypothesis is verified.
Table 2 shows that the regression of affective commitment on employee engagement is acceptable. As indicated in the F test, the calculated F value is 122.031, at a significant level of 0.01. Moreover, the value of the adjusted $R^2$ is 0.450, which means that the affective commitment explain 45.0% of the gained changes of the employee engagement. In addition, the value of the coefficient Beta for the affective commitment as an explanatory (independent) variable for the respondent (dependent) variable employee engagement is 0.673, at a significant level of 0.01. This refers to the change of one unit in the affective commitment followed by an increase of 0.673 units in the employee engagement. Thus, it verifies the sub-hypothesis H2a.

H2b: There is a significant Impact of continuous commitment on employee engagement.

The statistical results in Table 2, illustrate that the regression of continuous commitment on employee engagement are acceptable. As indicated in the F test, the F-value is calculated as 104.229 of 0.01. The value of the adjusted $R^2$ is 0.418. It means that the continuous commitment explain 41.8% of the gained changes of the employee engagement. In addition, the value of the coefficient Beta for the continuous commitment as an explanatory (independent) variable for the respondent (dependent) variable employee engagement is 0.644 at significant level of 0.01. In the other word, the change of one unit in the continuous commitment is followed by an increase of 0.644 units in the employee engagement. Thus, the sub-hypothesis H2b is verified.

H2c: There is a significant Impact of normative commitment on employee engagement.

The statistical results in Table 2, demonstrate that the regression of normative commitment on employee engagement is acceptable. As indicated in the F test, the F-value is 155.740 at a significant level of 0.01. The value of the adjusted $R^2$ is 0.513. This means that the normative commitment explain 51.3% of the gained changes of the employee engagement. In addition, the value of the coefficient Beta for the normative commitment as an explanatory (independent) variable for the respondent (dependent) variable employee engagement is 0.718 at significant level of 0.01. This means that the change of one unit in the normative commitment causes an increase of 0.718 units in the employee engagement. Thus, it verifies sub-hypothesis H2c.
As shown in Table 3, for the total psychological commitment, the results of F-value is 233.237 at significant level of 0.01. It indicates that the regression result of psychological commitment on employee engagement is acceptable. The adjusted $R^2$ is 0.612, which indicates that psychological commitment explains 61.2% of the gained changes of the respondent (dependent) variable employee engagement. Moreover, the value of the coefficient Beta for the total psychological commitment as an explanatory (independent) variable for the employee engagement is 0.784 at a significant level of 0.01. This verifies the validity of the second main hypothesis.

5. Discussion

Evidently, this is a study of empirically tested the relationship and impact of affective, continuance and normative psychological commitment with employee engagement. The results of this investigation suggest that psychological commitment have significance relationship and impact with employee engagement in manufacturing companies in Malaysia. Previous studies, like that of (Rothmann & Jordaan, 2006), confirm the finding that there is a positive relationship between work engagement and organizational commitment.

The statistical results has indicated a positive relationship and impact of psychological commitment and employee engagement suggest that psychological commitment is one of the areas that management should look into as it is extensively related with the employee engagement in manufacturing company in Malaysia. This explains that, if employee is well well-versed on what the company is doing, being well-informed the reason behind why the company made a decision and information is being shared with them in timely manner the engagement within the employee will be increased. Moreover, the results of this study indicates a positive relationship between affective commitment and employee engagement validating the study conducted by (Meyer & Allen, 1997) whereby employees who feel they are listened to supported and recognized for their contributions are likely to be more engaged.

In the case most of the manufacturing company in Malaysia, employees retain membership out of choice and this is their commitment and engagement to the organization.

Generally the results of this study support previous research that there is a positive relationship between continuance commitment and employee engagement. This has been proving when the result shows the significant value. Continuance commitment includes factors such as years of employment or benefits that the employee may receive that are unique to the organization (Reichers, 1985). Further, according to (Meyer & Allen, 1997) clarify that employees who contribute to continuance commitment with their employer often make it very difficult for an employee to leave the organization and will get engaged with the organization. On the other hand, normative commitment shows the most attractive that attract the employee to engage in the company. A study that (Jackson, Rothmann, & Van de Vijver, 2006) conducted also found that work engagement is an antecedent of organizational commitment because people who engage deeply with their work are more committed to their organizations. Hence, it is important for the organization to create engagement in their workplace by building a better understanding between the employees and the organization.
6. Conclusion

The above statistical results prove that there are significant strong relationship between the psychological commitments (i.e. Affective, Continuance and Normative) and the employee engagement. More importantly, there is significant impact of the psychological commitment components on the employee engagement. In others words, to encourage the three dimension of the psychological commitment may result in the enhancement of the employee engagement in the company.

After the study, the researchers hope that more research will be conducted in the future in order to gain a whole understanding of employee engagement as other drivers may also contribute to employee engagement in NHK Manufacturing. Therefore, manufacturing companies in Malaysia should focused more time and resources in this area as it brings a great impact in enhancing the level of engagement in the organization.

References


