
A Study of Gender and Age as a Determinant of Organizational Commitment In Banks

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Abstract

Organizational commitment is a feeling of dedication to one's employing organization, willingness to work hard for that employer, and the intent to remain with that organization. Organizations today are facing challenges and opportunities due to constantly changing world of business. Present study was planned to ascertain the effect of gender and age on the organizational commitment of the employees of Banks. Data was collected from 203 employees of nationalized banks. One way ANOVAs was used for data analysis. The study revealed that female is more committed to organization than male. There is impact of Age on commitment level of employees.

Keywords: Organizational Commitment, Banks, Gender and Age.

Introduction: Today the Indian banking industry is witnessing boom times better than ever before. The availability of skilled managerial and technical work force in India will contribute considerably to the prosperity of the banking industry in future. Hence, in the present study an attempt to assess impact of gender and age on Organizational commitment of the employees, who are presently working in banking sector. Organizational commitment is important to researchers and organizations because of the desire to retain a strong workforce. Researchers and practitioners are keenly interested in understanding the factors that influence an individual's decision to stay or leave an organization.

Commitment is the function of inherent sincerity of an individual, which develops the capacity to work hard and give good results even in poor and adverse circumstances. The concept of organizational commitment has attracted considerable interest in an attempt to understand and clarify the intensity and stability of an employee's dedication to the organization (Lumley 2010). Organizational commitment has been used to refer three aspects of staff attitudes that indicate the extent to which the employee demonstrate a strong desire to remain the member of the organization, the degree of willingness to exert high level of efforts for organization and belief and acceptance of the measures goals and value of the organization (Mowday et.al 1982).

Organizational commitment is an effective response to the whole organization and the degree of attachment or loyalty employees feel towards the organization. The construct of commitment has been viewed in the main as a composite of three main components representing affective, normative and continuance aspects of commitment (Coyle-Shapiro et al., 2006). In fact affective, continuance and normative commitment

represent psychological states that have implications on whether an employee remains with an organization.

There is a need to understand a link between individuals and organizations in terms of conceptual framework of organizational commitment. Organizational commitment is widely described in the management and behavioral sciences literature as a key factor in the relationship between individuals and organizations. Raju and Srivastava (1994) described organizational 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 and Srivastava, 1994). The authors argue that the high levels of effort exerted by employees with high levels of organizational commitment would lead to higher levels of performance and effectiveness at both the individual and the organizational level.

Types of Organizational Commitment:

Affective Commitment: Affective commitment is the individual's psychological or emotional connection to, identification with and participation in the organization (Meyer & Allen 1997). Employees that are affectively committed to the organization will probably carry on working for it because they want to (Meyer & Allen 1991). Individuals who are dedicated at an emotional level usually remain with the organization because they see their individual employment relationship as being in harmony with the goals and values of the organization for which they are currently working.

Continuance Commitment: Continuance commitment is regarded as an awareness of the costs associated with

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leaving the organization (Meyer & Allen 1997). Because of the individual's awareness or consideration of expenses and threats linked to leaving the organization, continuance commitment is considered to be calculative (Meyer & Allen 1997). This differs from affective commitment, where individuals remain with an organization because they want to and because they are familiar with the organization and its principles.

Normative Commitment: Normative commitment can be explained as a sense of responsibility to continue employment with a specific organization (Meyer & Allen 1997). The internalized idea of responsibility and commitment allows employees continued membership that is appreciated by a specific organization (Allen & Meyer 1990).

Literature Review: With the growing importance of the subject under study, some literature covering Organizational Commitment in service sector have been produced by economists, researchers and practitioners. A plethora of western and Indian empirical investigations have explored one or more facets about employees commitment and psycho-socioeconomic –demographic and other factors affecting the employees commitment which are summarized in the review related with this proposed work. Designing the job with greater decentralization, more autonomy, power and control, rewarding employees differently on performance basis enhances commitment and good quality of work life Sekran (1981).

There is a link between organizational commitment and employee turnover and concluded that employees who were strongly committed to the organization were less likely to leave it Allen and Meyer (1990). Overall job satisfaction and perceptions of organizational support are key emotional and cognitive processes that mobilize commitment in the workplace Yoona (2002). In another study of Feather and Rauter (2004), Aizzat et al. (2003) found that Job Satisfaction level and Organizational Justice can influence employee organizational commitment. Numerous empirical evidence has been found regarding work commitment and its relationships with job satisfaction and organizational justice in large organizations. The findings also indicate that the level of work commitment is also influenced by various factors including demographic characteristics, pay, co-workers, work, supervision, a firm's background and employees satisfaction level. Angle and Perry (1981) uncovered a relationship between commitment and turnover. Wiener and Vardi (1980) reported positive correlation between commitment and job performance. Jermier and Berkes (1979) discovered that employees who were allowed to participate in decision making had higher levels of commitment to the organization. Loui (1995) found that

commitment was significantly related to trust, job involvement, and job satisfaction.

If employees are highly satisfied with their work, coworkers, pay, and supervision and derive high level of overall job satisfaction with their jobs they are more likely to be committed to the organization than if they are not satisfied. One usually feels obligated and committed to the source that offers satisfaction and happiness. On the basis of the above statements, we can say that there would be positive correlation between Organizational commitment and each of the following variables: pay, promotion, work, coworkers, supervision, and overall job satisfaction. (Angle & Perry, 1981; Bateman & Strasser, 1984; Dewar & Werbel, 1979; Farkas & Tetrick, 1989)

Positive relations between peers and with management affect an employee's commitment to the organization. An employee's commitment towards the organization is affected by the nature of relations between colleagues. It has been noticed that conflicting relationships exist between peers; and between employees' and the management, which threaten organizational commitment. Organizations need to promote social activities, so that friendly relations can improve between the employees; and in turn, their commitment towards the organization excels Kirmizi & Deniz (2009). Motivated employees are crucial to an organization's success, and therefore understanding people in their jobs and what motivates them could be a driving force in strengthening organizational commitment Lumley (2010). Gleitman (1981) suggests that needs satisfaction and met expectations (Wanous, 1992; Wanous et al; 1992) provide little support to in explaining the process of commitment formation. Becker (1990) said that affective commitment occurs with continuance and normative commitment, under the large umbrella of attitudinal commitment. Koslowksy (1990) explained the relationship between commitment and satisfaction and found that If employees are satisfied with their work they will be more committed towards the organization. De Cotiis & Summers (1987) found that when employees were treated with consideration, they displayed greater level of commitment. Reyes and Pounder (1993) found greater teacher commitment, as well as greater job satisfaction, among teachers who worked in schools maintaining a normative as opposed to a utilitarian value approach. Morris and Sherman (1981) focused upon the influence of other salient work experiences such as leadership style to which an employee is exposed. Positive correlation exists between commitment and both leaders initiating structure and leader consideration. This relationship is evident in school setting as well, with supportive principal behaviors such as feedback, acknowledgement, and collaborative problem solving correlated with higher

levels of Organizational commitment (Bilingsley & Cross 1992; Rosenholtz 1989).

Objectives of Study:

- To study the Organizational Commitment with respect to gender among employees of Banks.
- To study the Organizational Commitment with respect to age among employees of Banks.

Hypothesis:

H₀₁: There is no significant difference between Organizational Commitment with respect to gender among employees of Banks.

H₀₂: There is no significant difference between Organizational Commitment with respect to age among employees of Banks.

Research Methodology: The study is exploratory in nature. Data were collected from 203 banking employees in Indore city. The sampling technique followed for the study was Convenience Sampling. For Data Collection scale of Organization commitment has been used which was developed by Dr. Anukool M. Hyde and Rishu Roy (2006). Reliability and Validity of the scale is 0.89 and 0.94 respectively. Data was collected from 203 respondents during Jan –April 2013. Initially 225 questionnaires were distributed Out of the same, 210 questionnaires were received back and 203questionnaire were finally considered for data analysis. Data was analyzed using statistical technique t-test and ANOVA.

Reliability Test:

After the testing of questionnaire we have tested reliability of whole data on all factors. Reliability test has been made on whole 203 samples for testing the reliability of Organizational Commitment. With the help of Coefficient (Cronbach Alpha); we have tested the reliability of factors. Reliability of 203 samples for Organizational Commitment has Cronbach's Alpha (.961) (see table 1) which is excellent, according to different theory of reliability value above 0.6 is appropriate, low value below the 0.5 implies that reliability may not be appropriate. No items have been removed from the questionnaire.

Results and Discussions:

Since $p=.000$ (see table 3) which is less than .05 which means that null hypothesis is not accepted. Therefore, H₀₁ (There is no significant difference between Organizational Commitment with respect to gender among employees of Banks.) is not accepted. This means that there is a significant difference in commitment level of bank employees with respect to gender. Female employees are more committed then male employees. It

could be the reason that female does not switch job frequently as compare to male because female are having different priorities then male. Males are more oriented towards financial prospects and growth as compare to female in general. It could be the reason that females are more committed towards organization. In another study of Elizur and Koslowsky (2001) also revealed that gender was also found to be a significant predictor of commitment. In another study of Joolideh and Yeshodhara (2008) found that the female teachers had better organizational commitment than the male teachers.

Mishra (2011) found between the male and female teachers with respect to organizational commitment and found they differed significantly. The results revealed that the female teachers possessed significantly higher level of organizational commitment than their male counterparts. Zilli and Zahoor (2012) conducted a study on organizational commitment among male and female teachers which mainly aimed at comparing their organizational commitment. Result revealed that the females had significantly higher level of organization commitment.

Since $p=.016$ (see table 5) which is less than .05 which means that null hypothesis is not accepted. Therefore, H₀₂ (There is no significant difference between Organizational Commitment with respect to age among employees of Banks.) is not accepted. This means that there is a significant difference. By applying post Hoc multiple comparison test, it is found that significant difference exist between the following age groups (up to 30,30-40,40-50,50 & above years)at 5 % significance level. Table 6 disclosed that age 50& above years is having better QWL as compared to other age groups .This is an age group in which employee' s are most attached with the organization. Since they are working from a long period, they are adjusted and familiarized with the working environment. The least satisfied are from age group up to 30 years. Abdullah & Muhammad I. Ramay (2009) also identified in his study that employees having longer tenures and ages show more commitment than the employees having smaller tenures with the organizations and younger in age respectively. This is easy to understand because employees who have spent most of their lives with the organization should exhibit high commitment. Also with age, alternative opportunities for employees become limited; thereby enhancing their commitment with the organization they are working for. Kumar and Giri (2009) in their study reported that the aged employees had higher organizational commitment.

Limitations of the Study:

- The study was carried out with its own limitations in terms of time and resources, thus, there is a need to testify the results by undertaking similar research

work on a larger sample in Banks. The number of respondents was 203, which may be small to represent the entire banking employees.

- The study was restricted to Banks of Indore Division only.
- The findings of the study are based on the information supplied by the respondents, which might have their own limitations. The responses received from respondents might be prejudiced. Possibility of hiding certain facts on the part of respondents could not be completely ruled out, although all possible effort has been made to elicit authentic information.

Implication and Directions for Future Research: As banking industries are becoming increasingly important to the economies of developed nations, the organization affirm that their employees are the most valuable asset. If employees are committed to organization, and then it is likely that employees will report higher levels of performance and job involvement. Employee satisfaction facilitates superior performance and also greater attraction and retention of the best employees, thereby enhancing the ability of the organization to deliver higher quality services. In concurrence with the ascertained importance of an employee's role in the service exchange process, therefore, the present research is an attempt to study organization commitment where experience help in banks to retain employees and help them towards career development, increasing managerial effectiveness and organization commitment.

Based on the limitation of the study, the suggestions for future research are as under: The study has provided 'new vistas' for further research in a promising way. The study can be extended to identify the pattern of relationship among different dimensions of Organizational commitment of banking employees. Organizational commitment of other professionals like academicians, BPO employees, Insurance sector employees, I.T. sector employees, manufacturing industry employees and scientists can be explored and compared with that of banking employees. The impact of organizational commitment can be studied with other variables like Quality of Work Life, job satisfaction, productivity, organizational climate, locus of control, mental health, organizational politics, emotional intelligence etc. The organizational commitment should be broad in scope and it must evaluate the attitude of the employee towards the personnel policies.

Conclusion: Statistical analysis indicates that the employees working in the banking sector feel that their jobs are somewhat secure. Also they are provided a reasonably healthy working environment. The

employees are slightly satisfied with the pays and their say in work-related decisions. People working in the banking sector are mildly committed towards the organizations they are working for and feel that they have a sense of belonging towards it. The result of the study revealed that there is significant difference between male and female employees of Banks on Organizational Commitment. Female are more committed than male. Likewise age of respondent was also found to have significant association with Organizational Commitment. Age seemed to affect the commitment of employees, with higher commitment shown for higher age. The argument that the old people are unlikely to have keen interest in looking for opportunities outside the present bank is based on the theory that age binds one more tightly to the organization. In other words, age reduces the attractiveness of individuals to other organizations.

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Annexures

Table 1

Reliability Statistics

| Cronbach's Alpha | N of Items |
|------------------|------------|
| .961 | 30 |

Table 2

Group Statistics

| Gender | N | Mean | Std. Deviation | Std. Error Mean |
|-----------------|-----|--------|----------------|-----------------|
| Totalscore Male | 109 | 105.73 | 25.671 | 2.459 |
| Female | 94 | 116.38 | 16.179 | 1.669 |

Table 3**Independent Samples Test**

| | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|------------------------------------|---|------|------------------------------|---------|-----------------|-----------------|-----------------------|---|--------|
| | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | Lower | Upper |
| Totalscore Equal variances assumed | 20.295 | .000 | -3.471 | 201 | .001 | -10.649 | 3.068 | -16.699 | -4.599 |
| Equal variances not assumed | | | -3.584 | 184.859 | .000 | -10.649 | 2.972 | -16.512 | -4.786 |

Table 4**Descriptives**

| Totalscore | | | | | | | | |
|------------------|-----|--------|----------------|------------|----------------------------------|-------------|---------|---------|
| | | | | | 95% Confidence Interval for Mean | | | |
| | N | Mean | Std. Deviation | Std. Error | Lower Bound | Upper Bound | Minimum | Maximum |
| 0-30 years | 53 | 105.32 | 25.846 | 3.550 | 98.20 | 112.44 | 49 | 142 |
| 30-40 years | 58 | 107.74 | 25.754 | 3.382 | 100.97 | 114.51 | 54 | 139 |
| 40-50 yeas | 63 | 113.48 | 17.459 | 2.200 | 109.08 | 117.87 | 61 | 141 |
| 50 & above years | 29 | 120.17 | 12.918 | 2.399 | 115.26 | 125.09 | 97 | 137 |
| Total | 203 | 110.67 | 22.387 | 1.571 | 107.57 | 113.76 | 49 | 142 |

Table 5**ANOVA**

| Totalscore | | | | | |
|----------------|----------------|-----|-------------|-------|------|
| | Sum of Squares | df | Mean Square | F | Sig. |
| Between Groups | 5128.702 | 3 | 1709.567 | 3.540 | .016 |
| Within Groups | 96110.520 | 199 | 482.967 | | |
| Total | 101239.222 | 202 | | | |

Table 6**Multiple Comparisons**

Totalscore

Tukey HSD

| (I) Age | (J) Age | Mean Difference (I-J) | Std. Error | Sig. | 95% Confidence Interval | |
|------------------|------------------|-----------------------|------------|------|-------------------------|-------------|
| | | | | | Lower Bound | Upper Bound |
| 0-30 years | 30-40 years | -2.421 | 4.176 | .938 | -13.24 | 8.40 |
| | 40-50 yeas | -8.155 | 4.096 | .195 | -18.77 | 2.46 |
| | 50 & above years | -14.852* | 5.076 | .020 | -28.00 | -1.70 |
| 30-40 years | 0-30 years | 2.421 | 4.176 | .938 | -8.40 | 13.24 |
| | 40-50 yeas | -5.735 | 3.999 | .480 | -16.10 | 4.63 |
| | 50 & above years | -12.431 | 4.998 | .065 | -25.38 | .52 |
| 40-50 yeas | 0-30 years | 8.155 | 4.096 | .195 | -2.46 | 18.77 |
| | 30-40 years | 5.735 | 3.999 | .480 | -4.63 | 16.10 |
| | 50 & above years | -6.696 | 4.932 | .527 | -19.47 | 6.08 |
| 50 & above years | 0-30 years | 14.852* | 5.076 | .020 | 1.70 | 28.00 |
| | 30-40 years | 12.431 | 4.998 | .065 | -.52 | 25.38 |
| | 40-50 yeas | 6.696 | 4.932 | .527 | -6.08 | 19.47 |

*. The mean difference is significant at the 0.05 level.