Assessing the Effect of Organizational Commitment on Service Quality; a Study of Customer-Contact Employee

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Keywords: Normative, Continuance, Affective, Commitment and service Quality.
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Assessing the Effect of Organizational Commitment on Service Quality; a Study of Customer-Contact Employee

Ogunnaike¹, Olaleke.Oluseye²

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I. BACKGROUND OF THE STUDY

Organizational commitment has an important place in the study of organizational behavior. This is in part due to the vast number of works that have found relationships between organizational commitment and attitudes and behaviors in the workplace. Furthermore, Batemen and Strasser (1984)³ state that the reasons for studying organizational commitment are related to an employee behaviors and performance effectiveness. Organizational commitment has been studied in the public, private, and non-profit sector, and more recently internationally.

Early research focused on defining the concept and current research continues to examine organizational commitment through two popular approaches, commitment-related attitudes and commitment-related behaviors. A variety of antecedents and outcomes have been identified in the past thirty years. Organizational commitment researchers have devoted much attention to the matter of identifying the predictors of organizational commitment. Predictors of commitment have been studied, not merely to produce commitment as an end in itself, but as a means of linking commitment to desirable organizational outcomes such as improved attendance and improved performance.

The service industry is one of the most regulated in the economy; therefore most companies are increasingly paying more attention to customers’ contact-employees to achieve the desired profit and market share goals which is also crucial to the survival of service organization. For a successful process or growth, organizations are now adopting a people-oriented approach as compared to profit-oriented approach. Successful service managers recognize the essence of customer-contact as a profitability drive in this service paradigm.

However, it has been observed that the competition in the service organization has made it necessary for organization to engage in organizational commitment in order to increase the effectiveness of service quality and their customer base.

This study therefore seeks to determine the effect of organizational commitment on service quality. In order to achieve this primary objective, the following hypotheses were tested;

1) Hypothesis One

H⁰: Affective commitment has no effect on service quality.
H¹: Affective commitment has effect on service quality

2) Hypothesis Two

H⁰: Continuance commitment has no significant effect on service quality
H¹: Continuance commitment has a significant effect on service quality

3) Hypothesis Three

H⁰: Normative commitment has no significant effect on service quality.
H¹: Normative commitment has a significant effect on service quality.

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II. Literature Review

1) Conceptual Framework

a) Different Concept Of Organizational Commitment

The most popular definition of organizational commitment used in the relevant literature is the three component model of organization commitment namely affective, normative and continuance commitment. The understanding of affective commitment can include identification with, and involvement in the organization (psychological attachment). Employees with strong affective commitment remain with the company because they see their goals and values to be congruent with that of the organization. Continuance commitment includes the cost awareness when leaving the organization. Employees with strong continuance commitment remain in the company because they need to do so. McGee and Somers suggest that continuance commitment is subdivided into high sacrifice commitment (personal sacrifice associated with leaving) an Alternative commitment Normative commitment reflects a fee Normative commitment reflects a feeling of obligation to the company. Strong commitment in this situation is where employees feel they ought to remain with the company based on a sense of duty, loyalty or moral obligation. affective, normative and continuance commitments were distinguishable, but affective and normative commitments appear to be related. Research shows that employees who are more committed demonstrate higher job performance, less job displeasure, more ethical behavior, and diminished intent to leave, less stress and organizational citizenship. Furthermore they perceive the value of organizational goals and think of their goals and those of the organizations in personal terms, thereby a lot of cost efficiencies accrue from committed employees. Originally, the goal congruence approach conceptualized organizational commitment as a uni-dimensional construct and defined it as the relative strength of an individual’s identification with, and involvement in a particular organization. On the other hand, the side bet approach focused on the accumulated investments an individual stands to lose if he or she leaves the organization. conceptualized organizational commitment as a multidimensional construct and proposed a three-component measure of organizational commitment, comprising of:

- **Affective Commitment**: This refers to the employee’s emotional attachment to, identification with and involvement in the organization. Affective commitment is defined as employee emotional attachment to, identification with, and involvement in the organization and its goals. It results from and is induced by an individual and organizational value congruency. As a result, it becomes almost natural for the individual to become emotionally attached to and enjoy continuing membership in the organization factors which help create intrinsically rewarding situations for employees to be antecedents of affective commitment. These factors include such job characteristics as task significance, autonomy, identity, skills variety and feedback concerning employee job performance, perceived organizational support or dependence (the feeling that the organization considers what is in the best interest of employees when making decisions that affect employment conditions and work environment), and the degree that employees are involved in the goal-setting and decision-making processes.

- **Normative Commitment**: This refers to the employee’s feelings of obligation to stay with the organization. Such a feeling of obligation often results from what is characterized as “generalized value of loyalty and duty.” This is an almost natural predisposition to be loyal and committed to institutions such as family, marriage, country, religion and employment organization as a result of socialization in a culture that places a premium on loyalty and devotion to institutions. This view of commitment holds that an individual demonstrates commitment behavior solely because she or he believes it is the moral and right thing to do. This feeling of moral obligation is measured by the extent to which a person feels that he or she should be loyal to his or her organization, make personal sacrifice to help it out and not criticize it

- **Continuance Commitment**: This refers to the commitment based on the costs that the employee associates with leaving the organization. Continuance commitment is defined as willingness to remain in an organization because of personal investment in the form of nontransferable investments such as close working relationships with coworkers, retirement investments and career investments, acquired job skills which are unique to a particular organization, years of employment in a particular organization, involvement in the community in which the employer is located, and other benefits that make it too costly for one to leave and.

b) Concept Of Service Quality

Service quality is a measure of how well the service level delivered matches customer expectations. Delivering quality service means conforming to customer expectations on a consistent basis (Mattson 1994). Service quality means different things to different people. The measure of service quality is based on five service quality dimensions known as tangibility, reliability, responsiveness, assurance, and empathy, over the years it has been adapted and applied in various contexts. The gaps examine service quality in terms of five gaps between expectation and perception

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on the part of management, employees and customers. The difference between customers expectation of a service and their perception of the service actually delivered is known as the service quality gap. Service quality dimension has been categorized into the following

- **Enhancing factors**: those things which may lead to customer satisfaction but when not delivered do not necessarily cause dissatisfaction.

- **Dual threshold factors**: those things which, when delivered above a certain level of adequacy lead to satisfaction but when delivered at a performance level perceived to be below the threshold cause dissatisfaction (Carlson 1987).6

2) Theoretical Framework

Theories can help us to understand how organizational commitments are formed, strengthened and changed. This study is premised upon the following theories:

a) The commitment-trust theory

Morgan and Hunt (1994)6 posit that commitment and trust mediate variables that are essential to understanding relationship marketing; relational exchange is the conceptual basis for the theory. The vital bond between commitment and trust signifies that channel partners avoid opportunistic behaviour and work towards mutual benefit and long-term gain, establishing the foundation for a positive, productive relationship. Furthermore, trust and commitment are antecedents for strategic partnering; defined by Meyer (1997) as long-term inter-firm relationships based on identifying and achieving strategic goals, with the objective of delivering value and profitability to stakeholders. Relationship value has been an elusive concept; this is surprising, given the deep roots that value has in marketing literature. Alderson (1957)8 initially conceptualized exchange as a discrete action based on utility with an outcome of value. The concept of exchange was broadened to include the social and economic relationships that are found in channels of distribution despite this; relationship value in a channel context was not specifically defined or investigated. The services and relationship marketing literature adopted the concept of relationship value (Payne and Holt, 1999)6 but it was explored from the perspective of the lifetime value of the customer. Relationship value, as it pertains to channel outcomes, has not been significantly advanced by researchers it was not considered by Morgan and Hunt (1994) or by Anderson and Narus (1990).11 While the latter study did not measure value, it did measure satisfaction. Relationship commitment is manifested when an exchange partner believes that an on-going relationship with another is so important as to justify maximum efforts in order to maintain and endure it; a long-term orientation with future goals and outcomes that benefit both exchange partners is important. Drawing on the political paradigm, Thorelli (1986)12 asserts that, “power is the central concept in network analysis” because its “mere existence” can “condition others.” Contrariwise, keeping in mind that roughly one-third of such ventures are outright failures, argued that what should be central to understanding relationship marketing is whatever distinguishes productive, effective, relational exchanges from those that are unproductive and ineffective that is, whatever produces relationship marketing successes instead of failures. Though there are undoubtedly many contextual factors that contribute to the success or failure of specific relationship marketing efforts, this paper is of the theoretical view that the presence of relationship marketing commitment and trust is central to successful relationship marketing, not power and its ability to “condition others.” Commitment and trust are “key” because they encourage marketers to (1) work at preserving relationship investments by cooperating with exchange partners, (2) resist attractive short-term alternatives in favour of the expected long-term benefits of staying with existing partners, and (3) view potentially high-risk actions as being prudent because of the belief that their partners will not act opportunistically Therefore, when both commitment and trust not just one or the other are present, they produce outcomes that promote efficiency, productivity, and effectiveness. Trust enables buyers to adopt schemes which leave them free to act without trying to process more information than they are capable of handling or where it proves difficult or impossible to acquire information about future events. More specifically, trust becomes important in an exchange where there is a high level of performance ambiguity and where poor product performance will have a significant influence on the value derived by the buyer in such circumstances, trust acts as an information resource that directly reduces the perceived threat of performance ambiguity. Trust enables buyers to adopt schemes which leave them free to act without trying to process more information than they are capable of handling


b) **Relational Internal Marketing**

The employee-customer interface has been considered as a focal point in the relationship between the organization and the customer. In many cases, the contact employee is considered to be the service in the customer’s view. In other words, the attitudes and behaviors of customer contact staff are the embodiment of those of the organization in the eyes of the customer. With this in mind, the rationale for the development of quality relationships not only between the employee and customer but more important, the organization and employee is compelling. However, Robert and Hunt (1994)\(^{13}\) said that the early formulation of the internal customer concept was ‘seriously flawed’ because it did not adequately emphasize the link between internal customers and internal suppliers in creating value for the external market external customer focus (Ballantine, 1998)\(^ {14}\). Clearly, internal marketing has strong antecedent links to Total Quality Management (TQM) practice. The TQM idea is that internal suppliers and internal customers should be aware of how their work is connected, and then they can work on improving the reliability and responsiveness of the process. Strong relationships between the organization and the employee can improve both the employee’s motivation toward their job and their willingness to provide better customer service. Ballantine, Christopher, and Payne (2003)\(^ {15}\) see the role of internal marketing as motivating and developing customer-oriented staff through the careful development of internal relationships. Internal marketing is seen as the process of initiating, maintaining, and developing the relationships between employees their management, and the organization, for the purposes of creating superior value for customers. The concept of internal marketing was based around viewing jobs as if they were ‘internal products’ offered to employees. The logic was that internal customers, that is, the employees of the firm, had needs to be satisfied and those needs were bound up in their jobs. The idea was that the satisfaction of internal customers, especially employees with front-line jobs, impacts directly on achieving satisfied external customers. If this view is accepted, the internal marketing task is to improve the job ‘products’ using marketing thinking to gain new insights and deliver new benefits to employees. This seems a commonsense notion, except that the direct link between internal and external satisfaction does not hold up in practice. The reason turns out to be simple. It is because not all job attributes are equally connected to external customer satisfaction. Thus management might unwittingly be ‘pulling the wrong levers’ and ignoring critical employee issues. Furthermore, there is a top-down hierarchical assumption operating here that says top management knows what is best. This kind of ‘job products’ approach does not require employee involvement. Relational internal marketing focuses on the vertical and lateral relationships that exist within organizations. Vertical relationships include, for example, employee manager, employee-supervisor and employee-organization relationships. Lateral relationships include employee-team member and employee co-worker relationships. Consistent with the managerial focus of earlier conceptualization of internal marketing and in the interest of model parsimony, we focus more on vertical relationships: the organization employee relationship and the supervisor employee relationship.

A second important vertical relationship is the supervisor-employee interface. The leader member exchanges literature offer insights into the relationship that exists between an employee and his or her supervisor. Leaders’ member exchange theory maintains that the leader and each individual member of a work group have a unique relationship as with perceived organization support the superior subordinate relationship is conceived of a social exchange or negotiated transaction. Where a subordinate is appraised favorably and encouraged to feel comfortable in his or her role, the supervisor is rewarded with a more committed and competent staff member.

3) **Empirical Framework**

According to Allen and Meyer (1997)\(^ {16}\) Organizational commitment itself is viewed as a Multidimensional construct. In the past, some researchers presented organizational commitment as a unidimensional construct. Research, however, does not present readers with any standard set of dimensions. In organizational commitment literature, affective organizational commitment was defined as the magnitude with which an employee identifies with the organization. As the broad context of organizational commitment was reviewed, research indicated that some writers raised a concern as to whether or not commitment was a reasonable expectation for employers to hold for their employees in today’s work environment where changes in leadership and organizational focus may occur rapidly. Unfortunately for many companies the maintenance of employee organizational commitment remains as a viable organizational goal. Organizations that are downsized


and characterized by organizational change still need a core of employees, especially leaders, who are committed to the values and goals of the organization. Organizational commitment remains as a suitable topic for study in today’s rapidly changing work world. An environment in which employees are satisfied and committed is one that is conducive to customer satisfaction. Research indicates that organizational commitment exerts a strong positive influence not only on internal service quality but also on external service quality. Any organization’s success will be jeopardized if its employees fail to accept its missions, goals and objectives and fail to believe in what the company stands for. Long-term customer relationships could be built only with long-term committed workforce as it is unlikely to get loyal customers without loyal employees hence; organizational commitment of customer-contact employees influences the level of service quality delivered to the customers. Our research is aimed at exploring the relationship between different types of organizational commitment and the service quality of customer contact employees in services sector. Meyer and Allen (1991) caution that not all forms of commitment are alike and that organizations concerned with retaining employees by strengthening their commitment should carefully consider the nature of commitment that they instill. If the benefits of reduced turnover are obtained at the cost of poor performance, service quality suffers. Though organizational commitment has attracted considerable attention of researchers over the years, majority of the studies in marketing involving organizational commitment only discussed affective commitment more extensively as compared to the other two components: normative. In this study, we explore an important question as to how different forms of commitment influence the willingness of customer-contact employees to engage in discretionary efforts, which, in turn, is reflected in their level of normative commitment of service quality.

III. METHODOLOGY

The study focused on the effect of organizational commitment on service quality. The study is limited to customer contact employees of tantalizers plc at Lagos state, Nigeria. Having identified three components of commitment in literature, three hypotheses were developed and tested in order to determine the effect of each of them on the overall service quality of the customer-contact employees. Multiple regression was employed to test each of these hypotheses.

The research instrument developed for the study consists of 33 items. The validity of the instrument was tested using content validity method. The reliability test was conducted for the instrument using Statistical Package for Social Sciences and it was found to be reliable and cronbach alpha was 0.74.

A complete enumerative sampling method was employed. A total of 57 copies of questionnaire were administered to all the identified customer-contact employees of the organization in Lagos state, Nigeria. However, only forty copies of the questionnaire were found useable for the research.

IV. RESULT AND DISCUSSION OF FINDINGS

Hypotheses Testing

1) Hypothesis 1

H₀ : Affective commitment has no effect on service quality.
H₁ : Affective commitment has effect on service quality.

Table 1. : Showing the Effect of Affective Commitment on Service Quality

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.234(a)</td>
<td>0.055</td>
<td>-0.24</td>
<td>0.64586</td>
</tr>
</tbody>
</table>

a) Predictors: (Constant), Affective commitment

ANOVA(b)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>0.867</td>
<td>3</td>
<td>0.289</td>
<td>0.693</td>
<td>0.562(a)</td>
</tr>
<tr>
<td>Residual</td>
<td>15.017</td>
<td>36</td>
<td>0.417</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>15.884</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

b) Dependent Variable: Service Quality

Interpretation of Result: From the table above, the decision is to accept the alternative hypothesis (H₁) and reject the null hypothesis (H₀). The result above revealed that the extent to which the variance in service quality can be explained by the affective commitment is five percent (0.55) at 0.562 significant level. The significant level is higher than 0.05 (5% confidence level). The implication is that affective commitment has no effect on service quality.

H₁: Continuance commitment has a significant effect on service quality.

Table 2: Showing the Effect of Continuance Commitment on Service Quality

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.438(a)</td>
<td>.192</td>
<td>.045</td>
<td>.62382</td>
</tr>
</tbody>
</table>

a) Predictors: (Constant), continuance commitment

2) Hypothesis 2

Continuance commitment has no significant effect on service quality.

ANOVA(b)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>3.042</td>
<td>6</td>
<td>.507</td>
<td>1.303</td>
<td>.283(a)</td>
</tr>
<tr>
<td>Residual</td>
<td>12.842</td>
<td>33</td>
<td>.389</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>15.884</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: field survey, 2010
a) Predictors: (Constant), continuance commitment
b) Dependent Variable: Service Quality

Interpretation of Results: From the table above, the decision is to reject the alternative hypothesis (H₁) and accept the null hypothesis (H₀). The result above revealed that the extent to which the variance in service quality can be explained by continuance commitment is 19.2 percent (0.192) at 0.283 significant levels. The significant level is higher than 0.05. The implication is that continuance commitment has no significant effect on service quality.

3) Hypothesis 3

Normative commitment has a significant effect on service quality.

H₁: Normative commitment has a significant effect on service quality.

H₀: Normative commitment has no significant effect on service quality.

Table 3: Showing the Effect of Normative Commitment on Service Quality

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.577(a)</td>
<td>.333</td>
<td>.235</td>
<td>.55829</td>
</tr>
</tbody>
</table>

a) Predictors: (Constant), Normative commitment

ANOVA (b)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>5.287</td>
<td>5</td>
<td>1.057</td>
<td>3.392</td>
<td>.014(a)</td>
</tr>
<tr>
<td>Residual</td>
<td>10.597</td>
<td>34</td>
<td>.312</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>15.884</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a) Predictors: (Constant), Normative commitment.

b) Dependent Variable: Service Quality.
Interpretation of Result: from the table above, the decision is to accept the alternative hypothesis (H₁) and reject the null hypothesis (H₀). The result above revealed that the extent to which the variance in service quality can be explained by continuance commitment is about 33 percent (0.333) at 0.014 significant levels. The significant level is less than 0.05. The implication is that normative commitment has a significant effect on service quality.

V. Discussion of Findings

Several studies have established a positive relationship between the affective component of commitment and service quality (Boshoff and Mels, 1995; Boshoff and Tait, 1996). However, in contrast to the past findings, the findings of this study revealed that affective commitment has no significant effect on service quality. Although committed employees are believed to work harder for a firm than those who are not committed (Zeithaml et al., 1990), research has yielded mixed results with regard to the relationship between organisational commitment and performance. Some researchers have established a positive relationship between the two (Zeithaml et al., 1990; Boshoff and Tait, 1996; Benkoff, 1997; Sergeant and Frenkel, 2000), some see no relationship at all (Mathieu and Zajac, 1990), while some have surprisingly even established a negative relationship (Hartline and Ferrell, 1993).

There are hardly any studies in the literature which investigate the relationship of the continuance and normative commitment of employees with service quality. However, the two constructs have been studied in relation to job performance. As regards normative commitment, some studies have established a positive relationship between normative commitment and job performance (Meyer et al., 1993), while some see no relationship at all (Caruana et al., 1997). Similarly, some studies have established a negative relationship, between continuance commitment and job performance (Meyer et al., 1989), while some have proposed a positive relationship with job performance (Meyer et al., 1993; Caruana et al., 1997). Meanwhile, the empirical result of this study as presented above revealed that only normative commitment has a significant positive relationship with service quality. The implication is that in an African country like Nigeria, with a tight social framework, a socialisation in its culture places a premium on loyalty and devotion to institutions. Service quality may not necessarily be influenced by an employee’s emotional attachment to an organization.

VI. Conclusions

As a result of the information gotten from the research findings, it can thereby be concluded that, the purpose of carrying out this study was designed to approach the organizational roles to satisfy the customer-contact employee who directly influence customer satisfaction. The result of our study involves understanding the importance of organizational commitment as a determinant of service quality. The three-component model of commitment, depicting multi-dimensionality of the commitment construct, in relation to service quality further supports the argument that not all forms of commitment are significantly related to service quality. Also, the comparative evaluation between contact employees in branches with respect to the commitment-service quality relationship help us to understand how different components of commitment determine service quality differently between the two sets of employees. The study provides directions to service managers in designing internal marketing strategies for these two sets of employees such that the desirable component of commitment could be inculcated to enhance service quality. Overall, we observe based on our study that normative commitment leads to service quality.

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