
Factors that influence the Organizational Commitment – A Case of Paramedical Staff at Private Hospitals

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ABSTRACT:

A committed workforce is an asset to the organizations. Committed employees decide to stay with organization for a long term. Purpose of the present study is to examine the influence of factors - HR practices, Pay & Benefits and Employee engagement strategies on Organizational commitment of the paramedical staff in private hospitals in Bangalore, India. The study also examines the relationship of these three factors with organizational commitment of hospital employees. 10 multi-specialty hospitals were identified for the present study with a sample size 500. Pearson Correlation and Multiple regression were employed to study the relationship with and influence of the above factors with organizational commitment. Pearson Correlation results indicated significant relationship between three factors and organizational commitment. Multiple Regression results indicated that Pay & Benefits and Employee engagement strategies influence organizational commitment of the hospital employees. ANOVA results proved that perception towards organizational commitment was not same among different age groups. Emphasis on attractive pay packages and facilitating conducive work environment are suggested.

KEYWORDS: HR practices, Pay & Benefits, Employee engagement strategies , Organizational commitment.

INTRODUCTION;

A committed workforce is a blessing for any organization. Employees are valuable assets for every firm. Organizations have realized this fact and started taking initiatives to treat their

employees as the most valuable assets. An organization having a stable and productive workforce becomes successful in building their competitive advantage and organizational efficiency. Organizational commitment is a job attitude of employees and committed employees are less likely to leave the organization. More than building competitive advantage, obtaining a sustainable competitive advantage is inevitable for the organizations. A stable workforce is desirable for the sustainable competitive advantage.

In India, healthcare has emerged as one of the largest service sector. The Indian healthcare industry, which encompasses hospitals, medical infrastructure, medical devices, clinical trials, outsourcing, telemedicine, health insurance and medical equipment, was valued at US\$ 79 billion in 2012, and is expected to reach US \$160 billion by 2017. It is forecasted that Healthcare revenue in India is about to reach US\$ 280 billion by 2020; expenditure is likely to grow at a compound annual growth rate (CAGR) of 12 per cent over 2012-15. Rising incomes, greater health awareness, lifestyle diseases, and increasing insurance penetration are the factors that contribute to the growth. Hospitals account for 71 per cent of the total healthcare revenues in the country, pharmaceuticals for 13 per cent, and medical equipment and supplies for 9 per cent. The private sector has emerged as a vibrant force in India's healthcare industry and has contributed about 68 per cent of total healthcare spending in 2011. Healthcare sector employs around 4 million people (Source - <http://www.ibef.org/industry/healthcare-market-research-analysis-report.aspx>). Healthcare is one of the service sectors which is having high employee turnover in India. Employee turnover in hospitals are accountable for this high turnover rate. Identifying the perception of the employees and enhancing their organizational commitment become crucial in this context.

Thus the present study is undertaken to measure the perceptions of the paramedical staff in 10 selected private multi-specialty hospitals in Bangalore, India. Attempt was made to understand the influence of factors such as HR practices, Pay & Benefits and Employee engagement strategies on Organizational commitment of respondents.

LITERATURE REVIEW

According to Anthony et al., (2002), HRM practices is a “set of planned strategies and policies implemented by an organization to ensure organization’s human capital efficiently and effectively contributes to the achievement of organizational objectives”.

Kinnie et al (2005) examined the links between employees' satisfaction with HR practices and their commitment to the organization. Data was collected to examine these links for three groups of employees: professionals, line managers and workers. Satisfaction with some HR practices appears to be linked to the commitment of all employees, while the link for others varies between the three employee groups. Mahal (2012) observed that there is a positive correlation between HR and organizational practices. The HRM practices included in the study conducted by Kim (2012) are opportunities for advancement and promotion, training and development, supervisory communications, pay and rewards satisfaction, and family-friendly policies.

Benefits are group membership rewards that provide security for employees and their family members.. Benefit plans can enhance satisfaction, sustain loyalty, retain frontline workers, improve service quality and discourage employees from leaving (Griffeth and Hom, 1994). Parker and Wright (2001), explored the connection between commitment and pay, using the findings of the survey conducted by Watson Wyatt. (source : Watson Wyatt worldwide, WorkCanada 2000, Change, Challenge and Commitment, March 2000).

Employee Engagement is a key to employee retention.(Glen, 2006). Engaging employees, by giving them participation, autonomy and trust, is most crucial to meet the objectives of the organization. Engagement is the state of emotional and intellectual commitment to an organization or group. According to Swaminathan and Rajasekharan, (2010), Employee engagement is the combination of Job satisfaction, motivation and effectiveness. Employee engagement is an important area that an organization should focus, to be productive and to get effective and committed workforce.

Mowday, Porter and Steers (1982) defined organizational commitment as a strong belief in the organization’s goals and values and a willingness to exert considerable effort on behalf of

the organization. Organizational commitment is regularly conceptualized as an affective attachment to an organization as a consequence of an individual sharing the organization's values, their desire to remain in the organization, and their willingness to exert effort on behalf of the organization. According to Robins, Timothy and Sanghi (2009), organizational commitment is a job attitude. Organizational commitment is a state in which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization.(Blau and Boal, 1987). Mowday, Porter and Steers (1982), defined organizational commitment as an attitude in the form of an individual's identification with and involvement in a particular organization. Individuals who are committed to their organization are less likely to leave their organization.

METHODOLOGY

Bangalore has leading private multispecialty hospitals such as Fortis, Columbia Asia, M.S. Ramaiah group of hospitals etc, hence Bangalore was chosen as the location of study. Out of 108 private hospitals, 18 multispecialty hospitals were identified for the present study. All these hospitals were approached personally, through emails and phone for participating in the study. Finally ten hospitals (HR managers) agreed to participate in the study.

DEVELOPMENT OF THE INSTRUMENT

Instrument was developed by the researcher according to the nature of the study. Reliability test was performed and results are indicated in Table 1. There are 21 items for the factor – HR practices, and Cronbach's Alpha is 0.673 . For the factor Pay & Benefits, there are 8 items and Cronbach's Alpha is 0.694. Employee engagement strategies has 6 items and Cronbach's Alpha is 0.795 and Organizational commitment has 7 items with Cronbach's Alpha 0.888. 6 Statements for the variable –Organizational commitment are adopted and modified from Organizational commitment questionnaire (OCQ) developed by Mowday, Steers, and Porter (1979). Pilot study results also proved to be reliable. Responses were rated using a 5-point Likert scale in which Strongly agree = 5, Agree = 4, Neither agree nor disagree =3, Disagree = 2 and Strongly disagree = 1.

Table 1: The reliability statistics of the instrument

Factors	Cronbach's Alpha	N of Items
HR practices	0.673	21
Pay & Benefits	0.694	8
Employee Engagement strategies	0.795	6
Organizational commitment	0.888	7

PROCEDURE

Data was collected during a time span of 1st of April 2013 to 1st of November 2013. Permission was obtained from the Director of the respective hospitals to administer the survey with their employees and to interact with the HR managers. Convenient sampling method was adopted to select the respondents to administer the survey. Supervisor of the nurses in each hospitals assured the accuracy of collection of the completed questionnaires from the respondents. Employees were reassured of the confidentiality of the data obtained. Completed survey was returned in sealed envelopes to assure the validity. Questionnaire was administered to 550 employees and 500 completely filled responses were received. Respondents included, nurses, head nurses, supervisors and technical staff of the selected hospitals.

HYPOTHESES

Following hypotheses are formulated based on literature review:

H₁: HR practices have significant relationship with Organizational commitment of the hospital staff.

H₂: Pay & Benefits have significant relationship with Organizational commitment of the hospital staff.

H₃: Employee engagement strategies have significant relationship with Organizational commitment of the hospital staff.

DATA ANALYSIS

Data was analyzed with SPSS package. Descriptive statistics describes the demographics of the respondents. Pearson Correlation was applied to establish the relationship between independent and dependent variables and Multiple Regression was applied to test the influence of independent variables on dependent variable. ANOVA analysis was performed to test the impact of demographic variable – Age, on Organizational commitment.

Results

Age group of the respondents belonged to the age group- below 30years. 248 (50%) respondents belonged to the age group- between 31- 40 years. 67(13%) respondents belonged to the age group- between 41-50 years. 12% (60 in count) of the respondents are males and 88% (440 in count) are females. 77% of the respondents are married, 22% are of single status and 1% of the respondent's marital status belonged to 'other' group. Respondent's perception towards the factors and Organizational commitment is indicated in **Table 2**. Factor HR practices indicated a mean score of 3.39 , with standard deviation 0.32. The factor, Pay & Benefits has a mean score 3.17 with standard deviation 0.55.and Employee Engagement strategies has mean score 3.64 with standard deviation 0.61. Dependent variable Organizational commitment has a mean score 3.63 with standard deviation 0.55.

Table 2: The mean score of the perception towards selected variables

Factors	N	Mean score	Standard Deviation
HR practices	500	3.39	0.32
Pay & Benefits	500	3.17	0.55
Employee Engagement strategies	500	3.64	0.61
Organizational commitment	500	3.63	0.55

Pearson Correlation analysis results are presented in **Table 3** . Pearson Correlation was performed to study the relationship between independent variables - HR practices, Pay & Benefits and Employee engagement strategies and dependent variable Organizational

commitment. Results established a significant relationship between these variables. HR practices has a positive correlation with Organizational commitment which is significant at 1% level, with $r = 0.313$ and p value = 0.000. Pay & Benefits also has a positive correlation which is significant at 1% level with Organizational commitment, $r = 0.419$ and p value = 0.000. Employee engagement strategies has a positive correlation which is significant at 1% level with Organizational commitment, $r = 0.542$ and p value = 0.000.

Table 3: Pearson Correlation Analysis results

Factors	Statistics	Organizational commitment
HR Practices	Pearson Correlation	.313**
	Sig. (1-tailed)	0.000
	N	500
Pay & Benefits	Pearson Correlation	.419**
	Sig. (1-tailed)	0.000
	N	500
Employee Engagement strategies	Pearson Correlation	.542**
	Sig. (1-tailed)	0.000
	N	500

** . Correlation is significant at the 0.01 level (1-tailed).

Multiple Regression was performed to analyze the influence of three factors on Organizational commitment. Results are presented in **Table 4**. Regression analysis is used to establish linear relation between independent variables and dependent variable. It is understood that, R is, .699 which explains the degree of relation between set of independent variables on dependent variable. The goodness of fit of the model is ascertained by R square, higher the R square higher the explanatory power of independent variables on dependent variable. R square in this model is 0.488. Significance of the model is determined by ANOVA test, when sig value is $< .05$, the model is statistically significant at 5% level. **Table 5** explains the ANOVA results of the model. The model is statistically significant with p value = $0.00 < 0.05$.

The contribution of each independent variable on dependent variable is determined with help of standardized coefficient beta, higher the value higher the explanatory relation with dependent variable. Unstandardized beta is to estimate the predicted dependent variable based on independent variables. One unit increase in independent variable will increase or decrease correspondence value in dependent variable. **Table 6** depicts the regression coefficients summary of the model. HR practices have a negative regression coefficient, which is -0.05. Pay & Benefits is having a coefficient as 0.12 and Employee engagement strategies is having a coefficient 0.35. Pay & Benefits and Employee engagement strategies have sig value < 0.05 which implies that these factors have a significant influence on Organizational commitment. But HR practices did not show any significant influence on Organizational commitment.

Table 4: Multiple Regression Analysis Model

Dependent Variable	Independent variables	R	R Square	Adjusted R Square	Std. Error of the Estimate
Organizational commitment	HR practices, Pay & Benefits and Employee engagement strategies	0.699	0.488	0.480	0.396

Table 5: ANOVA – Regression Model

Model	Dependent Variable		Sum of Squares	df	Mean Square	F	Sig.
1	Organizational commitment	Regression	73.28	8	9.16	58.55	0.00
		Residual	76.82	491	0.16		
		Total	150.11	499			

Table 6: Regression Coefficients

Model	Dependent Variable	Type	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
			B	Std. Error	Beta		
1	Organizational commitment	(Constant)	1.73	0.22		7.83	0.00
		HR Practices	-0.09	0.08	-0.05	-1.19	0.24
		Pay & Benefits	0.12	0.06	0.12	2.06	0.04
		Employee engagement strategies	0.32	0.04	0.35	8.43	0.00

The perception towards Organizational commitment has mean score 3.67 with standard deviation 0.46 for the group with age below 30 years. For the age group 31 - 40 years, the mean score for this attribute is 3.58 with standard deviation 0.58 while that for the group with age 41 – 50 years is 3.72 with standard deviation 0.64. The F statistic value is 2.35 with p value 0.10 (> 0.05) indicating that perception towards organizational commitment is not same among all age group levels.

DISCUSSION

Analysis results indicated that there is significant relationship between HR practices, Pay & Benefits and Employee engagement strategies with Organizational commitment. Pearson Correlation analysis results indicated that HR practices has a positive correlation with organizational commitment which is significant at 1% level, with $r = 0.313$ and p value = 0.000. Thus hypothesis H_1 was accepted. Pay & Benefits also has a positive correlation which is significant at 1% level with Organizational commitment, $r = 0.419$ and p value = 0.000. In this context, H_2 is accepted. Variable - Employee engagement strategies has a positive correlation which is significant at 1% level with Organizational commitment, $r = 0.542$ and p value = 0.000. This supports H_3 .

The perception towards Organizational Commitment was different among three age groups. Perception has mean score 3.67 with standard deviation 0.46 for the group with age below 30 years. For the age group 31 - 40 years, the mean score for this attribute is 3.58 with standard deviation 0.58 while that for the group with age 41 – 50 years is 3.72 with standard deviation 0.64. Age group, 41-50 had the highest mean score for the variable - Organizational commitment. This indicates that this age group is more committed towards their organizations. Much attention should be provided to the other two age groups to make them more committed towards the organization.

CONCLUSION :

Findings of the study implies that HR practices , Pay & Benefits and Employee engagement strategies have significant positive relationship with organizational commitment of the hospital staff . Emphasis on these aspects can definitely enhance the commitment of the hospital employees. Appropriate HR practices such as recognition of good performance, annual performance appraisal, flexibility, bias free promotional policies, handling the grievances on time etc should be implemented by the hospitals. Training should be provided to refresh their skills on an on-going basis. Career development training programs are crucial for the career advancement of the employees. Factors Pay & Benefits and Employee engagement strategies have significant positive relationship as well as influence on organizational commitment. This implies that management should emphasize on designing attractive pay packages to their employees. Retirement plans and medical insurance are found to be highly inducive to the respondents. It is also implied that management should focus on engaging employees with effective strategies. Accountability in the job, challenging job, opportunities for independent thinking, involvement in decision making etc are some of the employee engagement strategies suggested.

LIMITATIONS:

Study was conducted only in Bangalore, India. Perception of the employees may vary geographically due to the situational factors and cultural factors. Research can be conducted to identify the influence of other organizational factors such as organizational culture, work

environment etc., on organizational commitment of the hospital employees. Personal factors such as employee satisfaction, job satisfaction etc. can also be identified as other factors that influence organizational commitment of the employees in hospital.

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