

**Organisational Commitment in the Banking
Sector in Jordan:
An Empirical Investigation**

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Abstract

This study investigates organisational commitment of employees in the context of Jordanian banking industry. It aims at exploring this concept and identifying the factors that may influence it. Commitment was measured by using the Organisational Commitment Questionnaire (OCQ). Additional questions about background characteristics of subjects were also included in the questionnaire. The questionnaire was distributed to 250 subjects and 144 usable responses were used.

The most salient findings of this study are:

1. Bankers in Jordan are committed to their organisation. The results do not reveal any significant differences between Jordanian bankers and their counterparts in other countries in terms of level of organisational commitment.
2. Old, high salaried and experienced bankers are more committed than young low salaried and unexperienced bankers. This indicates that Jordanian bankers express the side-bet theory of commitment (calculative commitment) in which individuals exchange commitment for economic rewards or inducements.
3. Female bankers are less committed than their male counterparts.

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1. INTRODUCTION

Over the last fifteen years, the concept of organisational commitment has gained popularity in management literature. Such popularity is attributed to the widespread belief that commitment of employees is very much responsible for the success and distinction of organisations. Mowday, Porter and Steers maintain that without members commitment organisations would not function properly. When commitment is low the level of productivity and the quality of products and services are likely to decrease.

Regardless of whether organisational commitment is really the cause of the outstanding productivity of companies, it seems widely acceptable that organisational commitment is reliable in predicting many organisational outcomes. That is to say, organisational commitment is believed to have the potential of helping researchers to understand other organisational properties and process [2].

Because organisational commitment is very much interwoven and interrelated with other concepts, it is worthy to develop a construct definition of the concept. This will not only help to come up with a specific and clear definition of the concept, but will also identify the best method of measuring it.

2. DEFINITION AND BACKGROUND

Organisational commitment is sometimes confused with and used as a substitute for other concepts such as job satisfaction, job involvement, and job attachment. This lack of consensus is recognised by some scholars. Griffin and Bateman, for instance, urge scholars to develop theoretical and operational definitions that clearly differentiate commitment and its components from other related concepts [2].

At the outset, a distinction must be made between organisational commitment and Job satisfaction. The first is more global than the latter. It is related to the organisation as a whole, whereas the latter reflects one's response either to one's job or to certain aspects of one's job. Another significant difference is that organisational commitment is more stable over time than job satisfaction. It is so because commitment develops slowly over time, but job satisfaction reflects more immediate reactions to specific aspects of the work environment [3].

Distinction must also be made between job involvement and job attachment from one side and organisational commitment on the other. The first two concepts are very much the same. They refer to the degree to which a person is identified with his job (occupation). hence, the two terms can be used interchangeably [4, 5].

Organisational commitment, on the other hand, is related to the degree to which a person is identified with his organisation. Thus, the major difference between organisational commitment and the two previous concepts is that the first one is related to the organisation, whereas the latter ones are related to the job itself. Nevertheless, it must be stressed here that the attempt to distinguish between the three concepts discussed above does not imply lack of relationship among them. On the contrary, studies have found that job involvement, for instance, is one of the determinants of organisational commitment [6].

As far as this paper is concerned, Mowday, Steers and Porter's definition of organisational commitment will be adopted [3, p 226]. This definition includes three components or factors:

1. a strong belief in and acceptance of the organisation's goals and values.
2. a willingness to exert considerable effort on behalf of the organisation.
3. a strong desire to maintain membership in the organisation.

The main reasons for using the foregoing definition are two - folds: first, the definition is comprehensive and includes the three components discussed above. Furthermore, researchers seem to have a consensual agreement about the definition. That is to say, if a literature survey is conducted on the topic it will be easily observed that most scholars are inclined to use this definition. Second, this definition was validated, operationalised and used extensively by many scholars [7, 8, 9, 10]. This issue will be addressed in more detail in the methodology.

3. IMPORTANCE AND OBJECTIVES OF THE STUDY

Despite the fact that research in organisational commitment has been extensive during recent years, the bulk of these studies were conducted in the American context. Therefore, the need to do research in other countries is very obvious. The present study is a step in this direction. It aims at investigating organisational commitment in a developing country, Jordan.

Having achieved the purpose of this study, a gap in the literature would be filled. Furthermore, the results of this study would enable us to find out whether employees in Jordan differ from their counterparts in other countries in terms of level of organisational

commitment. This should be helpful in finding whether socio-cultural and economic factors are very important or of little value, in explaining attitudes and behaviour of employees. Such intellectual exercise is one factor, but certainly not the only factor, that would make this study important. Another, probably much more important, factor is connected with practicality of the issue. When commitment is low, organisations would not function properly, absenteeism and turnover would be high, individuals would also lose one basic source of identity and belonging, namely their organisations [1].

The significance of this study stems from the fact that results are based on empirical research conducted on employees (bankers) in a country other than the United States. Therefore, findings of this study depends on conclusive evidence rather than general impressions if observers or writers in the field, a problem that is often encountered with writings about this part of the world. Pezeshkpur's writings and observations are a case in point. He maintains:

"In the Middle East loyalty can only be felt toward people; in America, the conception of loyalty can also apply to nonhuman entities like the organisation" [11, p54]

As mentioned above, Pezeshkpur and many other writers depend merely on general observations rather than empirical evidence. This study will present a more credible, reliable and scientific evidence about organisational commitment in a Middle Eastern country.

In addition, the research attempts to answer the following questions:

1. Do personal characteristics of bankers in Jordan, such as tenure, experience, and salary have impact on their level of organisational commitment?
2. Is there a significant difference in level of commitment between subgroups such as female and male?

4. METHODOLOGY

4.1 Subjects and Research Design

The study was conducted on bankers in Jordan. All commercial banks operating in the country were approached. This includes local banks (listed in the latest list of banks published by the Amman Financial market) [12], and foreign banks. All levels of employees (top, middle, low level management and workers) were represented. This should make the external validity of this study strong, an issue which is extremely important in a study of this type.

Based on the purpose and nature of the research, the correlational design was adopted. Despite the fact that this design is weak on internal validity it should be sacrificed for the sake of external validity. However, comparisons between groups or subgroups were made possible in this research through utilisation of some statistical techniques.

4.2 The Instrument

The Organisational Commitment Questionnaire (OCQ) developed by Mowday and his colleagues [3] is the instrument of data collection. The questionnaire consists of 15 items. The response format employed a 7-point Likert scale with the following anchors: Strongly agree, moderately agree, slightly agree, neither agree nor disagree, slightly disagree, moderately disagree, strongly disagree.

Item responses were assumed and then averaged to obtain the mean score for each individual.

As far as validity is concerned, the instrument was used extensively by different researchers on different occupational groups [13, 7, 14, 15, 10] (see Table 1). For instance, evidence of convergent discriminant and predictive candidates of the instrument were demonstrated [3]. Further measures were taken by the researcher to assure validity of the concept in the Jordanian context. First, the questionnaire was translated from English to Arabic and then re-translated to English by two bilingual researchers. Second, before distributing the questionnaire a pilot study was conducted on fifteen employees at different levels in more than one organisation. Comments, particularly about wording of some questions were received. Adjustments in wording of these questions were incorporated.

A sample of 250 bankers from all banks was chosen. Subjects were selected from banks in different geographic areas in the country. Subjects were also asked to answer some questions about their backgrounds in addition to the fifteen items included in the OCQ.

Completed and usable questionnaires were obtained from 144 subjects. The mean ages of subjects was 37.08 years and the mean length of experience was 15.07 years. The mean tenure (measured by a number of years in the bank) was 9.9 years. The mean number of years in formal education was 14.7 years. 93 per cent of the respondents hold a bachelor's degree or less, whereas only 7 per cent had masters or doctorate degree.

As for reliability of the instrument, the internal consistency reliability was evaluated. A coefficient alpha method was used and the value of the coefficient was .806 which is relatively high. Another attempt was made to assess reliability of the instrument by using the item-total correlation technique. The results obtained show unequivocal evidence about reliability of the instrument.

5. RESULTS

Results of the study showed that the mean organisational commitment among banker was 5.4. This value compares relatively well with other studies. A summary of the results of previous studies is provided in Table 1. For instance, in a study conducted on employees from three countries (United States, Japan and Korea) the means of organisational commitment measured on a five-point scale, were 3.61, 3.21 and 3.29 for employees in the three countries respectively [16]. In another study conducted on 245 accountants in Singapore the mean was 4.80 [10].

Table (1)
Means of Organisational commitment in different Studies

Country/ies of subjects	number in the sample	Mean*
1. USA [7] (hospital emp.)	382	5.1
2. USA [13] (retails management trainees)	59	6.1
3. USA, Japan & Korea [16] different sectors three samples	1182, 176,302	3.61, 3.21, 3.29
4. Singapore [10] (Accountants)	245	4.80

*all the means are based on a 7-point scale, except No 4 which is based on a 5-point scale.

To examine whether organisational commitment of female bankers differ from their male counterparts the t-test technique was used. Results are presented in Table 2.

Table (2)
Organisational Commitment of Bankers by sex)

	Mean	St dev	t	Degrees of freedom
Group 1 (Male)	5.655	.760		
Group 2 (Female)	5.273	.982	1.97*	142

* Significant at $p < 0.05$

As can be seen in the table, level of organisational commitment of the male group is higher than their female counterpart. Such result is inconsistent with findings of several

studies which showed female to be more committed than male [6, 14]. This highlights the need to understand the causes of this discrepancy.

Means of organisational commitment for subjects were also correlated with some selected variables. Results are shown in Table 3. It can be seen from the table that organisational commitment correlated significantly and positively with each of salary, age, experience and education. The highest magnitude of relationships was between organisational commitment and salary. While age, experience and education followed respectively. The significance level of relationship between organisational commitment and salary was the highest. Both age and experience had the second highest level of significance followed by education. Tenure in the company did not have significant correlation with organisational commitment (in fact it was significant at the .10 level ($p < .06$), a result similar to Mobley and Hwang study [17]. This implied that organisational commitment is stronger among bankers that have more experience regardless of whether this experience is in the present bank or in other organisations. hence, one is inclined to conclude that employees who spend longer periods of time with the same organisation (bank) are not necessarily more committed than other bankers who have had more experience in other banks or organisations.

Table (3)

Correlations between organisational commitment and some variables.

	Tenure	Salary	Education	Age	Experience
commitment	.1511	.3245***	.1604*	.2625**	.2272**

* significant at $p < 0.05$

** significant at $p < 0.01$

*** significant at $p < 0.001$

6 DISCUSSION AND CONCLUSION

The results of this study indicate that old people are more organisationally committed than young people, a finding consistent with previous studies [18,5,14,19]. One may speculate here that old people are more inclined to think of the present organisation as the place where they would like to settle. In other words, they feel that the time to change their workplace have passed. In fact this explanation is consistent with findings of a study

conducted on top managers in the financial and the manufacturing sectors in Jordan [20].

The argument that old people are unlikely to have keen interest in looking for opportunities outside the present bank is based on a theory that age binds one more tightly to the organisation, for example in retirement plan. Furthermore, it reduces opportunities for interorganisational mobility. In other words, age reduces the attractiveness of individuals to other organisations. The incentives that old people require are sufficiently high that other organisations are reluctant to provide them for people who will have limited service in the organisation [21,22,6]

The above argument is in agreement with findings of an empirical investigation conducted by Al-Faleh [23] on mobility of the Jordanian business executives. He found that business executives in Jordan have little willingness to change their organisations when they reach an advanced age. Al-Faleh also suggests that old managers are likely to become accustomed to a set of procedures and so feel very uncomfortable in a position where new procedures have to be learned.

Likewise, salaries of respondents were also found to have significant association with organisational commitment. It had the highest magnitude of relationship compared with other variables. This finding is not unexpected. On the contrary, it is similar to findings of previous studies.

Accordingly, one is inclined to say that people who have high salaries seem to be unwilling to change their jobs. This inclination gives credence to the argument about the importance of financial incentives in retaining employees in their organisations. This explanation is on line with Al-Faleh [23] findings that business managers who earn less than JD 2000 a year had more desire to change their jobs than those with the higher income brackets. The same argument may be used to explain, at least partially, the high level of commitment of Jordanian bankers. Bankers are probably one of the highest paid groups in Jordan. For instance, a banker with a bachelor's degree and 10 years experience in a well-known bank can easily make twice as much as a university lecturer with a Ph D, or four times as much as a civil servant with a Ph D.

The foregoing finding, the author believes, triggers the need to conduct a research about whether employees in the private sector in Jordan (who are highly paid) are more committed than their counterparts in the public sector. Having achieved this research, it would help to contribute to knowledge in this field by accepting or rejecting the claim of scholars, who pointed out that business organisations are more successful in stimulating commitment to their purposes than government agencies.

As far as the association observed between experience and organisational commitment, the results are similar to those of previous studies [6,5]. The same reasoning used in the previous studies to justify the pattern of relationship is applicable here. It is suggested that experience becomes a valued resource in itself, while the privileges associated with length of service makes it easier to obtain additional rewards.

In line with the above reasoning, one is more inclined to observe that Jordanian bankers seem to express what is called the side-bet theory of commitment [25] or calculative commitment [26]. In this type of commitment individuals exchange commitment for economic rewards or inducements. In other words, the individual gives substantial weight to the accumulation of investment. In this regard Hrebieniak and Alutto [6, p556] maintain that:

"the emphasis is on the bargaining or exchange relationship between the individual and the organisation: the more favourable the exchange from participant's viewpoint, the greater his commitment to the system. In similar terms the more abundant the perceived rewards in relations to costs, the greater the organisational commitment."

If the foregoing quote applies in Jordan, particularly in banks, one cannot help wondering whether banks exert sufficient effort to socialise and integrate their employees with their cultures and values. Another important points worth making in this discussion. The relative high mean of organisational commitment is hard evidence and can be used to dispute the claim of some researchers about the low level of organisational commitment among Middle Eastern employees.

Furthermore, the relative high mean of organisational commitment leads us to reject the claim that level of industrialisation and economic development correlate positively with organisational commitment. On the contrary, results of this study reinforce the view that employees' commitment in a non-western culture is a culture - free concept.

The significant difference between male and female employees regarding level of commitment needs some elaboration. The fact that many banks in Jordan until a very recent time used to lay off women bankers who get married, may be responsible for this discrepancy in commitment. This finding leads one to wonder whether it is logical or fair to expect a certain group of employees, who are discriminated against, to be committed to their organisation. In other words, insecurity and lack of job satisfaction among women bankers may be responsible for the significant difference in commitment between them and their male counterparts. In fact bankers seem to have positive attitudes toward men more

than women. For instance, the author was told by a senior banker in a large bank that he would prefer to hire men rather than women. However, one cannot generalise this attitude to all bankers before conducting research in this area.

Though this research helps to provide insights about antecedents of organisational commitment, more research is needed about consequences of organisational commitment such as profitability, productivity, turnover and absenteeism. This kind of research would contribute significantly to knowledge in the field and suggest remedies to these critical problems.

In evaluating results of the present study one limitation must be kept in mind. It would be premature to use results obtained here to draw conclusion about employees in other industries. No doubt that this research provides insights about organisational commitment of bankers in Jordan. Nonetheless, it does not include all sectors of employees in the country. Hence, more research in other industries is needed. Without conducting such research our understanding of the commitment process will not go beyond speculation.

Finally, it should be mentioned that this investigation is based on correlational design. If our interest is to assess causality between commitment and particular variables, then, other types of designs such as the longitudinal designs, are more appropriate than the one used in this research.

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