

# Relationship Between Organisational Commitment And Job Performance With Special Reference To Neyveli Lignite Corporation Limited, Neyveli

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**Abstract-** *The main research indicates the relation of dimensions of organisational commitment and employees' job performance which comfort working in an organisation. This is expected to provide organisational commitment and job performance of the employees that can improve work effectiveness. This study aims to determine "Organisational Commitment and job performance with special reference to neyvli Lignite Corporation limited, neyveli." Exploratory research methods with data analysis techniques using Structural Equation Modeling. The numbers of respondents were 200 employees from neyvli Lignite Corporation limited with data collection simple random sampling. This results confirms that affective, normative and continual commitment are positively related with employees' performance and organisational commitment,. In addition, this study provides discussion and conclusion.*

**Keywords-** organisational commitment, Affective commitment, conutinue commitment, normative commitment and job performance.

## I. INTRODUCTION

In organizational behavior and organizational psychology, organizational commitment is the individual's psychological attachment to the organization. The basis behind many of these studies was to find ways to improve hoe workers would become more committed to their organizations.' organizational commitment predicts work variables such as turnover, organizational citizenship behavior, and job performance. Some of the factors such as role stress, empowerment, job security and employability, and distribution of leadership have been shown to be connected to a worker's sense of organizational commitment and their employee experiences is a 'Sense of oneness' with their organization

## MODEL OF COMMITMENT

Meyer and Allen's (1991) three – component model of commitment was created to argue that commitment has three different components that correspond with different psychological states. Meyer and Allen created this model for two reasons: first "aid in the interpretation of existing research" and second "to serve as a framework for future research". Their study was based mainly around previous studies of organizational commitment. Meyer and Allen's research indicated that there are three "mind set sets" which can characterize an employee's commitment on the organization. Mercurio (2015) extended this model by reviewing the empirical and theoretical studies on organizational commitment. Mercurio posits that emotional or affective commitment is the core essence of organizational commitment.

### *Affective commitment*

Affective commitment is defined as the employee's positive emotional attachment to the organization. Meyer and Allen pegged AC as the "desire" component of organizational commitment. An employee who is affectively committed strongly identifies with the goals of the organization and desires to remain a part of the organization. This employee commits to the organization because he/she "wants to". This commitment can be influenced by many different demographic characteristics; age, tenure, sex and education but these influences are neither strong nor consistent. The problem with these characteristics is that while they can be seen, they cannot be clearly defined. Meyer and Allen gave this example that "positive relationships between tenure and commitment maybe due to tenure- related differences in job status and quality".

### *Normative commitment*

The individual commits to and remains with an organization because of feelings of obligation, the last component of organizational commitment. These feelings may derive from a strain on an individual before and after joining

an organization. Normative commitment is higher in organization that value loyalty and systematically communicates the fact to employees with rewards, incentives and other strategies. Normative commitment in employees is also high where employees regularly see visible of the employer being committed to employee well – being. An employee with greater organizational commitment has a greater chance of contributing to organizational success and will also experience higher levels of job satisfaction, in turn, reduces employee turnover and increases the organization's ability to recruit and retain talent.

### ***Continuance commitment***

Continuance commitment is the "need" component or the gains versus losses of working in an organization. "Side bets", or investments, are the gains and losses that may occur should an individual stay or leave an organization. An individual may commit to the organization because he/she perceives a high cost of losing organizational membership (cf. Becker's 1960 "side bet theory"[5] Things like economic costs (such as pension accruals) and social costs (friendship ties with co-workers) would be costs of losing organizational membership. But an individual doesn't see the positive costs as enough to stay with an organization they must also take into account the availability of alternatives (such as another organization), disrupt personal relationships, and other "side bets" that would be incurred from leaving their organization. The problem with this is that these "side bets" don't occur at once but that they "accumulate with age and tenure"

### ***Job performance***

Job performance relates to the act of doing a job. Job performance is a means to reach a goal or set of goals within a job, role, or organization (Campbell, 1990), but not the actual consequences of the acts performed within a job. Campbell (1990) affirms that job performance is not a single action but rather a "complex activity". Performance in a job is strictly a behavior and a separate entity from the outcomes of a particular job which relate to success and productivity.

## **II. REVIEW OF LITERATURE**

**Hafiz AZ,( 2017)**, "The results show that dimensions of organizational commitment independently and jointly influence the employees' performance in banks. It means that employees are willing to devote and stay in banks for accomplished the objectives of jobs because they have same goals and values inside the organization."

**KAPLAN Metin1, KAPLAN Asli2, et al.,( 2018)**, they investigated ,“The findings of this study need to be interpreted with the following limitations in mind. First limitation is that the results cannot be strictly construed to be representative of all businesses, because this study has been conducted in a specific region of Turkey, Konya. Therefore, the study needs to be replicated in different industries and countries to be able to generalize the findings. Secondly, the work performance of the employees' in this survey was tested on the basis of employees' self-report. This research aimed to investigate the relationship between organizational commitment and work performance. For the upcoming research, it is possible to investigate the issue of organizational commitment and work performance in different industry settings.”

**Md. Hassan Jafri and Tshering Lhamo et al., (2013)**, they said, “the result of the present study revealed that contract employees are more committed compared to their regular counterpart and also because of this, contract employees show higher job performance. Management should do some soul searching exercise to go into the details for having less commitment by their core faculties because their performance also contributes into organizational performance. The findings is important for the university and the colleges to look into the issue of commitment of regular /core faculties because they are like backbone of the organization and if they have some problem, should be taken into account for the good of the organization.

**Naveed Ahmad, D. G. Khan, Pakistan Nadeem Iqbal, Komal Javed and D. G. Khan,Pakistan, et al .,(2014)**, “There is no second opinion about the fact that organizational commitment and employee performance play a pivotal role for employee satisfaction. Managers of organizations should consider these factors of employee satisfaction in policy making and as tool of competition. Because if the level of satisfaction of employee is high than the organizational performance would be better. The findings of this research study are important for service sector because in service sector, staff of organization is very important for growth of organization. Although study focused banking sector but its finding may be generalized to other service sectors and in manufacturing sector.”

**Ebru Evrensel Inanca and Elif Ozdilekb et al., (2015)**, “they analysis the results, it can be concluded that males have higher job satisfaction level than females, which is not consistent with the previous studies. Also, our study concluded that older academic staff is more satisfied with their job compared to younger academicians, which was consistent with the literature. Also, tenure was found to be related with job satisfaction of the full-time academic staff.”

### III. RESEARCH METHODOLOGY

Research methodology is a way of systematically solve the research problem. It explains various steps that are generally adopted by the research in studying the research problems along with logic behind them. Research is essentially a systematic enquiry seeking facts through objective verifiable methods in order to discover the relationship among them and to deduce from the board principals or laws it is really a method of critical thinking, it comprise defining and redefining problems, suggestion solution, collecting, organizing and evaluating data making deduction and making conclusion.

#### Theoretical Framework

This study explains that Recruitment, training and grievance is being used as dependent variable whereas three independent variables such as organisational commitment, affective, continual, normative and job performance are also being used in this research to check the relationship among them

#### Method of data collection

Data collection is in many ways more of an art than a science. Sometimes the data are available readily in one form or the other and sometimes they are to be collected a fresh. The two important external source of data collection method for research are,

- Primary source of data
- Secondary source of data

#### Population

Population used for the study/research was all *NEYVLI LIGNITE CORPORATION LIMITED, NEYVELI*

#### Sample Design

Sampling is a means of selecting a subset of units from a target population for the purpose of collecting information. This information is used to draw inferences about the population as a whole. The subset of units that are selected is called a sample. The sample design encompasses all aspects of how to group units on the frame, determine the sample size, allocate the sample to the various classifications of frame units, and finally, select the sample. Choices in sample design are influenced by many factors, including the desired level of precision and detail of the information to be produced, the availability of appropriate sampling frames, the availability of

suitable auxiliary variables for stratification and sample selection, the estimation methods that will be used and the available budget in terms of time and resource.

#### Sample

A convenient sampling technique was used to distribute 200 survey questionnaires to employees in the organization. This sampling technique was chosen because the list of registered employees in the organization was not given to the researchers for confidential reasons, and this condition did not allow the researchers to randomly select participants from the total number, 28 usable questionnaires were returned to the researchers, yielding a 40 percent response rate. The survey questionnaires were answered by participants based on their consent. This figure exceeds the minimum sample of 30 participants as required by probability sampling technique, showing that it can be analyzed using inferential statistics.

#### Tools used

For the evaluation and examination of primary data of this, research that was generated through a questionnaire, the Statistical Package for Social Sciences.20 (SPSS) systematic computer software was used in AMOS - Structural Equation Model and it gave accurate results regarding the data.

### IV. DATA ANALYSIS

#### STRUCTURAL EQUATION MODEL (SEM) ON ORGANISATIONAL COMMITMENT AND JOB PERFORMANCE

##### Introduction of SEM

Structural equation modeling is a multivariate statistical analysis technique that is used to analyze structural relationships. This technique is the combination of factor analysis and multiple regression analysis, and it is used to analyze the structural relationship between measured variables and latent constructs. This method is preferred by the researcher because it estimates the multiple and interrelated dependence in a single analysis. In this analysis, two types of variables are used endogenous variables and exogenous variables. Endogenous variables are equivalent to dependent variables and are equal to the independent variable.

##### The variables used in the structural equation model are

##### I Observed, endogenous variables

- Continuance commitment
- Job performance

**II Observed, exogenous variables**

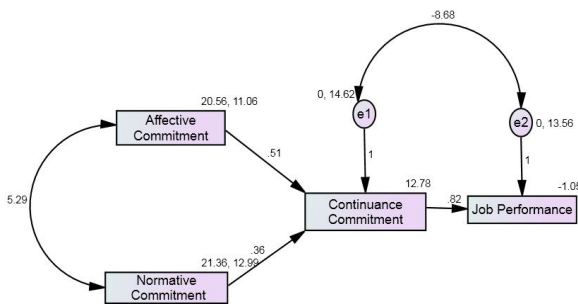
- Affective commitment
- Normative commitment

**III Unobserved, exogenous variables**

e1: Error term for Continuance commitment  
 e2: Error term for Job performance

**IV Hence number of variables in the SEM is**

Number of variables in your model : 6  
 Number of observed variables : 4  
 Number of unobserved variables : 2  
 Number of exogenous variables : 4  
 Number of endogenous variables : 2



**Structural Equation Model on Organizational Commitment And Job Performance**

**Table 1 Variables in the Structural Equation Model Analysis**

Regression Weights		Unstandardized Coefficient	S.E.	Standardized coefficient	t value	P
Continuance commitment	<--- Affective commitment	.509	.055	.369	9.232	***
Continuance commitment	<--- Normative commitment	.359	.050	.282	7.177	***
Job performance	<--- Continuance commitment	.817	.072	1.023	11.274	***

Note: \*\* denotes significant at 1% level

The coefficient of Affective commitment is 0. 0.509 represents the partial effect of Affective commitment on Continuance commitment, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Continuance commitment would increase by 0.509 for every unit increase Affective commitment and this coefficient value is no significant at 1% level.

The coefficient of Normative Commitment is 0.359 represents the partial effect of Normative commitment on Continuance commitment, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Continuance commitment would increase by 0.359 for every unit increase Normative commitment and this coefficient value is no significant at 1% level.

The coefficient of Continuance commitment is 0.817 represents the partial effect of Continuance commitment on Job performance, holding the other variables as constant. The estimated positive sign implies that such effect is positive that Job performance would increase by 0.817for every unit increase Job performance and this coefficient value is no significant at 1% level.

**Table 1.2 Model fit summary of Structural Equation Model**

Indices	Value	Suggested value
Chi-square value	.338	-
P value	0.562	> 0.05 ( Hair et al.,1998)
GFI	0.999	> 0.90 ( Hu and Bentler,1999)
AGFI	0.990	> 0.90 ( Hair et al., 2006)
CFI	1.000	> 0.90 ( Daire et al., 2008)
RMR	0.124	>0.08 (Hair et al., 2006)
RMSEA	0.000	<0.08 (Hair et al., 2006)

From the above table it is found that the calculated P value is 0.562 which is greater than 0.05 which indicates perfectly fit. Here GFI (Goodness of Fit Index) value and AGFI (Adjusted Goodness of Fit Index) value is greater than 0.9 which represent it is a good fit. The calculated CFI (Comparative Fit Index) value is 1.000 which means that it is a perfectly fit and also it is found that RMR (Root Mean Square Residuals) is 0.124 and RMSEA (Root Mean Square Error of Approximation) value is 0.000 which is less than 0.08 which indicated it is perfectly fit.

**V. DISCUSSION**

This study demonstrates that does not act as an important predictor of organisational commitment, job performance, and employee satisfaction. While in the organisation the employees does act as an important predictor of organisational commitment and job performance in the organisational sample. In the context of this study, the majority respondents perceive that the levels of affective commitment, continuance commitment, normative commitment and job performance of the employee relationship are high. This situation posits that managers have put a greater endeavor to plan and manage the progression of employee commit their paths, but it may not be able to develop employee’s satisfaction and organisational

commitment. Equally, many hard work made to rightfully manage the progression of the employees paths have improved employees satisfaction and organisational commitment in the organization.

## VI. CONCLUSION

The intention of this research has been to provide an overview of the organizational commitment this research has been presenting the results of a systematic and comprehensive reviewing these research for following the significant antecedents and outcomes of organizational commitment are determined. The relationship of dimensions of organizational commitment and job performance among the employees. The results show that dimensions of organizational commitment independently and jointly influence the employees' performance in Neyveli Lignite Corporation. It means that employees are willing to devote and stay in corporation for accomplished the of jobs because they have same goals and values inside the organization.

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