

THE IMPACT OF EMPLOYEE PERCEPTIONS ON ORGANIZATIONAL COMMITMENT

By

Mohammed H. O. Madi

2012

**THE IMPACT OF EMPLOYEE PERCEPTIONS ON ORGANIZATIONAL
COMMITMENT**

By

Mohammed H. O. Madi

*A Partial Requirement for the degree of Master of Business Administration (MBA),
Universiti Sains Malaysia (USM)*

2012

DEDICATION

I especially dedicate this thesis to my lovely family and my fiancé in Gaza in occupied
Palestine.

ACKNOWLEDGEMENTS

First and foremost, all thanks be to Allah, The Lord of The Worlds, for enabling me to complete my degree of Master of Business Administration (MBA). I would like to thank my mother, who has always been praying for my success. It is my honor to thank my father for his endless support. My sincere thanks also go to my sisters and brothers.

I do strongly thank my supervisor, Dr. Rajendran A/L Mutuveloo for his support, patience, and being not only a supervisor, but also a teacher, educator, and a good friend. Without him, this research would not have been completed in such a challenging time. I would like also to seize this opportunity to thank Dr. Ismael Abu-Jarad from Gaza for his advice and support.

TABLE OF CONTENTS

Title	Page
DEDICATION.....	i
ACKNOWLEDGEMENT.....	ii
TABLE OF CONTENT.....	iii
LIST OF TABLES.....	vii
LIST OF FIGURES.....	viii
ABSTRACT (MALAY).....	ix
ABSTRACT.....	x
CHAPTER ONE INTRODUCTION	1
1.1 Introduction.....	1
1.2 Statement of Problem.....	4
1.3 Research Objectives	4
1.4 Research Questions.....	5
1.5 Significance of Study.....	5
1.6 Definitions of Key Terms.....	6
1.6.1 Organizational Commitment.....	6
1.6.2 Affective Commitment	6
1.6.3 Continuance Commitment.....	6
1.6.4 Normative Commitment	6
1.6.5 Job Satisfaction	7
CHAPTER TWO LITERATURE REVIEW	8
2.1 Introduction.....	8
2.2 Commitment.....	8
2.3 Organizational Commitment	12
2.3.1 Affective Commitment	13
2.3.2 Continuance Commitment	13

2.3.3 Normative Commitment	14
2.4 Job Characteristics	15
2.5 Types of Commitment.....	16
2.5.1 Organizational Commitment.....	16
2.5.2 Career Commitment	17
2.5.3 Work Commitment.....	18
2.6 Employee Job Satisfaction	18
2.7 Theoretical Research Framework	19
2.8 Research Hypotheses	19
CHAPTER THREE METHODOLOGY	21
3.1 Introduction	21
3.2 Population and Sampling	21
3.3 Principal Variables in the Study	22
3.4 Measurement	22
3.4.1 Commitment	22
3.4.2 Employee Perception	22
3.5 Instrument	23
3.5.1 Employee Questionnaire.....	24
3.6 Validity of the Questionnaire	26
3.7 Reliability of the Questionnaire	27
3.8 Data Analysis	28
3.8.1 Descriptive Statistics	28
3.8.2 Factor Analysis	28
3.8.3 Reliability Analysis.....	29
3.8.4 Regression Analysis	30
3.9 Summary	30

CHAPTER FOUR	RESTULTS	31
4.1	Introduction.....	31
4.2	Profile of the Respondents.....	31
4.3	Goodness of Measures.....	32
4.3.1	Factor Analysis for Commitment.....	33
4.3.2	Factor Analysis for Employees Perception.....	33
4.3.3	Reliability Analysis	34
4.3.4	Reliability Analysis for Dependent Variable	34
4.3.5	Reliability Analysis for Independent Variable	35
4.4	Descriptive Analysis	36
4.4.1	Descriptive Analysis for Dependent Variables.....	36
4.4.2	Descriptive Analysis for Independent Variables	37
4.5	Hypothesis Testing	38
4.5.1	Test for Hypothesis 1.....	38
4.5.2	Test for Hypothesis 2.....	40
4.5.3	Test for Hypothesis 3.....	41
4.5.4	Test for Hypothesis 4.....	42
4.6	Summary	44
CHAPTER FIVE	DISCUSSION AND CONCLUSION	48
5.1	Introduction.....	48
5.2	Recapitulation of the study.....	48
5.3	Discussion of the Findings.....	49
5.3.1	The Relationship between Employee Perception and Affective Commitment.....	50
5.3.2	The Relationship between Employee Perception and Continuous Commitment.....	50
5.3.3	The Relationship between Employees Perception and Normative Commitment.....	51

5.4 Implications of Study 51
 5.4.1 Theoretical Implications 51
 5.4.2 Practical Implications..... 52
5.5 Limitations..... 52
5.6 Future Research 53
5.7 Conclusion 53
REFERENCES..... 55
APPENDIX 1 Survey Questionnaire..... 60
Demographic profile 69
APPENDIX 2 Frequencies..... 70
APPENDIX 3 Factor Analysis..... 72
APPENDIX 4 Reliability..... 83
APPENDIX 5 Regression..... 89

LIST OF TABLES

Table

	page
Table 2.1 Definition of Commitment.....	9
Table 4.1 Demographic Profile of Respondents.....	32
Table 4.2 KMO and Bartlett's Test for Dependent Variable.....	33
Table 4.3 KMO and Bartlett's Test for Independent Variable.....	34
Table 4.4 Reliability Analysis for Dependent Variables.....	35
Table 4.5 Reliability Analysis for Independent Variables.....	36
Table 4.6 Descriptive Analysis for the Dependent Variables.....	37
Table 4.7 Descriptive Analysis for Independent Variables.....	37
Table 4.8 Regression Analysis Results (Employee Perception and Affective Commitment).....	39
Table 4.9 Multiple Regression Results (Employee Perception and Continuous Commitment).....	40
Table 4.10 Multiple Regression Results (Employee Perception and Normative Commitment).....	41
Table 4.11 Multiple Regression Results (Employee Perception and Overall Commitment).....	43

LIST OF FIGURES

Figure

	Page
Types of Employee	
Organizational Commitment.....	12
Theoretical Research Framework.....	19
Summary of Research Findings	44

ABSTRAK

Kajian ini dijalankan untuk mengkaji hubungan antara persepsi kakitangan bank-bank di Gaza, Palestin dan kesan persepsi tersebut dengan komitmen kakitangan terhadap bank-bank berkenaan. Secara khusus, kajian ini ingin melihat kesan persepsi tentang kepuasan kerja, persepsi tentang ciri-ciri pekerjaan, persepsi tentang ciri-ciri organisasi dan persepsi tentang peranan pekerja terhadap tiga dimensi dalam komitmen organisasi iaitu komitmen afektif, komitmen normatif, dan komitmen berterusan. Kajian ini adalah satu kajian kuantitatif di mana 200 set soal selidik telah diedarkan. Sebanyak 127set soal selidik telah dikembalikan dan seterusnya digunakan untuk tujuan analisis. Analisis secara deskriptif menunjukkan bahawa kakitangan bank di Gaza adalah komited khususnya dalam aspek komitmen afektif dan komitmen berterusan. Bagaimanapun, mereka menunjukkan komitmen yang kurang dalam dimensi normatif. Dari sudut persepsi terhadap pekerjaan, responden didapati mempunyai kepuasan bekerja, sebaliknya, dapatan menunjukkan responden tidak berpuashati terhadap ciri-ciri pekerjaan mereka. Seterusnya, analisis regresi menunjukkan terdapatnya hubungan secara positif dan signifikan antara persepsi tentang kepuasan kerja, persepsi tentang ciri-ciri pekerjaan dan persepsi tentang ciri-ciri organisasi dengan komitmen afektif. Persepsi tentang peranan pekerja pula didapati tidak mempunyai hubungan yang signifikan dengan komitmen afektif. Dapatan juga menunjukkan hanya persepsi tentang kepuasan bekerja sahaja yang mempunyai hubungan yang signifikan dengan komitmen berterusan. Dimensi-dimensi lain dalam komitmen organisasi iaitu persepsi tentang ciri-ciri pekerjaan, persepsi tentang ciri-ciri organisasi, dan persepsi tentang peranan pekerja didapati tidak mempunyai hubungan yang signifikan dengan komitmen berterusan. Akhir sekali, didapati bahawa hanya persepsi tentang peranan dan persepsi tentang ciri-ciri organisasi didapati mempunyai hubungan yang signifikan secara positifnya dengan komitmen normatif.

ABSTRACT

This study was conducted to investigate the relationship between the perception of the employees of the banks in Gaza, Palestine and the impact of such a perception on their commitment to these banks. Precisely, this study wanted to examine the impact of perceived job satisfaction, perceived job characteristics, perceived organizational characteristics, and role perception on three dimensions of organizational commitment namely: “affective commitment, normative commitment, and continuance commitment”. This study was a quantitative study where 200 questionnaires were distributed and only 127 were obtained and used for further analysis. The descriptive analysis results showed that in terms of employee commitment, the employees of the banks in Gaza were quite committed especially in the affective and continuous dimensions of commitment. They showed less commitment in the normative dimension. As for the employee perception, the employees of the banks in Gaza were quite satisfied especially in terms of their satisfaction towards the job. However, they were less satisfied in terms of the job characteristics. Moreover, the regression analysis results showed that perceived job satisfaction, perceived job characteristics, and perceived organizational characteristics were found to be positively and significantly correlated with affective commitment. Role perception was not found significantly correlated to affective commitment. The results also showed that only perceived job satisfaction was found to be significantly and positively correlated with continuous commitment. Other dimensions namely (perceived job characteristics, perceived organizational characteristics, and role perception) were not found significantly correlated with continuous commitment. Finally, only role perception and perceived organizational characteristics were found to have a significant positive correlation with normative commitment.

CHAPTER ONE

Introduction

1.1 Introduction

In today competitive world, organizations cannot perform well unless the employees in such organizations are committed and work effectively in teams. It good to have faithful employees who do their job tasks independently; however, this is not enough. Employees nowadays have to work together in teams and have to prove that they are worth being part of these organizations. They also want to be part of a successful organization which provides a good income and good opportunities of growth and development to them.

The practice of the organizations with regards to their employees' commitment has been different if we compare the past to the present. In the past, organizations secured the loyalty of their employees by guaranteeing job security. However, many organizations have practiced downsizing, restructuring and transformation as a response to competitive pressures. Hence, they created a less secure organization climate. Therefore, a growing number of employees feel that they are victims of broken promise. One of the challenges facing organizations involves maintaining employee commitment (Bergmann, Lester, De Meuse & Grahn, 2000). With no assurance of continued employment, workers have now raised their expectations in the other areas. For instance, managers expect employers to be committed to their companies in terms of pleasant working conditions, access to training and development, provision of safe working

environment and a balance between work and employees commitment outside workplace.

According to Porter, Crampton, and Smit (1976), organizational commitment could be defined as the feelings and beliefs formed internally or as a set of intentions that enriches and employee's desire to remain with an organization and to accept its major goals and values.

Organizational commitment is conceptualized in three ways: affective commitment, normative commitment, and continuance commitment. Affective commitment is a sense of attachment and a feeling of belonging to the organization. Normative commitment is a feeling of obligation on the part of employees to maintain employment. Continuance commitment is an awareness of costs associated with leaving the organization or awareness of lack of alternatives (Hartmann & Bambacas, 2000; Tan & Akhtar, 1998).

According to an enormous number of studies on organizational commitment, it was found that there was a relationship between organizational commitment and attitudes and behaviours of employees in the workplace (Porter et al., 1974, 1976; Koch and Steers, 1978; Angle and Perry, 1981). Therefore, organizational commitment has an important role and place in the study of organizational behaviour. In addition, Batemen and Strasser (1984) state that *"the reasons for studying organizational commitment are related to cognitive constructs such as job satisfaction, characteristics of the employee's job, and role, such as responsibility"*.

In the literature, even though numerous studies have been produced on the area of organizational commitment, there has been lack of agreement on its definition (Meyer and Allen, 1991); because organizational commitment has been variably and extensively defined, measured and researched, and the concept, as a result, has been criticized for lack of correctness, giving rise to disagreement results from various studies. For example, Bateman and Strasser (1984,p.95) defined it as *“multidimensional in nature, involving an employee’s loyalty to the organization, willingness to exert effort on behalf of the organization, degree of goal and value congruency with the organization, and desire to maintain membership”*.

Because organizational commitment has been studied in public, private, and non-profit sector, and more recently internationally, there was a lack of consensus over the definitions of organizational commitment. Meyer and Allen (1997) stated that there is no definition more 'correct' or universally accepted than the others.

In this connection, employees play an important role in achieving organization targets; therefore, analysis of their psychological characteristics and the impact of their perception on the organization commitment are crucial. Organization commitment, in particular, has been a major field of study in recent years.

Many studies have shown that organizational commitment has been related to positively to organizational outcomes, including job satisfaction, job characteristic, and organizational characteristic. Despite the importance of studying commitment, little research has been devoted to a depth study of the impact of employee perceived job satisfaction, job characteristic, organizational characteristic and role on organizational

commitment. Thus, the present study attends to explore the Palestinian employee perceptions' on organizational commitment.

1.2 Statement of Problem

Little research with respect to organizational commitment such as affective, normative and continuance commitment has been conducted in the industrial, organizational, and occupational arena in Palestine. This researcher seeks to determine the extent to which hypothesized independent variables (job satisfaction, job characteristic, organizational characteristic and role) could explain affective, normative and continuance organizational commitment in the banking sector in Palestine.

The findings of previous studies also showed that the relationship between employees' job satisfaction, job characteristic, organizational characteristic and role and organizational commitment should not be generalized to other samples. They suggested that the use of other types of samples in future research may result in different findings. Therefore, this study seeks to explain the impact of employee perception on organizational commitment in the banking sector in Gaza, Palestine.

1.3 The Research Objectives

The objectives of this study are:

1. To investigating the employees' perception (job satisfaction, job characteristic, organizational characteristic, and role) in the banking sector in Gaza.
2. To investigate the organizational commitment (affective, normative, and continuance commitment) in the banking sector in Gaza, and

3. To examine the impact of employee perception on organizational commitment in the banking sector in Gaza.

1.4 Research Questions

This study attempts to answer the following research questions:

1. How is the employees' perception towards their jobs in the banking sector in Gaza, Palestine?
2. How is organizational commitment of the employees of the banking sector in Gaza?
3. Is there any significant relationship between employee perception and organizational commitment?

1.5 Significance of the study

The aim of every organization in any global firm is to increase organization commitment. Thus, this research and its finding will be considered important to provide and give more empirical support to previous studies and explain the effect of employee perception on organizational commitment. The findings of this study would be important to the banking sector in the Gaza -Strip in particular and Palestine in general.

Theoretically, this study would add to the body of knowledge on the general subject of employee commitment. From a practical point of view, it would benefit the bank managers in Gaza in ensuring that the employees working for them are committed through understanding how they perceive their jobs.

1.6 Definition of Key Terms

The various variables used in this present study are defined as follows:

1.6.1 Organizational commitment

Bateman and Strasser state that organizational commitment has been operationally defined as “*multidimensional in nature, involving an employee’s loyalty to the organization, willingness to exert effort on behalf of the organization, degree of goal and value congruency with the organization, and desire to maintain membership*” (p.95).

1.6.2 Affective commitment

Affective commitment is defined as the emotional attachment, identification, and involvement that an employee has with its organization and goals (Mowday et al, 1997).

1.6.3 Continuance commitment

Continuance commitment is the willingness to remain in an organization because of the investment that the employee has with “nontransferable” investments. Nontransferable investments include things such as retirement, relationships with other employees, or things that are special to the organization (Reichers, 1985).

1.6.4 Normative commitment

Normative Commitment is the commitment that a person believes that they have to the organization or their feeling of obligation to their workplace (Bolon, 1993). Meyer and Allen (1991) supported this type of commitment prior to Bolon’s definition, with

their definition of normative commitment being “a feeling of obligation”. It is argued that normative commitment is only natural due to the way we are raised in society. Normative commitment can be explained by other commitments such as marriage, family, religion, etc. therefore when it comes to one’s commitment to their place of employment they often feel like they have a moral obligation to the organization (Wiener, 1982).

1.6.5 Job satisfaction

Job satisfaction is a combination of cognitive and affective reactions to the differential perceptions of what an employee wants to receive compared with what he or she actually receives (Cranny et al., 1992).

CHAPTER TWO

Literature Review

2.1 Introduction

This chapter presents the literature review on the major variables namely employee perception and organizational commitment. This chapter will shed some light on the previous studies conducted on the topic.

2.2. Commitment

Commitment is a force that binds an individual to a course of action that is of relevance to a particular target (Meyer & Herscovitch, 2001). According to Luchak & Gellatly (2007) affective commitment was positively associated with work efforts and performance. When affective commitment is low, absenteeism and turnover will be high (Paré & Tremblay, 2007).

Table 2.1 in the next page provides a set of definitions taken from the literature. As indicated by Meyer and Herscovitch (2001), all of these definitions refer to a force that directs a person's behavior.

Table 2.1: Definition of Commitment

Definition	Author & Year
a stabilizing force that acts to maintain behavioural direction when expectancy/equity conditions are not met and do not function	(Scholl, 1981)
a force that stabilizes individual behavior under circumstances where the individual would otherwise be tempted to change that behaviour	(Brickman, 1987).
an obliging force which requires that the person honor the commitment, even in the face of fluctuating attitudes and whims”	(Brown, 1996)
the relative strength of an individual’s identification with and involvement in a particular organization	(Mowday et al, 1979)
the psychological attachment felt by the person for the organization; it will reflect the degree to which the individual internalizes or adopts characteristics or perspectives of the organization	(O’Reilly & Chatman, 1986)
a psychological state that binds the individual to the organization”	(Allen & Meyer, 1990)

Source: Meyer and Herscovitch (2001)

The literature defines commitment as an employee's level of attachment to some aspect of work. Various authors have been instrumental in identifying types of employee commitment as critical constructs in understanding the attitudes and behaviors of employees in an organization. Meyer et.al. (2001) identify more than 25 employee commitment concepts and measures. The definition of employee commitment is based on an intrinsic exchange between the organization and employee as well as on emotional attachment between the employee and the organization. Bennett (2000) performed an exploratory study of employees at a retail bank undergoing structural and cultural change. He found that change can detach an employee from the organization and large scale change can reduce an employee's commitment to the company. If an organization focuses on the structural aspects of change alone by planning the technical aspects of the change and does not guide and support its personnel then there will be a lack of commitment on the part of the employees.

Three psychological bases for organizational attachment discussed by Bennett (2000) were compliance commitment, identification commitment and internalization commitment. Compliance commitment means the employee is committing to the organization because there are high monetary and social costs to leave the organization. Identification commitment is commitment base on an emotional bond with the organization and the person's desire to be affiliated with the organization. Internalization commitment is internalized norms shared with the organizations goals, values and mission. When change affects the organization's core values employee's internalized organizational commitment will be eroded. Since internalized commitment can be

associated with other behaviours key to the change process this can have serious implications to an organization (Bennett, 2000).

Four barriers in organizations that reduce employee commitment to the new process are personal relationship disruption, threat to one's status, desire to keep the status quo, and financial consequences. The results of the study by Bennett (2000) concluded that although sustained and fundamental change in an organization can dissolve internalized commitment, identification commitment was independent of an employee's experience with the organization. An employee's experience in an organization is based on how individuals perceive that other people view the organization. Compliance commitment also remained moderate to high during the time of change. If there are high costs to not complying or the organization has a strong and recognized corporate image then success is predicted for implementing and maintaining a new process.

The most central aspect of the change process is the role of employee commitment in initiating the change and maintaining any future or ongoing change programs (Bennett, 2000). However if employees do not see a clear benefit to the change their commitment to the process will diminish. And if top management does not present a full commitment to change then the process is surely doomed (Gill, 2003). In high tech companies innovation often fails when a top-down approach is taken without gaining commitment from employees. Employees at high tech companies may resist change by taking the attitude that if it "was not invented here" then we will not use it (Zell, 2001).

To overcome barriers to change organizations need to keep their employees committed to the change process. Committed employees exhibit greater job satisfaction, motivation and attendance as well as decreased amounts of turnover. Increasing employee's involvement in the change process can increase their understanding and decrease any personal uncertainty. However if the employees do not share the new value system of the organization then involvement in the change process will not restore internalized commitment. When there is a fundamental shift in corporate values that are not shared by its employees then “. . . intense periods of employee socialization. . .” are required (Bennett, 2000). The organization would have to rely on commitment based on identification commitment and/or compliance commitment.

2.3 Organizational Commitment

Meyer and Allen (1991) present these three approaches, as shown in Fig. 1, and define their three dimensional constructs as affective, continuance and normative commitment.

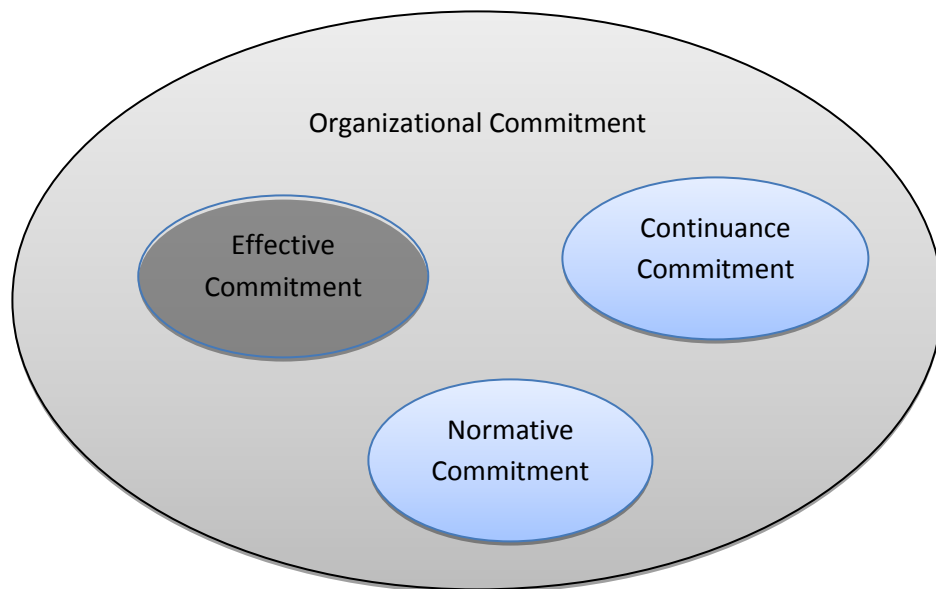


Figure1: Types of Employee Commitment / Adopted from Mayer and Allen (1991)

2.3.1 Affective Commitment

According to Mayer and Allen (1991) Affective commitment refers to the employee's emotional attachment to, identification with, and involvement in, the organization based on positive feelings, or emotions, toward the organization. The antecedents for affective commitment include perceived job characteristics where is task autonomy, task significance, task identity, skill variety and supervisory feedback, organizational dependability that mean extent to which employees feel the organization can be counted on to look after their interests, and perceived participatory management that mean extent to which employees feel they can influence decisions on the work environment and other issues of concern to them. The use of these antecedents is consistent with findings by researcher Rowden, (2002), that these factors all create rewarding situations, intrinsically conducive to the development of affective commitment. In addition, age and organizational tenure are considered to be positively associated with affective commitment. It is hypothesized that employees with low affective commitment will choose to leave an organization, while employees with a high affective commitment will stay for longer periods, as they believe in the organization and its mission.

2.3.2 Continuance commitment

Continuance commitment refers to commitment based on the costs that the employee associates with leaving the organization (due to the high cost of leaving). Potential antecedents of continuance commitment include age, tenure, career satisfaction and intent to leave. Age and tenure can function as predictors of continuance

commitment, primarily because of their roles as surrogate measures of investment in the organization (Mayer and Allen, 1997).

Tenure can be indicative of non-transferable investments that mean close working relationship with coworkers, retirement investments, career investments and skills unique to the particular organization. Age can also be negatively related to the number of available alternative job opportunities. Career satisfaction provides a more direct measure of career related investments, which could be at risk if the individual leaves the organization. In general, whatever employees perceive as sunk cost, resulting from leaving the organization, are the antecedents of continuance commitment.

2.3.3 Normative commitment

Normative commitment refers to an employee's feeling of obligation to remain with the organization where it based on the employee having internalized the values and goals of the organization. The potential antecedents for normative commitment include co-worker commitment where it including affective and normative dimensions, as well as commitment behaviors, organizational dependability and participatory management. Co-workers' commitment is expected to provide normative signals that influence the development of normative commitment (Commerias and Fournier, 2002). Organizational dependability and perceived participatory management are expected to instil a sense of moral obligation to reciprocate to the organization.

2.4 Job characteristics

Job characteristics are affection factors that influence employees' intrinsic work motivation by the achievement of critical psychological states (Hackman & Lawler, 1971; Hackman & Oldham, 1976).

As shown in many studies (Bhuiyan, Al-Shammari & Jerfro, 2001; Bhuiyan & Menguc, 2002; Erbacher, D'Netto, & Espafia, 2006, and Selmer & Leung, 2003), job characteristics and job satisfaction are very important factors that influence employees' commitment to their organization.

To the extent that a job is structured to provide regular feedback and autonomy as well as a sense of task completion, employees can monitor their own behaviour and gain an increased sense of personal control (Greenberger & Strasser, 1986). Personal control is an individual's belief that he or she can effect a change in a desired direction. According to Lawler (1992), an increase in perceived control strengthens emotional bonds with an organization. A heightened sense of personal control thus has positive consequences for employee attitudes and behaviours at work.

Research has shown that employees engage in higher levels of citizenship behaviour when they have the opportunity to work on intrinsically satisfying tasks. However, citizenship levels (commitment) are likely to be markedly lower when employees are given repetitive, highly reutilized tasks to complete. In addition, bureaucratic rules and procedures that overly constrain workers may serve to inhibit acts of citizenship (Bolino & Turnley, 2003). Motivating job characteristics such as meaningful work, autonomy and feedback maximize the possibility for internal

motivation. According to Jernigan, Beggs and Kohut (2002), satisfaction with autonomy (perceived independence), status (sense of importance) and policies (satisfaction with organizational demands) are all significant predictors of commitment. Thus, specific characteristics of a job can increase an employee's sense of felt responsibility, and subsequently, the sense of attachment to the project organization. Understanding how one's job contributes to interdependent outcomes enhances feelings of embeddedness and accountability. Similarly, awareness of outcomes (feedback) can lead to a strong feeling of mutual responsibility. A job that allows a high degree of autonomy and the absence of close supervision suggests a situation characterised by trust. Hence the freedom associated with autonomy and low monitoring is balanced by the reciprocal response of responsibility and commitment.

2.5 Types of Employee Commitment

Mayer and Lynne (2001) group employee commitment into three types namely: (commitment to work/job, commitment to career /profession, and commitment to organization).

2.5.1 Organizational Commitment

Rajendran & Raduan (2005) stated that there are two dominant conceptualizations of organizational commitment in sociological literature. These are an employee's loyalty towards the organization and an employee's intention to stay with the organization. Loyalty is an effective response to, and identification with, an organization, based on a sense of duty and responsibility.

One may use Herscovitch and Meyer's (2002) definition: 'the degree to which an employee identifies with the goals and values of the organization and is willing to exert effort to help it succeed'. Loyalty is argued to be an important intervening variable between the structural conditions of work, and the values, and expectations, of employees, and their decision to stay, or leave. Positive and rewarding features of work are expected to increase loyalty, which, in turn, will reduce the likelihood of leaving. Loyalty becomes stabilized with tenure, which partly explains the negative relationship typically found between tenure and turnover (Cacioppe, 2000).

Intent to stay is portrayed as effectively neutral, and focuses on an employee's intention to remain a member of the organization (Hagen & Nelson, 2001). It is much closer to economists' ideas on how weighing the costs of leaving versus staying, decides the employee to leave or stay. Hagen and Nelson (2001) defines this form of commitment as the employee's expected likelihood of remaining employed in the same organization. As with loyalty, intent to stay stabilizes with tenure, and helps explain the negative tenure and turnover relationship. Theoretically, it is viewed as an intervening response to structural conditions of work, as well as conditions of work elsewhere, or to not working at all.

2.5.2 Career Commitment

Career commitment refers to identification with, and involvement in, one's occupation. Much literature refers to similar or related concepts: occupational commitment (Mello et.al, 2002) professional commitment (Herscovitch and Meyer's 2002), career salience (Adler and Corson, 2003) the cosmopolitan/local distinction

(Hope, 2003) and professionalism (Cacioppe, 2000). Common to all these is the critical notion of being committed to one's career, or occupation, rather than to the organization which employs one.

2.5.3 Work Commitment

Work commitment refers neither to the organization nor to one's career, but to employment itself (Bard, 2002). Persons committed to work hold a strong sense of duty towards their work, and place intrinsic value on work as a central life interest (Saros & Santora, 2001). This form of commitment relates terms like work motivation, job involvement (Herscovitch & Meyer, 2002), work as a central life interest (Rowden, 2003) and work involvement (Hope, 2003). Although work commitment is expected to be related to organizational commitment and career commitment, literature (Mowday, 1998) shows it to be empirically distinct from these two forms of commitment.

2.6 Employee Job Satisfaction

Job satisfaction has been defined by Locke (1976) as an emotional state resulting from job experiences with the result that a worker feels positively or negatively about his or her job. Robbins and Coulter (1996) stated that job satisfaction is about the general attitude of employees toward their jobs. Employees' attitudes are likely to reflect their job satisfaction. Job satisfaction can be conceptualized in different ways, such as extrinsic (for example, compensation and job security), intrinsic (for example, advancement), or general satisfaction (for example, an aggregation of satisfaction with various job facets) (Bhuiyan, Al-Shammari, & Jefri, 1996).

2.7 Theoretical Research Framework

The theoretical framework drawn below is underlined by Meyer and Allen's (1991) three-component model of commitment. However, the theoretical framework drawn below shows the link between employee perception and organizational commitment.

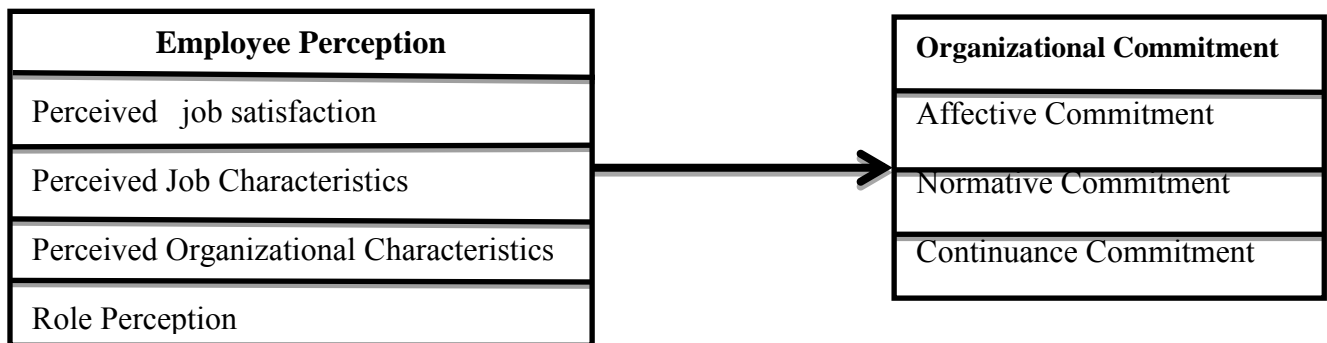


Figure 2.1: Theoretical Framework

The theoretical frame was constructed based on metaanalysis done by Mathien and Zajac (1990).

2.8 Research Hypotheses

The hypotheses for this research were developed by adopting research done by Muthuvelo (2005).

Based on the theoretical framework above, the following hypotheses were generated.

H1: Employee perception has significant influence on organizational commitment.

H1a: Perceived job satisfaction has significant influence on affective commitment.

H1b: Perceived job satisfaction has significant influence on affective commitment.

H1c: Perceived job characteristics have significant influence on affective commitment.

H1d: Perceived organizational characteristics have significant influence on affective commitment.

H1e: Role perception has significant influence on affective commitment.

H1f: Perceived job satisfaction has significant influence on normative commitment.

H1g: Perceived job satisfaction has significant influence on normative commitment.

H1h: Perceived job characteristics have significant influence on normative commitment.

H1i: Perceived organizational characteristics have significant influence on normative commitment.

H1j: Role perception has significant influence on normative commitment.

H1k: Perceived job satisfaction has significant influence on continuance commitment.

H1l: Perceived job satisfaction has significant influence on continuance commitment.

H1m: Perceived job characteristics have significant influence on continuance commitment.

H1n: Perceived organizational characteristics have significant influence on continuance commitment.

H1o: Role perception has significant influence on continuance commitment.

CHAPTER THREE

Methodology

3.1 Introduction

The objective of this chapter is to explain the research design and the methodology used in the present study. This section describes the population and sampling, and the procedures for collecting and analyzing the data.

3.2 Population and Sampling

The population includes employees of the banks of Gaza in Palestine. According to Sekaran (2006) sampling is the process of selecting a sufficient number of elements from the population, so that a study of the sample and an understanding of its properties or characteristics would make it possible for us to generalize such properties or characteristics to population elements. To have representative finding, the sampling technique used must be objective. This is an important effort adopted by most researchers in order to get a finding that is relevant to the general. The sample was randomly chosen from the aforementioned population in 2012 from bank employees in Gaza. For this study 200 set of questionnaires were distributed to respondents. The study employed convenience sampling in order to obtain a large number of completed questionnaires.

3.3 Principal Variable in the Study

The dependent variable used in this study is an indicator of the commitment of the employees of the current organization (affective commitment, normative commitment and continuous commitment). The independent variable in this study is employees perception (perceived job satisfaction, perceived job characteristics, perceived organizational characteristics and role perception).

3.4 Measurements

This section represented the respective measurement for independent variable (employees' perception) and dependent variable (organizational commitment). All instruments were adopted from previous empirical studies to fit into current study.

3.4.1 Commitment

This section asks the respondents about their commitment to their organization. There were 26 items in this section. All the items in this section related to affective commitment, continuous commitment and normative commitment were borrowed from previous studies with a slight modification. Respondents are to indicate their responses on a seven-point Likert scale, ranging from 1=strongly disagree to 7=strongly agree.

3.4.2 Employee Perception

Employees' perception was comprised of perceived job satisfaction, perceived job characteristics, role perception and perceived organizational characteristics. There were 68 items in the questionnaire regarding this section. Respondents are to indicate

their responses on a seven-point Likert scale, ranging from 1=strongly disagree to 7=strongly agree.

3.5 Instrument

According to Senn (1985, p. 73–74), “analysts use a variety of methods to gather facts about an existing situation-interviews, questionnaires, record studying (on site review), and observation.” The employment of quantitative methods has generated attention among numerous researchers (Greene & Caracelli, 1997; Tashakkori & Teddlie, 2003). According to the reviewed literature and to gather facts from employee perception toward their organizational commitment, the present research implemented a quantitative approach. The deployment of quantitative techniques entailed the use of employee questionnaires to ensure objectivity and generalizability. The methods led to the generation of the quantifiable and reliable data concerning employee perceptions toward their organizational commitment.

A question of interest in most program evaluations is the degree of effectiveness of the program. Using quantitative methods, an experiment can be designed to ascertain whether employees learned something, and how much of that was learned (Brown, 1995). The quantitative technique was employed to determine employee perceptions toward their organizational commitment.

3.5.1 Employees Questionnaires

The use of questionnaires is the most common data gathering procedure in the research field (Stone, 1978). Basically, “a questionnaire is an instrument for the collection of data, usually in written form, consisting of open and/or closed questions and other probes requiring a response from subjects” (Nunan, 1992: 231). Moreover, other researchers have argued that questionnaires are documents that inquire the same questions from all individuals in the sample, and are considered to be one of the most used and foundational means of data collecting (Gray, 1998). Consequently, the following points are the major characteristics of successful questionnaires in any research:

1. Questionnaires are more economical than the interviews, in terms of money and time (Robert, 1997).
2. Questionnaires employ statistical methods to analyze data (Meredith, Walter, and Joyce, 2003).
3. Reliability is a concern when the questionnaire integrates scales that are responsive to the subject’s moods (Gray, 1998).
4. Questionnaires allow the use of a great number of questions (John and James, 1998).

The current study uses the questionnaire as the prime research tool for collecting quantitative data (**Appendix I**). This questionnaire was designed and distributed to the sample of the study. The items of the questionnaire consist of specific information