

# THE IMPACT OF EMPLOYEE COMMITMENT ORIENTATION ON FIRM PERFORMANCE: EVIDENCE FROM SOFTWARE BUSINESSES IN THAILAND

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**Abstract:** *In the current, complex business environment, many organizations face increasing pressure about high competition in both the industrial and service sectors. In addition, high working competition of employees rises in the organizations around the world. Consequently, people often seek jobs and switch work more in the present. Employee commitment is a hot issue for both executive managers and researchers. Furthermore, it is an important role that improves competitive advantage and organizational performance. The organizations have concentrated on the approaches and techniques to make employees feel committed, honest and willing in the workplace. Thus, this research purposes to examine the relationship of employee commitment orientation and firm performance. Therefore, organizational outcomes are more particular, including organizational citizenship behavior, organizational creativity, organizational innovation, organizational excellence, business competitiveness and firm performance, which are proposed to have positive relationships with all constructs. The data were collected from a survey of 113 software businesses in Thailand. The results indicate that employee commitment orientation is strongly supported with all of consequences including organizational citizenship behavior, business competitiveness and firm performance. Likewise, the researchers develop a conceptual framework in this research that considers the characteristics of employee commitment orientation and outcomes. Finally, theoretical and managerial contributions, conclusion, and suggestions for future research are also interesting to be discussed.*

**Keywords:** *Employee Commitment Orientation, Organizational Citizenship Behavior, Organizational Creativity, Organizational Innovation, Organizational Excellence, Business Competitiveness, Firm Performance*

## 1. Introduction

In today's complex business environment, organizations face increasing pressure. Under the current rapidly changing social, economic, political and technological, includes the result of

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extreme competitive business in globalization (Hwang & Norton, 2014; Balas, Gokus, & Colakoglu, 2014). Organizations need to have a new strategy to manage the organization. Employee commitment has been shown to be a dominant driving force in the organizational success (Kidombo, K' Obonyo, & Gakuu, 2012). It is an interesting topic in business world.

Since the 1960s, employee commitment still has been one of the most prevalent issues for both executive managers and researchers in the field of

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management (Alfalla-Luque, Marin-Garcia, and Medina- Lopez, 2015; Yamao & Sekiguchi, 2015). The executive managers should recognize and concentrate on an approach that makes employees to be committed to the organization for efficient, long- term employment. If the higher commitment within the organization can improve organizational performance, a lower absenteeism and turnover rate will result ( Ostroff, 1992; Yucel, 2012) . Employee- to- organization relationships have originated from the concept of organizational commitment. Furthermore, the work of Scott- Ladd, Travaglione, & Marshall (2006) reveal that organizational commitment remains to be a dominant employees' attitudinal response.

Kidombo, K·Obonyo, & Gakuu (2012) indicate that the commitment tactic can make the employees to respond well by helping actively in the workplace, encouraging contribution, and giving accountability that lead to enhance outcomes of the organization. In the same way, Rathi & Rastogi (2009) find that organizational commitment is a perspective to expect outcomes in organizations; for example, reducing the turnover rate, increasing task performance, a lower absenteeism rate, and increasing extra-role behavior, which is in the literature review on commitment. The managers should focus on the procedure that the majority reasons for the employees to stay in the organization, leading to satisfaction in the workplace (Hay, 2001). These organizations foresee a value in the employees. Human resources are considered as the main and valuable resource in the organization (Wright, Dunford, & Snell, 2001). This is the key component of organizational management, and can lead to further development of the organization.

The software business is one of the main industries in economic and social development at the national level and plays

an important role in the world economy. Furthermore, working in the software industry has been complex and complicated operation that makes the employees get stress and they have to face a lot of challenge at work. In a global, IT professional's turnover is very hot issue for the organizations (Ertürk & Vurgun, 2015). Also, turnover rate of IT staff have remained a chronic problem in the current. Thus, Thai software businesses are appropriate population that examine in this research.

In the main, employee commitment orientation assistance in the organization provides many opportunities for competitive advantage and enhanced productivity (Dixit & Bhati, 2012). Most studies in employee commitment focus on organizational behavior such as employee satisfaction, attitude, and trust, which are based on the literature of management research. These issues explain the research gaps in the literature. Hence, the aim of this research is to examine the relationship of employee commitment orientation and firm performance in software businesses in Thailand.

This research is organized as follows: the first part represents the relevant literature reviews and linkages to hypotheses that are presented in the conceptual framework. In addition, the research methodology and results are proposed in the next part for clarity. Next, the contribution includes directions for future research, theoretical and managerial contributions. Also, the final part is the conclusion of this research.

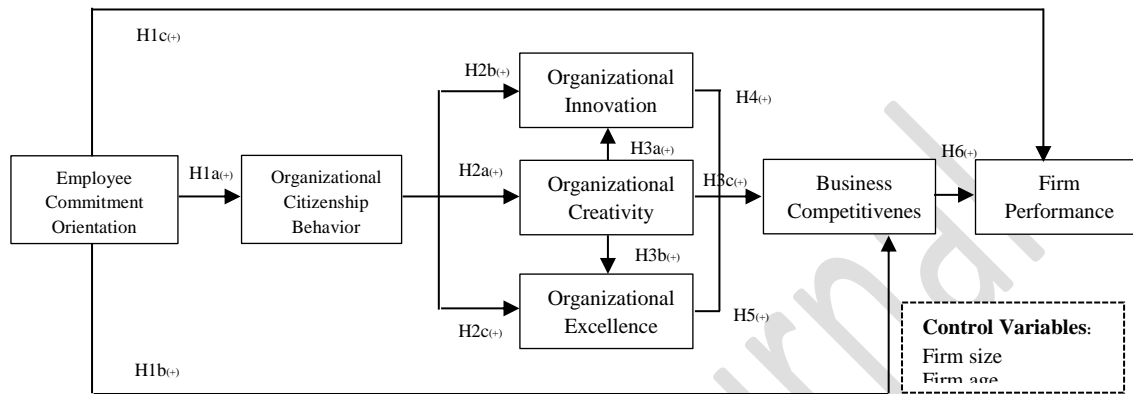
## **2. Literature Review**

This paper examines the relationships among employee commitment orientation, organizational citizenship behavior, organizational creativity, organizational innovation, organizational excellence, business competitiveness, and firm

performance. In this research, a conceptual framework of employee commitment orientation and firm performance is

discussed and scrutinized obviously. Hence, the conceptual framework, linkage, and research models are provided in Figure 1.

**Figure 1:** A Conceptual Framework



- *Employee Commitment Orientation (ECO)*

Employee commitment continues to be one of the most exciting issues for both managers and researchers since the 1960s. Several theoretical studies about organizational commitment have focused on employee commitment to the organization and have attempted to explore its effect on work outcomes; for instance, turnover and job performance ( Vural, Vardarlier, & Aykir, 2012; Top et al., 2015). Furthermore, employee commitment is an important component of this research and it refers to the approach that the organizations employ in focusing on the creating relationships among employees in the organization which leads to gain extra roles of employees and a competitive advantage. Consistent with Park (2012), it proposes that employees who committed to the organization will be encouraged to make extra effort that, in turn, will improve organizational performance.

The concept of employee commitment has been defined in many different ways.

Mowday, Steers, & Porter ( 1982) indicate that employee commitment is categorized into three aspects: 1) a willingness to utilize extensive exertion on behalf of the organization; 2) a strong faith in, and acceptance of, the organizational goals and values; and 3) a strong wish to sustain membership in the organization. Besides, employee commitment is defined as the degree to which an employee is psychologically dedicated to an organization through a feeling of worth, affection, loyalty, belongingness, and pleasure (Jaros, 1993).

In previous study, Chew and Chan ( 2008) propose that organizational commitment is a robust factor of organizational success towards the employees for the enhanced performance of the organization. Moreover, it is an essential for the organization to recognize what are the characteristics that play a central role or have an enormous effect in improving employee commitment. High-commitment HR practices can provide to create

organizational value and lead to enhanced organizational performance (Collins & Smith, 2006).

Based on integrative prior research and literature review, this research defines employee commitment orientation as the ability of an organization to make employees recognize organizational value, be dedicated to the organization, and maintain membership in the organization, leading to organizational goal success (Mowday, Porter, & Steers, 1982). Consistent with the research of Mathur (2015) indicates that the success of the organization depends on the employee commitment towards the organization.

According to the literature reviewed above, employee commitment orientation is more likely to enhance the organizations to accomplish organizational citizenship behavior, business competitiveness, and firm performance. Hence, the first hypothesis can be proposed as:

**H1:** *Employee commitment orientation will have a positive influence on (a) organizational citizenship behavior, (b) business competitiveness, and (c) firm performance.*

#### *- Organizational Citizenship Behavior (OCB)*

Organizational citizenship behavior refers to the employee's action in the workplace, which is an extra role. It includes cooperation, and coordinates in the operation of the organization, based on altruism, conscientiousness, sportsmanship, courtesy, and civic virtue (Organ, 1988). Podsakoff et al., (2000) divide organizational citizenship behavior into seven components, including sportsmanship, helping behavior, organizational loyalty, individual initiative, organizational compliance, self-development, and civic virtue. These

behaviors are important to develop an organization lead to increase performance. However, individual initiative is the behavior of an employee about the volunteer actions of creativity and innovation, which are planned to increase job and organizational performance. Moreover, employees who have devoted behaviors work extra hours for organizations and support organization to create more propositions and organizational outcomes. Rationally, interpersonal behaviors among employees generate a good operational climate in a workplace, establish a channel for communicating and knowledge-sharing within the organization, and encourage cooperation among its members so as to develop the innovation output of the organization (Bao Gongmin & Qian Yuanyuan, 2009).

Especially, organizational citizenship is tremendously valuable to organizations, and improves performance and competitive advantage (Nemeth & Staw, 1989). It is the employee behavior which supports all kinds of operations in an organization to be efficient and effective, in that the employees play or act with enthusiasm and without concerning organizational reward systems. In summary, the key point is organizational citizenship behavior which is important behavior for the organization, which does not easily occur within organizations, and benefits organizations, leading to the better organizational outcomes. Many researchers have claimed that organizational citizenship behavior is likely to have outcome at higher levels of job effectiveness and organizational performance (Netemeyer et al., 1997; Balon, 1997). Specifically, employees are engaged and committed to work, they will tend to absorb in extra actions which are conscientious, virtuousness and altruistic (Babcock-Roberson & Strickland, 2010).

Based on the aforementioned literature review, organizational citizenship behavior

is more likely to encourage organizations to improve organizational creativity, organizational innovation, and organizational excellence. This insight therefore leads to the following hypothesis:

**H2:** *Organizational citizenship behavior will have a positive influence on (a) organizational creativity, (b) organizational innovation, and (c) organizational excellence.*

*- Organizational Creativity (OCV)*

Organizational creativity refers to the competence of the organization to generate a new operational process, promote staff for new concepts and knowledge development, and create potential new ideas that are efficient and effective to the organization. Creativity is important for organizational innovation and survival (Vaccaro et al., 2010; Augsdorfer, Bessant, & Möslin, 2012). Furthermore, Thatcher and Brown (2010) define creativity as the generation of new and appropriate ideas, products, processes, or solutions that are useful in appropriate circumstances.

Mumford et al., (2002) state that creativity is an authoritative factor that enables a firm to sustain its efficiency in competing under extremely competitive surroundings. Creativity has become important in most organizations. It is the generation of new ideas, innovation, and the translation of these ideas into new products or services (Mumford and Gustafson, 1988). It is consistent with Hirst, Knippenberg, & Zhou (2009) who define creativity as the production of employees with unique and beneficial ideas about products, techniques, and processes at the workplace. Thus, the organization should focus on creativity as a process concerning employees who have developed new and suitable resolutions and problems faced in the target pursuit. Developing novel

concepts and operations can provide for the organization to adapt to dynamic market environments, take frequent opportunities, and improve competitive advantage and sustainable growth (Binyamin & Cameli, 2010).

Though based on the literature review, when organizational creativity is higher, it will increase organizational innovation and business competitiveness. Hence, the hypothesis is posited as follows:

**H3:** *Organizational creativity will have a positive influence on (a) organizational innovation, (b) organizational excellence, and (c) business competitiveness.*

*- Organizational Innovation (OIN)*

Organizational innovation refers to the ability of the organization to develop new processes, new ideas and new technology leading to the organization's attainment of its aim (Evan & Black, 1967; Hult, Hurley & Knight, 2003). Madrid-Guijarro, Garcia, and Auken (2009) indicate that innovation is broadly recognized as a key factor in the competitiveness of nations and organizations. Hence, innovation capability is transforming the resources of an organization that leads to the development and launch of new products (Therrien, Doloreux, & Chamberlin, 2011). Matzler et al., (2013) rightly point out that innovation can provide firms protection from extreme and uncertain markets, and complex circumstances in which firms meet new chances and in which they manipulate proficiently.

In previous research, Noruzy et al. (2012) propose that organizational innovative activity significantly impacts competitiveness and that is depended on the inimitable skills and abilities of the organization. Innovation is a complicated process associated with changes in manufacturing functions and processes.

Organizations seek to acquire and build upon their unique technological competence. In the same way, organizational innovation has been a key factor in sustaining competitive advantage, and drives the growth rate of the organization, leading to further success. Also, it is the engine that permits the organization to enhance performance in the world economy (Alshammari et al., 2014).

Jaskyte (2011) indicates that innovation is positively related to performance. Innovation is still the requirement in non-profit firms to create innovative culture that increases organizational performance.

Hence, organizational innovation can be obtained from the skills and abilities of employees, due to the fact that the organization will increase the new product or service. However, organizational innovation enhancements in the organization lead to business competitiveness. Therefore, this research proposes the following hypothesis:

**H4:** *Organizational innovation will have a positive influence on business competitiveness.*

*- Organizational Excellence (OEL)*

Organizational excellence refers to the meaningful working systems, outstanding execution, and predominant coordination that enable improvement of good value delivery processes and customer satisfaction response (Darling & Nurmi, 1995). Nohria et al. (2003) have pressed the opinion that four basic management practices that are successful businesses implement include strategy, structure, execution and culture. Kanji (2002) indicates that the Business Excellence Measurement System consists of two main factors: leadership and organizational value. It is related to both customer satisfaction and organizational quality performance. The main elements for organizational

excellence include customer caring well, constant innovation, and committed employees (Darling & Nurmi, 1995). In summary, the organization still has the procedures in customer service and produce innovation continuously that reflects systematic work for management within the organization.

References to Ojha (2015) reveal that operational excellence refers to the organization reaching through to improve frequent innovation and technology in product and service development. Likewise, business excellence is a main objective in generating organizational sustainability and constant quality enhancement of corporate procedures which can improve robust financial performance, goal achievement, rapid customer response, effective employee staffing and admission, preferred product and service outcome, and the remaining workforce (Kanji, 2005).

Based on a review of research and relevant literature, organizational excellence is at a higher level, and will more likely enhance the organization to attain business competitiveness. Hence, the hypothesis can be proposed as:

**H5:** *Organizational excellence will have a positive influence on business competitiveness.*

*- Business Competitiveness (BCP)*

Business competitiveness refers to the organization's competence to manage and operate a business superior to competitors (Pungboonpanich & Ussahawanitchakit, 2010). Singh (2012) indicates that a competitive advantage is reflected as a circumstance or position that facilitates a firm to have greater working efficiency or better quality above its challengers of which the final result is an enlargement in paybacks to the firm. Competitive advantage refers to the ability of a firm to drive its corporate superiors, other than its entrants, resulting in a greater position in

the competitive market (Pungboonpanich & Ussahawanitchakit, 2010). The dynamic competitive forces of an organization improve competitive advantage. To gain a competitive advantage, the organizations may employ business strategies such as cost leadership or differentiate strategies (Porter, 1980).

Abdel & Romo (2005) propose that organizational competitiveness is based on the competitive advantage of the organization regarding the organizational processes and the organization's production. The factors of organizational competitiveness have four critical

As a result, these seem to imply that business competitiveness will affect firm performance. Therefore, this research proposes that business competitiveness tends to attain firm performance. To summarize, the hypothesis is proposed as follows:

**H6:** *Business competitiveness will have a positive influence on firm performance.*

#### *- Firm Performance (FPM)*

Firm performance refers to the organization's overall outcomes that are better than in the past years, in which the organization can achieve an organizational goal, such as increased income, high progress from good sales, maintaining market share, continual profitability, and outstanding position over competitors (Selvarajan et al., 2007). Firm performance can be viewed as two different viewpoints: financial performance and non-financial performance. Financial performance comprises profitability, market share, and productivity; while non-financial performance comprises customer satisfaction, innovation, workflow improvement and skills development (Marimuthu, Arokiasamy, & Ismail, 2009).

components: research and development, manufacturing and production systems, cooperation with other organizations, and the readiness workforce. All these components lead to enhancing performance. Cox & Blake (1991) focus on six components of management that can create a competitive advantage: resource acquisition, cost, marketing, creativity, organizational flexibility and problem-solving. Then, the organization applies these procedures that provide improvement in better organizational outcomes toward reaching aim of the organization.

From the literature review of human resource management, organizational performance is measured from organizational outcomes, human resource outcomes, financial outcomes and stock-market performance indicators (Dyer & Reeves, 1995). In prior research, firm performance has been an important in the model for strategic research (Hofer, 1983).

### **3. Research Methodology**

#### *- Data Collection*

Software businesses in Thailand were selected as the sample in this study. The list of sample was obtained from online database of the Board of Investment in Thailand (BOI). Thai software businesses were selected for two reasons. Firstly, the software business is one of the main industries in the economic and social development at the national level, and plays an important role in the world economy (Charoan, 2013). Secondly, the turnover rate of IT staff has remained a chronic current problem (Ertürk & Vurgun, 2015). Then, the organization has the lack of the skill employees' problem. As a result, organizations must be interested in an approach that can encourage employee commitment in the IT sector of high technology, and decrease the turnover rate. Besides, the study of employee

commitment in the IT sector of high technology is found in few studies (Naqvi & Bashir, 2015). Therefore, the software business is the most appropriate population in this research. Data were generated employing a survey design; thereby questionnaires were sent to managing directors or managing partners of each firm, as a key informant. The data were collected from 113 software businesses. Additionally, early and late response bias was tested by using t-test statistics. The late responses were compared with the early ones and the results yielded no statistically significant difference between early and late response in terms of firm characteristics. Therefore, it can be stated that early and late response bias did not pose a serious problem in this study (Armstrong & Overton, 1977).

#### *- Measurement of Variables*

All constructs in the conceptual model comprise multiple-item scales. Each of these variables was measured by five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The variable measurements of dependent, independent, and the control variable are clarified as follows:

##### *- Dependent Variable*

*Firm Performance (FPM)* FPM was measured by the organization's overall outcomes such as increased income, high progress from good sales, maintaining market share. The measurement scale was adapted from Phokha & Ussahawanitchakit (2011) including a six-item scale. The scale validated an internal consistency reliability of  $\alpha = 0.930$  in the current study.

##### *- Independent Variables*

*Employee Commitment Orientation (ECO)* ECO was measured using the scale adapted by Mowday, Porter, & Steers (1982). The concept of ECO consists of the ability of an organization to make employee

recognize organizational value, be dedicated to the organization and maintain membership in the organization. This research employed twenty-one items to measure ECO. Internal consistencies for ECO scale was  $\alpha = 0.943$  in this study.

*Organizational Citizenship Behavior (OCB)* OCB was assessed by scales adapted from Organ, 1988, which suggested that OCB includes five components (altruism, conscientiousness, sportsmanship, courtesy, civic virtue). Internal consistencies for OCB scale was  $\alpha = 0.870$  in this research.

*Organizational Creativity (OCV)* OCV was measured using the scale adapted by Grandi & Grimaldi (2005). The concept of OCV consists of the competence of the organization to create new operational processes, new concepts and new ideas. This research employed four items to measure OCV. Internal consistencies for OCV scale was  $\alpha = 0.843$  in this study.

*Organizational Innovation (OIN)* To measure OIN, we employed four items that adapted by Kittikunchotiwut, Ussahawanichakit & Pratoom (2013). The scale validated an internal consistency reliability of  $\alpha = 0.915$  in the recent study.

*Organizational Excellence (OEL)* A four-item scale developed by Darling & Nurmi (1995) was used to measure the meaningful working system, outstanding execution, and predominant coordination. Internal consistencies for OEL scale was  $\alpha = 0.863$  in this research.

*Business Competitiveness (BCP)* BCP was assessed by scales adapted from Pungboonpanich and Ussahawanitchakit (2010). BCP was measured by the organization's ability to manage and operate business superior to its competitors. Internal consistencies for BCP scale was  $\alpha = 0.908$  in this research.



### - Control Variables

To evaluate unique effects of the measures described above, the researchers controlled for selected firm characteristics (firm size, firm age) in analyses.

*Firm Size (FSI)* FSI is measured by the number of employees in the organization (Steers, 1977; Muse et al., 2005). The dummy data were separated into two groups; 0 = less than fifty employees in the organization and 1 = equal to or more than fifty-one employees in the organization.

*Firm Age (FAG)* FAG is measured by the number of years that the organization has operated in the business (Muse et al., 2005). Therefore, firm age is represented by a dummy variable including 0 (ten years or less) and 1 (more than ten years).

### - Validity and Reliability

The results of testing reliability and validity are showed in Table 1 as below. The measurement of scale reliability was estimated by using Cronbach's alpha coefficient that would be greater than 0.70 (Hair et al., 2010), which indicates satisfactory reliability. Additionally, the items are used to measure each construct that are extracted to be only one principal component. As the rule-of-thumb, the acceptable cut-off score is 0.40 as the minimum (Nunnally & Berstein, 1999). All factor loadings were greater than 0.40, as well as Cronbach's alpha coefficients that were higher than 0.70. From Table 1, the findings of Cronbach's alpha coefficients are between 0.843 and 0.930. Also, the range of factor loading is between 0.463 and 0.955. Therefore, acceptable reliability and validity found in this study are appropriate for further analysis.

### - Statistics Test

The ordinary least square regression (OLS) analysis is employed to test and

examine all hypotheses because dependent variables and independent variables are not characterized as both nominal data and categorical data. For more understanding of the hypothesized relationships in this study, the following equations of relationships abovementioned are illustrated as below.

$$Eq1: OCB = \alpha_{01} + \beta_1 ECO + \beta_2 FSI + \beta_3 FAG + \varepsilon_1$$

$$Eq2: BCP = \alpha_{02} + \beta_4 ECO + \beta_5 FSI + \beta_6 FAG + \varepsilon_2$$

$$Eq3: FPM = \alpha_{03} + \beta_7 ECO + \beta_8 FSI + \beta_9 FAG + \varepsilon_3$$

$$Eq4: OCV = \alpha_{04} + \beta_{10} OCB + \beta_{11} FSI + \beta_{12} FAG + \varepsilon_4$$

$$Eq5: OIN = \alpha_{05} + \beta_{13} OCB + \beta_{14} FSI + \beta_{15} FAG + \varepsilon_5$$

$$Eq6: OEL = \alpha_{06} + \beta_{16} OCB + \beta_{17} FSI + \beta_{18} FAG + \varepsilon_6$$

$$Eq7: OIN = \alpha_{07} + \beta_{19} OCV + \beta_{20} FSI + \beta_{21} FAG + \varepsilon_7$$

$$Eq8: OEL = \alpha_{08} + \beta_{22} OCV + \beta_{23} FSI + \beta_{24} FAG + \varepsilon_8$$

$$Eq9: BCP = \alpha_{09} + \beta_{25} OCV + \beta_{26} OIN + \beta_{27} OEL + \beta_{28} FSI + \beta_{29} FAG + \varepsilon_9$$

$$Eq10: FPM = \alpha_{10} + \beta_{30} BCP + \beta_{31} FSI + \beta_{32} FAG + \varepsilon_{10}$$

## 4. Results and Discussion

The descriptive statistics and correlation matrix for all relevant variables is showed in Table 2. In additional, Bagheri & Midi (2009) indicate that correlation should not exceed 0.90, multicollinearity cannot be detected. To detect multicollinearity problem, variance inflation factors (VIF) is operated. There is no multicollinearity problem when The VIF below 10 recommended by Hair et al., 2010. From data analysis, the VIF of all variables range from 1.007 to 3.726 that below 10 just only one has VIF more than 10 interpreting that almost, there is no over-correlation between

two independent variables. Hence, a multicollinearity problem is not found in this research. Moreover, the statistical testing was the Durbin-Watson test which was also used to test the autocorrelation. The Durbin-Watson values are ranged from

1.671 – 2.058 which are between the critical values of 1.5 to 2.5. Thus, an autocorrelation effect is not a problem in this research. In addition, Table 3 shows the result of OLS regression analysis following the equations provided in prior session.

**Table 1:** The Results of Measure Validation

Variables	Factor Loadings	Cronbach's Alpha
Firm Performance (FPM)	0.694 – 0.938	0.930
Employee Commitment Orientation (ECO)	0.463 – 0.839	0.943
Organizational Citizenship Behavior (OCB)	0.751 – 0.873	0.870
Organizational Creativity (OCV)	0.767 – 0.878	0.843
Organization Innovation (OIN)	0.875 – 0.923	0.915
Organizational Excellence (OEL)	0.752 – 0.900	0.863
Business Competitiveness (BCP)	0.797 – 0.955	0.908

**Table 2:** Descriptive Statistics and Correlation Matrix

Variables	ECO	OCB	OCV	OIN	OEL	BCP	FPM	FSI	FAG
<b>Mean</b>	4.172	4.000	3.954	4.058	3.892	3.777	3.683	-	-
<b>S.D.</b>	.537	.614	.690	.691	.625	.680	.761	-	-
<b>ECO</b>									
<b>OCB</b>	.433***								
<b>OCV</b>	.584***	.518***							
<b>OIN</b>	.635***	.445***	.825***						
<b>OEL</b>	.612***	.579***	.695***	.731***					
<b>BCP</b>	.545***	.513***	.637***	.720***	.747***				
<b>FPM</b>	.438***	.405***	.436***	.525***	.620***	.630***			
<b>FSI</b>	-.079	-.072	-.042	-.082	-.070	-.036	.044		
<b>FAG</b>	-.055	-.085	-.193**	-.230**	-.197**	-.233**	-.099	.326***	

Note: \*\*\*p < .01, \*\*p < .05; \*p < .10

**Table 3:** Results of regression analysis

Independent Variables	Dependent Variable									
	OCB	BCP	FPM	OCV	OIN	OEL	OIN	OEL	BCP	FPM
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10
ECO (H1a-c)	.428*** (.086)	.539*** (.078)	.441*** (.085)							
OCB (H2a-c)				.508*** (.081)	.429*** (.084)	.568*** (.077)				
OCV (H3a-c)							.811*** (.055)	.682*** (.070)	-.004 (.107)	
OIN (H4)									.368*** (.114)	

Independent Variables	Dependent Variable									
	OCB	BCP	FPM	OCV	OIN	OEL	OIN	OEL	BCP	FPM
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9	Model 10
OEL (H5)									.470*** (.089)	
BCP (H6)										.640*** (.076)
FSI	-.051 (.230)	.205 (.207)	.289 (.227)	.123 (.214)	.034 (.223)	.054 (.204)	-.068 (.143)	-.058 (.183)	.128 (.157)	.141 (.197)
FAG	-.113 (.189)	-.476*** (.170)	-.232 (.187)	-.342*** (.177)	-.411*** (.184)	-.323*** (.168)	-.135 (.120)	-.121 (.153)	-.152 (.132)	.067 (.167)
Adjust R <sup>2</sup>	0.169	0.327	0.187	0.273	0.214	0.341	0.678	0.473	0.611	0.386
Maximum VIF	1.124	1.124	1.124	1.124	1.124	1.124	1.161	1.161	3.726	1.184
Durbin-Watson	2.058	1.815	1.861	1.913	1.806	1.768	1.900	1.716	1.671	1.916

Note. \*\*\*p < .01; \*\*p < .05; \*p < .01

Table 3 demonstrates the results of ordinary least square (OLS) regression analysis of the relationships among employee commitment orientation and its consequences. These are showed in Model 1 to Model 10.

As shown in model 1 to 3, it can be seen that the relationships among employee commitment orientation, organizational citizenship behavior (H1a:  $\beta_1 = 0.428$ ,  $p < 0.01$ ), business competitiveness (H1b:  $\beta_4 = 0.539$ ,  $p < 0.01$ ) and firm performance (H1c:  $\beta_7 = 0.441$ ,  $p < 0.01$ ) are statistically significant. The prior study suggests that the approach in employee value orientation can provide to increase extra role within the firm and task performance (Joireman et al., 2006). Also, Mcclean & Collins (2011) indicate that the focusing on high-commitment practices can affect employee inspiration by creating a positive work situation that encourages the employees to have the time and energy to devote their work. **Thus, hypotheses 1a, 1b and 1c are supported.**

As shown in model 4 to 6, the results provide that organizational citizenship behavior has an influence on organizational creativity (H2a:  $\beta_{10} = 0.508$ ,  $p < 0.01$ ), organizational innovation (H2b:  $\beta_{13} = 0.429$ ,  $p < 0.01$ ) and organizational excellence (H2c:  $\beta_{16} = 0.568$ ,  $p < 0.01$ ). It is consistent

with Kim & Gong (2009) indicate that high level of organizational citizenship behavior can help employees by providing skill and specific knowledge. The employees are willing to make valuable suggestion for reducing error and increasing quality work. The study of Nemet & Staw (1989) indicate that organizational citizenship behavior is an important to organizations which provide to improve performance and competitive advantage. **Therefore, hypotheses 2a, 2b and 2c are supported.**

As shown in model 7 to 9, the result shows that organizational creativity has influence on organizational innovation and organizational excellence (H3a:  $\beta_{19} = 0.811$ ,  $p < 0.01$ ; H3b:  $\beta_{22} = 0.682$ ,  $p < 0.01$ ). Ulrich & Mengiste (2014) state that creativity management has become a key factor which leads to product and service innovation in software organizations. **Hence, hypotheses 3a and 3b are supported, but hypothesis 3c is not supported.**

As shown in model 9, the result reveals that organizational innovation has positive influence on business competitiveness (H4:  $\beta_{26} = 0.368$ ,  $p < 0.01$ ). This study also provides support for Razavi & Attarnezhad, (2013) who indicated that innovation is reflected as an important factor of corporate growth and superior business performance. **Thus, Hypothesis 4 is supported.** In addition, the results for the relationship

organizational excellence and business competitiveness, is statistically significant (H5:  $\beta_{27} = 0.470$ ,  $p < 0.01$ ). Kanji (2005) indicates that business excellence provides to emerge organizational sustainability and constant quality of organization procedures. Consequently, firms improve rapid customer response, preferred product and service outcome and remaining workforce.

**Therefore, hypothesis 5 is supported.**

Finally, as shown in model 10, business competitiveness has an influence on firm performance (H6:  $\beta_{30} = 0.640$ ,  $p < 0.01$ ). The study of Fahy (2000) indicates that firms must concentrate their managerial approaches in attaining and supporting bloodthirsty edge over their challengers. Therefore, firms will go ahead to superior firm performance. **Hence, hypothesis 6 is supported.**

For the control variable, the results indicate that firm age has a negative relationship with business competitiveness ( $\beta_6 = -0.476$ ,  $p < 0.01$ ), organizational creativity ( $\beta_{25} = -0.342$ ,  $p < 0.10$ ), organizational innovation ( $\beta_{27} = -0.411$ ,  $p < 0.05$ ), and organizational excellence ( $\beta_{30} = -0.323$ ,  $p < 0.10$ ) meaning that a new firm has emphasized on business competitiveness, organizational creativity, organizational innovation and organizational excellence than a long time operating firm. This is consistent with Ciabuschi, Perna, & Snehota (2012) who suggest that new businesses always seek opportunities and generate creative and novel ideas for business sustainable.

## 5. Contributions

This research also gives contributions, both managerial and theoretical. Theoretically, this research provides an additional insights regarding employee commitment orientation. Furthermore, this paper extends the knowledge about employee commitment literature by

incorporating human resource management and organizational behavior field. Managerially, this research offers executive managers to apply the approach in enhancing committed employees in the organization. Employee commitment is considered as an important tool for supporting organizational performance (Utami, Bangun, & Lantu, 2014). Consequently, the organization has employees that are committed to the organization, leading to employee citizenship behavior, creativity, innovation and competitive advantage. Hence, employee commitment is a key strategy of the organization which it should be concentrated pragmatically. Additionally, it is an approach in organizational management which the organization develops continually for leading to business success.

## 6. Limitations and Future Research

### Directions

This study contains some limitations which warrant further investigation. First, this research employs only questionnaires in the data collection procedure and may not cover all aspects. In the future, data collection should employ qualitative method by in-depth interview techniques to gather information in order to understand more about managerial thoughts. Second, the current study aims to study in software businesses in Thailand only. Future research should employ other populations and samples either in or out of Thailand such as ICT businesses for a comparative study to broaden the perspective. Finally, future research should find the antecedents and moderator effect that are appropriate for the study.

## 7. Conclusion

Nowadays, organizations face an extremely high competitive environment. Consequently, they seek the new

approaches that retain the employee for reducing turnover rate. In previous research, employee commitment orientation is the tool that enhances productivity and effectiveness. In this research, we are providing a deep understanding of the effects of employee commitment orientation and firm performance. This study aims to investigate the relationships among employee commitment orientation and its consequences. 113 Thai software businesses are selected as a sample. Several important findings are identified. Employee commitment orientation influences on all outcomes including organizational citizenship behavior, business competitiveness and firm performance.

Hopefully, this research will stimulate an additional investigation of employee commitment orientation influences on firm performance in other context for comparative study. Since, the data were generated only in software businesses in Thailand; one might question whether our findings and theory can be generalized to other cultural settings. Likewise, the researchers may properly find the antecedents and moderating variable of the conceptual framework. In addition, qualitative research may be employed to re-conceptualize the concept of employee commitment orientation, such as in-depth interview in future research, in order to achieve more current insights in business world.

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