

CHAPTER 1

INTRODUCTION

This chapter explores the significance of organizational commitment and training, the objectives of the study, the significance of the research in terms of practical and academic contribution, and the structure of this paper.

1.1 THE SIGNIFICANCE OF ORGANIZATIONAL COMMITMENT

The issue of organizational commitment has received a great deal of interest in the past decade. Today, the aspect of organizational commitment is even more important since it is considered as the driving force behind an organization's performance. It is also an important variable in explaining work-related behavior and its impact on performance (Benkhoff, 1997). Numerous studies by international scholars (Williams and Hazer, 1986; Allen and Meyer, 1990; Ngo and Tsang, 1998) have been directed at determining its antecedents.

The issue of commitment is particularly important for managers in organizations. Due to the increasing speed and scale of change in organizations, managers are constantly seeking ways to generate greater employees' commitment and competitive advantage. Nowadays, their expectations of employee performance are becoming more complex and demanding as a result of substantial transformation in the human resource sector.

DuBois and Associates' (1997) research suggests that at least 80 percent of an organization's employees at all levels must be committed, for the organization to succeed in its total quality, re-engineering or work reorganization efforts. Further, Randall (1990) found that higher levels of commitment had stronger positive

relationships with attendance, effort, and continuing employment with the organization than with actual job performance. Employees who are more committed are less likely to intend to leave their jobs and more likely to perform well (Mathieu and Zajac, 1990). Furthermore, committed employees are more satisfied (Gallie and White, 1993).

Internationally, organizational commitment has been associated to lower intent to leave in India (Agarwal, 1993) and Japan (Marsh and Mannari, 1977), and higher organizational citizenship behavior in Israel (Koslowsky, Caspy, and Lazar, 1988). In addition, as far as Jordan and other Arab countries are concerned, there is a belief that commitment is an important issue for work organizations, and that it fosters better superior-subordinate relationships and improves organizational climate development, growth and survival (Awamleh, 1996).

It is rather clear that voluntary turnover is a major problem for companies in many Asian countries such as South Korea, Malaysia, Singapore and Taiwan (Barnett, 1995; Chang, 1996; Syrett, 1994). In a forum of the Human Resource professional bodies of Hong Kong, Malaysia, and Singapore, participants were unanimous in their view that job-hopping had become so rampant in these Asian countries that it had, in fact, become a culture (Asia Pacific Management News, 1997). In a study by Khatri, Fern and Budhwar (2001), organizational commitment was found to be the most important factor influencing turnover intention.

Thus, in Malaysia, attainment of high organizational commitment among employees has been a popular managerial goal over the past years. It has been noted that committed employees are more reliable, tend to work harder, and perform better than less committed employees. Employees with strong commitment to the organization will undoubtedly be more valuable to the organization and are able to contribute positive outcomes. Thus, the issue of

organizational commitment is vital for Malaysian employers in ensuring continuous loyalty and dedication of their employees.

1.2 THE SIGNIFICANCE OF TRAINING

The field of Human Resource Development has experienced a dramatic growth in the past two decades. One of the major contributions in the human resource area is training. Buckley (1995) defined training as "a planned and systematic effort to modify or develop knowledge, skill, and attitude through learning experience, to achieve effective performance in an activity or range of activities." It is indeed vital for the organization to acknowledge that their potential is limited to their employees' willingness to work hard and their capacity to acquire knowledge and to learn. Training can be considered as a major pillar in guiding organizations to perform better.

In this challenging era, organizations are required to be fast and responsive, and responding to customers' needs for quality. Top management needs to frequently emphasize on the issue of training to enhance the level of employee's knowledge, skills, and attitude in their organization. Training is essential particularly in the service and manufacturing industry because organizations rely on employees' knowledge, skill, and initiative to identify and resolve problems and to ensure superior standards of service. Royal Professor Ungku A. Aziz had stated, "In the matter of Human Resource Development, a developed society implies a sufficiently sophisticated system of education and training that will disseminate knowledge and skills throughout the society. It is one that has become the learning society."

The expanded role of training places continued pressure on human resource development professionals to develop more effective training methods, programs, and instructional systems, and to conduct evaluations that demonstrate a return to organizations from their training investments (Rush,

1996). There have been many Human Resource Development scholars that have explored the increased size of the investment in training (Anthony and Norton, 1991; Bassi and Van Buren, 1999; McMureer, Van Buren, and Woodwell, 2000). This shows the awareness of organization over the significant of adopting training programs.

Organizations in Malaysia are also allocating more annual investment on training nowadays. The findings by Rozhan (1998) and Rozhan and Zakana (1993) suggested that Malaysian firms invest in considerably more training hours than US firms. This is due to the establishment of the Human Resource Development Fund (HRDF) and the tight labor market experienced by Malaysia in the mid-1990s onwards (Juhary and Saiyadain, 1996). The high turnover among employees forced many companies to spend more on training because new recruits had to be trained.

The establishment of the Human Resource Development Fund in 1992 in Malaysia provides financial assistance to defray part of the allowable costs in training undertaken by employers. A portion of this fund is claimable by organizations under various schemes. In order to improve training programs, government spend approximately 16.3 million annually under this fund (Hamisah, 2000). As of 2001, RM 5 million of funds has been allocated under the Human Resource Development Council for training specifically in IT.

Despite the availability of training programs, there is still a concern over the contribution of training to the desired organizational outcomes such as commitment. Training practices on commitment have received less attention than it deserves. There has only been some studies conducted that provide some evidence to suggest that organizations can influence employees' commitment through their training practices. Gartner and Nollen (1989) found that employees' commitment was related to the actual and perceived human resource management practices such as training. Lang (1992) also suggested

that training should be designed to achieve increased organizational commitment as an outcome.

Training can be viewed as a management practice that can be controlled or managed to elicit a desired set of unwritten, reciprocal attitudes and behaviors, including job involvement, motivation, and organizational commitment (Sparrow, 1998). Furthermore, several factors are known to affect the usage of training such as the behavior of individual learner, the training program, the environment in which the trainee works, and the support from trainee's immediate supervisor (Montesino, 2002). Thus, it is essential that all these issues be looked upon to ensure the enhancement of organizational commitment among employees.

1.3 RESEARCH OBJECTIVES

This study explores a new way to evaluate the outcome of training in organizations, that is, by examining the relationship between training and organizational commitment. The purpose of the present research was to test the hypothesis regarding the relations between the variables in training and commitment. Many of the variables selected as predictors of organizational commitment are taken from other studies concerning job satisfaction and commitment. These variables can form a model of organizational commitment that can be used by top management to enhance the commitment level of their employees. Furthermore, the findings will convey which of the training factors will have the most important effect on organizational commitment.

Although the main aim of this study is on the relationship of training and commitment, certain relationships among the demographic variables are also of interest. The research would help to achieve a better understanding of the differences of commitment across individuals and it would create awareness among employers to the training needs of their organization.

The main objectives of this study can thus be summarized as follows :

- To examine the three distinguishable forms of commitment (affective, normative, continuance).
- To study which demographic variables have an effect on organizational commitment.
- To investigate the association of availability of training, social support for training, motivation to learn, training environment, and benefits of training with affective, normative, continuance, and the overall organizational commitment.
- To study the most important training variables in influencing affective, normative, continuance, and the overall organizational commitment.
- To draw the general demographic profile of committed employees.

1.4 SIGNIFICANCE OF THIS RESEARCH

1.4.1 PRACTICAL CONTRIBUTION

It must be noted that the distinctive nature of an organization is basically formed by the contribution from the people working within it. In the words of Muhammad Ali Hashim (1998), "Organizations are fundamentally shaped, driven or otherwise constrained by man's values and beliefs, will and energy, skills and knowledge as well as by his desires and wants; sensitivities, emotions and fears". Thus, an employee's behavior plays an important role in stimulating their personal development in the workforce and in helping to create an ideal organization. Most often employees who are satisfied with their jobs will be more committed to

their organizations. This is particularly true if they are content with the nature of their work and satisfied with their supervisor and co-workers.

Today, expectations of employee performance are becoming increasingly complex and demanding. There must be a continuous effort in finding the important factors of effective training and helping human resource managers to be more focused on issues that need more emphasis in achieving the objectives of the organization. Misconceptions can also be identified and corrected to create an exemplary human resource management within an organization.

A study by Juhary and Saiyadain (1996) found that many line managers in Malaysia believed that training has been given undue importance and that experiences on the job is good enough. The findings from this research could change this view and help in determining whether several aspects of training would affect an employee's behavior towards their organization. In addition, it will assist Human Resource (HR) managers to recognize the important factors that can contribute to the enhancement of employees' commitment. This study would in fact attempt to demonstrate to HR managers that training is indeed important in retaining employees within their organization and in enhancing future career prospects of employees and improve their personal performance.

1.4.2 ACADEMIC CONTRIBUTION

The exploration of the relationship between organizational commitment and training is still in its early stages. Although there are quite a number of studies conducted regarding training and organizational commitment in Western countries, very little has been done in respect of the local professionals in Malaysia. Most of the studies on training in Malaysia seem to focus on need identification and facilities for training (e.g. Quah Phaik Suan, 1976, Asma Abdullah, 1992; Hamid, Mohd. Salleh, Muhamad, and Zakaria, 1987) and training activities in Malaysia (Saiyadain and Juhary Ali, 1995).

In additional, most of the previous studies focused on job satisfaction. Job satisfaction is only associated with the affective response to the immediate work environment, while organizational commitment is more stable and enduring (Norris and Niebuhr, 1983). Employees may be temporarily dissatisfied with their jobs, but nevertheless remain committed to their organizations. Thus, it is essential to distinguish between the two outcomes. This study will be focusing on commitment instead of job satisfaction in order to determine the ultimate reason an employee remains within an organization.

In terms of culture, it is important to observe whether differences exist between the Westerners and Malaysian employees. Employees of various countries and cultures might develop different work-related behaviors and performances due to the different types of business environment and values of the organization. Thus, the effect on the level of commitment would most likely differ too.

1.5 STRUCTURE OF THIS PAPER

Chapter 1 is an introductory chapter which consists of the significance of organizational commitment and training, the objectives of the study, and the significance of this research. Chapter 2 discusses on the antecedents of organizational commitment, the variables in training, and the development of hypothesis. Chapter 3 presents the research methodology used. Chapter 4 explains the results of the survey such as the demographic profile of the respondents, the reliability analysis, factor analysis, correlation analysis, regression analysis, and the analysis of variance. Chapter 5 summarized the research findings, provides implications of the study, limitation of the research, and the recommendations for future research.