

CHAPTER 3

DEVELOPMENT OF HYPOTHESES AND RESEARCH METHOD

3.1 Introduction

The preceding chapter provides theoretical perspective of the constructs organizational commitment, personal characteristics and work-related variables. This chapter covers the development of hypotheses, which is based on relevant theory and empirical evidence. In addition, discussion on research design will be provided.

The main objective of this study is to examine Malaysian employee's organizational commitment in a France MNC. This study focuses on the influence of employees' personal characteristics and work-related variables on employees' organizational commitment. The researcher acknowledges that there are other factors that would influence one's organizational commitment. However, the scope of this research is only on the employee's personal characteristics and work-related variables.

3.2 Hypothesis Development

This study proposes that personal characteristics and work-related variables are antecedents and correlates to Malaysian employees' organizational commitment in a France MNC. Personal characteristics are age, gender, tenure, marital status and

education level, and work-related variables are job satisfaction, job involvement, job autonomy, job performance feedback, role conflict and role clarity.

3.2.1 Development of hypotheses for personal characteristics

Firstly, the research hypotheses seek to answer whether there are relationships between personal characteristics and organizational commitment. In line with previous studies (e.g., Mathieu and Zajac, 1990; Randall, 1993), this study focuses on personal characteristics such as age, gender, tenure, marital status, and education level.

Age

Older employees have a higher degree of organization commitment. This hypothesis is based upon the premise that older employees view their past years of service to the organization as an investment, and will have the perception that it would be more difficult for them to be job mobile. Increased investments in the form of time and energy make it increasingly difficult for employees to leave their jobs voluntarily. As individuals get older, alternative employment opportunities tend to decrease and personal investment in the organization tend to increase, thus enhancing employees' commitment to organization (Becker, 1960; Salancik, 1977). Therefore they would tend to be more committed to the organization. Based on these considerations' synthesis, the hypothesis test in this study is proposed:

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| Hypothesis 1: Older employees will score significantly higher in terms of their levels of organizational commitment than younger employees. |
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Gender

Females tend to have a higher degree of organization commitment. This hypothesis is based upon the premise that women have to overcome more barriers than men to gain acceptance. Therefore once they gain acceptance, they tend to be more committed to the organization. Mathieu and Zajac's (1990) research indicate that American women have reported more commitment to their organizations than have men. In addition, the research (Kwon and Banks, 2004; Bruce, Stanley and Julie, 2007) confirm the greater commitment by females compared with their male counterparts to their organization. Given the considerations, the following hypothesis is proposed:

Hypothesis 2: Female employees will score significantly higher in terms of their levels of organizational commitment than male employees.

Tenure

This hypothesis is based upon the premise that employees who have worked long years in the organization tend to be satisfied with their conditions of work and pay. Thus they tend to be more committed to the organization. It is also contend that once an employee works many years in present organization, the opportunities available in alternative organizations are limited. Furthermore, the assumption is made based on MNCs which is consider as bigger and better corporations which employees are prefer to attach to. In general, tenure tend to be positively correlated with organizational commitment according to researchers such as Angle and Perry (1981), Mowday et al., (1982),

Mathieu and Zajac, (1990) and Allen and Meyer (1993). On the basis of these insights the following hypothesis is put forth:

Hypothesis 3: Long term tenured employees will score significantly higher in terms of their levels of organizational commitment than short term tenured employees.

Marital status

Married employees tend to have a higher degree of organization commitment. This hypothesis is based upon the premise that married employees, tend to be more sociably stable than their single counterparts. Marital status has been found to relate to commitment, with married individuals having greater commitment to organization (Mathieu and Zajac, 1990; Aizzat et al., 2003). Therefore, the following hypothesis is proposed:

Hypothesis 4: Married employees will score significantly higher in terms of their levels organizational commitment than unmarried employees.

Educational level

Based on prior studies (Morris and Sherman, 1981), lower educated employees have less job options and opportunities than the more educated ones. Thus they tend to be more committed to the organization. In contrast, the more educated employees tend to have higher expectations than the organization may be able to provide. Hence, they tend to be less committed and therefore tend to change from one organization to another in order to advance at a faster pace. Ahmad and Bakar (2003) find support for this theoretical conjecture. They discover that there is negative relationship between educational level and continuance commitment among white-collar workers in Malaysia. Education level

has been reported to be negatively correlated with organizational commitment (Morris and Sherman, 1981). Given the considerations, the following hypothesis is proposed:

Hypothesis 5: Lower educated employees will score significantly higher in terms of their levels organizational commitment than more educated employees.

3.2.2 Development of hypotheses for work-related variables

Secondly, the research seeks to find evidence whether there are relationships between work-related variables and organizational commitment.

Job satisfaction

Employees with higher job satisfaction levels believe that working in their organization will be satisfying in the long run, that they will care about the quality of their work, and that they will be more committed to the organization. Prior studies (Mathieu and Zajac, 1990; Meyer et al., 2002) discover that strong and positive job satisfaction relationship with organizational commitment. Based on these considerations' synthesis, the hypothesis test in this study is proposed:

Hypothesis 6: Employees with higher job satisfaction will score significantly higher in terms of their levels organizational commitment than employees lower in job satisfaction.

Job involvement

Employees with high job involvement are motivated and care about their personal growth and satisfaction within the workplace. Thus, they tend to be more committed to the

organization. Prior studies indicate that job involvement to be significant correlated with organizational commitment (Mowday et al., 1979; Mathieu and Zajac, 1990; Brown, 1996). On the basis of these insights the following hypothesis is put forth:

Hypothesis 7: Employees with higher job involvement will score significantly higher in terms of their levels organizational commitment than employees with lower job involvement.

Job autonomy

Employees with higher job autonomy tend to be more committed to an organization. This hypothesis is based upon the premise that the more autonomy an employee has about what, when and how to do work, the greater he or she would feel a sense of responsibilities towards job related activities. Kanter (1979) indicates that empowered members demonstrate more positive attitudes towards each other and show higher levels of cooperation which in turn increase their sense of commitment to the organization. In addition, prior studies (Noor and Noor, 2006) indicate job autonomy is positively correlated with organizational commitment. On the basis of these insights the following hypothesis is put forth:

Hypothesis 8: Employees with higher job autonomy will score significantly higher in terms of their levels organizational commitment than employees with lower job autonomy.

Job performance feedback

Employees who receive direct and clear information about his or her performance from supervisors and co-workers, will carry out their job efficiently. Moreover, both supervisors and employees will have better understanding and consensus during job carried out. Steers (1977) and Noor and Noor (2006) indicate that job performance feedback is related to organizational commitment. Therefore, the following hypothesis is proposed:

Hypothesis 9: Employees with higher job performance feedback will score significantly higher in terms of their levels organizational commitment than employees with lower job performance feedback.

Role conflict

Role conflict has consistently been found to be negatively significant correlate and predictor of organizational commitment. This hypothesis is based upon the premise that employees with a high tolerance for ambiguity would be hypothesized to be less stressed by role conflict. Keenan and McBain (1979) and Wright and Thomas (1982) have found that in the Asian context, many Asians are said to look for clear guidelines from authority figures. Thus, the following hypothesis is proposed:

Hypothesis 10: Lower role conflict's employees will score significantly higher in terms of their levels organizational commitment than higher role conflict's employees.

Role clarity

Employees with clear role clarity can enhance a sense of felt responsibility and as such would bring about an increase in organizational commitment among employees. Through role clarity, employees have better understanding of their job functions and responsibilities. Prior studies yield a positive correlation between role clarity and organizational commitment (Mathieu and Zajac, 1990; Noor and Noor, 2006). On the basis of these insights the following hypothesis is put forth:

Hypothesis 11: Employees with higher role clarity will score significantly higher in terms of their levels organizational commitment than employees with role conflict.

The overview of development of hypotheses for personal characteristics and work-related variables are outlined. Next, research design will be discussed.

3.3 Research Design

In this section, the procedure of research design will be outlined. There are sample and data source, data collection procedure, data analysis, dependent variables, independent variables, control variables and statistical analysis.

3.3.1 Sample and data source

The basic idea of sampling is that by selecting some of the elements in a population, conclusions may be drawn about the entire population. The populations used for this

research are Malaysian employees of a France MNC in Klang Valley. The chosen France MNC is the world leader in building materials with 88,000 employees in over 80 countries. In Malaysia, the corporation currently employs 1,500 people and operates a nationwide network of facilities. The core businesses in Malaysia are in the manufacturing and sale of building materials.

In this study, stratified random sampling is chosen. This method is selected because researcher wants to study the characteristics of certain population subgroups. In addition, this method increases sample's statistical efficiency (Donald and Pamela, 2006). The criteria used to select the sample for this study are as follows:

- Employees of a France MNC who are Malaysian;
- Malaysian employees of a France MNC who are permanent staff; and
- Malaysian employees of a France MNC who are based at Klang Valley.

150 respondents are chosen out of estimated 200 employees who are based at Klang Valley. The 200 employees are inclusive of expatriate employees. In this study, first 50 respondents are examined in the pilot study before distributing questionnaire to 150 respondents. Out of 150 questionnaires distributed, 142 forms (94%) are returned. However, only 130 survey forms (86%) are usable and interpret in this study. The remaining 12 survey forms contain missing values and incomplete response rendering them to be unusable.

3.3.2 Data collection procedure

The strategy follows to execute the research by self-administered questionnaires to respondents. Clear instruction on completion of the questionnaire is also included. The responses to the questionnaire analyzed using the Statistical Package for the Social Sciences (SPSS) software.

3.3.3 Dependent variable

The dependent variable, Malaysian employees' organizational commitment to the organization is measured using the 24-item scale of affective (8 items), continuance (8 items) and normative (8 items). Meyer and Allen's (1991) Organizational Commitment Questionnaires is adopted. A seven-point, Likert-type scale is used, which ranks from "1" = strongly disagree to "7" = strongly agree and total across the items.

Measures of organizational commitment

Organizational commitment is defined as a strong identification with and involvement in the organization. Despite the prevalence of Mowday, Porter, and Steers' (1979) Organizational Commitment Questionnaire (OCQ) in past research, a multidimensional view on organizational commitment has progressively emerged during the last decade (Vandenberghe, 1996). Gradually it has become clear that organizational commitment is a multidimensional construct that involves three dimensions: affective, continuance and normative and a better understanding of the employee's relation with the organization could only be achieved when all the dimensions are taken into consideration (Lease,

1998). Meyer and Allen's multidimensional nature of organizational commitment is generally supported and common to Malaysia (Roger and Ali, 1999; Chin and Brian , 2004; Noor and Noor, 2006).

In meta-analysis of the antecedents, correlates and consequences of organizational commitment, Meyer et al., (2002) identify 155 research reports that use one or more of the measures of the Three-Component Model. Meyer and Allen (1991, 1997) and Allen and Meyer (1990, 1996) develop a three component model of commitment consisting of affective, normative, and continuance domains. Affective commitment refers to employee's emotional attachment to, identification with, and involvement in the organization. Continuance commitment refers to an awareness of the costs associated with leaving the organization. Finally, normative commitment indicates a feeling of obligation to continue employment.

Validity and reliability test

The Organizational Commitment Questionnaires measures are employed by many researchers including Wahn (1998) and Yousef (2000). The purpose of conducting Cronbach's alpha test is to measure instrument items are homogeneous and reflect the same underlying construct(s). In addition, Rahman, Zizah and Kema (2008) also employ Allen and Meyer's Organizational Commitment Questionnaires indicate that reliability measured by Cronbach's alpha coefficients of more than 0.8 are recorded for all the dimensions of the variables. Majority of studies that use Allen and Meyer's (1991) construct to measure organizational commitment are able achieve reliability.

3.3.4 Independent variables

There are two sets of independent variables in this study. Firstly, Personal characteristics include age, gender, tenure, marital status and education level. Secondly, work-related variables are job satisfaction, job involvement, job autonomy, job performance feedback, role conflict and role clarity.

Personal characteristics

This questionnaire includes items about personal characteristics of the respondents. The questionnaire is developed in such a way that respondents have to tick the most applicable box for each question. The questions aim to determine whether personal characteristics factors have a direct correlation with organizational commitment. This will be able to predict a Malaysian employee's organizational commitment towards his or her organization.

Six items are included in this personal characteristics questionnaire, and these are listed below.

- Nationality. This question is included to verify that the individual completing the questionnaire is Malaysian and not expatriate in the company. It is essential that the sample group comprise only Malaysian employees.
- Gender. This question is included to investigate if there is a difference between gender groups in terms of organizational commitment.

- Age. This question is included to determine if there is any significant difference between Malaysian employees' age and organizational commitment.
- Marital status. This question is included to investigate if marital status influenced the sample group's level of organizational commitment.
- Educational level. This question is included to investigate if educational level influenced the sample group's level of organizational commitment.
- Organizational tenure. This question is included to determine if there is any significant difference in terms of organizational tenure with organizational commitment.

Work-related variables

They are different types of measurement scales use to measure six work-related variables.

The 3-item scale from Michigan Organizational Assessment Questionnaire to measure job satisfaction, 3-item scale derives from Lodhal and Kejner's (cited in Cook, Hepworth, Wall and Warr, 1981) to measure job involvement, 4-item scale adapts from Hackman and Oldham (1975) Job Diagnostic Survey is used to measure job autonomy and job performance feedback and 5-item scales from Rizzo, House and Lirtzman (1970) is employed to measure role conflict and role clarity.

Six work-related variables (job satisfaction, job involvement, job autonomy, job performance feedback, role conflict and role clarity) have been identified in the empirical literature to have statistically significant effect on the variation of organizational commitment among employees.

Job satisfaction

A 3-item scale from Michigan organizational Assessment Questionnaire is employed to measure overall or global job satisfaction (Cammann, Fichman, Jenkins and Klesh, 1979; Spector, 1997) (see Appendix 1). The responses are made on a seven-point, Likert-type scale, which ranks from “1” = strongly disagree to “7” = strongly agree and total across the items.

Job involvement

A 3-item scale derives from Lodhal and Kejner’s (cited in Cook, Hepworth, Wall and Warr, 1981) measure job involvement is employed for this study (see Appendix 1). The responses are made on a seven-point, Likert-type scale, which ranks from “1” = strongly disagree to “7” = strongly agree and total across the items.

Job autonomy

A 4-item scale adapts from the Hackman and Oldham (1975) Job Diagnostic Survey is used to measure job autonomy (see Appendix 1). The responses are made on a seven-point, Likert-type scale, which ranks from “1” = strongly disagree to “7” = strongly agree and total across the items.

Job performance feedback

Four survey items derives from the Hackman and Oldham (1975) Job Diagnostic Survey is employed to measure job performance feedback (see Appendix 1). The responses are

made on a seven-point, Likert-type scale, which ranks from “1” = strongly disagree to “7” = strongly agree and total across the items.

Role conflict

A 5-item scale from Rizzo, House and Lirtzman, 1970 is employed to measure role conflict (see Appendix 1). The responses are made on a seven-point, Likert-type scale, which ranks from “1” = strongly disagree to “7” = strongly agree and total across the items.

Role clarity

A 5-item scale from Rizzo, House and Lirtzman, 1970 is employed to measure role clarity (see Appendix 1). The responses are made on a seven-point, Likert-type scale, which ranks from “1” = strongly disagree to “7” = strongly agree and total across the items.

3.3.5 Control variables

Recent studies also point to the importance of control variables in affecting organizational commitment. Control variables exist that might conceivably affect organizational commitment relationship. Therefore, control variables are introduced and defined. Trust, organization culture and leadership are control variables include in this study.

Trust

Trust refers to the person’s degree of confidence in the words and actions of another (Lewicki, McAllister, and Bies, 1998). Trust in organizational authorities has been shown

to influence a variety of subordinate's work attitudes and behavior (Brockner, Siegel, Daly, Tyler and Martin, 1997). When trust levels are high, employees are supportive of, or committed to, authorities and the institutions that the authorities represent. Brockner and his colleagues (1997) reported that trust has a positive although non-significant effect on employee commitment. Brockner and his colleagues (1997) discover that there is a significant relationship between trust in leadership and organization commitment.

Organizational culture

Organizational culture refers to a complex pattern of assumptions, beliefs, and values that guide the behavior of individuals in organizations. Lok and Crawford (2001) find that innovative organizational culture, characterized by a willingness to experiment and innovate, is a strong predictor of organizational commitment among hospital nurses. Similarly, Hatton and colleagues (1999) indicate that greater commitment among staff in services for people with intellectual disabilities is associated with cultures that are more tolerant or staff oriented, achievement oriented, innovative and rewarding. Furthermore, organizational cultures that foster staff empowerment and trust in management have been linked to higher job satisfaction and greater organizational commitment (Laschinger, Finegan, Shamian, and Casier, 2000; Laschinger, Shamian and Thomson, 2001). In summary, organizational culture demonstrates a substantial relationship between organizational commitment.

Leadership style

Bass and Avolio (1993) claim that organizations have a kind of culture, which is represented by the leaders who use transactional or transformational leadership styles. According to their findings, transactional culture creates only short-term commitment, whereas transformational culture creates long-term commitment. Transformational behavior leader will share their values and belief with their followers and allows them to understand the importance of their decisions (Bass and Avolio, 1993). Based on these considerations, transformational leadership style is believed to have relationship with organizational commitment.

3.3.6 Statistical analysis

There are 2 sections in questionnaire. Section A requires respondents to give response to questions relation to personal characteristics. Section B solicits responses on the respondents' organizational commitment and work-related variables.

There are three types of organizational commitment - affective, continuance and normative. Each type of organizational commitment has 8-item scale which requires respondents to answer.

There are six work-related variables - job satisfaction (3-item scale), job involvement (3-item scale), job autonomy (4-item scale), job performance feedback (4-item scale), role conflict (4-item scale) and role clarity (5-item scale).

Three statistical tools are used in this study. There are descriptive statistics, correlation analysis and multiple regression analysis. The purpose of descriptive statistics is to give an overview of respondents' profile. Correlation analysis is to examine relationship between two variables whether is dependent or independent variables. In addition, multiple regression analysis is to determine the predictive power of independent variable on dependent variable.

Descriptive statistics

Descriptive statistics describe respondents' characteristics. Descriptive statistics measures are helpful as preliminary tools for data description. Descriptive statistics is used to give summary data of personal characteristics questionnaire.

Pearson's correlation statistics

In this study, Pearson's correlation analysis can be examined between personal characteristics and organizational commitment and; between work-related variables and organizational commitment and; or between personal characteristics and work-related variables.

The other purpose of correlation analysis is to examine the potential multicollinearity between variables more than two independent variables are highly correlated. When more than two independent variables are highly correlated, it would lead to damaging effects on multiple regression (Donald and Pamela, 2006). When this condition exists, it is risky to interpret the coefficients as an indicator of the relative importance of predictor

variables. Multicollinearity exists when the relationship among independent variables are highly correlated ($r = 0.9$ and above) and Variance inflation factor (VIF) values above 10 (Donald and Pamela, 2006).

In attempting to choose a particular significant test, the researcher examines *t*-test and One-way Anova. *T*-test is a parametric test to determine the statistical significance between a sample distribution mean and One-way Anova is a parametric test for more than two groups from the sample (Donald and Pamela, 2006).

Multiple regression analysis

Multiple regression analysis is often used to develop a self-weighting estimating equation by which to predict values for a criterion variable (dependent variable – organizational commitment) from the values for several predictor variables (independent variables – personal variables and work-related variables). In this study, multiple regression enables to determine which predictor variables (personal variables or work-related variables) have the most significant explanatory power on organizational commitment. At the same time, multiple regression describes the changes in a dependent variable (employees' organizational commitment), associated with changes in one or more independent variables (personal characteristics or work related variables). Multiple regression analysis might reveal a positive or negative relationship among employees' organizational commitment, personal characteristics and work related variables; and employees' organizational commitment varies directly with changes in their characteristics.

The following multiple regression model is used to test the influence of independent variables (personal characteristics and work-related variables) on organizational commitment.

$$\gamma = \beta_1\chi_1 + \beta_2\chi_2 + \beta_3\chi_3 + \beta_4\chi_4 + \beta_5\chi_5 + \beta_6\chi_6 + \beta_7\chi_7 + \beta_8\chi_8 + \beta_9\chi_9 + \beta_{10}\chi_{10} + \beta_{11}\chi_{11} + e$$

where:

- γ = Organizational commitment;
- χ_1 = Age;
- χ_2 = Gender;
- χ_3 = Tenure;
- χ_4 = Marital status;
- χ_5 = Education level;
- χ_6 = Job satisfaction;
- χ_7 = Job involvement;
- χ_8 = Job autonomy;
- χ_9 = Job performance feedback;
- χ_{10} = Role conflict
- χ_{11} = Role clarity
- e = Error term

3.4 Chapter Summary

This chapter begins with the discussion on hypotheses development. Hypotheses are formed to test and examine the relationship between organizational commitment and independent variables (personal characteristics and work-related variables). Then, descriptions of research design including sample and data source, data collection