

CHAPTER 5

CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

5.1 Introduction

In Chapter 4, research results are reported. This chapter will outline discussion relating to the results from the study. Secondly, the limitation of the research will then be discussed. Recommendations will be made relating to the findings of the research, after which recommendations relating to future research will be discussed. The chapter summary will conclude this chapter.

5.2 Discussions of the Findings

The main purpose of this study is to identify the correlates and predictors of organizational commitment among Malaysian employees' in a France MNC by

employing a set of personal characteristics and work-related variables. Five personal characteristics namely age, gender, tenure, marital status and education level and four work-related variables such as job satisfaction, job autonomy, job performance feedback and role clarity have been employed to examine their influence on the level of organizational commitment among Malaysian employees' in a France MNC. This study has employed Allen and Meyer's (1991) multidimensional conceptualization of the organizational commitment construct, namely affective, continuance and normative organizational commitment.

5.2.1 Personal characteristics as predictors of organizational commitment

The objective of this study is to investigate the effect of Malaysian employees' personal on organizational commitment in a France MNC. Demographically, the study reveals that tenure and marital status is found to be significantly predictors of organizational commitment. In addition, the study reveals that age, tenure and marital status have significant associations with organizational commitment in relations to affective, continuance and normative dimensions.

The application of analysis of variance further reveals that affective commitment differs significantly across age, tenure and marital status. It is found that older employees have a significantly higher affective commitment than younger employees. This indicates that older employees are more attached to the organization they are working for. This phenomenon can be attributed to the uncertain business environment in Malaysia.

Therefore, older employees are more attached to the organization. This findings support that of Ahmad and Bakar (2003). The older they are and the longer they stay within an organization because of uncertain business environment.

In the case of tenure, a similar conclusion can be assumed. Employees who have spent longer time in the working would have considerably higher affective commitment than those who are new. For marital status, married employees have higher affective commitment than unmarried employees. Married employees may be tend to be more sociably stable and they desire to do so than their single counterparts. This findings reinforces that of Mathieu and Zajac (1990). It appears that married employees are more committed toward their organization.

In continuance commitment dimension, the result indicates that age, gender, tenure and marital status are found have positive relationship on organizational commitment. Age and tenure with the organization increase, Malaysian employees indicate increasingly more commitment, seemingly because of the positive outcomes and greater investments that accrue over time. In continuance commitment, employee's commits to the organization because they perceive high costs of losing organizational membership (cf. Becker's 1960 "side bet theory"), including economic costs (such as pension accruals) and social costs (friendship ties with co-workers) that would be incurred. The employee remains a member of the organization because of "*they have or need to*". In this study, the result concludes that when employees' age are getting older and long tenure in the

organization, they are more committed towards their organization. This may be because of fewer job opportunities elsewhere or associated with accumulation of material benefits, skills and friendships. From the result, male employees expressed higher organization commitment than females in their professional occupations. At the same time, married employees have a higher level of continuance commitment because they have greater financial burdens and family responsibilities.

The study reveals that age, tenure and marital status show significant positive association with normative commitment. It was found that older, long tenure and married employees have a significantly higher normative commitment than younger and unmarried employees. This indicates that older and married employees feel that they have to be loyal to their current organization. This finding is expected as Mathieu and Zajac (1990) in their meta-analytic view of antecedents of organizational commitment found that age and marital status are associated with organizational commitment.

Conversely, tenure has surprising results on affective, continuance and normative commitment. In general, the findings indicate that long term tenure employees are found to be positively associated with organizational commitment especially employees who have worked more than 7 years in the organization. However, employees who work less than 1 year are more committed than employees who work within 1 to 6 years. This is most likely due to the fact that short term employees (less than 1 year) have less experience and therefore, fewer job opportunities elsewhere. The fact may be explained by

Malaysia's economic slowdown in this recent years and affect younger age group difficult to get employed. Therefore, the short term employees have to stay committed to the organization.

The study findings reveal that education level has no association with organizational commitment. The findings convey the message that Malaysian employees' organization commitment has no relationship with employee's education level in a France MNC. The fact may be explained that the France MNC's management has identified minimum education level requirement for all positions and are stated in job description. The findings is contrast with previous studies that educational level has negatively correlated with organizational commitment (Angle and Perry, 1891; Morris and Sherman, 1981; Morris and Steers, 1980; Steers, 1977).

Result of the regressions conduct between personal characteristics and organizational commitment indicate that only two personal characteristics - tenure and marital status significantly related to organizational commitment. The findings indicate that long tenure employees is predictor of organizational commitment. The findings also indicate that married employees found to be predictors of organizational commitment.

5.2.2 Work-related variables as predictors of organizational commitment

The results of Pearson's correlation analysis between organizational commitment and four work-related variables job are consistent with the findings from previous studies on organizational commitment.

The study reveals that job satisfaction is found to be significantly correlated and important predictors of organizational commitment. This finding is consistent with Mathieu and Zajac (1990), Rose (1991), Bavendam (2000) and Meyer et al. (2002). The strong correlation between job satisfaction and organizational commitment suggest that Malaysian employees in the France MNC felt greater commitment to the organization when experiencing greater satisfaction with work and co-workers. Hence, the more satisfied employees are with their jobs, the more committed they will be towards their organization.

Job autonomy has also been found to be significantly correlated and predictive of organizational commitment. This findings reinforces that of Kantar (1979), Nauman (1993) and Gregersen and Black (1996). It appears that the more autonomy and discretionary powers Malaysian employees are endowed with, the greater they would feel a sense of responsibilities towards job related activities and the more committed they will feel towards their organization.

Job performance feedback has been found to correlate significantly with organizational commitment. In addition, it has a predictive relationship with organizational

commitment. This findings support that of Steers (1977) and Nauman (1993). Employees who receive continuous direct, clear information and regular feedback about his or her performance from supervisors and co-workers are likely to experience more commitment toward their organization. Malaysian employees in the France MNC who receive feedback on their job performance will be more committed towards their organization.

Role clarity is another work-related variable that is significantly correlated with organizational commitment. However, it is not a significant predictor of organizational commitment. The findings can be explained that there is 38% of the survey participants' age above 46 years old. They may be contented with their job in the organization. They prefer to maintain at current job role and may not highlight if they find there is role conflict in their job. This is because they are looking forward to their retirement soon. The findings reveal contrasting result with Mathieu and Zajac (1990), which indicate that role clarity to be a consistent predictor of organizational commitment.

5.3 Limitations of the Study

In this study, the use of only one company as a data source has a number of ramifications for the generalizability of the empirical results. Specifically, the nature of the MNC industry from which data are collected may limit the applicability of the findings in this study to other MNC types of industry setting.

The result was drawn from a single France MNC located in a specific geographic location (Klang Valley). Whether the present study's findings generalize to other populations in

other geographic setting or cultures is unknown. Future research covering other employees in one sample is needed in this regard.

The survey company France MNC is currently employs 1,500 people and operates a nationwide network of facilities in Malaysia. However, for our research, we only survey at 10 percent of employees. The size of the sample limits the generalization of our research. In fact, 10 percent of respondents cannot predict Malaysian employees' organizational commitment in a France MNC accurately.

The use of stratified random sampling can sometimes result in over-representation of respondents in certain strata and this could affect the true estimation of the population. Hence, the issue of representativeness of the sample could be undermined resulting in bias during data collection phase of the research process. The longitudinal studies are recommended, where repeated observations are obtained from individuals. This will improve the generalizability of test results. The present study had a number of limitations.

Another potential limitation of this study includes cross-sectional nature of the design, which does not allow for an assessment of impact or cause and effect. Perhaps, most valuable would be prospective cohort of employees, which are able to detect changes in employees' organizational commitment. If these studies also incorporated interviews with respondents, this would increase our understanding of the factors which influences

organizational commitment. Future research also needs to explore the effects of variables that were not measured in the current study, which can also directly or indirectly influence organizational commitment, such as the organization's culture, leadership style and trust.

5.4 Recommendations

Recommendations relating to the findings of the research will be discussed. Then, recommendations relating to future research on the topic will be provided.

5.4.1 Recommendations for employees

As a recommendation for Malaysian employees working at the France MNC, it would be best for them to understand what it is that would make them more committed to their organization. Not only would it serve as an advantage for the organization, but also for the employees themselves. By doing so, it will help encourage them to develop a happier working environment towards organization. The employees should try to determine how organizational commitment can be maximized and decide on who can help him or her to achieve these goals. Then the employee should discuss the concerns they have in their job with their immediate superiors, and try to negotiate ways to benefit and satisfy both parties. Indeed, the employees should try to keep an open mind to experience and to their work, so they can also maintain a happy attitude towards life.

In addition, employees may try to increase their intrinsic motivation, which is self-applied. If employees set goals for themselves, and these are achieved, the employees will be able to feel a sense of accomplishment. This may in turn lead to an increase in the level of satisfaction at their job and thus affect their level of organizational commitment. In addition, other factors like problems from outside of work may affect an employee's job satisfaction. Therefore, employees may wish to discuss and express their concerns with their immediate superiors. Bringing the problems that employees have to the manager's attention will indeed be benefiting for the employee as they can work together to make any special arrangements in mutual agreement. When employees interact with their superiors, the manager will be able to determine the employees' level of job satisfaction and in turn determine the employees' level of commitment.

5.4.2 Recommendations for employer

This study reveals that Malaysian employees' organizational commitment in term of personal characteristic is fairly distribute in affective, continuance and normative commitment. The employees commit to and remain with the organization because they are emotional attachment to, awareness of cost associated with leaving the organization and feelings of obligation. In other words, employees who are older age, long tenure and married think that they want to, need to and ought to remain with an organization. Therefore, management should maintain and reinforce in implementing policies that will increase younger and unmarried employees' affective, continuance and normative

commitment. This creates organizational commitment in all level of Malaysian employees.

Given the effect of age and tenure on organizational commitment, managers can maintain increasing respect and recognition given to Malaysian employees as they become older. Policies such as treating the employee with respect and consideration and improving their quality of work can be helpful. At the same, the results reveal that new employees are able to settle their transitional period with their new employer and achieve higher organizational commitment compared with employees who have worked 1 to 7 years. Therefore, manager should start employees' organizational commitment program when new employee joins the organization. As new employee become more experienced, his or her job satisfaction levels may increase at the same time, hence enhancing his or her organizational commitment.

Findings of this research reveal that job satisfaction positively related to organizational commitment. Therefore, it is recommended that jobs should be enriched so as to make them more interesting, challenging, and motivating. Research has indicated that the presence of certain core job dimensions such as job autonomy (Kanter, 1979), job challenge (Meyer, Irving and Allen, 1998) and positive job performance feedback (Steers, 1977) lead to greater organizational commitment. Therefore it is recommended managers should try to design or redesign the jobs of employees by incorporating the above mentioned job dimensions. Job autonomy can be incorporated into organizational jobs by giving employees more freedom and responsibility to carry out certain job. As

pointed out earlier job autonomy fosters perceptions of personal competence which is likely to lead to higher organizational commitment. Finally, by providing timely and accurate feedback on how well the employees are performing their jobs, the management can send the message that they support and care about their employees. This could instill greater organizational commitment among employees.

Moreover, managers should motivate employees to be more helpful, considerate, friendly and good-natured to their co-workers and supervisors, because this will increase the employees' job satisfaction and may motivate the urge to help out other co-workers. These findings have implications for practitioners in initiating human resources strategies to enhance affective commitment and normative commitment.

By providing opportunities for training and development, managers can send a message to employees that the organization cares about them and supports them which in turn help to develop greater organizational commitment. Further, by improving the skill level, training can enhance employees' competency and achievement and can also lead to the improvement in the overall organization. Thus, it is recommended that the organization should initiate on the job training programs like mentoring and coaching and off the job training programs providing them opportunities to attend such as courses, seminars, conferences, and workshops.

In summary, policies such as treating the employee with respect and consideration, improving their quality of work, defining the job and responsibilities of employees, designing, stimulating and challenging jobs, providing training and development, providing appropriate working environment and fair assessment and promotion can be helpful.

5.4.3 Recommendations for future research

Certain recommendations for future research pertaining to the topic are made. These are discussed below. Research using qualitative study methods such as structured interview will potentially discover the real reasons for organizational commitment. Furthermore, it would be beneficial to conduct longitudinal studies. Longitudinal studies are repeated over an extended period. The advantage of a longitudinal study is that it can track changes over time (Donald and Pamela, 2006). The researcher may study the same respondents over time. The collected data will provide useful insights into organizational commitment.

Furthermore, this study may serve as a foundation for future studies in other MNC in Malaysia. More studies, which involve MNC from other industries, countries, would enrich the literature on Malaysian employees' organizational commitment in MNC, which in turn could generate strategies to improve the employees' organizational commitment.

5.5 Conclusions

The findings of the study provide partial support for the hypotheses posited. In term of employees' personal characteristics and work-related variables, gender, marital status, job autonomy and job performance feedback found to significantly correlate and strong predictive of organizational commitment. All these variables collectively explain 73% of the variance in organizational commitment. In line with the research objectives (chapter 1.2), gender, marital status, job autonomy and job performance feedback jointly interact on affecting organizational commitment.

Tenure and marital status are found significant predictors of organizational commitment. This is consistent with that of previous studies where tenure and marital status are found to predict organizational commitment. Therefore, in research objective (chapter 1.2), tenure and marital status are personal characteristics found influence on Malaysian employees' organizational commitment in a France MNC.

The study shows the role of work-related variables in influencing organizational commitment. Job satisfaction, job autonomy and job performance feedback are significant predictors of organizational commitment. In short, job satisfaction, job autonomy and job performance feedback are work-related variables can predict Malaysian employees' organizational commitment in this France MNC

This study mainly focuses on personal characteristics and work-related variable's role in affecting organizational commitment. However, there would be other possible factor that

can positively influence employees' organizational commitment. It nevertheless provides an empirical study of Malaysian employees' organizational commitment phenomenon in a France MNC. Certainly, the findings of the study have important implications upon the organization's policies and strategies with respect to its strategic human resource management.

For a broader understanding of the organizational commitment phenomenon among Malaysian employees in a France MNC, additional research is recommended. Future studies in the form of longitudinal design may provide greater empirical insight on Malaysian employees' organizational commitment in a France MNC.



**UNIVERSITI MALAYA
GRADUATE SCHOOL OF BUSINESS
FACULTY OF BUSINESS & ACCOUNTANCY**

Investigating The Effect of Malaysian Employees' Personal Variables and Work-Related Variables on Organizational Commitment in a France Multi-National Company (MNC)

Dear Sir / Madam,

I am currently pursuing my Master of Management (MM) at Graduate School of Business, Faculty of Business and Accountancy, University of Malaya. As partial fulfillment towards the completion of my postgraduate degree, this research entitled "**Investigating The Effect**