Key Factors influencing Organizational Commitment

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ABSTRACT: Research on organizational commitment is widely conducted worldwide and is regarded as one of the most significant factors. This is due to research showing that organizational commitment, in both business and government settings, significantly affects organizational success indicators. This study aimed to investigate significant variables influencing organizational commitment through a review of relevant literature and research. The study's conclusions indicate that job satisfaction, job experience, work environment, and management team leadership are the four key variables that have a significant impact on organizational commitment. Consequently, in order to foster employee commitment to the organization, management of the company should focus on these four factors. Because it has an impact on both the employees and the organization itself, developing organizational commitment in employees is crucial. Making employees happy at work and wanting to work for the company for a long time is one way that organizational commitment affects employees. There will be a decline in the turnover rate. Organizational commitment will have a direct impact on the organization itself in the form of lower human resource management expenses, ongoing employee development, higher employee skill levels, and the ability for the organization to grow steadily and more sustainably.

KEYWORDS: Job Satisfaction, Job Experiences, Leadership, Organizational Commitment, Work Environments.

INTRODUCTION

In managing organizations, executives around the world need to pay attention to human resource management services, which are considered an important element for organizational success. Factors critical to organizational success have been extensively researched around the world. In the field of human resource management, it is considered that there are many factors linked to the success of an organization's goals. Organizational commitment is considered to be one of the most important factors that are heavily researched across the world. This is because research has found that organizational commitment has a significant impact on organizational success indicators for both government and business organizations. Important indicators from which an organization has a high level of employee commitment include both financial and non-financial indicators. Financial indicators that are often heavily studied are sales, profits, market share, etc. Non-financial indicators are often based on employee and customer satisfaction as well as more efficient internal processes. Organizational commitment creates a large number of loyal employees. These loyal employees work happily and work to the utmost of their abilities for the success of the organization. Moreover, it was found that these loyal employees will stay with the organization for the long term, resulting in a low turnover rate. It is considered a competitive advantage in business organizations. This is because high turnover will affect both administrative costs and the operational success of the organization. Therefore, the organization's management should pay attention to important factors that make employees in the organization become committed to the organization. Because creating organizational commitment within employees directly affects employees. That is to make employees work happily and want to work for the organization for a long time. It results in a lower employee turnover rate. In addition, commitment to the organization also affects the organization itself. It includes the cost of human resource management will be reduce, the development of the organization's employees will be continued. As a result, employees will have higher abilities, and ultimately the organization will be able to grow more sustainably.

This study aims to review literature and research related to organizational commitment to identify important factors affecting organizational commitment. The results of this study will provide a conceptual framework that can lead to the management of the organization by focusing on such important factors or the results of this study can be used to plan for further advanced research in the future.

ORGANIZATIONAL COMMITMENT

Commitment to the organization directly affects the efficiency of operations and the success of the organization's goals. In addition, commitment to the organization also has a clear effect on the employees in the organization. In today's workplace, organizational commitment is one of the most frequently discussed subjects (Amran, et al., 2021). Research has found that organizational commitment creates employees who are loyal to the organization. Loyal employees are happy working for the organization and work to the best of their ability to contribute positively to the success of the organization (Alrowwad, et al., 2020). On the other hand, if employees are not committed to the organization, it will result in a large number of resignations, which will affect both the cost of human resource management and the efficiency of working in the organization (Luz, et al., 2018). According to Ruhana (2020) and Shafazawana et al. (2016), employees' attitude towards the organization is crucial, and it encompasses organizational commitment. Affective, continuation, and normative commitments are the three main components of organizational commitment, according to Allen and Meyer (1991) (Alrowwad, et al., 2020; Ghosh & Swamy, 2014; Shafazawana, et al., 2016). For an organization to function, organizational commitment is crucial. It is regarded as a crucial component of good organizational management. Increasing employee engagement with the company will lead to improved performance and the accomplishment of the company's objectives. Prior research has demonstrated that organizational citizenship behavior was highly influenced by organizational commitment (Magdalena, 2014; Ruhana, 2020). From the study of Alrowwad, et al. (2020), it was found that the importance of organizational commitment in having loyal employees and the effectiveness of the organization (as shown in Figure 1). The study found that organizational commitment is a mechanism that drives loyalty employees in the organization. Then this mechanism will affect the effectiveness of the organization.

Figure 1. The importance of organizational commitment

KEY FACTORS INFLUENCING ORGANIZATIONAL COMMITMENT

The objective of this study was to find important factors affecting organizational commitment by reviewing the literature related to such factors. The researcher found that important factors affecting organizational commitment include job satisfaction, job experience, work environment, and leadership of the organization's management team. The details of the study are shown in the content below.

1. Job satisfaction

One of the most crucial work attitudes for human resources in a business is job satisfaction (Hemakumara, 2020). It is how workers communicate their feelings and behaviors about their jobs, workplaces, and working lives (Shafazawana, et al., 2016). It might be

concluded that the feeling of pleasure or disappointment that arises from comparing what one expects and what one really receives can be characterized as satisfaction (Lizote, et al., 2017). Job satisfaction is very important to human resource management in organizations. It demonstrated that job satisfaction is a prerequisite for high levels of employee commitment to the company (Amran, et al., 2021). There are many important forms of satisfaction, including satisfaction with wages, satisfaction with job characteristics, satisfaction with bosses and co-workers, and satisfaction with career growth (Luz, et al., 2018).

Figure 2. Forms of job satisfaction

Many elements, including pay, a supervisor's influence, opportunities for advancement, coworkers, and the job itself, have been found to impact job satisfaction (Soelton et al., 2020). The psychological process of considering job-related decisions as a way to express dissatisfaction with the current work environment includes considering the intention to quit (Putri & Setianan, 2019). Research studies have found a relationship between job satisfaction and organizational commitment. From the study of Radosavljevic, et al. (2017), they found a relationship between job satisfaction and organizational commitment. Research indicates that employee job satisfaction directly affects their commitment to the organization. Also, a study by Mohapatra, et al. (2019) in the information technology sector found a clearly significant relationship between job satisfaction and organizational commitment. The research found that all three aspects of organizational commitment have a significant effect on the job satisfaction of employees in the information technology sector. The findings of Sriphong, et al. (2022) indicated that organizational commitment is positively, directly, and significantly impacted by job satisfaction. However, the study of Lizote, et al. (2017) in Brazil public service employees found that job satisfaction was not related to organizational commitment. The results of the research indicate that the influence that will occur depends on the context in which employees work in the organization.

2. Job experiences

Modern businesses expect their employees to work harder, be more motivated, and take initiative. An organization's ability to foster commitment to the organization is just as important to its success as its ability to produce the greatest human competencies (Sujatha, Swathi, & Seema, 2013). A study by Satwaew, et al. (2023) found a relationship between employees' job experiences and organizational commitment. This research, studied in the context of Thailand, found that employee job experiences, such as work freedom, have a clear effect on organizational commitment. Therefore, organizations need to pay attention to the job experiences of their employees in order to Manage human resources successfully according to set goals. The study of Lee and Kim (2023) found that job satisfaction and psychological well-being serve as mediators to positively impact organizational commitment on the part of the employee experience. It also shows that depending on mental toughness level, employee experience has different effects on organizational commitment. The results imply that controlling employee experience can boost commitment to the organization.

3. Work environments

The work environment has many characteristics, which employees in the organization experience while working for the organization, such as support from the organization's management, relationships with bosses and co-workers, the availability of work equipment, etc. (Havidz & Yandi, 2020). A good working environment results in employee engagement in the organization. An attitude that demonstrates how much a worker identifies with and is emotionally invested in their work, as well as having the

capacity and resources to complete it, is known as employee engagement (Putri & Setianan, 2019). Consequently, it can be said that employee engagement refers to a worker's willingness and positive outlook when it comes to actively participating in their roles (Anindita & Seda, 2018). The study of Radosavljevic, et al. (2017) pointed out a relationship between the work environment and organizational commitment. The research clearly indicates that employees' feelings regarding fairness in the organization's administration affect their commitment to the organization. Organizational executives therefore need to create an appropriate atmosphere or working environment. A study by Havidz and Yandi (2020) revealed a relationship between work environment and organizational commitment. Research indicates that support from the organization's management affects organizational commitment. However, the study by Soeling, et al. (2021) found a different relationship between the work environment and organizational commitment. This study found that the working environment had a positive effect on organizational commitment but did not find a significant effect.

4. Leadership

Effective leadership has an impact on an organization's management. Organizational leaders must understand their employees by understanding the attitudes, needs, weaknesses, and strengths of the employees in the organization so that they can effectively leverage those employees' strengths and create success for the organization (Havidz & Yandi, 2020). Leadership comes in a variety of forms, including transformative leadership. Executives in organizations require leadership that enables workers to perform well and achieve the organization's objectives. A study by Havidz and Yandi (2020) found a relationship between leadership and organizational commitment. Research indicates that leadership influences organizational commitment, with an important aspect being communication within the organization. The study of Radosavljevic, et al. (2017) revealed a relationship between leadership and organizational commitment. Research indicates that employee trust in leaders clearly affects their commitment to the organization. Therefore, leadership is important in building employee trust in the organization. While the study of Chienwattanasook, Onputtha, and Fugkum (2018) who studied the manufacturing industry in Thailand found a relationship between leadership and organizational commitment. The finding showed that there was a positive correlation between organizational commitment and the leadership philosophies of directive, supportive, participative, and achievement-oriented leadership. Finally, the study of Yanti and Dahlan (2017) pointed out that leadership conduct directly impacted workers' commitment to the organization.

CONCLUSIONS

This study is a literature review to create an academic model on organizational commitment. The objective of this study is to study the important factors affecting organizational commitment by reviewing the literature and research related to such important factors. The findings of this study are that the researchers found four important factors affecting organizational commitment: job satisfaction, work experience, work environment, and leadership of the organization's management team. When the results of the study are used to write an academic model, it will be shown as shown in Figure 3.
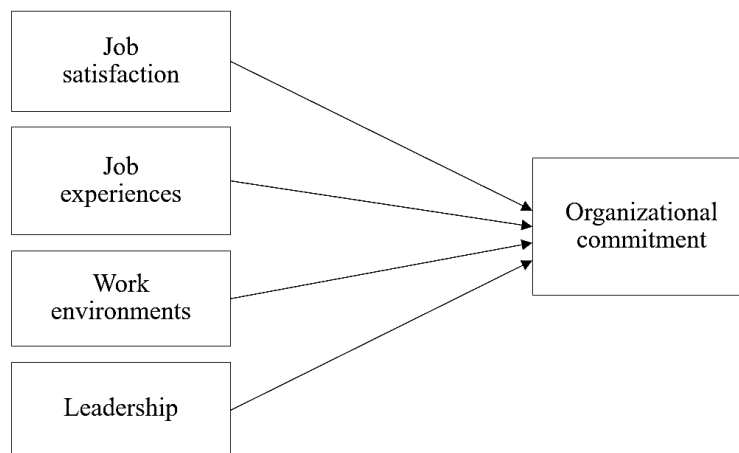

Figure 3. The proposed model of key factors influencing organizational commitment

Therefore, the organization's management should pay attention to these four factors in order to make employees in the organization become committed to the organization. Because creating organizational commitment within employees is extremely important as it affects both the employees and the organization itself. Organizational commitment that affects employees is making employees happy to work and want to work for the organization for a long time. The turnover rate will decrease. As for organizational commitment that affects the organization itself, human resource management costs will be reduced, employee development will continue, employees will be more skilled, and the organization will be able to grow continuously and more sustainably.

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