PATH ANALYSIS OF ORGANIZATIONAL COMMITMENT: THE MEDIATING ROLE OF ORGANIZATIONAL IDENTIFICATION

Junge B. Guillena[1], MS;
[1]Assistant Professor, Adventist Medical Center College,
Iligan City, Lanao del Norte, 9200 Philippines
For correspondence: jun20guillena@yahoo.com

Edwin C. Du[2], PhD, [2]
Professor, Capitol University
Cagayan de Oro City, Philippines
Email address: edwinchiongdu@yahoo.com

Francis Thaise A. Cimene[2], PhD
Professor, Capitol University
Cagayan de Oro City, Philippines

ABSTRACT

This study examined and investigated the causal analysis relating the personnel management (PM) practices, perceived organizational politics (POP), and perceived satisfaction level (PSL) with the mediating role of organizational identification (OI) to organizational commitment (OC) among the employees of Adventist Medical Center and Adventist Medical Center College, Iligan City, Lanao del Norte. The study utilized a descriptive-correlation and causal non-experimental design and the selection of sample were done through simple random sampling. Results revealed that among the three predictors, only PM has direct and indirect effects to OC. Thus, it is concluded that if PM practices within organization are more beneficial to the employees, they will more likely possess higher satisfaction in their works. They also tend to have strong identification with the organization, which leads them to greater commitment.

Keywords: Organizational Commitment, Personnel Management Practices, Organizational Identification, Perceived Organizational Politics, Perceived Satisfaction Level

1. Introduction

Organizations envision their employees to contribute their creativity, ideas and opinions to various issues to improve overall production quality (Yilmaz, 2008). Employees play a significant role in achieving organizational objectives and analysis of the different psychological characteristics and the impact of these on the organizational commitment are very essential. Organizational commitment, in particular, has been a major field of study in recent years.

Yilmaz (2008) stressed that there are two major parts of organizational commitment: behavioral and attitudinal. Behavioral commitment occurs as a result of a process during which individuals adopt, confirm and integrate organizational behaviors. On the other hand, attitudinal commitment is the emotional response resulting from an individual's evaluation attitudes adopted and confirmed by the organization. These shows to extend the view that these types of commitment occurred as a result of adoption and integration of the organization's goals by the individual, participation in organizational processes, and loyalty to the organization.

Moreover, Chan et al. (2008) showed on their study that perceived organizational politics is negatively associated to workers commitment in Singapore setting. In the same study, they also revealed that organizational identification was significantly related to workers (i.e. teachers) commitment. In addition, Guchait (2007) demonstrated that the personnel management practices such as performance appraisal is positively associated to organizational commitment.

Based on the earlier literature, personnel management practices have been measured as one of the important factors affecting organizational commitment (Guchait, 2007). The personnel management programs affect employee's perceptions on the organizational commitment to human resource efforts, which in turn affect employees' work performance (Kinicki, et al. 1992).

This study investigated further the causal relationship between personnel management practices, perceived organizational politics, perceived satisfaction level and organizational commitment via the mediating role of organizational identification.

2. Framework

Organizational commitment refers to the employee's positive attitude towards, and psychological attachment to, the organization (Mowday, Steers, & Porter,1982). The formation of organizational commitment implies the forging of a fixed, psychological bond between an employee and the organization. When an employee-organization relationship is established, the employee trades his or her labor for the organization's wage payment, and his or her organizational commitment for the organization's care and support. In turn, the organization expands and develops through the employee's hard work. This employee organization interdependence signals the formation of a social exchange relationship (Eisenberger, et al., 1990).

In addition, organizational commitment is expressed by attitudes and behavior that reveal an employee's identification and involvement with the organization and it has been linked to increased productivity and reduced absenteeism and turnover rates. In the current global economy as characterized by mounting foreign competition, any increases in positive outcomes may help an organization remain competitive (Brimeyer, et. al, 2010). These ties to positive outcomes have led researchers and managers to examine the antecedent variables related to worker commitment with the goal of increasing organizational commitment and effectiveness.

As stated above, this study quantified the association of the personnel management practices, perceived organizational politics, perceived satisfaction level and organizational commitment through the mediating role of organizational identification. Figure 1 shows the hypothesized propose structural model in investigating the relationship between the personnel

management practices, perceived organizational politics, perceived satisfaction level via the mediating role of organizational identification.

3. Objectives of the Study

The objective of the study is to develop a causal analysis relating the personnel management practices (PM), perceived organizational politics (POP), perceived satisfaction level (PSL) via the mediating role of organizational identification (OI) to the organizational commitment (OC) of the workers in Adventist Medical Center and Adventist Medical Center College, Iligan City. There are two research objectives specifically use to guide this study. First, to determine the (zero-order) correlation between PM, POP, PSL, OI and OC. Second, to examine the role of organizational identification in mediating the relationships of PM, POP, and PSL to OC.

4. METHODS
4.1 Design and Sample

This study utilized the descriptive-correlation and causal non-experimental design. The study describes and investigates the causal relationship between different predictor variables such as personnel management practices (PM), perceived organizational politics (POP), and perceived satisfaction level (PSL) and the mediating role of organizational identification (OI) to organizational commitment (OC).

Sample respondents of the present study are randomly selected workers of the Adventist Medical Center and Adventist Medical Center College, Iligan City. Their personal characteristics are displayed in Table 1.

It shows that 61% (n=91) of the total respondents are female and 39% (n=59) of them are male. Mostly of the respondents have age fluctuated within 38.23 years old (sd = 10.76) and with median value of 37.50 years, in which the minimum age is 22 years old and the maximum age among the respondents is 70 years old. Furthermore, relative to their current position, most of the respondents surveyed in the study are the staff workers comprises of 37% (n=55), followed by 23% (n=34) coming from teacher/college instructor and only 5% (n=7) coming from other position (such as PT, pharmacist, guidance counselor, and etc.). This confirms that most number of workers in the institution (particularly in the hospital) comprise more number of staff workers than with specialized position workers. In terms of number of years working in the organization, most of the workers have a mean years of 9.78 (with sd = 8.27). The median years is 7.00 and with the modal years of 2.00. This further describes that mostly of the workers have years of service not more than 10 years with several of them have at most 2 years of service in the organization. As to their current working status, majority of the respondents surveyed are regular workers (n= 79, 53%) which outnumbered the number of respondents classified as contractual workers (n= 45, 30%). Then, for the respondents' classification in terms of their highest educational attainment, 53% (n=79) of them have bachelor's degree, followed by 21% (n=31) of them with a master's degree and only 5% (n=8) of them have with PhD units.

4.2 Measurement Instruments and Validity

The study utilized different existing survey questionnaires from the literature but some modifications of items were derived from other instruments. Factor analysis and Cronbach's alpha for reliability and psychometric properties were also tested.

Organizational Commitment (OC). This is measured using a twelve (12) Likert-type items on a 5-point scale (1-strongly disagree to 5-strongly agree). The different indicators were adapted

from OC questionnaire of Guchait (2007). Factor loading for the twelve items ranges from 0.45 to 0.74 and with Cronbach's alpha of 0.82.

Personnel Management Practices (PM). This is measured using a forty-two (42) Likert-type items on a 5-point scale (1-strongly disagree to 5-strongly agree). The PM Practices questionnaires with eight (8) different areas were adapted from the work of Guchait (2007). Factor loading for the forty-two items ranges from 0.51 to 0.93 and with and with overall Cronbach's alpha of 0.97. In this study the PM is measured as the composite sum of the eight different areas.

Perceived Organizational Politics (POP). This is measured using a four Likert-type items on a 5-point scale (1 - strongly disagree to 5 - strongly agree). The questionnaire was adapted from Chan et. al (2008). Factor loading for the four items ranges from 0.82 to .91 and with Cronbach's alpha of 0.89.

Perceived Satisfaction Level (PSL). This is measured using 26 Likert- type item with a 5-point scale (1-strongly disagree to 5-strongly agree). This is a self-constructed questionnaire survey used in the organization. Factor loading for the twenty-six (26) items ranges from 0.35 to 0.81 and with Cronbach's alpha of 0.93.

Organizational Identification (OI). This is measured using four Likert-type item with a 5-point scale (1 - strongly disagree to 5 - strongly agree). The questionnaire was adapted from Voelkl (1997). Factor loading for the four items ranges from 0.85 to 0.93 and with Cronbach's alpha of 0.91

4.3 Analysis

The proposed structural model was analyzed and tested by path analysis of relating the relationship of PM, POP, PSL, via the mediating role of OI to OC. Pearson r Correlation was also used to assess the preliminary strength of relationship between the studied variables.

5. RESULTS
5.1 Descriptive

The result of descriptive statistics is presented in Table 2. Skewness and Kurtosis of are also presented to examine the normality assumption of the studied variables. As noted, the observed values of the skewness and kurtosis of the studied variables are within the normal range values of -1 to +1, which indicates less serious violation of normality assumption. Analysis showed that PM, PSL and OI are highly correlated to OC, but no evidence of significant correlation found between POP and OC. However, POP is negatively correlated to PM, PSL, and OI. Previous result showed that perceived organizational politics has negative association to organizational identification was replicated in the present study. Also, as supported by Chan, et al. (2008), organizational identification was found to be positively associated to organizational (i.e. teacher) commitment. In addition, Guchait (2007) stressed out that personnel (human resource) management was also found to be positively related to organizational commitment.

5.2 Path Analysis

The different proposed and tentative causal model of organizational commitment regressed to personnel management practices, perceived organizational politics, perceived satisfaction level and the mediating role of organizational identification were examined and tested.

5.2.1 Tentative Models

Proposed model 1 (see Figure 2) is a tentative model showing the relationship between the predictors such as personnel management practices, perceived organizational politics and perceived satisfaction level to the mediating variable (organizational identification) and the organizational commitment (criterion variable) of the respondents. Result shows that the model 1 has a chi-square value of 13.244 (4df) with a p-value of 0.010, which rejects the hypothesis of goodness of fit. This further reveals that the model needs to improve even if all the path coefficients (standardized regression weights) are significant, in which their corresponding critical ratio exceeded 2.0. In addition, the personnel management practices, perceived organizational politics and perceived satisfaction level are highly correlated with each other and have significant direct effect to organizational identification. The organizational identification in turn has significant direct link to organizational commitment. The three predictors (PM, POP and PSL) explained 54% of the variation of OC, while OI explained 19% of the variation of OC.

The causal model shows a convincing and considerable findings but the lack of model fit has more concern in any model building and identification. The model fit indices are explained by normed fit index (NFI) with a cutoff value ≥ 0.95, comparative fit index (CFI) and Tucker-Lewis Index (TLI) have cutoff values of ≥ 0.95 and root mean squared error (RMSEA) has a cutoff value of ≤ 0.08. Result depicts that the model is a poor fit since the X^2 (df) = 13.244, p = 0.010 is significant, the TLI value was below 0.95 and the RMSEA extends beyond the value of 0.08 (Hooper, et al., 2008). Thus, the model needs to reexamine and try to modify possible path relationship among the given variables.

Proposed model 2 (see Figure 3) shows the causal relationship between the predictors (personnel management practices, perceived organizational politics and perceived satisfaction level). Result reveals that the X^2 value of 10.208 (4df) with a p-value of 0.037 is significant, which indicates the rejection of good fit. The NFI and CFI have values beyond the cutoff value of 0.95, and somewhat has RMSEA above the cut-off values of 0.08, but a little lower as compared to path model 1. Furthermore, all the path coefficients in the model are significant (CR > 2.0), and with the restriction of not allowing the perceived organizational politics related to organizational identification. This further shows that personnel management practices have direct and indirect effect to the organizational commitment of the respondents, while the satisfaction level of the respondents has indirect effect to the commitment of the respondents when organizational identification is used as the mediating variable. The two predictors (PM and PSL) accounted to 51% of the variation of OI, while the direct effect of PM and OI explained 24% of the total variation of OC. Thus, the proposed model 2 clearly dictates us that the model still needs to be improved and modified as what the different indices indicated.

5.2.2 Final Model

Proposed model 3 (see Figure 4) shows improvement of the two previous models presented where showing the direct and indirect relationship between personnel management practices, perceived organizational politics, perceive satisfaction level, the mediating role of organizational identification and the organizational commitment of the respondents. The X^2-value of 6.361 (3df) with a p-value of 0.095, which implies the non-rejection of goodness of fit. The other model fit indices such as NFI, TLI, CFI and RMSEA showed goodness of fit of the model is not rejected. All the path coefficients in the model are significant (CR > 2.0). This further illustrates that the personnel management practices has direct and indirect effect to organizational commitment, while the other predictors have indirect effect to organizational commitment via mediating role of organizational identification. Furthermore, the direct effect of PM, POP and PSL explained 53% of

the total variance of OI, while the direct effect of PM and OI accounted to 24% of the total variance of OC. The path model 3 is the final causal fit model that best describes the mediating role of organizational identification between the relationship of PM, POP and PSL on organizational commitment. Thus, OI completely mediated the effect of PSL on OC, and partially mediated the effect of PM on OC.

6. Discussions and Conclusions

This study examined and investigated the path analysis of organizational commitment (OC) regressed to personnel management practices (PM), perceived organizational politics (POP), perceived satisfaction level (PSL) and the mediating role of organizational identification (OI). These three antecedent (PM, POP, and PSL) variables have direct effect to OI, in which POP has negative direct effect to OI. Furthermore, these three antecedents have indirect effect to OC, in which the OI have positive effect to OC.

The largest effect in the causal model was that of PSL on OI ($b = 0.52$). This result indicates that there is a strong effect of perceived satisfaction level of teachers on their sense of identification in the organization. Employees' perceptions on their degree of identification were strongly affected by their own perceived satisfaction such as job, employment, fringe benefits and work environment. The negative effect of POP on OI ($b = -0.12$) is also significant, which suggests that employees who perceived more that politics are really working in the organization, they tend to lowered their perceived sense of belongingness in the organization.

In addition, PM reflected positive direct effect on OI ($b = 0.18$) and OC ($b = 0.24$) which indicates that good personnel management practices in the organization will likely to increase the employees sense of belongingness and commitment to the organization.

There is also a positive effect of OI on OC ($b = 0.30$) which shows that employees who perceive higher sense of identification in the organization are more likely to have higher organizational commitment.

The important contribution spelled out in the current study is if we want to really consider the OC of the employees, one should look into the PM practices, the organizational identification level, perceived satisfaction and the perceived organizational politics within the organization. Results revealed that an employee who is highly committed to his/her organization - he/she should somehow have higher sense of socialization and perceived satisfaction to the organization, in which the organization possessed good personnel management practices. The study found out that no significant negative relation between POP and OC (as opposed to the findings of Chan, et al. 2008 and Cropanzano, et al. 1997)). This finding is also oppose to the result of Witt, et al. (2004) which perception of politics model argued that employees are unlikely to feel committed to organizations they perceived to be political. They further suggested that politics perceptions and organizational commitment are conversely related.

On the other hand, the hypothesized PM and PSL are positively related to OI. The study interestingly revealed that the parameter estimate (path coefficient) of the mediator is positive and strong. The causal model suggested that PM and PSL affect commitment via one process. A committed personnel management includes varied practices such as training, sharing information, employment security, performance based compensation, workers participation and ensuring employees' well-being (Chang, 2005; Gardner, et al., 2011).

It is concluded that if PM practices within organization are more beneficial to the employees and they perceived higher satisfaction in their works, they also tend to have strong identification with the organization and thus leads them to have greater commitment.

Finally, this study simply points out to the idea that there are practices of personnel management that really enhance the organizational commitment of the employees. The study suggested that the HR manager should have an updated evaluation of the different practices of personnel management in order to know which practices are working and not working in the organization.

REFERENCES

Brimeyer, T. M., Perrucci, R., & Wadsworth, S. M. (2010). Age, Tenure, Resources for Control, and Organizational Commitment. Social Science Quarterly, Vol. 91, No. 2. Southwestern Social Science Association.

Chan, W. Y., Lau, S., Nie, Y, Lim, S. & Hogan, D. (2008). Organizational and Personal Predictors of Teacher Commitment: The Mediating Role of Teacher Efficacy and Identification with School. American Educational Research Journal, 45(3): 597-630.

Chang, E. (2005). Employee's Overall Perception of HRM Effectiveness. Human Relations, 58 (4), 523-544.

Cropanzano, R., Howes, J.C., Grandy, A.A. & Toth, P. (1997). The Relationship of Organizational Politics and Support to Work Behaviors, Attitudes, and Stress. Journal of Organizational Behavior, 18: 159-180.

Dale, K., & Fox, M.L. (2008). Leadership Style and Organizational Commitment: Mediating Effect of Role Stress. Journal of Managerial Issues. Vol. XX Number 1, Spring 2008: 109-130.

Edgar, F., & Geare, A. (2005). HRM practice and employee attitudes: Different measures different results. Personnel Review, 34 (5), 534-549.

Eisenberger, R., Fasolo, P. & LaMastro, V.D. (1990). Perceived Organizational Support and Employee Diligence, Commitment, and Innovation. Journal of Applied Psychology, 75, 51-59.

Fiorito, J., Bozeman, D. P., & Young, Angela (2007). Organizational Commitment, Human Resource Practices, and Organizational Characteristics. Journal of Managerial Issues. Vol XIX Number 2, Summer 2007: 186-207.

Gardner, T. M., Wright, P. M. & Moynihan, L. M. (2011). The Impact of Motivation, Empowerment, and Skill-Enhancing Practices on Aggregate Voluntary Turnover: The Mediating Effect of Collective Affective Commitment. Personnel Psychology, 64, 315-350.

Guchait, P. (2007). Human Resource Management Practices and Organizational Commitment and Intention to Leave: The Mediating Role of Perceived Organizational Support and Psychological Contracts. University of Missouri-Columbia. http://edt.missouri.edu/Summer2007/Thesis

Hooper, D., Coughlan, J., & Mullen, M.R. (2008). Structural Equation Modelling: Guidelines for Determining Model Fit. Electronic Journal of Business Research Methods, Volume 6 Issue 1 (53-60).

Kinicki, A.J., Carson, K.P., & Bohlander, G.W. (1992). Relationship between an Organization's Actual Human Resource Efforts and Employee Attitudes. Group and Organizational Management, 17, 135-152.

Mowday, R.T., Porter, L.W. & Steers, R.M. (1982). Employee-organizational Linkages: The Psychology of Commitment, Absenteeism, and Turnover. San Diego, CA: Academic Press.

Voelkl, K.E. (1997). Identification with school. American Journal of Education, 105, 294-318.

Witt, L.A., Treadway, D.C. & Ferris, G.R. (2004). The Role of Age in Reactions to Organizational Politics Perceptions. Organizational Analysis, Vol.12, No. 1 pp. 39-52.

Yilmaz, Ercan (2008). Organizational Commitment and Loneliness and Life Satisfaction Levels of School Principals. Social Behavior and Personality, 36 (8), 1085-1096.
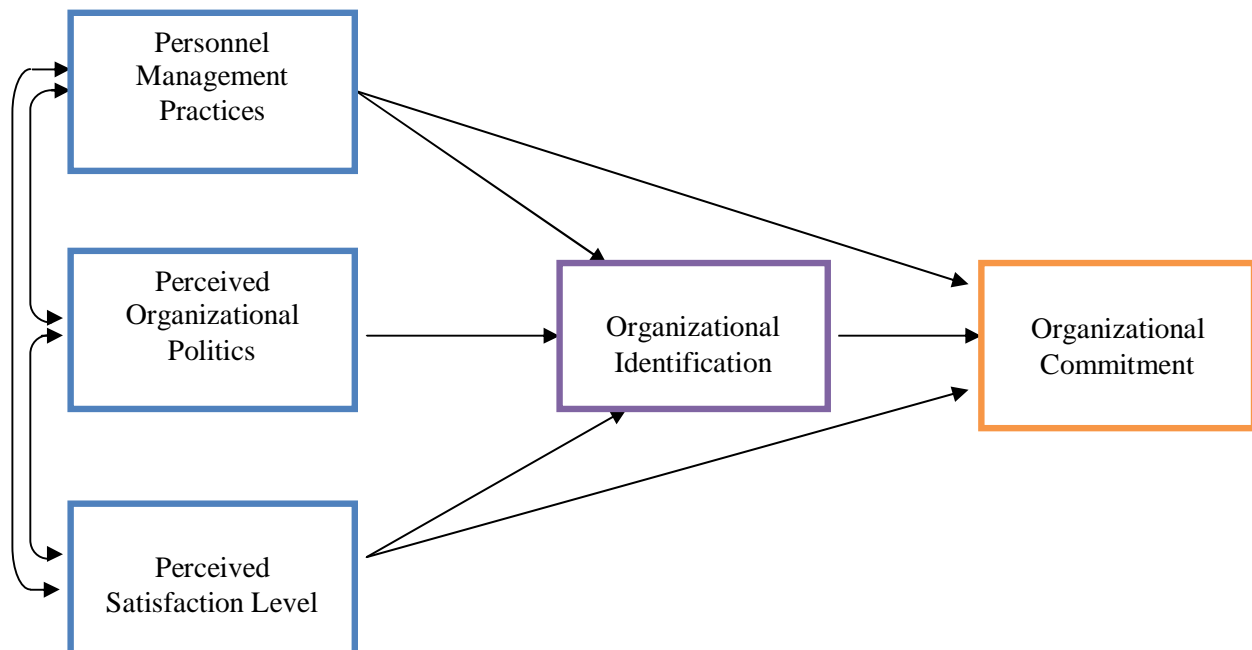
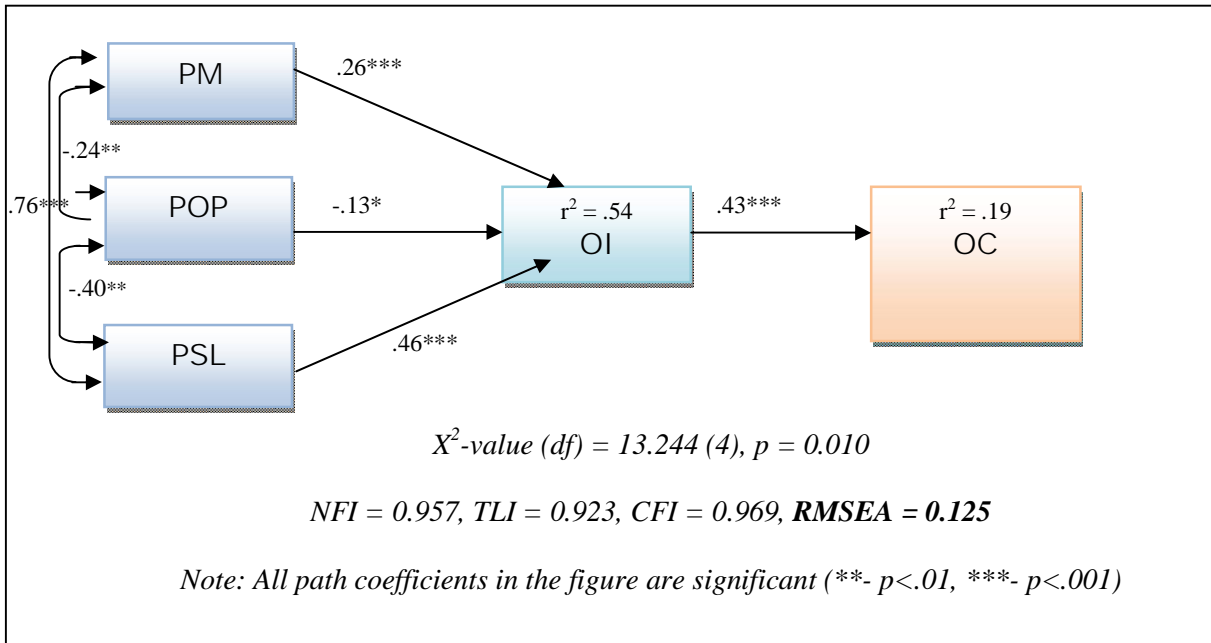**Figure 1** Hypothesized Propose Structural Model of the Study

Table 1 Distribution of the Personal Characteristics of the Respondents (**N=150**)

Personal Characteristics	n	%	Mean (SD)	Median (Mode)	Minimum (Maximum)
Gender					
Male	59	39.3		(Female)	
Female	91	60.7			
Age			38.23 (10.76)	37.50 (47.00)	22 (70)
Current Position					
Staff	55	36.7			
Teacher/Instructor	34	22.7		(Staff)	
Department Heads/Supervisor	25	16.7			
Nurse	29	19.3			
Others	7	4.7			
No. of Years working in the organization			9.78 (8.27)	7.00 (2.00)	1 (33)
Current Working Status					
Regular	105	70.0		(Regular)	
Contractual	45	30.0			
Highest Educational Attainment					
Bachelors Degree	79	52.7			
With Master's units	23	15.3		(Bachelor's	
Master's Degree	31	20.7		Degree)	
With PhD units	8	5.3			
PhD degree	9	6.0			

Table 2 Skewness, Kurtosis and Correlation among Study Variables

Variables	Skewness	Kurtosis	1	2	3	4	5
1. PM	-.201	.668	--				
2. POP	-.223	-.001	-.243**	--			
3. PSL	-.469	.732	.757***	-.398***	--		
4. OI	-.278	.314	.661**	-.370***	.700***	--	
5. OC	.499	.666	.447***	-.052	.344***	.412***	--

Note: ** - $p < 0.01$ *** - $p < 0.001$

X²-value (df) = 13.244 (4), p = 0.010

*NFI = 0.957, TLI = 0.923, CFI = 0.969, **RMSEA = 0.125***
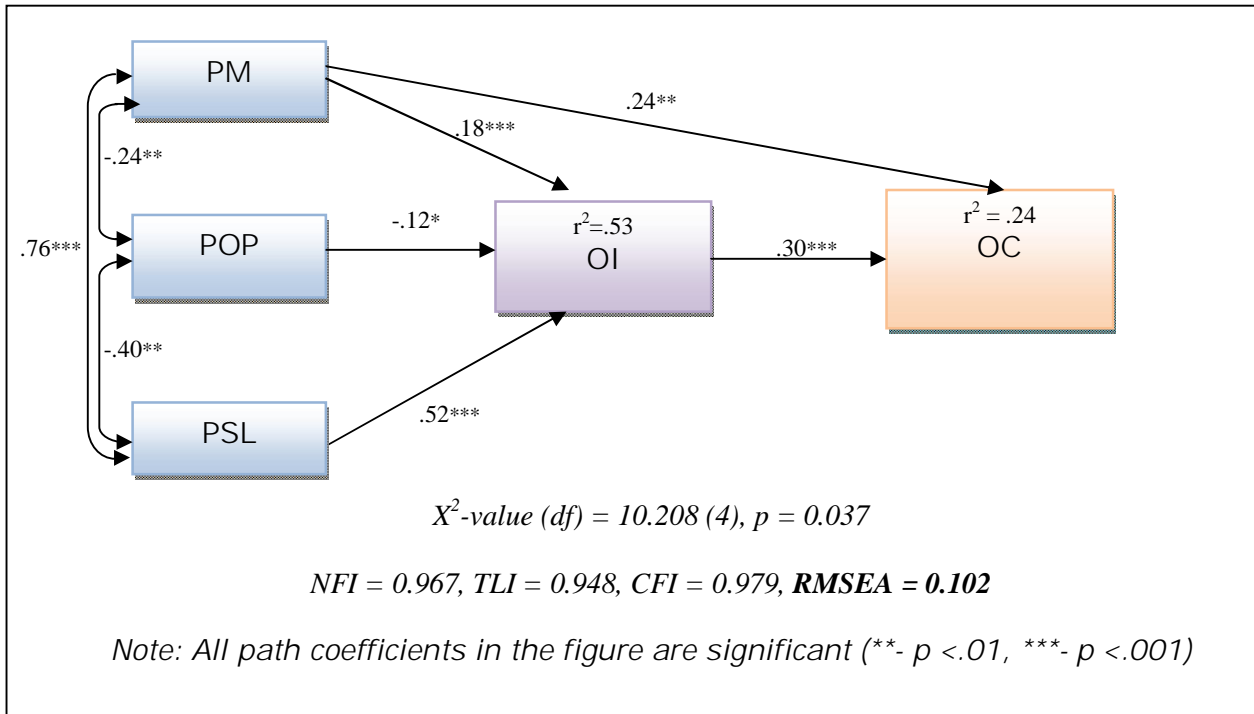
Note: All path coefficients in the figure are significant (**- p<.01, ***- p<.001)

Figure 2 Proposed Model 1 of Organizational Commitment
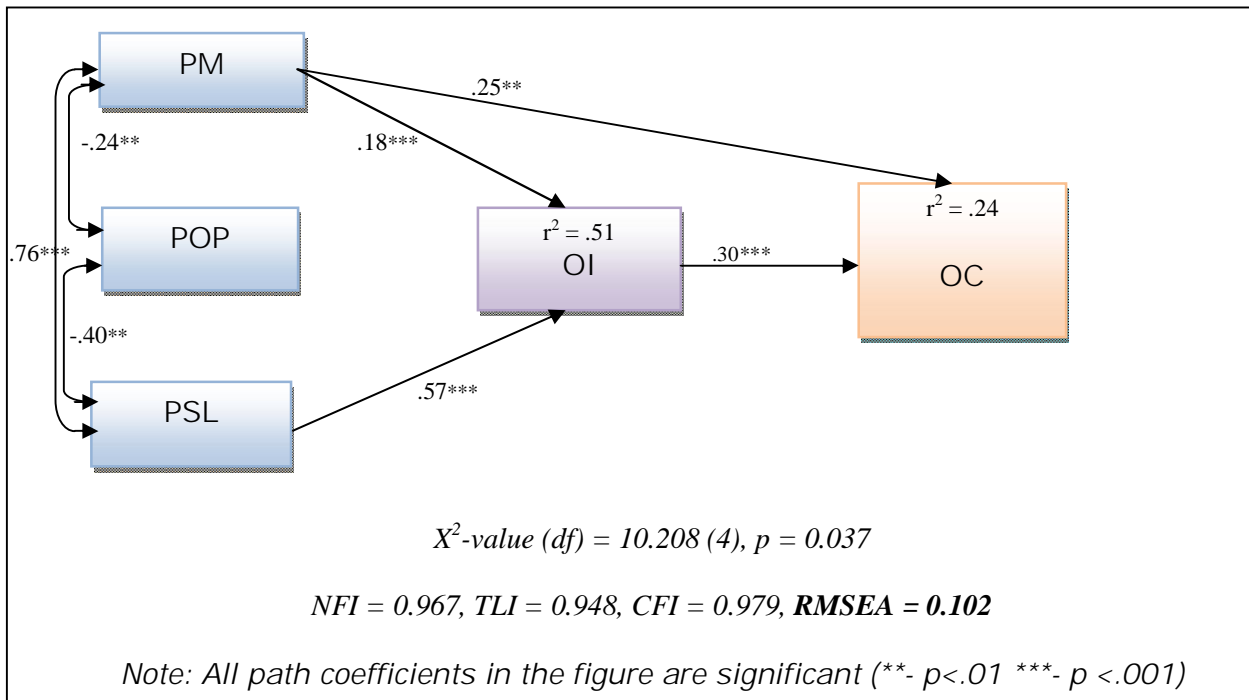
Figure 3 Proposed Model 2 of Organizational Commitment

X²-value (df) = 10.208 (4), p = 0.037

*NFI = 0.967, TLI = 0.948, CFI = 0.979, **RMSEA = 0.102***

Note: All path coefficients in the figure are significant (**- p <.01, ***- p <.001)

Figure 4 Final Causal Model of Organizational Commitment via the
Mediating Role of Organizational Identification