

Organizational commitment and engagement

In this chapter the topics of organizational commitment and job engagement are examined. They are important because independently or in association with one another, they can significantly affect organizational performance. But there is some confusion about their respective meanings, and the chapter starts by examining these.

THE CONCEPTS OF COMMITMENT AND ENGAGEMENT

Commitment and engagement are closely related concepts. In fact, some people use the terms interchangeably or refer to engagement as an alternative, more up-to-date and, maybe, a more sophisticated term for commitment. The various definitions available of commitment and engagement do not help. *The Oxford English Dictionary* states that someone is committed when they are morally dedicated (to doctrine or cause), while someone is engaged when they are employed busily.

The meaning of organizational commitment

As defined by Porter *et al* (1974), commitment refers to attachment and loyalty. It is the relative strength of the individual's identification with, and involvement in, a particular organization. It consists of three factors:

1. A strong desire to remain a member of the organization.
2. A strong belief in, and acceptance of, the values and goals of the organization.
3. A readiness to exert considerable effort on behalf of the organization.

An alternative, although closely related, definition of commitment emphasizes the importance of behaviour in creating commitment. As Salancik (1977) put it: 'Commitment is a state of being in which an individual becomes bound by his (sic) actions to beliefs that sustain his activities and his own involvement.' Three features of behaviour are important in binding individuals to their acts: the visibility of the acts, the extent to which the outcomes are irrevocable, and the degree to which the person undertakes the action voluntarily. Commitment, according to Salancik, can be increased and harnessed 'to obtain support for organizational ends and interests' through such ploys as participation in decisions about actions.

The meaning of engagement

As defined by Chiumento (2004):

Engagement is a positive, two-way, relationship between an employee and their organization. Both parties are aware of their own and the other's needs, and the way they support each other to fulfil those needs. Engaged employees and organizations will go the extra mile for each other because they see the mutual benefit of investing in their relationship.

The Royal Bank of Scotland (2005) defines engagement as the state of emotional and intellectual commitment to the group and lists its components as satisfaction (how much I like working here), commitment (how much I want to be here) and performance (how much I want to and actually do in achieving results).

The Hay Group, as reported by Thompson (2002), refers to their concept of 'engaged performance' which is 'about understanding why working for a particular organization is attractive to different kinds of individuals... And which looks at the hearts and mind reasons why people work for you'.

The Institute of Employment Studies (Bevan *et al*, 1997) defines engagement as: 'A positive attitude held by the employee towards the organization and its values. An engaged employee is aware of business context, and works closely with colleagues to improve performance within the job for the benefit of the organization.'

These all overlap with the traditional definition of commitment as being concerned with attachment to the organization. There is no reason why this should not be the case – the two concepts are after all closely connected – but there is some value in distinguishing between commitment to the organization and commitment to the job,

and treating the former as organizational commitment and the latter as job engagement.

Many people are more committed to their work than the organization that provides the work, for example researchers in universities or research establishments. Others take a transient view of their organization as a stepping stone in their career that provides them with the sort of experience they want but to which they feel no particular loyalty. If the organization wants people in the latter categories to work harder and better, it may well want to focus on the work they provide and opportunities for development they offer and place less emphasis on organizational commitment. If the organization wants to concentrate more on retention, loyalty and people putting themselves out for the organization rather than themselves, then policies to encourage commitment come to the fore. Best of all, it is recognized that both commitment and engagement need attention but that different approaches may be necessary although they can be mutually supportive – increased commitment to the organization can produce higher levels of job engagement; more job engagement can increase commitment to the organization. The rest of this chapter is devoted to exploring both concepts.

ORGANIZATIONAL COMMITMENT

The concept of organizational commitment plays an important part in HRM philosophy. As Guest (1987) has suggested, HRM policies are designed to ‘maximise organizational integration, employee commitment, flexibility and quality of work’. The next five sections of this chapter consider the meaning and significance of organizational commitment, the problems associated with the concept, factors affecting commitment, developing a commitment strategy, and measuring commitment.

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The significance of organizational commitment

There have been two schools of thought about commitment. One, the 'from control to commitment' school, was led by Walton (1985a and b), who saw commitment strategy as a more rewarding approach to human resource management, in contrast to the traditional control strategy. The other, 'Japanese/excellence' school, is represented by writers such as Pascale and Athos (1981) and Peters and Waterman (1982), who looked at the Japanese model and related the achievement of excellence to getting the wholehearted commitment of the workforce to the organization.

From control to commitment

The importance of commitment was highlighted by Walton (1985a and b). His theme was that improved performance would result if the organization moved away from the traditional control-oriented approach to workforce management, which relies upon establishing order, exercising control and 'achieving efficiency in the application of the workforce'. He proposed that this approach should be replaced by a commitment strategy. Workers respond best – and most creatively – not when they are tightly controlled by management, placed in narrowly defined jobs, and treated like an unwelcome necessity, but instead when they are given broader responsibilities, encouraged to contribute and helped to achieve satisfaction in their work. Walton (1985b) suggested that in the new commitment-based approach:

Jobs are designed to be broader than before, to combine planning and implementation, and to include efforts to upgrade operations, not just to maintain them. Individual responsibilities are expected to change as conditions change, and teams, not individuals, often are the organizational units accountable for performance. With management hierarchies relatively flat and differences in status minimized, control and lateral coordination depend on shared goals. And expertise rather than formal position determines influence.

Put like this, a commitment strategy may sound idealistic but does not appear to be a crude attempt to manipulate people to accept management's values and goals, as some have suggested. In fact, Walton does not describe it as being instrumental in this manner. His prescription is for a broad HRM approach to the ways in which people

are treated, jobs are designed and organizations are managed. He believes that the aim should be to develop 'mutuality', a state that exists when management and employees are interdependent and both benefit from this interdependency.

The Japanese/excellence school

Attempts made to explain the secret of Japanese business success in the 1970s by such writers as Ouchi (1981) and Pascale and Athos (1981) led to the theory that the best way to motivate people is to get their full commitment to the values of the organization by leadership and involvement. This might be called the 'hearts and minds' approach to motivation, and among other things it popularized such devices as quality circles.

The baton was taken up by Peters and Waterman (1982) and their imitators later in the 1980s. This approach to excellence was summed up by Peters and Austin (1985) when they wrote, again somewhat idealistically, 'Trust people and treat them like adults, enthuse them by lively and imaginative leadership, develop and demonstrate an obsession for quality, make them feel they own the business, and your workforce will respond with total commitment.'

Problems with the concept of commitment

A number of commentators have raised questions about the concept of commitment. These relate to three main problem areas: first, its unitary frame of reference; second, commitment as an inhibitor of flexibility; and third, whether high commitment does in practice result in improved organizational performance.

Unitary frame of reference

A comment frequently made about the concept of commitment is that it is too simplistic in adopting a unitary frame of reference; in other words, it assumes unrealistically that an organization consists of people with shared interests. It has been suggested by people like Cyert and March (1963), Mangham (1979) and Mintzberg (1983a) that an organization is really a coalition of interest groups, where political processes are an inevitable part of everyday life. The pluralistic perspective recognizes the legitimacy of different interests and values, and therefore asks the question 'Commitment to what?' Thus, as Coopey and Hartley (1991) put it, 'commitment is not an all-or-nothing affair (though many managers might like it to be) but a question of multiple or competing commitments for the individual'.

Legge (1989) also raises this question in her discussion of strong culture as a key requirement of HRM through 'a shared set of managerially sanctioned values'.

However, values concerned with performance, quality, service, equal opportunity and innovation are not necessarily wrong because they are managerial values. But it is not unreasonable to believe that pursuing a value such as innovation could work against the interests of employees by, for example, resulting in redundancies. And it would be quite reasonable for any employee, encouraged to behave in accordance with a value supported by management, to ask 'What's in it for me?' It can also be argued that the imposition of management's values on employees without their having any part to play in discussing and agreeing them is a form of coercion.

Commitment and flexibility

It was pointed out by Coopey and Hartley (1991) that 'The problem for a unitarist notion of organizational commitment is that it fosters a conformist approach which not only fails to reflect organizational reality, but can be narrowing and limiting for the organization.' They argue that if employees are expected and encouraged to commit themselves tightly to a single set of values and goals they will not be able to cope with the ambiguities and uncertainties that are endemic in organizational life in times of change. Conformity to 'imposed' values will inhibit creative problem solving, and high commitment to present courses of action will increase both resistance to change and the stress that invariably occurs when change takes place.

If commitment is related to tightly defined plans then this will become a real problem. To avoid it, the emphasis should be on overall strategic directions. These would be communicated to employees with the proviso that changing circumstances will require their amendment. In the meantime, however, everyone can at least be informed in general terms where the organization is heading and, more specifically, the part they are expected to play in helping the organization to get there. And if they can be involved in the decision making processes on matters that affect them (which include management's values for performance, quality and customer service), so much the better.

Values need not necessarily be restrictive. They can be defined in ways that allow for freedom of choice within broad guidelines. In fact, the values themselves can refer to such processes as flexibility, innovation and responsiveness to change. Thus, far from inhibiting creative problem solving, they can encourage it.

The impact of high commitment

A belief in the positive value of commitment has been confidently expressed by Walton (1985b): 'Underlying all these (human resource) policies is a management

philosophy, often embedded in a published statement, that acknowledges the legitimate claims of a company's multiple stakeholders – owners, employees, customers and the public. At the centre of this philosophy is a belief that eliciting employee commitment will lead to enhanced performance. The evidence shows this belief to be well founded.' However, a review by Guest (1991) of the mainly North American literature, reinforced by the limited UK research available, led him to the conclusion that 'High organizational commitment is associated with lower labour turnover and absence, but there is no clear link to performance.'

It is probably wise not to expect too much from commitment as a means of making a direct and immediate impact on performance. It is not the same as motivation. Commitment is a wider concept, and tends to be more stable over a period of time and less responsive to transitory aspects of an employee's job, hence the importance of the concept of job engagement, which is immediate. It is possible to be dissatisfied with a particular feature of a job while retaining a reasonably high level of commitment to the organization as a whole.

In relating commitment to motivation it is useful to distinguish, as do Buchanan and Huczynski (1985), three perspectives:

- The goals towards which people aim. From this perspective, goals such as the good of the company, or effective performance at work, may provide a degree of motivation for some employees, who could be regarded as committed in so far as they feel they own the goals.
- The process by which goals and objectives at work are selected, which is quite distinct from the way in which commitment arises within individuals.
- The social process of motivating others to perform effectively. From this viewpoint, strategies aimed at increasing motivation also affect commitment. It may be true to say that, where commitment is present, motivation is likely to be strong, particularly if a long term view is taken of effective performance.

It is reasonable to believe that strong commitment to work is likely to result in conscientious and self-directed application to do the job, regular attendance, nominal supervision and a high level of effort. Commitment to the organization will certainly be related to the intention to stay – in other words, loyalty to the company.

Factors affecting commitment

Kochan and Dyer (1993) have indicated that the factors affecting the level of commitment in what they call mutual commitment firms are as follows:

- *Strategic level:*
 - supportive business strategies;
 - top management value commitment;
 - effective voice for HR in strategy making and governance.
- *Functional (human resource policy) level:*
 - staffing based on employment stabilization;
 - investment in training and development;
 - contingent compensation that reinforces cooperation, participation and contribution.
- *Workplace level:*
 - selection based on high standards'
 - broad task design and teamwork'
 - employee involvement in problem solving'
 - climate of cooperation and trust.

The research carried out by Purcell *et al* (2003) established that the key policy and practice factors influencing levels of commitment were:

- received training last year;
- are satisfied with career opportunities;
- are satisfied with the performance appraisal system;
- think managers are good in people management (leadership);
- find their work challenging;
- think their form helps them achieve a work-life balance;
- are satisfied with communication or company performance.

Developing a commitment strategy

A commitment strategy will be based on the high commitment model described in Chapter 7. It will aim to develop commitment using, as appropriate, approaches such as those described below. When formulating the strategy, account should be taken of the reservations expressed earlier in this chapter, and too much should not be expected from it. The aim will be to increase identification with the organization, develop feelings of loyalty among its employees, provide a context within which motivation and therefore performance will increase, and reduce employee turnover.

Steps to create commitment will be concerned with both strategic goals and values. They may include initiatives to increase involvement and 'ownership', communication, leadership development, developing a sense of excitement in the job, and developing various HR policy and practice initiatives.

Developing ownership

A sense of belonging is enhanced if there is a feeling of 'ownership' among employees, not just in the literal sense of owning shares (although this can help) but in the sense of believing they are genuinely accepted by management as key stakeholders in the organization. This concept of 'ownership' extends to participating in decisions on new developments and changes in working practices that affect the individuals concerned. They should be involved in making those decisions, and feel that their ideas have been listened to and that they have contributed to the outcome.

Communication programmes

It may seem to be strikingly obvious that commitment will only be gained if people understand what they are expected to commit to, but managements too often fail to pay sufficient attention to delivering the message in terms that recognize that the frame of reference for those who receive it is likely to be quite different from their own. Management's expectations will not necessarily coincide with those of employees. Pluralism prevails. And in delivering the message, the use of different and complementary channels of communication such as newsletters, briefing groups, videos and notice boards is often neglected.

Leadership development

Commitment is enhanced if managers can gain the confidence and respect of their teams, and development programmes to improve the quality of leadership should form an important part of any strategy for increasing commitment. Management training can also be focused on increasing the competence of managers in specific areas of their responsibility for gaining commitment, such as performance management.

INFLUENCES ON COMMITMENT AND EMPLOYEE SATISFACTION

An IRS survey (IRS, 2004) established that the following were the top five influences on employee satisfaction and commitment and employee satisfaction:

1. Relationship with manager – 63 per cent.
2. Relationship with colleagues – 60 per cent.

3. Quality of line management – 62 per cent.
4. Recognition of contribution – 56 per cent.
5. Leadership: visibility and confidence – 55 per cent.

The survey also obtained examples from organizations of what they were doing to increase commitment:

- Bacardi-Martini – focus groups, team briefings, consultation with union, joint consultative committee, attitude surveys, road shows.
- Eversheds – ‘have your say’ communication sessions involving all employees, key business discussions.
- Lefarge Cement – joint partnership training courses with managers and trade union representatives, regular business updates, bonus scheme linked to jointly agreed performance indicators, team development workshops.
- North Herts District Council – introduction of staff consultation forums, new policies for complaints resolution and dignity at work.
- West Bromwich Building Society – various focus groups, social club, away-days by department.
- Yorkshire Water – active and comprehensive communications, involvement in business planning, face-to-face meetings with directors, consultation on change, celebration of business success, rewards and recognition.

Developing HR practices that enhance organizational commitment

The policies and practices that may contribute to the increase of commitment are training, career planning, performance management, work-life balance policies and job design.

The HR function can play a major part in developing a high commitment organization. The ten steps it can take are:

- Advise on methods of communicating the values and aims of management and the achievements of the organization, so that employees are more likely to identify with it as one they are proud to work for.
- Emphasize to management that commitment is a two-way process; employees cannot be expected to be committed to the organization unless management demonstrates that it is committed to them and recognizes their contribution as stakeholders.
- Impress on management the need to develop a climate of trust by being honest with people, treating them fairly, justly and consistently, keeping its word, and

showing willingness to listen to the comments and suggestions made by employees during processes of consultation and participation.

- Develop a positive psychological contract (see Chapter 16) by treating people as stakeholders, relying on consensus and cooperation rather than control and coercion, and focusing on the provision of opportunities for learning, development and career progression.
- Advise on and assist in the establishment of partnership agreements with trade unions which emphasize unity of purpose, common approaches to working together and the importance of giving employees a voice in matters that concern them.
- Recommend and take part in the achievement of single status for all employees (often included in a partnership agreement) so that there is no longer an 'us and them' culture.
- Encourage management to declare a policy of employment security, and ensure that steps are taken to avoid involuntary redundancies.
- Develop performance management processes that provide for the alignment of organizational and individual objectives.
- Advise on means of increasing employee identification with the company through rewards related to organizational performance (profit sharing or gain-sharing) or employee share ownership schemes.
- Develop 'job engagement' (identification of employees with the job they are doing) through job design processes that aim to create higher levels of job satisfaction (job enrichment).

ENGAGEMENT

Engagement takes place when people are committed to their work. They are interested, indeed excited, about what they do. Job engagement can exist even when individuals are not committed to the organization, except in so far as it gives them the opportunity and scope to perform and to develop their skills and potential. They may be more attached to the type of work they carry out than to the organization that provides that work, especially if they are knowledge workers.

Enhancing job engagement starts with job design or 'role development' as discussed in Chapter 23. This will focus on the provision of:

- *interest and challenge* – the degree to which the work is interesting in itself and creates demanding goals to people;
- *variety* – the extent to which the activities in the job call for a selection of skills and abilities;

- *autonomy* – the freedom and independence the job holder has, including discretion to make decisions, exercise choice, schedule the work and decide on the procedures to carry it out, and the job holder’s personal responsibility for outcomes;
- *task identity* – the degree to which the job requires completion of a whole and identifiable piece of work;
- *task significance* – the extent to which the job contributes to a significant end result and has a substantial impact on the lives and work of other people.

All these factors are affected by the organization structure, the system of work and the quality of leadership. The latter is vital. The degree to which jobs provide variety, autonomy, task identity and task significance depends more on the way in which job holders are managed and led than any formal process of job design. Managers and team leaders often have considerable discretion on how they allocate work, and the extent to which they delegate. They can provide feedback that recognizes the contribution of people, and they can spell out the significance of the work they do.

The Hay Group has developed a model for what they call ‘engaged performance’, which is made up of six elements, and is summarized in Table 19.1.

Table 19.1 The Hay Group model of engaged performance

<p style="text-align: center;"><i>1 Inspiration/values</i></p> <ul style="list-style-type: none"> ● reputation of organization ● organizational values and behaviours ● quality of leadership ● risk sharing ● recognition ● communication 	<p style="text-align: center;"><i>4 Tangible rewards</i></p> <ul style="list-style-type: none"> ● competitive pay ● good benefits ● incentives for higher performance ● ownership potential ● recognition awards ● fairness of reward
<p style="text-align: center;"><i>2 Quality of work</i></p> <ul style="list-style-type: none"> ● perception of the value of the work ● challenge/interest ● opportunities for achievement ● freedom and autonomy ● workload ● quality of work relationship 	<p style="text-align: center;"><i>5 Work–life balance</i></p> <ul style="list-style-type: none"> ● supportive environment ● recognition of life cycle needs/flexibility ● security of income ● social support
<p style="text-align: center;"><i>3 Enabling environment</i></p> <ul style="list-style-type: none"> ● physical environment ● tools and equipment ● job training (current position) ● information and processes ● safety/personal security 	<p style="text-align: center;"><i>6 Future growth/opportunity</i></p> <ul style="list-style-type: none"> ● learning and development beyond current job ● career advancement opportunities ● performance improvement and feedback