

**I LOVE MY JOB.
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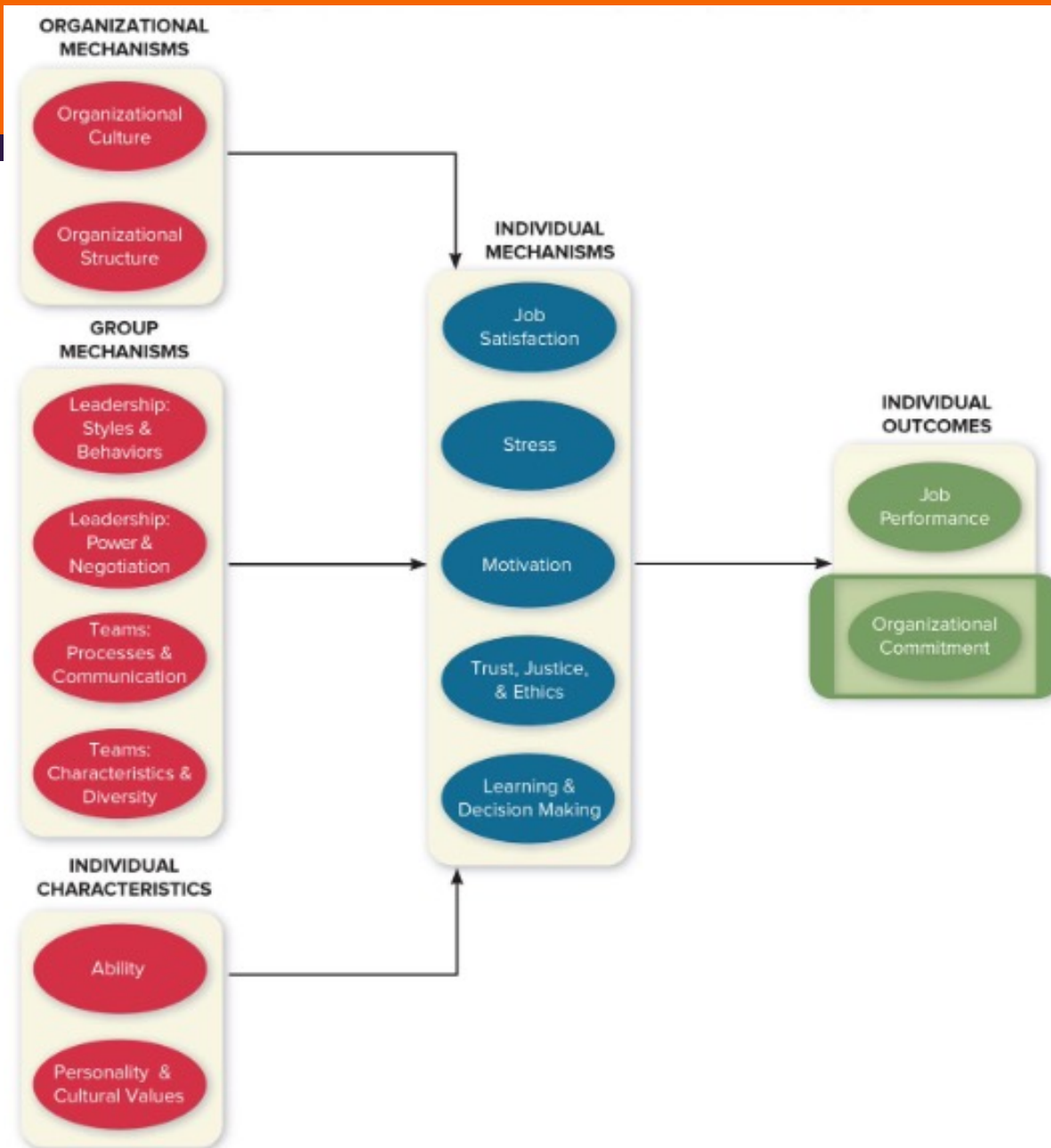
*REPEAT AS NECESSARY UNTIL CONVINCED.

Chapter 3

Organizational Commitment (and Turnover & Retention)

**I DON'T WANT
TO**

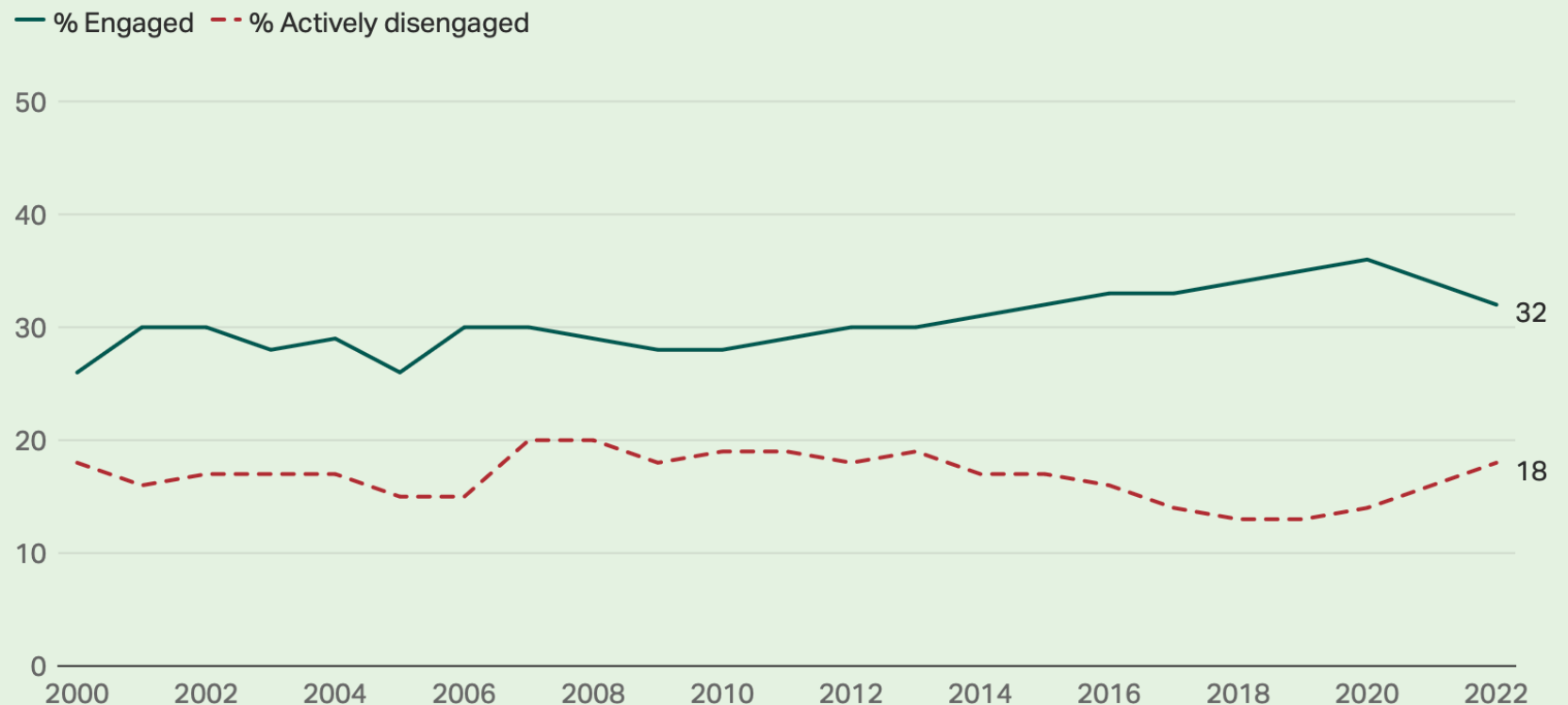
**GO BACK TO
WORK**



An Integrative Model of Organizational Behavior

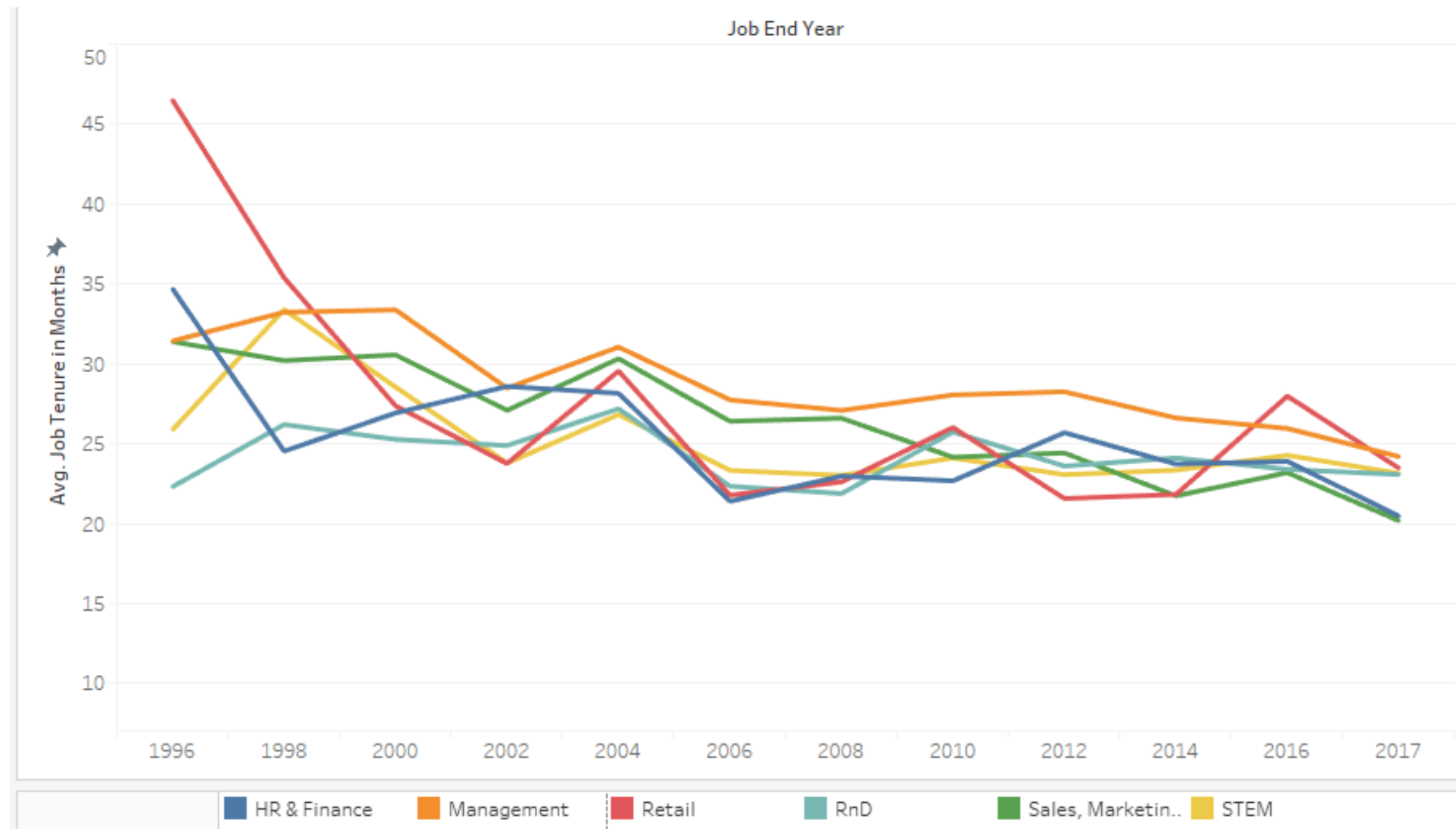


U.S. Employee Engagement Trend, Annual Averages



[Get the data](#) • [Download image](#)

GALLUP®





Top reasons for leaving?

Data from exit interviews with 35,000 employees (Sears, 2016) suggest:

1. Career development (22%)
2. Work-life balance (12%)
3. Managing behavior (11%)
4. Compensation & benefits (9%) – high but not the top reason!
5. Well-being (8%)
6. Retirement (8%)
7. Involuntary (8%)
8. Relocation (8%)
9. Job characteristics (7%)
10. Work environment (6%)



We need to understand “turnover”
prior to discussing “commitment”

	Preventable Turnover	Not Preventable Turnover
Desirable Turnover		
Undesirable Turnover	<u>Undesirable but Preventable</u>	



Cost of turnover is said to be...

- About 90-200% of the employee's annual salary. Why so expensive?
 - Tangible & intangible sources of cost



Tangible sources of costs

- HR staff time
- Manager's time
- Accrued PTO
- Temporary coverage
- Recruitment cost
- Training
- And more..



Intangible sources of costs

- Losses of expertise
- Disruption
- Turnover contagion
- Competition
- Personal networks
- New employee & existing team adaptation
- And more..



Researchers have different ideas about how turnover decision occurs in an employee's head:

One side..

- No step-by-step evaluations on the situations/alternatives
- Don't always make the most optimal choice

One the other side..

- Significant events (aka "shocks")
- Then, in-depth cost-benefit analysis – if don't reach threshold, won't proceed to the next step (i.e., turnover decision)



Seriously...
Not all resignations happen after thorough evaluations!





And don't forget, Turnover can also be beneficial!

- **Cost savings**
 - An employee leaves but realize that there's no need to hire a replacement
- **Opportunities for organizational change**
 - Reorganize teams/units/departments
 - Transfer/promotion opportunities for the existing employees
- **New talent**
 - New skills/abilities
 - New vibes/personality
 - Perhaps even better performance



Let's revisit the turnover table

	Preventable Turnover	Not Preventable Turnover
Desirable Turnover		
Undesirable Turnover	<u>Undesirable but Preventable</u>	

When we try to fix turnover issues, we focus on:

- 1) What should be changed
- 2) What can be changed



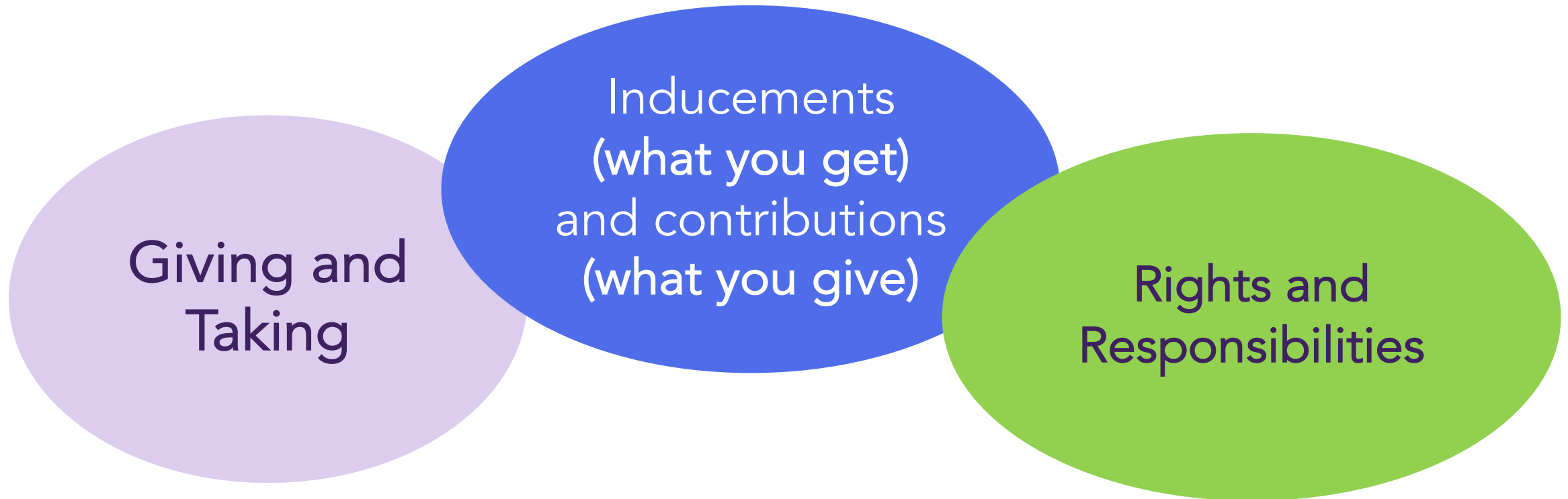
Retention/Turnover Prevention from an “employment relationship” lens

- What is Clemson University obligated to provide you?
- What are you obligated to provide Clemson University?
 - How did you figure all of the above out?
- How would you react if these are not met/fulfilled?



As you may have already noticed..

The nature of employer-employee relationship entails:





You've worked for your current employer for five years and have recently been approached by a competing organization.

What would cause you to stay?



Organizational Commitment

Organizational commitment is a desire on the part of an employee to remain a member of an organization.

May be based on employees':

- 1) "Want"
- 2) "Need"
- 3) "Feelings of obligation"



What happens when employees are not committed? Organizational Commitment and Employee Withdrawal



What kind of “correlational” pattern do you see here?



Targets of commitment: Could be anything!

- Internal stakeholders
- External stakeholders
 - Profession
 - Action/behavior
 - Principle or belief

Anything else?



Types of Organizational Commitment

(back to the "want," "need," and "obligated")

- Affective commitment (emotion-based)
- Continuance commitment (cost-based)
- Normative commitment (obligation-based)



Affective Commitment (i.e., I “WANT” to remain)

A desire on the part of an employee to remain a member of an organization *because of an emotional attachment to, and involvement with, that organization*

- “I love Clemson, I’d be sad if I’m forced to transfer”
- “Waking up early isn’t tough anymore because MGT4000 is so fun”
- “I feel like I’m part of the company. I can’t imagine working anywhere else”
- “I love my profession. I want to continue this career as long as I can”



Some consequences of affective commitment

- Identify yourself as part of the company
- Willing to go the extra miles
 - OCB
 - Donation
 - When you think of Clemson....
Alumni wear Clemson shirts/visit for games and events/send their children to Clemson, etc.
- Enhanced job performance
- And obviously, reduced turnover





Assessment on Affective Commitment

1 STRONGLY DISAGREE	2 DISAGREE	3 NEUTRAL	4 AGREE	5 STRONGLY AGREE
1. I would be very happy to spend the rest of my career in this organization.				_____
2. I really feel as if this organization's problems are my own.				_____
3. I do not feel like “part of the family” at my organization.				_____
4. I do not feel “emotionally attached” to this organization.				_____
5. This organization has a great deal of personal meaning for me.				_____
6. I do not feel a strong sense of belonging to my organization.				_____

Average Score: 20



Continuance Commitment (i.e., I “NEED” to remain)

A desire on the part of an employee to remain a member of an organization *because of an awareness of the costs associated with leaving it*

- Could be because of:
 - *High costs of leaving*
 - *Lacking/poor quality alternatives*
 - *Already invested too much*
- Could be contingent on:
 - *Economic reasons (salary/pensions/health benefits)*
 - *Social reasons (coworkers/challenges of moving)*



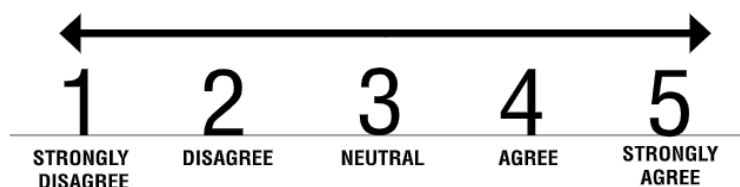
Examples of continuance commitment

- "I hate my job but I will stay because it's my turn to be promoted"
- "If I leave now, my family own have health insurance. I need to stay for everyone"
- "I've already invested my youth in this company. I can't leave now"
- "If I quit, my family will have to move - but how are we going to find a better neighborhood?"





Continuance Commitment



1. Quitting my job would bring with it major personal sacrifice.
2. I don't have enough employment options to consider leaving right now.
3. It's difficult to leave the organization because I don't have anywhere else to go.
4. Staying in my current job is more a product of circumstances than preference.
5. Leaving my job now would bring significant personal disruption.
6. Frankly, I couldn't quit my job now, even if it's what I wanted to do.

Average Score: 19



Normative Commitment (i.e., I “SHOULD” remain)

A desire on the part of an employee to remain a member of an organization because of a feeling of obligation

- Could be because of:
 - **Reciprocity**
 - Feeling indebted
 - You received training/tuition
 - **Moral duty/Personal values**
 - You, as a person, value loyalty
 - Believing that being loyal/OCB is the right thing to do



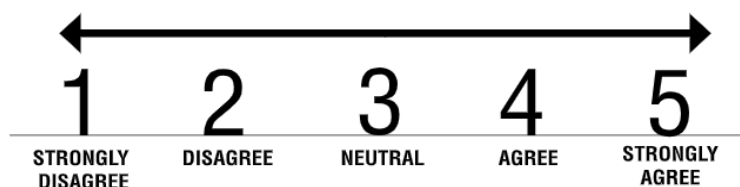
Examples of normative commitment

- "I got too much from the company. I can't just leave now."
- "This company helped me acquire so many skills. I won't leave anytime soon."
- "My boss worked very hard to get me promoted. If I leave, it will make her look bad."
- "I see some coworkers leaving. I don't think that's the right thing to do. Disloyal employees will be disloyal anywhere they go. I will remain here unlike them."





Normative Commitment



- 1.I have an obligation to stay with my company.
- 2.I wouldn't quit my job right now because I owe the company too much.
- 3.I owe this company for the things it's given me.
- 4.Leaving my job now would fill me with significant guilt.
- 5.It just wouldn't be right to think about quitting my job.
- 6.Staying with my organization is just something that I ought to do.

Average Score: 16



What does evidence suggest?

	Affective	Continuance	Normative
Job Performance	.27	-.12	.08
Job Satisfaction	.60	.12	.36
Turnover Intentions	-.58	-.19	-.27

*If you don't understand what these number mean (i.e., how to interpret this table),
you need to let me know.

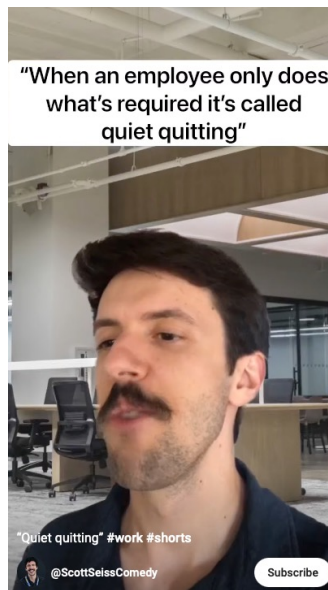


Withdrawal

A set of actions that employees perform to avoid the work situation

Bombarding with some evidence:

- One study found that only 51% of employees' time was spent working.
- The other 49% was allocated to coffee breaks, late starts, early departures, personal, and other forms of withdrawal.
- Around 60% think about looking for new jobs.





Exit-Voice-Loyalty-Neglect

Common employee “**reactions**” to negative work events:

Exit

Ending or restricting
organizational
membership

Voice

A constructive response
where individuals attempt
to improve the situation

Loyalty

A passive response where
the employee remains
supportive while hoping
for improvement

Neglect

Reduced interest and
effort in the job

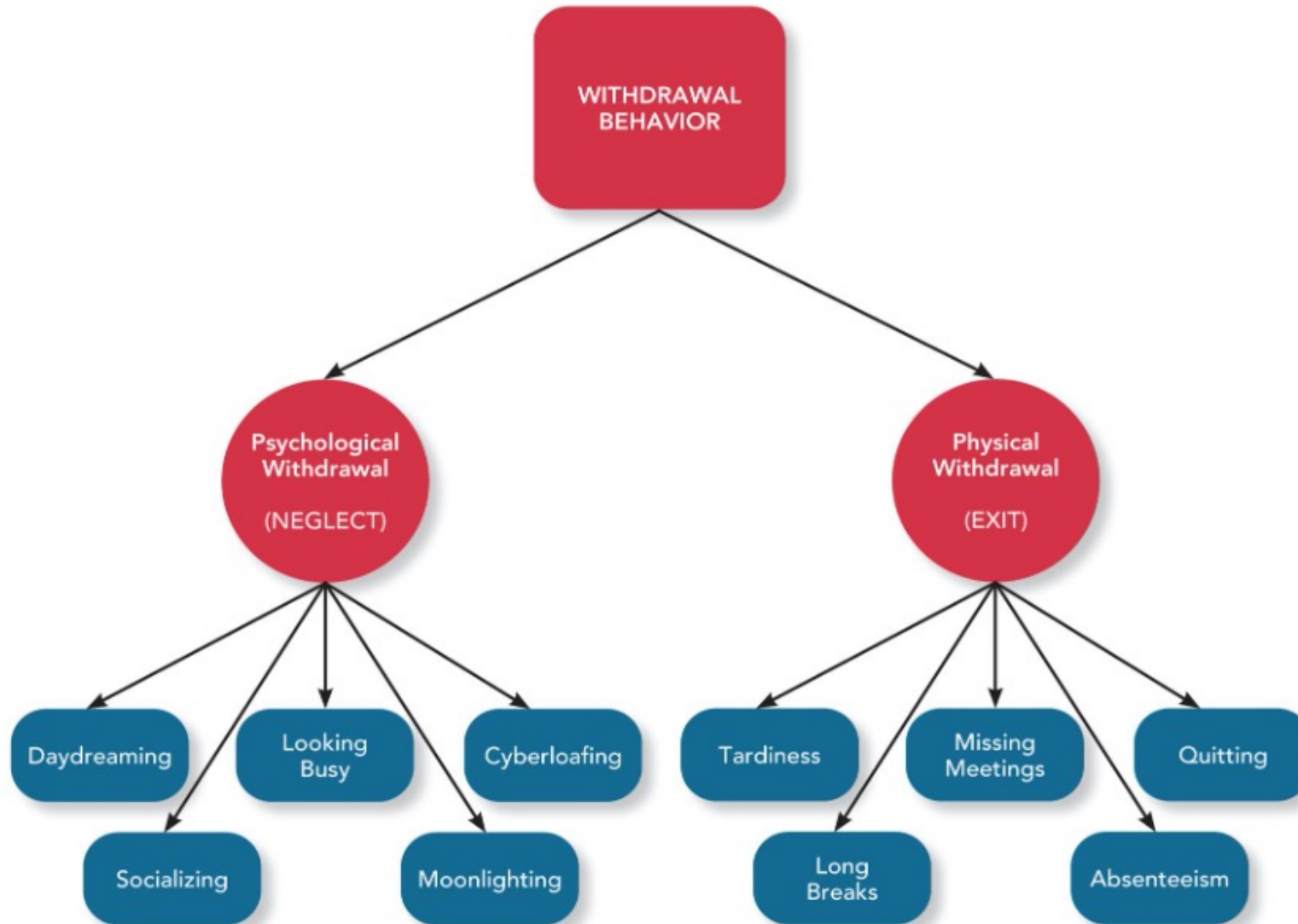


Figure 3-4
Psychological and Physical
Withdrawal



The changing employee-employer relationship

Psychological contracts

- Mutual agreement between employee-employer in terms of what they expect from each other
- *Transactional contacts*
 - Monetary obligations (e.g., employee contributes - company pays)
- *Relational contracts*
 - Subjective, and often **long-term**, obligations (e.g., employee shows loyalty/OCB – company offers development opportunity, support, and job security)