

# THE INFLUENCE OF ORGANIZATIONAL FACTORS ON EMPLOYEES' COMMITMENT LEVELS: A STUDY OF THE BANKING SECTOR OF PAKISTAN

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## Abstract

*Although a lot of international research studies have highlighted organizational practices to be an important determinant of employees' commitment to their organizations, little attempt has been made to explore the relationship of these two concepts by researchers in Pakistan.*

*The rationale for this study was to offer an insight into how Organizational Commitment and its three components namely Affective, Continuance and Normative Commitment may be influenced and enhanced by organizational factors consisting of Teamwork, Rewards, Training and Communication. This study also examined the relationship of demographic factors with the employees' organizational Commitment to ascertain which set of variables has the highest impact on employee commitment. A random sample of 200 commercial bank employees was surveyed in Lahore through a questionnaire. Correlational, stepwise regression analyses were carried out to study the association between the dependant and the independent variables. Results revealed that on the whole, organizational factors were important determinants of employees' commitment levels, while demographic factors had a relatively less significant association with the organizational commitment and its forms. Continuance form of commitment also showed weaker association with organizational factors as compared to Affective and Normative Commitments. Implications and recommendations have been presented for managers to utilize key organizational factors in order to enhance employees' commitment levels.*

**Keywords:** Organizational Commitment, organizational practices, Banking sector, demographics.

**JEL Classification:** Z000

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## 1.Introduction

Organizational commitment has been labeled as a key determinant and the driving force of many positive organizational level outcomes .Organizational commitment is referred to as the “psychological link between the employee and his organization” which makes the employee leaving the organization voluntarily less likely (Allen & Meyer, 1996). People working for organizations “have certain needs, desires, skills, and so forth and expect to find a work environment where they can utilize their abilities and satisfy many of their basic needs”(Dessler, 2005). Organizational commitment can be increased if an organization is successful in providing such a vehicle. Employee commitment has been linked to several positive results namely lower turnover rate and absenteeism, higher level of motivation and job satisfaction , lower operating costs, higher productivity and higher efficiency (Morrow, 1993; Meyer & Allen, 1996; Lieu, 2008). Thus a committed employee can be favorable to the organization and its goals.

Since the linkage between how an organization deals with its employees and the way it affects their attitudes such as commitment has been established, exploration of such linkages is of great significance. In earlier studies, many aspects of organizational practices have been identified which were related to organizational performance. Some of these dimensions were communication, teamwork, training and development, stability, respect for coworkers, rewards and recognition, proactive planning and fairness in management practices etc.,(Ricardo and Jolly,1997; Lau and Idris, 2001). Positive employee behaviors such as job satisfaction and organizational commitment along with negative outcomes of employees, such as absenteeism or turnover are directly linked to organizational practices and policies.

Having established the importance of Organizational Commitment, this study will attempt to present an insight into what factors impact the organizational commitment of employees of banking

organization. Aim of this study is to build on existing literature on organizational commitment with main focus on organizational practices in the Pakistani banking sector. The banking sector as the empirical setting for this study was chosen for various reasons. Firstly, there is a dearth of research studies on organizational behavior issues in Pakistan. Secondly, the banking sector in Pakistan is important and has considerable national as well as international significance and yet continues to be ignored in research settings. Over the years, the role of a bank employee has transformed from “teller to seller” (Burton, 1991). Thus banks, just like any other organization which aims to deliver better services must have the right practices in place in order to keep the workers motivated. This will eventually assist in increasing operating efficiencies.

Rewards, Teamwork, Training and Communication are the organizational factors chosen for this study as the independent variables. Numerous international research studies (e.g Boon et. al 2006; Karia and Asaari, 2006; Zain et al,2009) have found a significant relation between these dimensions and employees’ commitment levels. Moreover, organizational commitment is going to be assessed within a multidimensional structure for this study. Allen & Meyer (1990), proposed that Organizational commitment has three dimensions namely, Affective, Continuance and Normative commitment. It is established that the development of these forms of commitment is influenced by different sets of variables (Mathebula, 2004). For instance continuance commitment is reported to be related to company’s compensation policies as the employee may want to be with the organization, in order to avoid losing those benefits. Contrarily, training has been reported to inculcate normative form of commitment. Thus for this study organizational commitment will be explored as multidimensional in nature and will be the dependant variable of this study.

The studies on commitment that have been carried out in Pakistan are far and few ( e.g. Chughtai & Zafar, 2006; Tayyab &

Tariq, 2001). Moreover, they have not discussed the relationship between organizational factors and organizational commitment. Further, most of the research studies have measured commitment as a uni-dimensional construct (e.g. Chughtai & Zafar, 2006; Iqbal, 2010; Bushra et al, 2011), as opposed to the more established multidimensional construct. Most of the local studies were based on how demographic factors affect the organizational commitment. Research however demonstrates that demographic factors play a relatively less significant role in the development of organizational commitment and all its form (Meyer et al, 2002). Thus this study attempts to measure the present levels of three forms of commitment of the banking sector employees. Also, their perception of organizational practices is going to be studied with respect to commitment levels. Are the prevalent organizational factors amplifying the worker and the organization bond or are they driving them away? This study aims to also find out the set of predictor variables (demographic and organizational) which has the strongest impact on organizational commitment and its three forms. This study's findings may be useful for managers who can implement steps and make strategic interventions in order to ensure their employees' longer and more productive stay with the organization, leading to minimized costs and higher efficiency.

The next section of this paper defines Organizational commitment and its forms and highlights the advantages of higher levels of commitment for organizations. Next we discuss the relationship between the Organizational factors and the three forms of Organizational commitment. We then discuss the methods adopted along with the details about each of the variables' measurement. Then the study's results based on the independent variables will be discussed. Finally a concluding discussion along with the study's limitations, practical implications and recommendations for future research is presented.

## 2. Literature Review

### 2.1 Organizational Commitment

Organizational commitment's construct is extensively studied across the globe in the past few decades (e.g., Buchanan, 1974, Porter et al., 1976, Mowday et al., 1979, Allen & Meyer, 1990). Several definitions have also emerged over the years "an employee's identification with the organization's goals and values; their willingness to exert a great effort on behalf of the organization; and their intention to stay with the organization" (Porter et al., 1976). Mowday et al (1979) define it as being the "employees' psychological attachment to the organization". However, the earlier approaches to study commitment were criticized in later years for lack of consistency and a unidimensional approach being used to define the construct of commitment and its antecedents. Meyer and Allen (1991) proposed the three-component model, which has earned credit and popularity in the last two decades. The three forms (affective, normative and continuance commitment) provide a more in-depth and accurate analysis of the commitment concept. This model was developed with the rationale that all the three abovementioned forms of commitment are distinguishable. Although they relate negatively to turnover, the nature of the link differs. Moreover affective, normative and continuance commitment are reported to relate differently to other organizational behaviors such as employee attendance, turnover, organizational citizenship behavior or in-role performance (Meyer et al. 2002).

An employee can experience varying degrees of the three forms of commitment, thus these are distinguishable, separable, psychological states (Allen and Meyer, 1990). *Affective commitment* is defined as an "employees' emotional attachment to, identification with and involvement in the organization" (Allen & Meyer, 1990). Positive job experiences *help develop affective commitment and it is linked to* positive organizational outcomes such as lower level of

absenteeism and higher citizenship behavior (Meyer & Allen, 1997). Workers displaying a stronger level of affective commitment are claimed to be working for their organization as “they want to, and they show greater keenness to put in more effort on behalf of their organization” (Meyer & Allen, 1997).

*Continuance commitment* is the second dimension of organizational commitment construct proposed by Allen and Meyer (1991). It is the “employees’ commitment to the organization as they perceive high costs of losing organizational membership”. Employees with higher levels of continuance commitment find it more difficult to leave their organizations due to higher “un-transferable investments” such as years of service in a company, pensions, retirement funds, friendship and attachment developed with co-workers etc (Meyer & Allen, 1991).

*Moreover, it is claimed by Meyer & Allen (1991) that normative commitment might be derived from more than one factor such as “employees’ sense of obligation towards his organization”. Employees for instance, may feel a moral obligation to put in their best effort and show loyalty to their work in case the organization has invested resources (money and time) in the employee’s training. Normative commitment is claimed to be not as strong as affective commitment in predicting employees overall commitment.*

“Employees with strong affective commitment remain with the organization because they *want* to, those with strong continuance commitment because they *need* to and the ones with strong normative commitment as they feel they *ought* to”, Allen and Meyer (1990). It is important to note that the affective commitment’s advantages such as desirable work behaviours are expected to be greatest while the continuance commitment outcomes may be negative for organizations.

## 2.2 Organizational Factors:

Literature has identified various Organizational commitment's antecedents. Variables such as Job attributes (e.g. communication, job challenge, and the amount of feedback etc), Personal characteristics (e.g. age, gender, tenure, education, etc), and work experiences (e.g. organizational trust, dependability etc) have been studied for their impact on the employees' commitment.

The link between commitment and several organizational factors has also been extensively studied and multiple dimensions of an organizations practices and policies, which may relate to organizational commitment, have been identified and measured.

The organizational factors chosen for this study as the independent variables (i.e., teamwork, communication, rewards and training) are listed alongside the most important dimensions as identified by Jung et al (2009) in his meta analysis. Various studies have also individually discussed the role of these factors on commitment e.g. teamwork and commitment was studied by (Denison, 1990, O'Reilly et al., 1991) Rewards and commitment by (Schein, 1990), Communication and commitment by (Tsui et al, 2006 and Xenikou & Simosi, 2006) training and commitment by (Lau and Idris, 2001).

Bratton & Gold, (1994) refer to rewards as "all forms of financial return, tangible services and benefits an employee receives as part of an employment relationship". S. Su et al, (2009) suggest that employees rewarded for achieving set goals and improved performances are reported to have an increased likelihood of higher motivation levels and commitment. It has been suggested that rewards should be made contingent on employees' performance as this will encourage them to put in an extra effort. Thus when organizations create links between employee performance and rewards can lead to higher commitment. Training is defined as "systematic activities to

develop and improve employees skill, knowledge and behaviors to enable them to perform job related duties, accomplish specific tasks and meet the quality requirements of human resource for the future”, (Bulut & Culha,2010). Studies have shown Training is involved in significantly enhancing various forms of organizational commitment, with strongest impact on affective commitment (Ahmad&Bakar, 2003). Teamwork has been defined as “the extent to which employees within a firm cooperate with each other and work in unison towards overall organizational goals” (Delarue, et al, 2008). Several terms such as ‘groups’, ‘teams’ and ‘work units’ have been used at different times and in different settings, to describe this form of work. It was found that teamwork was one of the most significant factors that influence organizational success (Karia and Asaari, 2006). Teamwork led to the development of a strong, supportive relationship amongst employees and the managers.

Communication is the fourth dimension of this study and it is defined as “a process whereby individuals and groups transact in a variety of ways and within different areas with the objective of carrying out organizational goals” (Smidts et al., 2001). Positive influences such as higher job satisfaction and motivation, lower turnover and better organizational climate and higher commitment have been linked with effective communication by a growing body of literature. This eventually leads to improved organizational performance (Nakra,2006).

### **2.3 Demographic Factors:**

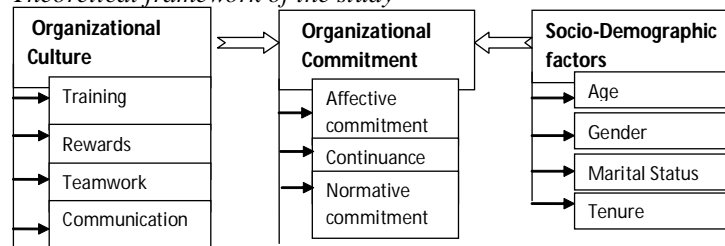
The secondary motive of this study is to verify the impact of several demographic factors on organizational commitment. Some studies have suggested a positive link between marital status, age, tenure of work and organizational commitment (e.g, Mathieu 7 Zajac, 1990). Married employees may show higher levels of commitment due to higher financial needs and responsibilities. In another study by Ahmad and Bakar(2003) no link was found between gender and our



dependant variable. However, opposite results were reported by Mathieu and Zajac(1990) as women were found to have higher levels of commitment. Contradicting results have been reported in studies in the past for age and organizational commitment as well. For example, Salami(2008) and Meyer and Allen (1998) showed a significant relationship between the two studied variables. However it was also noted that older employees had a higher level of continuance for of commitment than younger employees because of higher stakes involved. Not only this study will explore the relationship of the above mentioned demographic factors and organizational commitment but it will also find out whether demographic factors have a stronger or weaker impact as compared to organizational factors. Below we present the theoretical framework.

**Figure 1:**

*Theoretical framework of the study*



Based on the above mentioned literature, five main hypotheses are presented in this study:

- H1: Rewards are significantly related with organizational commitment and its forms,*
- H2: Teamwork is significantly related with organizational commitment and its forms*
- H3: Training is significantly related with organizational commitment and its forms*
- H4: Communication is significantly related with organizational commitment and its forms*
- H5: Demographic factors are significantly related with organizational commitment and its forms*

### **3. Research Methodology**

#### **3.1 Sample:**

Several studies (Karia and Asaari,2006, Su, et al.,2009) have also adopted convenience sampling to study organizational commitment and used a sample size ranging from 150 to 400, (e.g Allen &Brady,1997 ; Su.et al,2009). Mathebula (2004) confirms in his study that at least 10 degree of freedom is generally deemed to be adequate for a regression analysis per variable to achieve “adequate statistical power”. Therefore given the temporal and logistical constraints for this study convenience method sampling was adopted and 250 questionnaires were distributed in 21 different banks operational in Lahore. A total of 200 usable questionnaires were returned, providing a return rate of 80 percent. One reason for the high response rate was that the questionnaires were disseminated and collected personally at their respective branches. The sample consisted of 200 respondents, out of which 149 were males and 51 were females.

The study’s sampling frame included banking sector employees with permanent status. The majority of the respondents were males 74.5%. Moreover, 58% of the respondents were married. Respondents who had been working for their current bank for less than 5 years comprised 72.5% of the total sample. The age group of 26 to 35 years had the highest representation with their proportion being 60.5% of the total sample. The majority of the respondents (48.5%) reported themselves to be a part of the middle management, 12.5% were in the upper management while the remaining 39% were in the lower managerial category.

#### **3.2 Variable Measurement:**

The scales used in the research questionnaire were adopted from the existing literature. The scales applied likert scale with 1=Strongly Disagree forming the one end of the continuum and

7=Strongly Agree the other end. Reverse coding was applied for items with negative statements. The questionnaire consisted of three main sections. The first section includes statements to measure Organizational commitment and its forms. The second section addresses questions related to organizational dimensions. Lastly, the third section requests the respondents to provide demographic details.

To measure the dependant variable i.e Organizational commitment and its forms, Allen and Meyer's (1990) 24-item scale. It is a widely used instrument , across the globe consisting of three subscales measuring affective, continuance and normative forms of organizational commitment respectively.

The questionnaire used in this study to measure Organizational practices was developed by Lau and Idris (2001). This instrument has been used by various studies conducted in Asian countries (e.g; Boon and Arumugam, 2006 and Zain et. al, 2009). Therefore its validity and reliability in a Pakistani city is more feasible. Also, it comprises if the four most important organizational factors, as suggested by other research studies also. It constitutes of 17 items to measure the four dimensions (, teamwork, rewards, training and communication ) Again, a seven point likert scale was applied which ranged from 1 being "strongly disagree" to 7 being "strongly agree".

The descriptive statistics summary of independent and dependent variables of this study is presented in Table 1. It is to be observed that affective commitment levels were relatively higher than the other two aspects. However the variation in affective commitment levels was also noted to be the highest (0.987). This pattern depicts that some employees did not exhibit the ideal levels of affective commitment. The Cronbach Alphas were computed and also reported in Table1. The values of Cronbach Alphas exceeded the .50 threshold value, which is considered acceptable for the scale reliability for a survey

based study (Nunnally, J. C., 1978). Thus it can be stated that the reliability of the survey items are acceptable.

**Table1:**

*Descriptive Statistics of Banking Employees Perceptions of Organizational Commitment forms and Organizational Factors*

Variable	N	Mean	S. Dev	Cronbach Alpha
Organizational Commitment	200	4.40	.634	-
Affective Commitment	200	4.55	.987	0.73
Continuance Commitment	200	4.28	.818	0.72
Normative Commitment	200	4.37	.882	0.60
Organizational factors	200	4.70	1.11	-
Rewards	200	4.52	1.36	0.87
Teamwork	200	4.71	1.15	0.70
Communication	200	4.70	1.34	0.86
Training	200	4.89	1.37	0.82

**4. Results:**

The SPSS statistical software Version 15 was utilized to carry out the calculations and statistical analyses. Firstly, correlations had been calculated to show the link between the dependant variable i.e organizational commitment and its subscales with organizational and demographic factors. The results, presented in table 2, indicate that organizational factors have a meaningful conceptual relationship with organizational commitment and its forms. VIF (variance inflation factor) was computed to check the multicollinearity amongst the set of independent variables. The largest VIF value was 3.25, which is significantly lower than the cut-off value of 10 (Chatterjee, Hadi & Price, 2000). Thus it can be stated that multi-co linearity did not seem to be a problem for this study.

Teamwork displayed a significantly positive association with overall organizational commitment as well as all three forms of commitment separately. It had the highest positive correlation with Overall organizational commitment ( $r = .472, p < .01$ ) and lowest with continuance commitment ( $r = .219, p < .01$ ). Communication had the highest positive correlation with overall commitment ( $r = .463, p < .01$ ). A relatively weaker correlation was found between continuance commitment and communication ( $r = .177, p < .05$ ). Communication had a moderate correlation with normative commitment ( $r = .368, p < .01$ ).

Similarly, affective commitment had a useful conceptual correlation with rewards ( $r = .368, p < .01$ ), followed by normative commitment ( $r = .349, p < .01$ ).

Age had a significant positive link with overall organizational commitment ( $r = .164, p < .05$ ) and affective commitment ( $r = .162, p < .05$ ). This is in line with earlier research findings (e.g. Allen and Meyer, 1990) where age was shown to have a moderately positive correlation with affective commitment. Current work experience for our data showed positive correlation ( $r = .198, p < .01$ ) with organizational commitment and affective commitment ( $r = .197, p < .01$ ). Mathieu & Zajac (1990) also suggested that affective commitment may increase in employees belonging to higher age and tenure groups. This could be due to their higher satisfaction with jobs and receiving better perks and positions etc.

Gender and the forms of commitment did not reveal any form of significant relationship which is in line with Mathebula's (2004) findings. Similarly marital status did not have any significant relationship with the three forms of commitment.

**Table 2:**

*Correlation analysis between Organizational commitment and its forms with Organizational and Demographic variables*

	1	2	3	4	5	6	7	8	9	10	11	12
1. Gender	1											
2. Marital status	-.083	1										
3. Age	.184(**)	-.549(**)	1									
4. Work experience	-.144(*)	.344(**)	.735(**)	1								
5. Teamwork	-.008	.052	.107	.126	1							
6. Communication	.080	-.023	.040	.102	.685(**)	1						
7. Rewards	-.100	.018	.031	.090	.564(**)	.682(**)	1					
8. Training	.015	-.005	.018	.123	.562(**)	.581(**)	.667(**)	1				
9. Affective Commitment	-.022	-.008	.162(*)	.197(**)	.368(**)	.417(**)	.432(**)	.382(**)	1			
10. Continuance Commitment	-.073	.054	.129	.126	.219(**)	.177(*)	.171(*)	.124	.105	1		
11. Normative Commitment	.000	.003	.053	.089	.402(**)	.368(**)	.349(**)	.382(**)	.465(**)	.150(*)	1	
12. Overall Commitment	-.043	.021	.164(*)	.198(**)	.472(**)	.463(**)	.459(**)	.429(**)	.780(**)	.554(**)	.770(**)	1

Significant at the 0.05 level; \*\*Significant at the 0.01 level.

Gender: 1= Male, 2 = Female, Marital status: 1= Yes, 2 = No, Commitment and Organizational subscales were measured on a Likert scale from 1-7

Furthermore, stepwise regression analysis was performed to explore the relationship between organizational commitment and its components with the predictor variables. Stepwise method of regression was employed in this study because it helps in determining the set of factor with the higher predictive power on organizational commitment and its form. The focus of our study is to find out which independent variables are able to best predict the dependant variable, there for stepwise regression is the appropriate method to determine it as it assisted in identifying the particular variables with the highest impact on overall organizational commitment and its three forms. The results of the analysis are presented in Table 3. All of the models tested were significant with moderately high  $R^2$  values, except for continuance commitment. In Model 1, Overall Organizational Commitment was regressed on demographic and organizational factors and they explained just over 29% of the variance in the Overall commitment. The identified significant beta coefficients amongst the proposed antecedents were two organizational factors, (teamwork and rewards) and one demographic factor i.e. current work experience.

In Model 2, rewards and communication were positively related to affective commitment. This means that the higher the rewards and communication level in a banking organization, the higher the employees' affective commitment. Amongst the demographic factors, current work experience was positively associated with affective form of commitment. The  $R^2$  value was 24%, slightly lower than the value for Overall commitment in the first model. Meanwhile the stepwise regression analysis performed in Model 3 for continuance commitment in Table 3 indicated that only 4.8% variation was explained by one organizational dimension i.e. teamwork. None of the other organizational and demographic variables were significant enough to appear in the stepwise multiple regression equation. Lastly, in Model 4, two organizational organizational factors (teamwork and training) entered the equation collectively accounting for 18.9% of the total variance in the normative form of commitment. Higher teamwork and training opportunities in the organization is thus expected to increase

the bank employees' normative commitment i.e moral obligation to stay with the company. None of the demographic variables had a significant relationship with normative commitment, however.

**Table 3:**  
*Results of stepwise regression analysis*

Variables	Model 1		Model 2		Model 3		Model 4	
	Co-efficient	T-stat	Co-efficient	T-stat	Co-efficient	T-stat	Co-efficient	T-stat
Rewards	0.288	3.957**	.291	3.389**				
Teamwork	0.290	3.971**			.219	3.153**	.274	3.547**
Communication			.212	2.46*8				
Training							.228	2.955**
Gender								
Marital status								
Age								
Work experience	0.134	2.225*	.153*	2.446				
F-value	27.653		20.63		9.94		24.21	
p-value	0.00		.000		.002		.000	
R <sup>2</sup>	0.297		.240		.048		.197	
Adjusted R <sup>2</sup>	0.287		.228		.043		.189	
N	200		200		200		200	

\*Significant at the 0.05 level; \*\*Significant at the 0.01 level.

## 5. Conclusions

The rapidly changing dynamics of the employee-organization relationship have made it imperative for managers to understand the factors that may affect an employee's commitment to his organization positively. The study's basic purpose was to determine the impact of two sets of factors on the organizational commitment of employees – which is a source of competitive advantage for an organization. The relationship of organizational commitment was studied with four independent key organizational factors i.e rewards, teamwork, communication and training. A relatively low variation in the three dimensions of organizational commitment was linked with the study's chosen demographic variables, as indicated by R-square value. On the other hand, the findings from the statistical analyses showed a relatively stronger evidence for the hypothesized relationship between organizational commitment and the organizational factors.

The best results were witnessed for organizational commitment and affective commitment, whereas the weakest association was between organizational components and continuance commitment. This substantiates the argument that an employee's feelings of obligation to stay with his company are largely determined by positive work experiences which are result of preferred organizational practices. Their willingness to stay with the company will be resultant of their emotional attachment to the organization.

Consistent with earlier studies (e.g Malhotra et al, 2007) rewards were found to be significantly, positively related with overall organizational commitment and affective commitment. Thus H1 was partially supported. However, unlike the findings of the study by S. Su et al, (2009), in which rewards were positively linked to normative commitment, our study found no such association. Similarly no link was found between rewards and continuance form of commitment, which was in contrast to earlier findings (Mathieu and Zajac, 1990 & Malhotra et al., 2007). The study's findings show that overall , continuance and normative commitment are significantly related to teamwork, thus partially supporting H2. The result confirms the study by Karia and Asaari (2006), which showed that there is a significantly positive relationship between teamwork with organizational commitment. Our study also supports the finding of the meta-analysis performed by Delarue et al., (2008), in which teamwork was identified to have a positive link with employee performance attitudes and behavior. Training showed a significant relationship with normative commitment as displayed by the stepwise regression analysis but it did not reveal any relationship that was significant, with other forms of commitment . A Malaysian study by Ahmad and Bakar, (2003) supports these findings. This phenomenon signifies that the employee might show a higher level of normative commitment if the organization has invested in training the employee and so he might feel indebted to his organization . From the results of Table 3, Communication showed a positively significant link with only affective form of commitment. This result is in accord with the literature that



states that employees who have a positive impression of communicational factors are expected to exhibit higher levels of commitment to the organization (Smidt et al, 2001). Better communication environment, where the employees' responsibilities, expectations and performance evaluation criteria are clarified, might create a climate of fairness and thus promote affective commitment. Our results, on the other hand, were unable to establish a link between the other forms of commitment and communication, thus H4 was only partially supported.

This study's findings are of great importance and relevance for managers aiming for their organizations' development. Results confirmed the organizational factors to collectively explain a higher percentage change in organizational commitment and its components as compared to the demographic factors. The study suggests that organizational practices are key for the development of affective and normative ties with the company, which are the preferred forms of commitment. Thus the managers need to focus on the potential mechanisms to enhance employees' commitment in order to develop and maintain organizational values and success. Moreover, emphasis should be laid on rewards and communication policies within the banking organizations as they are the most significant predictors of affective commitment.

As far as the hypothesis (H5) for the relationship between demographic factors and forms of organizational commitment is concerned, it was only partially accepted. Out of the four chosen demographic variables, only work tenure showed a significant relationship with organizational commitment and its affective form. This implies that as the work years increase for an employee with a company, his affective commitment and sense of belonging to the organization will also grow. Young workers with a smaller work tenure might not feel attached to the company and have higher likelihood to leave the organization for better job opportunities etc

The study's findings also support the Three Component Model of commitment by indicating that the three forms of organizational commitment have different antecedents. While affective and normative commitment have a positive link with important organizational variables, continuance commitment shows a much weaker relationship with the demographic or organizational set of independent variables.

### **6. Limitations and Suggestions for Future Research**

This research study had certain limitations. Firstly the sampled population was restricted to Lahore, Pakistan and might not be representative of the whole country. Secondly, the banking sector was chosen as the area for investigation, so the findings may not be applicable to the organizations outside the banking sector. However, the findings of this research were largely consistent with the earlier research findings carried out in other Asian and Western regions.

Moreover, it is also known that standardized questionnaires are only reflective of the volunteering respondents perceptions thus there is a compromise on the depth of the data. Also, a close ended questionnaire may not be to reflective of an employee's real emotions and working conditions in the true sense, therefore qualitative analysis based on interviews and forum discussions are also advised. Further research is recommended be taken up in other cities of Pakistan to make a cross country comparison. Similarly this study could also be replicated in other business sectors across other countries in order to do a cross country comparison of commitment levels.

This study's findings have shown several avenues which could be taken up for further investigation by researchers. Organizational factors have emerged as important features related to commitment however the factors under examination in this study are not exhaustive. Therefore, it is also important to explore other organizational aspects that may help to increase employees commitment.

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