

**MODELING CAUSATIVE FACTORS OF ORGANIZATIONAL
COMMITMENT IN CONSUMER BANKS' EMPLOYEES**

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Abstract

Organizational Commitment is an employee's involvement in the organization, their intent to stay and the extent to which an employee feels loyal and attached to an organization. Organizational commitment involves believing in and accepting organizational ethics and objectives, readiness to exert to accomplish those objectives and to remain with the organization. Stronger commitment of an employee to the organization leads to less possibility to quit, thus causing a lower turnover, absenteeism, job switching and higher satisfaction and productivity at work.

The banking sector of Pakistan has gone through a process of liberalization and privatization initiated in mid 90's and the levels of organizational commitment in the nationalized banks has been reported very low causing job switching, absenteeism & alike in such cases. Management of such banks with high levels of turnover, absenteeism and job switching had to analyze, deep probe causative factors of low levels of organizational commitment aiming at transformation of research findings into managerial guide lines.

The purpose of this study was to identify causal factors of organizational commitment among the employees in consumer banks through applied research. Using the past studies in the field of organizational behaviour, key variables were identified, which were further analyzed through a questionnaire survey, carried out among 50 local consumer banks employees at various managerial levels. Questionnaire was designed using key variables from theoretical framework and in-depth literature review. The questionnaire was divided into six major sections, comprising of sub sections to test

the significance of causal factors of organizational commitment. Two competing Econometric Models (by using alternative specifications of variables and econometric approach) of organizational commitment have been consolidated to determine the relative strengths with each of the independent variables.

Key findings of Econometric Model included major variables like age, pay, rewards and promotional chances, organizational structure and organizational repute. It was evident from the findings that timely and fair promotion method, pay and rewards within banks augmented the organizational commitment level among employees. Banks with decentralized structure and flatter hierarchy had higher levels of organizational commitment among employees as compared to those banks with centralized structure, taller hierarchy, bureaucratic culture and low involvement of middle and lower management. Further organizational repute and age of employees also showed a significant linkage with organizational commitment. Key findings reported in this study have been discussed in the light of HRM practices along with the propositions for overall banking sector.

Key Words: Organizational Commitment, Turnover, Absenteeism, Job Security, Econometric Modelling, Organizational Structure and Organizational repute.