

## **Impact of affective commitment on employee turnover intentions**

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**Abstract:** *The present study tries to find out the impact of affective commitment on employee turnover intentions. It is conducted in automotive component companies in the selected districts of Tamilnadu state. The research design is descriptive and the data is collected through structured questionnaire. The sample size of the study is 500 and the sampling technique is stratified random sampling. The analysis is done by using descriptive statistics, chi-square test, cross tab, anova and path analysis. It is found that there is significant association between affective commitment and turnover intentions. Those with lesser affective commitment are likely to leave the organization. The study demonstrated that there is a relationship between affective commitment and turnover intentions.*

**Keywords:** Affective commitment, Turnover intention, Annual salary, automotive component industry

### **Introduction**

The auto component industry is an important sector of the Indian economy and a major foreign exchange earner for the country. Most of the companies are distributed in the north, south and western parts of India around major Automotive Vehicle Manufacturers (AVMs). They contribute largely towards the development of component suppliers through technical and financial collaborations. The auto component industry manufactures a wide range of parts including castings, forgings, finished, semi-finished components, assemblies and subassemblies for all types of vehicles produced in India.

The Auto component industry in Tamilnadu constitutes 35% of India's auto component production. The output is US \$ 1.2 billion out of which the exports are US \$ 140 million in 2010 from Tamilnadu. As it is the second fastest growing industry next to software services, lot of empirical research has been done. The researcher has taken employee turnover as a research problem and tried to find out the impact of affective commitment in influencing turnover intentions among the employees of auto component companies in selected districts of Tamilnadu State.

### **Turnover Intention**

The definition for turnover intentions is the relative strength of an individual's intent to leave the organization. ( Hom and Griffeth)

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### **Affective Commitment**

Affective commitment is employee emotional attachment to the organization. It results from and is induced by an individual and organizational value congruency. It is almost natural for the individual to become emotionally attached to and enjoy continuing membership in the organization.

### **Review of Literature**

Porter, LW and Steers R.N (1974) studied the relationship between organizational commitment, job satisfaction and turnover among psychiatric technicians in U.S. They reported that pay to be consistently and negatively related to turnover. Arnold and Feldman (1982) examined the determinants of Job turnover in their study and proved that age, turnover, job satisfaction and commitment to be prime significance in explaining an intent to move. Decotiis T.A and Summers, T.P (1987) analysed the consequences of organizational commitment in U.S. organizations by using a path analysis model and concluded that greater commitment led to greater intent to stay and consequently lower turnover. Rachid M. Zeffane and Ferdinand A. Gul (1995) explored the validity of personality versus organizational style model of employee turnover with 1418 employees from different organizations operating in Australia. The findings suggested that employee commitment is a major determinant of turnover intention. Wunder et al., (2001) in his research found job stressors to have a direct and negative effect on the managers' job satisfaction, which, resulted in reduced organizational commitment that led to intentions of quitting and finally the actual quitting from organization. Sreerekha and Kamalanabhan (2012) examined the influence of the intervening variables such as organizational commitment on turnover intentions of employees in BPO sector. They applied mediation multiple regression technique and the results were based on 208 employees' responses from 5 organizations. They found that organizational commitment is a significant mediator between organizational justice, satisfaction and organizational support viz-a-viz turnover intentions. The findings suggested that organizations need to focus on how to foster commitment, enhance job satisfaction and to provide support to facilitate employee retention. James B Deconinck and Duane P Bachmann (2014) analyzed the antecedents and consequences of organizational commitment of marketing managers in United States and found that their intentions to leave the jobs was highly influenced by organizational commitment.

### **Statement of the Problem**

The growth of the auto component industry is also accompanied by issues like absenteeism, loss in productivity, turnover etc. Similarly, voluntary turnover, has been a main subject of attention and importance among researchers. To find out the ways to reduce turnover the researcher has analyzed the impact of Affective commitment on turnover intentions.

### **Objectives of the Study**

1. To examine the impact of Affective commitment on turnover intentions among the employees of Automotive component companies in selected districts of Tamilnadu
2. To find direct and indirect effects of affective commitment on the dependent variable.

### **Limitations of the Study**

1. The study undertaken by the researcher is restricted to the auto component companies in the selected districts of Tamilnadu only.

2. The researcher has tried to achieve hundred per cent perfection while collecting data from the respondents which may vary up to five per cent which can be reduced by enhancing more number of respondents.
3. Some of the employees are reluctant in responding to the queries related to organizational policies, incentives, leaving the organization etc., which may slightly affect the findings to a certain extent.
4. The findings of this study need to be applied with caution because turnover is a complex phenomenon and the factors affecting it may vary from organization to organization

### **Research Methodology**

The research design is descriptive in nature.

### **Nature of the Study**

The study is focused to analyze the impact of Affective commitment on employee turnover intentions in automotive component companies.

### **Sampling design and Sampling technique**

The sampling design is probabilistic in nature and the selection of area of study is based on stratified random sampling. The selected area of Tamilnadu is divided into three strata or districts namely Chennai (District 1), Coimbatore (District II) and Krishnagiri (District III) because the automotive component companies are concentrated in those areas only.

The selection of the respondents from the companies of three districts are done based on the stratified random sampling. 25% of the total population is taken as a sample size and the total sample size is 500.

### **Data Collection**

Primary data were collected through questionnaire and secondary data were collected through website, magazine and journals.

### **Hypothesis**

- H1:** There is no significant difference in the mean agreeability score on affective commitment among different age groups of respondents.
- H2:** There is no significant difference in the mean agreeability score on affective commitment among different experience groups of respondents
- H3:** There is no significant difference in the mean agreeability score on affective commitment among different salaried groups of respondents.
- H4:** There is no significant relationship between affective commitment and turnover intention among the respondents..

### **Data Analysis and Interpretation**

1. Descriptive statistics: It is used to explain the mean, standard deviation and Coefficient of variance of the respected factors.
2. ANOVA: This analysis is used for testing the significant difference between two variables which were influencing each other.
3. Chi-square test: To test the association between two variables.

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4. Path analysis: Path analysis is used to describe the directed dependencies among a set of variables. Its aim is to provide estimates of the magnitude and significance of hypothesized causal connections between sets of variables.

### Results and Discussion

**Table 1: Overall Score on Affective Commitment**

District	Min. Val	Max. Val	Mean	Std. Deviation	C.V(%)
I(n1=250)	13	24	17.83	2.04	11.44
II(n2=125)	11	24	17.78	2.75	15.47
III(n3=125)	11	23	17.37	2.03	11.69

**Source:** Primary data.

Table 1 shows that the overall score ranges between 13 to 24 with a mean score of 17.83 and a coefficient of variation 11.44 % among the respondents of District I, it ranged from 11 to 24 with a mean of 17.78 and a coefficient of variation 15.47% in District II and it ranged from 11 to 23 with a mean of 17.37 and a coefficient of variation 11.69 % in District III. The mean score is higher in District I where as it is least in District III.

**Table 2: Age and Affective Commitment - ANOVA**

SOURCE	SS	DF	MS	F
Between groups	108.582	3.000	36.194	7.50**
Within groups	2393.610	496.000	4.826	

**Significant at 1 % level**

It is ascertained from the Table 2 that the table value (F) for the degree of freedom 3 at 1% significant level is 29.46. Since the calculated F value is lower than the table value, the null hypothesis is accepted. Hence there is no significant difference in the mean satisfaction score among different groups of respondents.. The mean satisfaction score among different groups of respondents is furnished below.

**Table 3: Age and Affective Commitment – Mean Score**

Age	Respondent	Mean Score
Below 30	197	18.09
30-40	159	17.72
40-50	121	16.94
50-60	23	18.35

It is observed from the Table 3 that among the respondents the overall mean agreeability score on affective commitment is higher in 50-60 years age group and is least in 40-50 years of age group of respondents.

**Table 4: Experience and Affective Commitment - ANOVA**

SOURCE	SS	DF	MS	F
Between groups	120.8353	4	30.20881	6.27**
Within groups	2381.357	495	4.810822	

**Significant at 1 % level**

From the Table 4 it is clear that the table value (F) for the degree of freedom 4 at 1% significant level is 15.98. Since the calculated F value is lower than the table value, the null hypothesis is accepted. Hence there is no significant difference in the mean satisfaction score among different groups of respondents. The mean satisfaction score among different groups of respondents is furnished below.

**Table 5: Experience and Affective Commitment – Mean Score**

Experience	Respondent	Mean Score
Below 5 years	147	18.22
5-10 years	97	17.90
11-15 years	139	17.56
16-20 years	95	16.83
20 years & above	22	18.09

It is seen from the Table 5 that among the respondents the overall mean agreeability score on affective commitment is higher in below 5 years experience group and is least in 15-20 years of experience group of respondents.

**Table 6: Annual Salary and Affective Commitment - ANOVA**

SOURCE	S S	D F	M S	F
Between groups	148.8453	4	37.21133	7.82**
Within groups	2353.347	495	4.754236	

**Significant at 1 % level**

It is inferred from the Table 6 that the table value (F) for the degree of freedom 4 at 1% significant level is 15.98. Since the calculated F value is lower than the table value, the null hypothesis is accepted. Hence there is no significant difference in the mean satisfaction score among different groups of respondents.. The mean satisfaction score among different groups of respondents is furnished below.

**Table 7: Annual Salary and Affective Commitment – Mean Score**

Annual Salary	Respondent	Mean Score
BelowRs.1 lac	95	18.19
Rs.1-2 lacs	142	18.12
Rs.2.1-3 lacs	156	17.54
Rs.3.1-4 lacs	90	17.21
Above Rs.4 lacs	17	15.59

Table 7 shows that among the respondents the overall mean agreeability score on affective commitment is higher in below one lakh group and is least in 4 lakh & above group of respondents

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**Table 8: Affective Commitment and Job Satisfaction – Path Analysis**

	$X_{2(1)}$	$X_{2(2)}$	$X_5$	$X_6$	$X_{10}$	$X_1 - Y$
$X_{2(1)}$	<b>0.310</b>	-0.030	0.036	<b>0.095</b>	<b>0.070</b>	0.482
$X_{2(2)}$	0.097	-0.095	0.019	0.041	0.048	0.110
$X_5$	0.088	-0.014	0.127	0.081	0.084	0.366
$X_6$	<b>0.118</b>	-0.016	0.041	<b>0.251</b>	<b>0.080</b>	0.475
$X_{10}$	<b>0.099</b>	-0.021	0.048	<b>0.092</b>	<b>0.220</b>	0.438

It is seen from the Table 8 that among the five explanatory variables, three explanatory variables namely  $X_{2(1)}$  (Affective commitment),  $X_6$  (Peer support) and  $X_{10}$  (Compensation), have higher positive direct effect on the dependent variable  $X_1$  (Job satisfaction).  $X_{2(1)}$  (Affective commitment) have higher positive indirect effect on  $X_1$  (Job satisfaction) through  $X_6$  (Peer support) and  $X_{10}$  (Compensation). Similarly  $X_6$  (Peer support) have higher positive indirect effect on  $X_1$  (Job satisfaction) through  $X_{2(1)}$  (Affective commitment) and  $X_{10}$  (Compensation). Similarly  $X_{10}$  (Compensation) have higher positive indirect effect on  $X_1$  (Job satisfaction) through  $X_{2(1)}$  (Affective commitment) and  $X_6$  (Peer support). Hence the three explanatory variables  $X_{2(1)}$  (Affective commitment),  $X_6$  (Peer support) and  $X_{10}$  (Compensation) are substantially important contributing variables to  $X_1$  (Job satisfaction)

**Table 9: Affective Commitment and Turnover Intentions – Cross Tab**

Affective commitment	Turnover Intentions			Total
	Low	Medium	High	
Low	51 (33.3)	54 (35.3)	48 (31.4)	153
Medium	64 (35.4)	48 (26.5)	69 (38.1)	181
High	78 (47)	35 (21.1)	53 (31.9)	166

Source: Primary data

It is observed from Table 9 that 47% of the respondents who have higher affective commitment are having lower turnover intentions while 21.1% of the respondents of same category are having medium turnover intentions.

**Table 10: Affective commitment and turnover intentions -  $\chi^2$  test**

Factor	Calculated $\chi^2$	Table Value	DF	Remarks
Affective commitment	11.990	9.49	4	Sig at 5 %

Table 10 shows that chi-square value is significant. It indicates that there is significant relationship between affective commitment and turnover intentions among the respondents. The turnover intentions depend upon the overall affective commitment.

**Suggestions**

Those with lesser commitment can be identified and the discussion can be had with employees to find out the exact reasons. They can be motivated and given separate training. Promotion, career advancement can be devised to improve their commitment level. The frequent interaction between employees and their supervisor can be encouraged to increase the immediate supervisor

support. A separate training program involving employees and their supervisors can be arranged by the management to heighten the level of interaction. The salary of the employees can be benchmarked with best performing company to increase the commitment level of employees.

### **Conclusion**

The turnover intentions of the employees is because of lesser commitment in the job. The companies should find out the major reason behind this problem and should consider organizing programs to increase the employee commitment level. This study concludes that affective commitment is playing an important role on the employee intent to leave the organization.

### **Future Research and Policy Implications**

The results of this study have shown a remarkable leading factor in assessing the contribution of affective commitment on turnover intentions. However, this study is limited in the selected automotive component companies and based on cross sectional nature of study. Given the cross sectional nature of study it is suggested that future research should consider experimental or longitudinal approach and consider of other subject and setting of the study. A longitudinal approach may help in improving one's ability to make causal statements. Factors such as organizational, personal, occupational and cultural elements apart from demographic variable commitment and etc that may influence turnover intentions should be explored for further research. Although this study may pose limitation in term of generalizability, however, it furthers our understanding by determining and testing the factors that relate and affect turnover intentions. Therefore, it is an initiative towards a greater understanding of organizational attitudes and behaviors particularly on employees' intentions to leave.

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