Organizational Factors and Affective Commitment: Moderating Role of Employees’ Age

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This research examined the moderating role of age in the relationship between four organizational factors namely training, communication, rewards, and teamwork on the levels of affective commitment of bank employees. The sample consisted of 200 bank employees (149 males, 51 females) from Lahore and they were divided into three groups based on their ages: Below 31 years ($n = 117$), between 31 and 44 years ($n = 56$), and above 44 years ($n = 27$) to examine if the levels of commitment varied across these groups. This study applied Affective Organizational Commitment Scale (Allen & Meyer, 1990) and Employees’ Perception of Organizational Factors Scale (Lau & Idris, 2001). Ordinary Least Squares regression analysis showed that age played a partial moderating role in determining the relationship between organizational factors and affective commitment. Findings showed that commitment for older employees increased with high levels of rewards, whereas, communication and higher levels of training lead to increase in affective commitment in younger workers. Teamwork did not have a significant relationship with any of the workers’ three age groups’ level of affective commitment.

Keywords. Bank employees, affective commitment, age, teamwork, training, communication

In the face of current business environment which is characterized by cut throat competition and influx of multinational firms, organizations around the globe are continuously making efforts to increase the employee efficiency and productivity levels. Researchers and practitioners (e.g., Allen & Meyer, 1990; Costa, 2003) acknowledged the influence of human capital as being critical

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for value creation and goal achievement for organizations and yet human resource faces negligence in some parts of the world (Nakra, 2006). However, some renewed efforts by managers have been focusing on policies to transform the working conditions, whereas, others have focused on strategies like increased worker participation or development of work teams (Vallas, 2003). These efforts may lead to positive behavioral outcomes such as organizational commitment, which has been directly related to positive outcomes such as, lower operating costs, lower absenteeism, higher productivity, and efficiency (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002).

Employees’ commitment to his/her organization has been dubbed as a major determinant of positive organizational outcomes, such as, increased productivity and lower levels of turnover (Morrow & McElroy, 1986; Porter, Crampon, & Smith, 1976). Other studies have linked organizational commitment to higher efficiency, receptiveness to change, reduced turnover, increased efforts, and innovativeness (Smidts, Pruyn, & Van Riel, 2001; Vallas, 2003). Therefore, in the current competitive business environment, understanding the determinants of employees’ commitment is imperative for organizations in order to survive and grow. It is crucial to be aware of the factors that may increase workers organizational commitment.

Organizational commitment is the workers’ bond to the whole organization and is generally defined as loyalty, involvement in, and identification with the company (Lambert, Hogan, Paoline, & Clarke, 2005). Allen and Meyer (1990) categorized organizational commitment into three forms that is, affective, continuance, and normative commitment. Affective commitment is the most desirable form of organizational commitment as it measures the workers sense of belongingness and has been reported to have the largest set of benefits for companies (Meyer & Allen, 1991). Thus, we have focused on affective commitment in this study and explored whether it varies across age groups and how work factors influence it. Meyer and Allen’s (1991) constructs including all three forms of commitment have a negative relation with turnover, but it is important to note that the nature of the link varies.

Turnover is an important signal for organizations, as higher turnover leads to negative consequences for companies. Organizations can reduce turnover rate by improving factors that directly affect workers’ commitment levels. In simple terms, employees displaying strong affective commitment remain with the organization because they want to; whereas, employees reporting higher levels of continuance commitment stay with the organization because they need to; and the ones displaying higher normative commitment stay,
because they feel they **ought** to (Allen & Meyer, 1996). Therefore, ideally for a company, their employees should develop a higher level of affective commitment and lower continuance commitment in order to witness the maximum positive organizational outcomes. This study, therefore, focuses on affective form of organizational commitment and its antecedents.

Research studies over the years have tried to find the antecedents of organizational commitment and two categories that is, demographic factors (e.g., gender, education, age) and organizational factors (e.g., rewards, teamwork, training, and communication) have been highlighted as more significant ones (Allen & Meyer, 1990; Brimeyer, Perrucci, & Wadsworth, 2010). This study attempts to study the impact of organizational rewards and its link with affective commitment. According to Bratton and Gold (1994), **rewards** are all forms of financial return, tangible services, and benefits an employee receives as part of an employment relationship. Rewards can be further differentiated as being extrinsic or intrinsic rewards. Studies (Mathieu & Zajac, 1990; Su, Baird, & Blair, 2009) show that intrinsic rewards (e.g., promotional opportunities) had a stronger link with affective commitment as opposed to extrinsic rewards, which showed a significant relationship with continuance commitment (Malhotra, Budhwar, & Prowse, 2007). Younger employees are expected to have a higher commitment based on the level of intrinsic rewards offered as career advancement is important to them (Mathieu & Zajac, 1990).

**Training**, the second organizational factor examined in this study 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, p. 311). A study by Ahmad and AbuBakar (2003) revealed most significant relationship of training with affective form of commitment. Moreover, Su et al. (2009) suggest that training is going to show more positive results for younger workers who have recently joined the company, as it provides them better future prospects as opposed to older employees who are generally working on senior level management and training benefits are perceived to be low for that group.

**Teamwork** is the third organizational factor being studied in this research. It is defined as “the extent to which employees within a firm cooperate with each other and work in unison towards overall organizational goals” (Delarue, Hootegem, Procter, & Burridge, 2008, p.129). Costa (2003) suggested teamwork to have a positive impact on affective commitment as opposed to continuance commitment, as it
leads to higher level of trust and lower conflict levels amongst employees.

Communication is “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, p.1052). Feedback, a key component of this variable, was found to strongly influence affective commitment of call centre workers at a retail bank in a study by Malhotra et al. (2007).

Various studies examining the demographic variables’ relationship with commitment have reported a significant relationship between employees’ commitment and age (Meyer et al., 2002; Su et al., 2009). Due to the significant changes in recent times in the workplace, studies have tried to investigate whether workers belonging to different age groups respond differently to these changes (Brimeyer et al., 2010; Perrucci & Perrucci, 2007). For instance, it is important for organizations to know how workers of different age groups will respond to their policies regarding rewards and training, etc. Will older employees show positive commitment if given incentive for training and will younger employees show similar response? Younger employees also are not looking for long lasting bonds with the company at the initial stages of their careers. They are more susceptible to switch jobs more quickly as opposed to their older counterparts (Pathardikar & Sahu, 2011).

A workers’ age reflects his stage in terms of family life cycle which involves marriage, children, and other family related needs. Workers belonging to different age groups might react to a company decision or policy in a different manner. Age for example will impact the nature of relationship with their supervisors and how it impacts his or her commitment to the company (Mathieu & Zajac, 1990). Over the years, several explanations have been put forward for the relationship between age and commitment. Some studies (Allen & Meyer, 1996; Mowday, Porter, & Steers, 1982) claimed that older workers with higher tenure have a higher commitment to the organization as well as they have more access to positive work experiences than younger workers.

Allen and Meyer (1993) found that age had a stronger positive relationship with affective form of commitment as opposed to tenure for their sample of library and clerical workers. After controlling for organizational variables, age was also found to be significantly related to affective form of commitment. Super (1957) developed a model stating that younger employees tend to have lower levels of commitment as compared to older employees who have a longer work
tenure. Researchers have relied on this model for studies around the globe and have found mixed results (Allen & Meyer, 1993; Morrow & McElroy, 1987; Rubin & Brody, 2005; Salami, 2008). Mathieu and Zajac (1990) found out from their meta-analysis that age had a positive relationship with affective commitment as opposed to earlier claims that older workers have higher continuance commitment because of lack of opportunities and other costs. They claimed that older workers show higher satisfaction with jobs because of better titles and other perks that they enjoy.

This study’s theoretical framework draws on two factors, which have been showing significant relationship with organizational commitment in the past studies (Allen & Meyer, 1996; Brimeyer et al., 2010). Those factors are age and workplace factors (e.g., training and teamwork). Mowday et al. (1982) provided evidence that different experiences may impact commitment levels at various career stages. Thus, we want to find out if these workplace factors are more or less in significance for employees at different stages in their lifecycle in the banking industry.

Research efforts in Pakistan to study affective commitment amongst banking employees have been almost nominal, therefore, the banking sector was chosen as it plays a significant role in the economic growth of the country and the health of this sector directly impacts the financial and economic conditions nationwide. A few local studies on organizational commitment in the nonbanking sector (Chughtai & Zafar, 2006; Tayyab & Tariq, 2001) restricted themselves by studying the impact of demographic variables on commitment and ignored the role of organizational factors. Secondly, these studies did not use the Allen and Meyer’s construct to measure commitment, which is the most preferred tool in recent important international studies (Bulut & Culha, 2010; Malhotra et al., 2007). This study, therefore, would help bridge the research gap by investigating how organizational factors influence levels of affective commitment amongst Pakistani workers and will also study the moderating effect of age. The focus in previous studies internationally (Allen & Meyer, 1990) and in Pakistan (Chughtai & Zafar, 2006; Tayyab & Tariq, 2001) has largely been to examine how age is related to commitment. However, what causes different levels of commitment amongst different age groups has not been studied before in the local settings. This analysis, therefore, can prove helpful for organizations in their policy making and human resource strategizing.

This study views the age factor and organizational variables as functioning together to form the social processes that may impact employees’ level of commitment and it will investigate the possibility
of age moderating the effect of various work factors on the employee’s level of commitment.

Hypotheses

This study’s framework views age and workplace factors as related to employees’ affective commitment in varying ways across different age groups. This study proposes that with passing age employees’ level of commitments may be influenced in different ways and various factors will vary in significance depending on workers age. Based on the above discussion, following hypotheses were formulated for the present study:

1. Organizational factors (i.e., training, teamwork, communication, and rewards) contribute positively to workers’ affective commitment of bank employees.
2. Employees’ age moderates the relationship between affective commitment and the workplace factors organizational commitment.

Method

Sample

A convenience sample of 250 bank employees working at different managerial levels and in different departments was surveyed for this study. The questionnaire was personally disseminated and collected from the banking employees working in 35 different bank branches in Lahore. A total of 200 usable survey forms were returned with a response rate of 80%. The sample comprised of 149 men (75%) and 51 women (25%). All of the respondents were permanent employees of their respective private banks and were categorized as belonging to lower, middle, and upper levels of management. Unskilled employees (e.g., tea boys, guards, and drivers) were not a part of the study sample. The study also did not include top executive level employees of banks, as they are involved in the policy formulation and are entitled to a completely different set of benefits and remuneration packages.

The sample’s mean age was 32.1 years ($SD = 7.3$). The ages of the respondents ranged from 22 to 57 years. Bank employees were
divided into three age groups based on their age that is, below 31; between 31 and 44; and above 44 years. There were 117 workers (58%) in the first age group, 56 workers (28%) in the second, and 27 workers (14%) in the oldest age group.

Measures

All the scales used in this study were adopted from existing literature. Affective commitment is the dependent variable for the study. Independent variables included a demographic factor (i.e., age) and organizational factors (i.e., training, teamwork, communication, and rewards). All the scales were measured on a 7-point Likert scale ranging from Strongly Disagree (1) to Strongly Agree (7).

Affective Organizational Commitment Scale. This study used the Allen and Meyer's (1991) 8-item Affective Organizational Commitment Scale to measure the dependent variable that is, affective commitment. The reliability of the scale that is, coefficient alpha was .87. It is the most widely used and tested scale around the world for measuring organizational commitment. Sample items included “I would be happy to spend the rest of my career in this organization” and “The organization has a great deal of personal meaning for me”. The scores for the scale ranged from 8 to 56, and higher score indicated a higher affective commitment of the employee. The scale has shown high reliability and validity (Allen & Meyer, 1996). In this study the alpha coefficient was found to be .73.

Employees’ Perception of Organizational Factors Scale. This scale has been developed by Lau and Idris (2001) and has been used in various studies earlier (Ooi, Veeri, Yin, & Vellapan, 2006). A total of 17 items were included in the scale with four subscales of Teamwork, Training, Rewards, and Communication. The first subscale of Teamwork was measured by four items asking employees on a 7-point Likert scale about the opportunities provided for teamwork at their organization with an alpha coefficient .70 for this study’s sample. Higher score represents the positive perceptions of employees about teamwork within their workplace. Perceptions about rewards for respondents were measured using a 5 item scale. Communication was measured using a 4 item scale to assess workers’ perception about factors like feedback and attention to employees’ concern (α = .86). Lastly Training was measured by using a 4 item scale as well and it measures the employee’s satisfaction levels with the training opportunities and facilities provided by the organization. The possible scores on the scale ranged from 17 to 119. The alpha coefficient for Training for the current sample was calculated to be
.82, while, Lau and Idris (2001) reported the coefficient for this scale to be .79.

**Procedure**

The study was carried out after getting formal permission from the relevant branch managers and it was ensured that the respondent’s participation was entirely voluntary. The cover letter also stated that the information given was going to be kept confidential. The survey forms were sealed in an envelope and personally distributed amongst the participants and then the filled surveys were collected after a week.

**Results**

Several statistical analyses were carried out to determine how age and selected organizational factors affect worker’s level of commitment. The correlation analysis was carried out to examine affective commitment’s relationship with the set of predictor variables.

**Table 1**

*Descriptive Statistics and Correlations Matrix for Study Variables (N = 200)*

<table>
<thead>
<tr>
<th>Variables</th>
<th>M(SD)</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Affective Commitment</td>
<td>4.5(1.65)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Training</td>
<td>5.24(1.77)</td>
<td>.38**</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Rewards</td>
<td>4.73(1.63)</td>
<td>.43**</td>
<td>.66**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Teamwork</td>
<td>4.72(1.66)</td>
<td>.37**</td>
<td>.56**</td>
<td>.56**</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Communication</td>
<td>4.66(1.74)</td>
<td>.42**</td>
<td>.58**</td>
<td>.68**</td>
<td>.68**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Age</td>
<td>32.1(7.26)</td>
<td>.16*</td>
<td>.02</td>
<td>.03</td>
<td>.11</td>
<td>.04</td>
<td></td>
</tr>
</tbody>
</table>

*p < .05. **p < .01.

From Table 1 we can see that affective commitment has a significant relationship with age as well as the four studied organizational factors. The highest positive correlation is observed between affective commitment and rewards. A relatively weaker association exists between affective commitment and age.

The study’s second proposition stated that organizational factors contribute to level of affective commitment and the effect will vary across age groups. Ordinary Least Square (OLS) regressions analysis
is carried out separately for the three age groups of employees. All the variables were entered together in a predetermined manner. Table 2 summarizes the result of the regression analysis of affective commitment on the organizational factors for the three age groups.

Table 2

<table>
<thead>
<tr>
<th>Variables</th>
<th>Group 1 (n = 117)</th>
<th>Group 2 (n = 56)</th>
<th>Group 3 (n = 27)</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training</td>
<td>.09* (.08)</td>
<td>.08 (.06)</td>
<td>.00 (.05)</td>
<td>1-2: 1.64*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2-3: 0.33</td>
</tr>
<tr>
<td>Teamwork</td>
<td>.12 (.04)</td>
<td>.10 (.02)</td>
<td>.12 (.00)</td>
<td>1-2: 1.16</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2-3: 0.96</td>
</tr>
<tr>
<td>Rewards</td>
<td>.20** (.08)</td>
<td>.10* (.06)</td>
<td>.20** (.07)</td>
<td>1-2: 0.88</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2-3: 1.20</td>
</tr>
<tr>
<td>Communication</td>
<td>.15* (.07)</td>
<td>.16* (.05)</td>
<td>.05 (.05)</td>
<td>1-2: 2.28*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2-3: 0.04</td>
</tr>
</tbody>
</table>

Adjusted $R^2$ | .18 | .19 | .24 |

$F$ | 17.65** | 9.95** | 8.86** |

Note. Group 1 = Below 31 years; Group 2 = 31 – 44 years; Group 3 = above 44 years. The values given in the parenthesis are beta co-efficient.

* $p < .05$. ** $p < .01$.

Regression of commitment on organizational factors is reported for the three age groups of employees (i.e., under 31 years; between 31 and 44 years; and above 44 years). For the youngest group of employees training, rewards, and communication are significant predictors of affective commitment. For the employees lying in the second age group (between 31 and 44 years), rewards and communication predict affective commitment. For employees over 44 years affective commitment is related to rewards only. The last column in Table 2 one tailed $t$-tests are reported to find out whether age moderated the relationship between affective commitment and predictor variables. From Table 2, we can see a significant difference at the .05 level after comparing the regression coefficients of training for employees below 31 years of age and those between 31 and 44 years.
years ($t = 1.64$). There is a significant difference between the training coefficients of the youngest and the oldest age group respondents. This can be interpreted as training having a positive impact on affective commitment, but it has more significant effect on the youngest group of employees in banks.

The next variable, that is, teamwork was hypothesized to interact with age and affective commitment. Teamwork, we hypothesized would be a factor that would assist young workers to have a higher association with the coworkers and an increased sense of belonging. Contrarily however, teamwork and affective commitment’s relationship is not affected by age. There is highly significant relationship between rewards and affective commitment; however, the affective commitment level does not differ by age group, as shown by nonsignificant $t$-values between all three age groups.

Finally, in this study, it is hypothesized that communication factors would be significant predictors of affective commitment of employees in banks. We see from Table 2 that communication has nonsignificant relationship with oldest set of employees, while, for the age group of below 31 years and between 31 and 44 years, it is a more important organizational factor in determining their commitment levels.

**Discussion**

The aim of this study was to observe the relationship of affective commitment with four organizational factors (i.e., training, rewards, teamwork, and communication). The results supported the finding that these organizational factors were positively linked to affective commitment. The study also supported the theoretical contributions (Bulut & Culha, 2010; Malhotra et al., 2007) which claimed that the better the employees perception about organizational support in these four factors, the higher the employees’ commitment levels. Organizational factors can be effective tools for managers to help employees have worthwhile work experiences, which lead to higher commitment.

This study also investigated the time linked differences among employees regarding what they perceive to be more important in their organization and whether the importance of different organizational factors varies across employees belonging to different age groups. Age differences may expose employees to different working conditions and experiences and their perceptions may, therefore, tend to vary. Several explanations have been given for the relationship
between age and commitment. First, older employees may show higher levels of commitment, as they have higher access to positive organizational experiences (Meyer & Allen, 1991; Mowday et al., 1982). Another explanation given is that changes in commitment may be due to different experiences, for example, older workers might be negatively affected by time demand and job insecurity as opposed to the younger lot (Rubin & Brody, 2005). Therefore, it is crucial to understand the underlying reasons behind different commitment patterns shown in different age groups, so that appropriate decisions can be implemented.

From our analyses, we found out that training facilities provided by banks had a higher impact on younger employees’ affective commitment levels. Earlier studies (Ahmad & AbuBakar, 2003; Delarue et al., 2008) also suggest that employees show higher level of commitment, as the organization invests in them. This is because younger employees, in the early stages of the career are willing to learn new skills for upward movement in their field and their lesser level of responsibility allows them to allocate time and energy to trainings provided. Older employees might see training as a waste of time or unnecessary.

Younger workers attached more importance to communication level within an organization as opposed to their senior counterparts. As they are new to the organization, therefore, they need to be clarified about their responsibilities, job description, evaluation criteria etc. in order to feel nurtured within the organization. Lack of rule clarity may lead to dissatisfaction, role ambiguity, and task disorientation amongst younger employees (Lambert et al., 2005). Older employees have established strong relationships within the organization overtime and might have better access to information as compared to younger employees, therefore, they might not have the need for more communication channels.

Teamwork did not show a significant relationship with affective commitment of workers across the three age groups. This finding contradicts earlier findings (Delarue et al., 2008), which showed a positive relationship between commitment and teamwork. However, this can be specific to banking sector as team based goals and efforts are limited and workers are generally evaluated on and assigned individual roles and assignments. This is supported by findings of Malhotra et al. (2007), as they also found nonsignificant relationship between teamwork and commitment of banks call center employees, primarily, because of the individual nature of their task.
Rewards conformed to the hypothesized relationship, showing increased levels of commitment across all age groups. Being rewarded can be a motivating factor for all workers regardless of their age. However, studies have shown that younger workers are more motivated with extrinsic rewards as compared to older workers. This aspect can be further investigated.

**Implications and Recommendations**

New employment patterns and business environment has created issues for managers and they need to learn to manage employees’ commitment in order to increase overall job motivation and satisfaction. Organizations must realize the importance of facilitating a workplace environment that increases sense of attachment and control based on the employees’ age and experience. Managers need to adopt a flexible strategy and target employees based on their age and other differentiating characteristics in order to achieve maximum outcomes. This strategy will lead to higher commitment levels, as evidence suggests across past research and is validated by this study as well. A lot of organizations, especially, the banking sector is hiring young fresh graduates and understanding their expectations is important in order to maximize their potential. On the other hand, older/senior employees are an asset for organizations in terms of their knowledge and experience, so companies also need to offer them with a conducive environment. The findings of this study can help managers pinpoint the factors that need to be improved in order to have a productive workplace.

**Limitations**

The findings of this study are consistent with earlier research findings; however, some limitations have to be taken into account. Firstly, our sample represents employees who chose to stay with the organization rather than those who leave the organization, therefore, our results may be because of selectivity effects. Moreover, changes in the level of affective commitment cannot be truly depicted with a set of cross-sectional data. A larger data across Pakistan can be examined with a longitudinal approach for a future study. Future studies can also dissect the data across work tenure of employees, which will provide further insight into workers expectations and behaviors based on their level of experience.
Conclusion

The purpose of this study was to understand changes in affective commitment in banking employees as workers age increases. The first proposition stated that organizational factors namely teamwork, rewards, communication, and training would have an influence on commitment. This was supported by the data as these independent organizational variables showed a positive relationship with commitment. However, in the second proposition, we stated that the role of these four organizational experiences will vary across age groups of banking employees. The data revealed that apart from teamwork, communication, training and reward practices had different level of impact across the three age groups. Hence, managerial decisions regarding human resource policies and retention programs can help to establish these findings for overall increase in positive experiences leading to higher affective commitment and overall improved performance of the banks.

References


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