

**FACTORS AFFECTING ORGANIZATIONAL COMMITMENT AT  
BUNA INTERNATIONAL BANK SHARE COMPANY**



**A THESIS SUBMITTED TO ADDIS ABABA UNIVERSITY COLLEGE OF  
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**ADDIS ABABA UNIVERSITY**  
**SCHOOL OF COMMERCE**  
**GRADUATE PROGRAM**

**THE FACTOR AFFECTING ORGANIZATIONAL COMMITMENT**  
**(In The CASE of BUNNA INTERNATIONAL BANK S.C)**

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# LETTER OF CERTIFICATION

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This is to certify that, this project work “Factors Affecting Organizational Commitment: A Case Study on Bunna International Bank Share Company”, undertaken by Gizachew Dessalegn for the partial fulfillment of Masters of Art (HRM) at Addis Ababa University school of commerce, is an original work and not submitted earlier for any degree either at this university or any other university.

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**Abeba Beyene (PhD)**

**Research advisor**

# LETTER OF DECLARATION

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I, **Gizachew Dessaegn**, declare that this study entitled “The factors affecting organizational commitment: A Case Study on Bunna International Bank Share Company”, is carried out by me and only me independently except for the guidance and suggestions of the research advisor. The paper was not submitted for any other degree or diploma in this or other university by any other person so far. I also declare that I have fully acknowledged all the sources used and I have not committed plagiarism in any form.

Gizachew Dessaegn

Signature: \_\_\_\_\_

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## Abstract

*A study was conducted to determine factors affecting organizational commitment at Buna International Bank Share Company and to identify the factors that influencing the organizational commitment of Employees, the researcher had distributed questionnaire for 187 respondents. The instruments used for data collection were Meyer, Allen, and Smith (1996) 20 item organizational commitment questionnaire (Johnston, Parasuraman, Futrell, and Black, 1990; Mathieu, Bruvold and Ritchey, 2000; Boles, Madupalli, Rutherford and Wood, 2007) 31 item survey (JSS) tool. Spearman's Rank Correlation Statistical tool and multiple regressions were used to test the hypotheses the finding revealed that there was low level of organizational commitment. According factors affecting organizational commitment (Compensation and Incentive, Training and Learning Opportunity, Career Management, Supervisor support and Promotions Fairness level of BIB employees were low except Supervisor support and Career management factors And correlation analysis and linier regression shows that significant positive relationship was found between Organizational Commitment and the stated affecting factors. However multiple regressions analysis result was describe that the only two of factors were significant, ( $p < 0.05$ ,  $**p < 0.01$ ) in influencing organizational commitment. The significant variables were Supervisor Support, ( $B=0.337$ ,  $p < 0.01$ ) and Compensation and Incentive ( $B=0.242$ ,  $p < 0.01$ ) but the other three factors, Training and Learning Opportunity, Career Management and Promotion fairness found to be not significant in influencing organizational commitment in this research. And Supervisor Support and Organizational Commitment contributed 35.8% and 30.1% to organizational commitment respectively. And the adjusted  $R^2$  is 0.403. Thus, by taking the adjusted  $R^2$  can be said the predictors i.e., Compensation and Incentive, Training and Learning Opportunity, Career Management, Supervisor Support and Promotion Fairness account for 40.3% variation of employee's organizational commitment. And the remaining 59.7% depend on other factors. The result of the study also revealed that from the five selected factors major predictors of organizational commitment were Supervisor Support and Compensation and Incentive.*

*keywords: Organizational Commitment, Compensation and Incentive, Training and Learning Opportunity, Career Management, Supervisor Support and Promotion Fairness.*

# **CHAPTER ONE**

## **INTRODUCTION**

This chapter introduces the topic by stating background of the study, which were forwarded to some highlights on the background of the organization, followed by setting the objectives of the study and stating significance of conducting the study. The study was also delimited under the title of scope of the study which is followed by limitation of the study, definition of terms, organization of the study.

### **1.1 Back ground of the Study**

In today's competitive world no organization can perform at peak level unless each employee is committed to the organization's objectives and works with an effective team spirit (Coetzee, 2005). Employees are one of the key elements in the operation of a successful organization. The central asset of any organization has been described as intellectual capital and its knowledge which reside in highly talented professionals. According to Kelly (2006), for any organization to achieve its stated objectives and goals there is the need for management to put in place policies or strategies that will help to attract the best of employees to strive towards the achievement of organizational objectives. Much of what a firm can offer stays with key professionals and is transportable beyond the boundaries of a given organization (Khan, 2010).

These organizations are faced with ever increasing competition and as they prepare for new challenges, one of the key components of survival is maintaining and upgrading the organizations ability to use human resources effectively and efficiently of the factors that improve staff's efficiency and effectiveness, organizational commitment is an important focus in the human resources strategies of commitment-based banks.

The success of any organization depends not only on how the organization makes use of human competences, but also how it stimulates their commitment to its goals and objectives (Whitman & Mattord, 2010).

Organizational Commitment is the relative strength of an individual's identification with and involvement in a particular organization (Armstrong, 2009). The willingness remains in the organization due to feelings like attachment or loyalty. It consists of three factors; namely, a belief in and acceptance of the values of the organization, a strong willingness to put in effort for the organization and the desire to remain within the organization (Armstrong, 2006). Organizational commitment is a multidimensional construct comprising of three components namely affective, continuance and normative.

Our world is currently experiencing stiff business competitions and business process outsourcing is on the peak – both demanding effective performance. Commercial Banks in Ethiopia are part of this and they try to consider employee retention as part of enhancing their competitive advantage.

According to Muhiniswari, (2009, pp21-24) he provided a summary of many factors identified by various researchers. logically, this list is non-exhaustive and there might be many other factors that may affect organizational commitment that are “leadership, supervisory support, employee relation, years of tenure, experience, salary and compensation, training and development performance, job satisfaction (overall), performance , management and promotion, role ambiguity, role conflict, secondary working conditions, knowledge sharing and knowledge management, gender, organizational culture and policy on hiring, resource adequacy, leader-member- exchange(LMX) and Procedural justice “

For the purpose of my study, however, I have selected five key factors that affect organizational commitment depends on compatibly the Human resource management procedure and practice of Buna International Bank Share Company. Accordingly, I tried to describe the factors that affect organizational commitment which are included in this study; compensation and incentive, training and learning opportunity, career management, supervisor support and promotion fairness.

## **1.2. Back ground of the Organization**

Buna International Bank officially commenced its operation on October 10, 2009 with the subscribed and paid up capital of ETB 308million and ETB156 million respectively. It provides full-fledged domestic and international banking services. It has more than 11,664 of shareholders. Now the paid up capital of the bank has grown up to ETB757million as of August 16, 2017. Currently, as at January 2018 the bank have 131 branches, those are found both in Addis Ababa and other towns of Ethiopia.

Buna International Bank S. C. (BIB) is one of growing banks in Ethiopia with assets of ETB6,820,959,469 as of June 30th 2017. Currently BIB has more than 175,000 account holders. It has correspondent relationship with more than 100 renowned foreign banks like Commerz Bank, A.G (Germany), Araba Bank (Switzerland) LTD, Bankque Decommerceet De Placements, and City Bank. Bunna International Bank S.C has arrangements with 10 internationally prominent remittance companies across the world. Some are SWIFT, Western Union, Money Gram, and Xpress Money.

Buna International Bank S. C. grows to a wide capital base with 1,151 employees, with the support of 1,215 leased (outsourced) non-clerical labor.

### **1.3 Statement of the Problem**

Banking industry plays financial intermediary role for economic development of one country and nowadays in Ethiopia this industry is facing stiff competition and new challenges posed by changing times. Allen and Rai (1996) described that one of the key components of their survival is maintaining and upgrading their ability to use human resources effectively and efficiently. Lotanz and Shave (1992) stated that organizational commitment is an attitude of strong desire to stay in the organization, willingness to exert extra effort for the organization and strong belief in the values and objectives of the organization. According to a report by the Ethiopian Business Review (2nd year, July 2014, No. 16), some banks in Ethiopia are taking steps that would improve retention of their skilled labor force through enhancing employees' organizational commitment. Therefore, organization commitment is critical in ensuring that experienced.

As per the internal customer satisfaction survey of Buna International Bank (2012-2016), the bank has been trying to achieve its internal customer satisfaction and to create skilled man power in order to achieve the vision of the company. By providing different compensation practice like annual leaves, sick leaves, maternity and paternity leaves, educational and training policies, bonus, salary increments, health and insurance, mortgage loan, emergency staff loan, housing allowance and fuel allowance. The bank has increased employees organizational commitment. However, the packages were not sufficient to make employees commitment to the desire level which this study has answered.

In connection to this, the survey in 2015 and 2016 clearly depicted that though the above benefits exist in the bank, employees are not benefited from the incentives sufficiently. The report further stated that there are a number of problems like benefit did not consider the current

market price, the training program were not carried out properly, the promotion lacked fairness and transparency and there was no program for career development. This insufficiency had impacted employees' satisfaction, and their productivity and efficiency at the end. It is, therefore, the researcher's view that the employee's dissatisfaction could reduce the employees' commitment to the Bank which has motivated the researcher to conduct the study on organization commitment.

The study done by Lavelle and Brockner (2009) has shown that organizational commitment is directly related to employee turnover and productivity there is high commitment the rate of turnover is lower and productivity is higher. And when I had seen the five years data of voluntary turnover of employees from human resource management report, it increased highly year to year specially in higher professional employees, in which in 2013,2014 ,2015,2016 and 2017G.C the turnovers are 8%,10.53%,10.05,14.08% and 16.7% respectively, as per the 2017 turnover report. Moreover, it is disclosed that Chief Executive Officer, one vice president and two directors have left the Bank.

In addition to turn over report when we review the employee performance summary report of Buna International Bank Share Company for the year 2015, 2016 and 2017 G.C budget years the percentage of high performers is 29%, 11% and 2.5% respectively thus, the data indicates a remarkable decrease in the number of high performers. Both turnover and performance summary report has shown there is a lack of organizational commitment.

Consequently, the researcher believes that reviewing the factors that affect organizational commitment in the Bank and working on these factors by the management will minimize employees' lack of commitment and helps the Bank to achieve its vision.

The researcher searched for different reports and survey in the bank and different electronic and non-electronic sources from various institutions and libraries, but no research that specifically address the issue of determinant factors of organizational commitment on employees of Buna International Bank Share Company was found, therefore the researcher had conducted this research in order to address a problem of organizational commitment in Buna international bank share company.

#### **1.4 Research Question**

Specifically, the study aims to address the following research questions in exploring the factors affecting organizational commitment on employees of BIB.

1. What is the level of Employees' Organizational Commitment of Buna International Bank?
2. How is the provision and implementation of the factors affecting organizational commitment?
3. What is the relationship between factors affecting organizational commitment and Organizational Commitment?
4. To what extent do the factors (compensation and incentive, training and learning opportunity, career management, supervisor support and promotion Fairness) influence Organizational Commitment in Buna International Bank?

## **1.5 Objective of Study**

### **1.5.1 General objective**

The overall objective of the research is to examine factors that affect Organizational Commitment at Buna International Bank Share Company.

### **1.5.2 Specific Objectives**

The study tried to address the following specific objectives.

To determine the level of Organizational Commitment of Buna International Bank

To figure out the level of factors in Buna International Bank.

To study the correlation between factors affecting organizational commitment and Organizational Commitment

To examine the extent to which compensation and incentive, training and learning opportunity, career management, supervisor support and promotion fairness contribute to organizational commitment in Buna International Bank.

## **1.6 Significance of study**

With the above in mind, the aim of this research was investigating factors that influence the organizational commitment of the employees of Buna International Bank Share Company.

Generally the study will have the following significance:

- The results of the study will serve as inputs for decision making process related to the issue of organizational commitment of the Bank towards its employees
- The findings of the study will help the Bank to identify the factors that should be given due consideration.
- It is help as a source document or reference material for anyone who wants to conduct a further research or similarly areas.

## **1.7 Scope of the Study**

Meyer and Allen (1991) stated conceptualization of organizational commitment as a three-dimensional construct of affective commitment, continuance commitment and normative commitment. However In this study, those three dimensions are delimited or not measured in particular with the independent variables, simply measured the factors with the general term of organizational commitment.

When we come to geographical scope of the study, though the bank has 131 branches across the country of which 75 branches are found in Addis Ababa and the remaining in outline areas the study will cover only Addis Ababa area because 68% (826) of staffs are working in Addis Ababa. Besides, out of this 90% have greater than two years working experience in contrast the employees who are working at outline branches whose work experience is below two years and most outline branches are opened recently.

Methodologically, the study is delimited to only quantitative method of study because some of the basic questions like the list of variables presence can be answered quantitatively.

## **1.8 Limitations of the Study**

Due to time constraint, the researcher was not having sufficient time to see each and every employee and written sources of the bank which was used as secondary sources of data that are important for the study under analysis. To solve this constraint, therefore, major employees' group and files which greatly contribute to gain the required level of data was used. Moreover, some of the open ended questions could not be responded by the respondents and some was carelessly filled or not filling at all. To fill such a gap the student researcher was increase its sample so that the gap was be entertained positively.

The study was also limited only to the pieces of information that the respondents are willing to disclose but to overcome this problem the student researcher mentioned on the question paper that the opinion of the respondents were kept confidential.

## **1.9 Definition of major Terms of the study**

**Commitment:** It is the willingness of employees to exert higher efforts on behalf of the organization, a strong desire to stay in the organization, and accept major goals and values of the organization (Meyer & Allen, 1997).

**Organizational commitment:** It is defined as a psychological state that is representative of an employee's relationship with the organization and influences the employee's decision to remain employed at a particular organization (Meyer & Allen, 1997)

**Affective Organizational Commitment:** It refers to an employee's desire to remain with the organization because they want to do so (Allen & Meyer, 1990).

**Normative Organizational Commitment:** It refers to an employee's desire to stay with the organization based on a sense of duty, loyalty, or moral obligation (Allen and Meyer, 1990).

**Continuance Organizational Commitment:** It is described as a need to remain in the organization based on the costs associated with leaving (Allen & Meyer, 1990).

## **1.10 Organization of the Study**

Chapter one had introduced background of the study to give background information on the research topic and the study, Background of the organization to give high light BIB statement of the problem to be addressed in the study, research question the study aims to answer, the general and specific objectives of the study, significance of the study, scope of the study, potential limitations of the study and definition of key terms.

Chapter two is present a review of related literature and relevant empirical studies associated with the influence of organizational commitment on organizational effectiveness.

Chapter three was discussing the design and methodology of the study that is, description of the study area, research approach and design, population and sample size, data sources and types, data collection procedures, ethical consideration and data analysis.

Chapter four was discussed in detail data analysis, interpretation and discussion of results. Chapter five of the study was present a summary of findings, conclusions and recommendations.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

The aim of this chapter is to provide theoretical background and to present empirical results that are significant of determinant factors affecting organizational commitment and the relationship between determinant factors and organizational commitment.

#### **2.1 Overview of Organizational Commitment.**

##### **2.1.1 Definition and concept of Organizational Commitment.**

Organizational commitment is referred to as psychological link between the employee and his organization which makes the employee leaving the organization voluntarily less likely (Allen & Meyer, 1996).

Organizational Commitment is the degree to which an employee feels loyal to a particular organization (Mueller, Wallace, & Price, 1992; Price, 1997). Steers (1977) viewed organizational commitment as an employee's attitude and as a set of behavioral intentions, the willingness to exert considerable effort on behalf of the organization and a strong desire to willingly maintain a close relationship and membership with the organization.

Organizational commitment is referred as "a strong belief in and acceptance of the organization's goals and values; a willingness to exert considerable effort on behalf of the organization; and a strong desire to maintain membership in the organization" (Mowday, Steers, & Porter, 1979).

The mentioned researchers' definition of organizational commitment can be considered as the power of an individual's recognition with the organization's goals as well as about positive involvement in developing these shared goals and objectives in that organization.

The concept of organizational commitment has been conceptualized from various perspectives. In this current study, the concept of organizational commitment was discussed from the behavioral approach and psychological approach. From the behavioral approach, organizational commitment has been studied from the output of rewards/contribution exchange processes between employers and employees (Morris & Sherman, 1981). On the other hand, the psychological approach looks at organizational commitment from the view of the attachment or identification of employees with the organization at which they work. (Boles, 2007).

### **2.1.2 The Importance of Organizational Commitment**

For year, study has paying attention on the positive implications of organizational commitment for organizations, that are Organizational Commitment Behavior (García & García, 2011; Lavelle, Brockner, 2009), work motivation (Altindis, 2011; Kuvaass, 2006), productivity, lower level of turnover intention and absenteeism. Subsequently, many scientists describe the organizational commitment as a desirable and powerful tool to bind employees to the organization and enhance its productivity and effectiveness. Organizational commitment may concern social and personal functioning of employee as well as effective functioning of organization.

Mowday (1979) also studied on the measure of organization commitment but mostly amongst salespersons. Since then, there have been many studies by researchers on organizational commitment. These studies encompassed how organizational commitment affects salespersons (Agarwal & Ramaswami, 1993), how organizational Commitment affects salesperson's job

satisfaction (Bhuiyan, 2002) and as such many employers place great importance to form organizational commitment and to reduce employee turnover and succeed in this competitive market by invest on their employees. (Firth, 2004).

The importance of commitment was highlighted by Walton (1985a, 1985b). His idea was that improved performance would result if the organization moved away from the traditional control oriented approach to workforce management, which relies upon establishing order, exercising control and achieving efficiency in the application of the workforce. He proposed that this approach should be replaced by a commitment strategy. Workers respond best and most creatively not when they are tightly controlled by management, placed in narrowly defined jobs, and treated like an unwelcome necessity, but, instead, when they are given broader responsibilities, encouraged to contribute and helped to achieve satisfaction in their work.

Identification with the organizational goals may prompt an employee to react to the organization by supporting those goals. Workers may be more likely to be committed to an organization which is in return committed to the employees and cares about the employees and values them (George & Jones, 1996).

As per stated by Murlis (2005) increase commitment the level of which is influenced by many factors that cannot always be manipulated as the organization would wish. It is naive to believe that 'hearts and minds' campaigns to win commitment will transform organizational behavior overnight. Steps to create commitment were concerned with both strategic goals and values. They may include initiatives to increase involvement and ownership, communication, leadership development, developing a sense of excitement in the job, and developing various HR policy and practice initiatives Commitment a sense of belonging is enhanced if there is a feeling of 'ownership' among employees (Armsrong,2009).

According to Salancik, (1977, pp6-7) “Three features of behavior are important in binding individuals to their acts: the visibility of the acts, the extent to which the outcomes are irrevocable, and the degree to which the person undertakes the action voluntarily Commitment”, can be better and connect to obtain hold for organizational ends and interests through such strategy as participation in decisions about actions.

### **2.1.3 Dimensions of Organizational Commitment**

Meyer and Allen (1991) stated conceptualization of organizational commitment as a three-dimensional construct of affective commitment, continuance commitment and normative commitment.

Affective commitment refers to the employee’s emotional attachment to the organization. Employees with strong affective commitment remain with the organization because they want to do so (Meyer& Allen, 1991). This state of attachment reflects the strength of an individual’s identification with and involvement in a particular organization (Agarwal & Ramaswami, 1993)

Continuance commitment refers to the extent to which the employee perceives that leaving the organization will be costly. Employees with strong continuance commitment remain because they have to do so (Meyer & Allen, 1991). The cost of leaving also is said to reflect on a lack of alternate employment opportunity and or high personal sacrifice associated with leaving a particular organization (Agarwal & Ramaswami, 1993).

Finally, normative commitment refers to the employee’s feelings of obligation to the organization and the belief that staying is the ‘right thing’ to do. Employees with strong normative commitment remain because they feel that they ought to do so (Meyer & Allen, 1991).

## **2.1.4 The of concept of organizational commitment and other related terms**

Employee engagement and organizational commitment are two concepts that are frequently confused (Armstrong, 2008).

As distinct by Perrin (2007 cited in Armstrong, 2008) the phrase employee engagement describe to the level to which employees put unrestricted effort into their work, clear of the minimum to get the job done, in the form of extra time, brain power or energy. But people can be engaged with their work even when they are not committed to the organization except in so far as it gives them the opportunity to use and develop their skills.

Employee engagement and organizational commitment are two important concepts affecting work performance and the attraction and retention of employees.(Armstrong,2009) They can indeed be closely linked – high organizational commitment can be associated with increased engagement and high engagement can be associated with increased commitment. But people can be engaged with their work even when they are not committed to the organization except in so far as it gives them the opportunity to use and develop their skills.

The other term that is very allied to organizational commitment is organizational identification. Organizational identification according to Ashforth, Harrison and Corely (2008) is viewing a collective's or role's defining essence as self-defining. As a result, identification describe to the observation of oneness or belongingness to some human aggregate. Organizational identification is related with organizational commitment as both involve a sense of attachment to or resonance with the organization. Nevertheless, organizational commitment is allied with how individuals feel about their organization and organizational identification is related to how individuals perceive their self in relation to their organization. Thus, while organizational identification is organization specific organizational commitment may be more

readily transferred to other organizations that inspire a similar positive attitude (Ashforth, Harrison & Corely, 2008).

### **2.1.6 Theories of Organizational Commitment**

Most of the time studies on organizational commitment were based on the two major theoretical frameworks: Homan's exchange theory and Becker's theory (Baba & Jamal, 2013). According to Homan's exchange theory organizational commitment is seen as the outcome of the exchange relationship between the individual and the organization. The theory suggests as the exchange becomes more favorable from the individual's point of view, his or her commitment to the organization increases. The other theory (Becker, 1960) is an upgrading on Homan's idea as it introduces the element of time and the notion of side bets to the exchange paradigm. Depend on this theory organizational commitment show to be structural facts that arise as a result of individual organizational transactions and alterations in side bets over time. As per Becker's theory, the more one devote his or her point, power, ability and other personal resources in the organization, the more one has at stake in leaving it. Thus it is normal to expect a greater personal commitment on the part of the individual to an organization as time set out by. On top of commitment move toward into being when a person, by making a side bet, links unrelated interests with a consistent line of activity. For case, a person choosing a career in an organization is likely to decide down in that organization and does not always depict the typical behavior pattern predictable of an economic man (Becker, 1960).

At minimum, one does not change jobs and organizations with the same frequency with which the market conditions change. Becker propose that the feasible reason for such commitment to an organization might be that the individual has concerned his or her other interests that were first not linked to the above organization, as that person sustained his stay

within the organization. This increases his or her expenses of division or separation as to render other option nasty (Baba and Jamal, 2013)

According to a study done by Boles (2007), increased organizational commitment has been positively associated with valuable organizational outcomes, including Compensation and Incentive, Training and development, decreased intent to search for new jobs and increased organizational commitment Bergmann, Lester, Meuse, and Grahn (2000); Johnston(1987).

## **2.2 Factors affecting Organizational Commitment**

Many existing literatures authored by various researchers have identified many factors that influence organizational commitment like task characteristics (Hunt, Chonko and Wood, 1985), supervisory behaviors (Johnston ,1990), organizational structure (Michaels, Cron, Dubinsky and Joachimsthaler,1988) and role ambiguity of the employees in the organization (Agarwal and Ramaswami, 1993), fairness of Human Resources Management (HRM) practices (Ahmad and Schroeder, 2003; Colakoglu, Lepak and Hong, 2006), job satisfaction (Price, 1999), among others.

However, this research, are focused the factors affecting organizational commitment such as Compensation and Incentive, Promotion Fairness, Training and Learning Opportunity, Career Management, and Supervisor Support) on the commitment of employees at Buna International Bank Share Company which will be discussed as follows :

### **2.2.1 Compensation & Incentive**

#### **2.2.1.1 Definition of Compensation and Incentive**

Compensation may be easier to think of pay as a form of extrinsic compensation whereas work environment, type of work, learning, developmental opportunities, and extent of recognition form intrinsic compensation often called psychic income. Other forms of intrinsic

compensation include autonomy and power. Combined, extrinsic and intrinsic compensation constitute the total reward structure. Bruce (2007)

Compensation refers to pay provided by an employer to an employee for services rendered (i.e., time, effort, and skill). It includes both fixed and variable pay tied to levels of performance; Compensation comprises four core elements. These are fixed pay Also known as “base pay,” fixed pay is nondiscretionary.

compensation is determined by the organization’s pay philosophy and structure while variable pay Also known as “pay at risk,” variable pay changes directly with the level of performance or results achieved.

It is a one-time payment that must be re-established and re-earned each performance period and form of variable pay, short-term incentive pay is designed to focus and reward performance over a period of one year or less while long-term incentive pay is designed to focus and reward performance over a period longer than one year.

Typical forms include stock options, restricted stock, performance shares performance units, and cash (Armstrong, 2007).

Also compensation includes fixed pay (base pay) and variable pay (pay at risk). It also includes several forms of variable pay including short-term incentive pay and long-term incentive pay while one of the most traditional elements of total rewards, it remains a necessity for business success WorldatWork (2007).

Compensation and incentive must enhance employees thinking that organization regards them as good performer and honors their achievements, helping employees to increase esteem. Faso (1995). Also Hinkin & Tracey (2000) mentioned that there is direct relationship between Compensation & incentive and Organizational Commitment.

### **2.2.1.2 Importance of Compensation & Incentive**

Compensation and Incentives are one of many human resource (HR) tools that organizations use to manage their employees. For an organization to receive its money's worth and motivate and retain skilled employees, it needs to ensure that its compensation system is not an island by itself. Not only is it important for an organization to link compensation to its important that its compensation system aligns with its HR strategy (Koss, 2008),

Compensation and Incentives are one of the important contractual and implied agreements between an employer and an employee (Chew & Chan, 2007). Willis (2000) describes compensation as the most critical issue when it comes to attracting and keeping talents. As such, sometimes, some companies may even provide remuneration packages that are well above the market rate to attract and to create organizational commitment of employee (Parker&Wright, 2000), which may include special pay premiums, stock options or bonuses. In addition to that, some organizations give profit sharing and group-based incentive pay (Bassi & Van Buren, 1999) to performing organizational committed employees.

### **2.2.1.3 Effects of Compensation & Incentive on Organizational Commitment.**

It has been widely held in the literature that the organizational rewards indicate that the organization to form organizational commitment gives importance to the contribution of employees towards their job Eisenberger, Huntington, Hutchison S and Sowa (1986). According to a study done by Boles (2007), organizational commitment has been positively associated with Compensation and Incentive.

Compensation and incentive must enhance employees thinking that organization regards them as good performer and honors their achievements, helping employees to increase esteem.

Fasolo (1995). Also Hinkin & Tracey (2000) mentioned that there is direct relationship between Compensation & incentive and Organizational Commitment.

Compensation & incentive as all forms of financial return, tangible services and benefits an employee receives as part of an employment relationship. (Bratton & Gold, 1994) depend on this study Su, Baird & Blair (2009) recommend that employees rewarded for achieving set goals and improved performances can lead to higher commitment.

A research made by Feryal and Sahail (2014) surveyed on 200 commercial banks in Lahore, Pakistan showed that Compensation and Incentive factor positively affects organizational commitment.

To some extent there is deference result on the study which was made by Esmail, Mohamad, Pasand and Ahmad (2013). A survey of 10,514 people, including 320 employees and specializes in the research sample Consulting and contracting company contracts with oil companies in the country of Turkey and for the data analysis used descriptive statistics and Pearson correlation coefficient. The result depicted that compensation and incentive had some effect on organizational commitment.

Finally on the basis of what has been discussed about both theoretically and empirically and on the basis of the tenets of empirical theories of research and guess for the following hypothesis.

H.1 Compensation and Incentive is positive and significant relation with Organizational Commitment (Affective, Normative and Continuous) of BIB

## **2.2.2 Training & Learning opportunity**

### **2.2.2.1 Definition of Training & Learning Opportunity**

Training and Learning is the process of acquiring and developing knowledge, skills, capabilities, behaviors and attitudes through learning or developmental experiences. It is concerned with ensuring that the organization has the knowledgeable, skilled, engaged and committed workforce it needs. (Armstrong, 2009).

Learning is the means by which a person acquires and develops new knowledge, skills, capabilities, behaviors and attitudes. As explained by Honey and Mumford(1996). Learning has happened when people can demonstrate that they know something that they did not know before insights realizations as well as facts and when they can do something they could not do before skills.

Diane (2001) stated that training and development trends , on the other hand, is concerned with ensuring that a person's ability and potential are grown and realized through the provision of learning experiences or through self-directed (self-managed) learning. It is an unfolding process that enables people to progress from a present state of understanding and capability to a future state in which higher-level skills, knowledge and competencies are required.

### **2.2.2.2 Importance of Training & Learning opportunity**

Training and development can be used to enhance job specific skills, correction of deficiencies in job performance and development of employees with abilities the organization might need in the future (Wood and Menezes, 1998, Chew and Chan, 2007).

Learning is a continuous process that not only enhances existing capabilities but also leads to development of the skills, knowledge and attitudes that prepare people for enlarged or the higher-level responsibilities in the future. (Armstrong, 2009)

As per Diane (2001) training is a process whereby people acquire capabilities to aid in the achievement of Organizational goals. Training is used to give new or present employees the skills they need to perform their jobs. Development refers to the all efforts to provide employees with the abilities the organizations will be need in the future.

### **2.2.2.3 Effects of Training and Learning opportunity on Organizational commitment.**

Training and Learning are a common form of human capital investment for individual and organizational improvements (Chew and Chan, 2007). There have been instances where trained individuals become more marketable and consequently might leave the organization; contemporary studies have demonstrated that training and development affect organizational commitment (Chew and Chan, 2007). Training and Learning is involved in significantly enhancing various forms of organizational commitment, with strongest impact on Organizational commitment (Ahmad&Bakar, 2003)

Training and Learning 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 that training and Learning has contributed towards organizational commitment (Detoro and McCabe, 1997). Literatures have shown that employee empowerment through training activities not only help to develop these employees but also help to enhance their commitment to the organization McEvoy (1997).

The findings in a research by Ansari (2000) have also shown that training is positively associated with organizational commitment. This generally is consistent with earlier researches (Greenberg, 1990; McFarlin and Sweeney, 1992; Sweeney & McFarlin, 1993) conducted, that training and development does contribute as a significant predictor of organizational

commitment. Further to that, it has also been found that when the training and development needs of employees and employers are met, the employees will more likely stay in their organizations (Bassi & Van Buren, 1999; Sheridan, 1992; Wood, 1999).

Finally on the basis of what has been discussed about both theoretically and empirically and on the basis of the tenets of empirical theories of research and guess for the following hypothesis.

*H2. Training and Learning opportunity is positive and significant relation with Organizational Commitment (Affective, Normative and Continuous) of BIB*

## **2.2.3 Career Management**

### **2.2.3.1 Definition of Career Management**

Career management is concerned with the provision of opportunities for people to develop abilities and their careers in order to ensure that the organization has the flow of talent it their needs and to satisfy their own aspirations. It is about integrating the needs of the organization with the needs of the individual. Kwon (2001).

An important part of career management is career planning, which shapes the progression of individuals within an organization in accordance with assessments of organizational needs, defined employee success profiles and the performance, potential and preferences of individual members of the enterprise. (Armstrong, 2009) But career management is also concerned with career counseling to help people develop their careers to their advantage as well as that of the organization.

### **2.2.3.2 Importance of Career Management**

Alderfer (1972), emphasized the importance of career management as the chance to grow as a means of rewarding people and therefore motivating them. He wrote: ‘Satisfaction of growth needs depends on a person finding the opportunity to be what he is most fully and to become

what he can.' The organization can offer this opportunity by providing people with a sequence of experience and training that will equip them for whatever level of responsibility they have the ability to reach.

Talented individuals can be given the guidance and encouragement they need to fulfill their potential and achieve a successful career in tune with their abilities and aspirations. Paths can be defined that will map out how people can be rewarded by progressing their careers. Rewarding people through career development is associated with the process of talent management, which deals with the recruitment and retention of talented people. Kwon (2001).

### **2.2.3.3 Effects of Career Management on Organizational commitment**

Employee career management is taken as positive actions on the part of organization towards employees. (Nadler , 1989). Hung (2000), cited Kwon (2001) has also found that career development and promotion opportunities to be predictive of greater affective commitment among employees.

Harel &Tzafir (1999) detained that the provision of career development plans results into constrict psychological contract and makes employees committed to their organization. A feeling among employees to grow with the organization, commits them to the organization Okpara (2004). He further argued that the activities aimed at the development of career of employees suggest to the employees that they are valued. These efforts on the part of organization are thus reciprocated by the employees and are taken as positive actions on the part of organization towards employee career management.

As stated by Saha (2016) well application of career management had encouraged employees to be more committed to their organization. In addition, according to a study done by

Boles (2007) increased organizational commitment has been positively associated with career management.

### *H.3 Carrere management is positive and significant relation with Organizational*

*Commitment (Affective, Normative and Continuous) of BIB*

## **2.2.4 Supervisor Support**

### **2.2.4.1 Definition of Supervisor Support**

Many scholars have defined supervisor support differently. Among which the most common one, Lwinson (2008) defined supervisor management as the extent to which leaders value their employees' contribution and care about their well-being. A leader with high supervisor support is one that makes employees feel heard, valued and care about.

### **2.2.4.2 Importance of Supervisor Support**

In an organization or a department, the top management team, the manager, department leader or supervisor is usually the mediator between the employees and the organization itself. Thus, the role of these key people is vital in establishing the sort of relationship an employee establishes with the organization. The level of interaction, the trust, the relationship is build through this interaction. Eisenberger, Huntington, Hutchison, and Sowa (1986). They developed that supervisors are the agent of the organization. Higher level of support from supervisors shows support from the organization itself.

### **2.2.4.3 Effects of Supervisor Support on Organizational Commitment**

When reviewing the relationship of organizational commitment and supervisor support depend on empirical literature, researcher shows that supervisors are the instrument of the organization. Higher level of support from supervisors shows support from the organization itself.

Landsman (2008) concluded on the effect of supervisor support with organizational commitment. It was found that better supervisor support develops a perception among employees that organization values them. Such a reaction encumbers employees to retain in the organization.

The study which was conducted by Munirah Salim, Halimahton Kamarudin and Mumtaz Begam Abdul Kadir (2008 ) to analyzes whether or not there is a significant relationship between job satisfaction, job involvement, perceived organizational support and organizational commitment among lecturers in MARA Professional Colleges. Data were collected via questionnaires from 132 lecturers of three different MARA Professional Colleges. The study utilizes correlation and regression statistics to analyze the data. The findings of the survey show there is a significant relationship between Support supervisor and organizational commitment.

A revision by Eisenberger, Huntington, Hutchison and Sowa (1986) has shown that organizational commitment is strongly influenced by perceived organizational support received through the managers in that organization. As such, more often, employees are more likely to feel an obligation to return the supportive behavior in terms of commitment (Shore & Wayne, 1993).

*H.4 supervisor Support is positive and significant relation with Organizational Commitment (Affective, Normative and Continuous) of BIB.*

## **2.2.5 Promotion Fairness and Organizational Commitment**

### **2.2.5.1 Definition of Promotion Fairness**

Promotions fairness refers to promoting or upgrading an employee who already exists in the payroll and contributes to the organizational performance. It is shifting an employee to a higher position with high responsibilities, facilities, status and pay. Usually, many companies fill higher job vacancies by promoting employees who are considered fit for such positions. This is due to fact that it has a great psychological impact over other employees for their motivation

towards better organizational commitment. Internal recruitment efforts very often result in promotions. Promotion signifies reward for past performance and encourages employees in their efforts (Sherman, Bohlander, & Snell, 1998).

Promotion fairness is guided by predetermined selection criteria such as job descriptions, job specifications and job profiling and commences after the recruitment process has been completed. (Robbins, 2001), point out that the objective of the selection process is to match the applicants ability, knowledge, skills and experience with job requirements in a fair and legal manner. This means that promotion panels should consider equity of promotion opportunity in their quest to select applicants with potential.

#### **2.2.5.2 Importance of Promotion Fairness**

Firms can use promotions as a reward for highly productive workers, creating an incentive for workers to exert greater effort. Promotions will only be an effective mechanism for eliciting greater effort if workers place significant value on the promotion itself. Kosteas (2009) Kosteas, (2009) posited that, workers may value promotions because they carry an increase in job amenities such as a bigger office or spending account (factors which are observable but for which we do not have the information) or because they enjoy the acknowledgement of work well done and the ego boost that comes with a promotion (factors which are not easily observable).

For selection or promotion to be effective there should be fairness that the employee will be committed to their job (Mondy & Noe, 2005). This is an opportunity provided by the organization towards its employees, and normally only those is also an important aspect of a worker's career and life, affecting other facets of the work experience including workers' labor mobility that resulted in the wage increases (Kosteas, 2009)

### **2.2.5.3 Effects of Promotion Fairness on Organizational Commitment**

Promotion fairness is always associated with an increase in Organizational Commitment. Pergamit and Veum (1999) stated that promotion could have a significant impact on organizational commitment.

In a study by Ansari (2000), results have suggested that employees were more likely to express high commitment when they perceived the performance management and promotion as fair.

Moreover, a study made by Khaliq, Naeem and Khalid (2016) on grade II officers of different banks in Pakistan on the relationship between promotion fairness and Organizational commitment revealed that there is positive relationship between Promotion fairness and Organizational commitment.

Finally on the basis of what has been discussed about both theoretically and empirically and on the basis of the tenets of empirical theories of research and guess for the following hypothesis.

*H.5 Promotion Fairness is positive and significant relation with Organizational Commitment (Affective, Normative and Continuous) of BIB*

### 2.3 Conceptual frame work

This research will explore five factors or independent variables namely Compensation and incentive, Training and Learning Opportunity, Support Supervisor, Career management and fairness of performance and one dependent variable; Organizational Commitment. The relationship between the variables for this study is as shown in the graph below

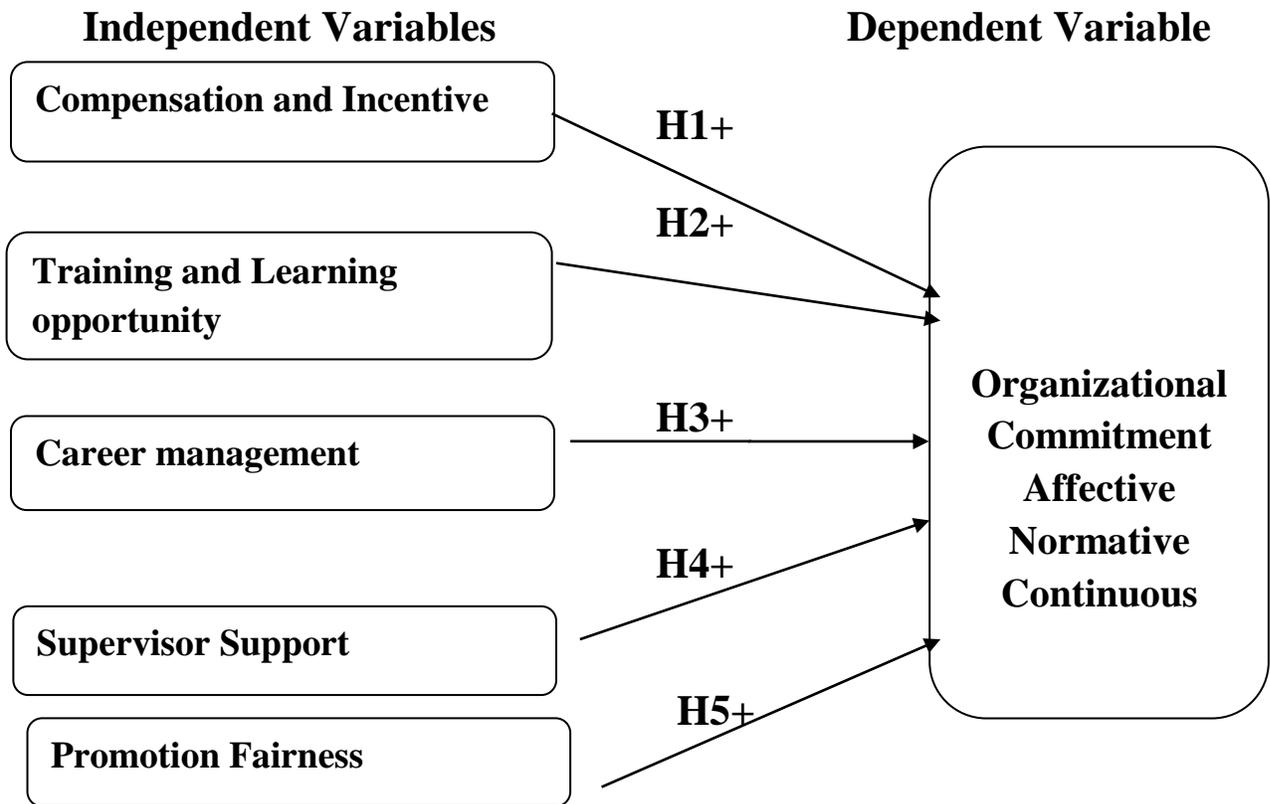


Figure 2.1 displays the theoretical framework for this study.

Source: Self developed, (2018)

### **2.3.1 Summary of Hypothesis**

H.1 Compensation and Incentive is positive and significant relation with Organizational Commitment (Affective, Normative and Continuous) of BIB

H.2. Training and Learning opportunity is positive and significant relation with Organizational Commitment (Affective, Normative and Continuous) of BIB

H.3 Carrere management is positive and significant relation with Organizational Commitment (Affective, Normative and Continuous) of BIB

H.4 Supervisor Support is positive and significant relation with Organizational Commitment (Affective, Normative and Continuous) of BIB

H.5 Promotion Fairness is positive and significant relation with Organizational Commitment (Affective, Normative and Continuous) of BIB

H.6 Five Selected factors namely (compensation and incentive, training and learning Opportunity, Career Management, Supervisor Support and Promotion and Fairness) highly Influenced Organizational Commitment

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

The chapter of the study covers research methodology which was used as tool of how to get in to the study and accomplish its objectives. The research design measures both dependent and independent variables. The independent variables contain five factors; namely compensation and incentive, training and learning opportunity, career management, support supervise or and promotion fairness and the dependent variable is organizational commitment.

#### **3.1 Descriptive of the Study Area**

As stated in the scope of the study, Buna International Bank Share Company has outreached its services throughout Ethiopia. There are four grades of branches in the bank; grade IV, grade III, grade II and grade I Branches. Of these the study area will cover only grade IV, grade III and grade II Branches found in Addis Ababa and Head Office. All the branch to be under study are generally organized geographically covering the north (Arat kilo, Genet branch around Shager Park and Piassa branch around piassa), south (Shalla Menafesha Branch around Mexico), east (Wollo Sefer Branch around Bole, Olompia Branch around Bole and Bole-18 Branch and Megenagna branch around megenagna) west (Gojam Berenda around mercato and 18 mazoria around kolfe) parts of Addis Ababa and the Head office is found at Arat Kilo near to Berhanena Selam Printing Press.

#### **3.2 Research Approach**

There are two basic approaches to research; quantitative approach and the qualitative approach. The quantitative involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion. Qualitative approach to

research is concerned with subjective assessment of attitudes, opinions and behavior. Generally, the techniques of focus group interviews, projective techniques and depth interviews are used (Kothari, 2004). However, the study tries to answer questions that require only in quantitative data which should be analyzed using quantitative techniques.

All of the quantitative analyses had done on the data obtained from respondents using a likert type scale. Generally, such data are about the perception of the respondents on the selected factors that affect BIB employee's attitude toward their commitment and their level of Organizational Commitment.

### **3.3 Research Design**

In terms of design, this study used explanatory design where the perception of employees on the different human resources practices of the Bank as well as their attitude toward their job was described separately while, on the other hand, their level of commitment were examined as to whether it is impacted by the selected factors that affects organizational commitment and practice of the Bank.

### **3.4 Population and sample**

Buna International Bank Share Company has a total work force of 1,215 in all regions of the country. However, due to different constraints like time, cost and geographical restrictions, logistics problem, and expected rate of return, the target population for this study will be employees of the Head Office in Addis Ababa and Branches in the same city. Thus the research target population is 408 employees.

#### **3.4.1. Sample Size Determination**

To identify the sample size of the study, the researcher will apply a formula. Scientific method has been applied and the final number is apportioned first to Head Office and then to the

branches proportionality. A confidence interval of 95% (5% margin of error) had been applied to apply the formula as represented in Kothari (2004), where the following results were generated

$$n = \frac{Z^2 \cdot p \cdot q \cdot N}{e^2 (N-1) + z^2 \cdot p \cdot q}$$

**Where:**

$p$  = probability of response distribution,

$q = 1 - p$  probability of responses not distributed

$Z$  = the value of standard variant at a given confidence level and to be read from a table showing area under normal curve

$e$  = margin of error ×

$N$  = size of target population

$n$  = sample size

**Given:** At 95% confidence the value of  $Z = 1.96$ ,  $p = 0.5$ ,  $q = 0.5$ ,  $e = 0.05$ ,  $N = 408$

$$n = \frac{Z^2 \cdot p \cdot q \cdot N}{e^2 (N-1) + z^2 \cdot p \cdot q}$$

$$n = \frac{1.96^2 \cdot (0.5) \cdot (0.5) \cdot 408}{(0.05)^2 408 - 1 + (1.96)^2 \cdot (0.5) \cdot (0.5)} = 198.11 \approx 198$$

As derived from the above formula, the sample size represents 48.53% of the total target population having the sample size of 198

### 3.4.2 Sampling Technique

To select sample from the population for the required sample size above, the researcher used probability (stratified sampling technique and simple random sampling). Stratified sampling technique method were used for five stratum; the first stratum is employees of head office and

the rest four stratum are branches based on their grades from Grade I to Grade IV. To select sample from each group the study used simple random sampling. Accordingly, it was selected grade IV, III, and II branches and exclude grade I branches since most of the time more senior employees are existing in the former branches than the latter and these employees have better exposure on human resources practice of the bank. The reason for using this sampling technique is because the organization structure of the bank is based on strata of grades and it was found out from Branch Operation (BO) department of the bank in that those branches which have similar transaction volume and employee's experiences are grouped under the same grade. Once branches are selected by stratifying, respondents are selected from each branches and head office by using lottery system.

Besides, non clerical employees (Security guard, Office attendant and Cleaner) are not included in the study because they are out sourced from other company and they are not directly benefited from the bank.

The sample from each stratum is proportionally taken since a response from each group is equally important for the study. The table below shows that the sampling structure was used of this study.

Generally, there are four groups in the study and the number of population is 408. In the head office group out of the population of 266 employees 48.53% of them (129) were; in grade four branches out of two branches 2 of them are taken and of 33 employees in the branches 16 respondents (48.53%) were selected. There are four branches in the level of grade III and all of branches are taken from which 27 out of 56 are randomly selected. From grade II branches out of 17 branches 5 are selected randomly. There are 53 employees in the branches from which 25

(48.53%) are selected using lottery system. The sample structure of the study is shown in the table below

**Table 1 Sample structure of the study**

<b>Location</b>	<b>Number of branches</b>	<b>Sample branches selected</b>	<b>Target population</b>	<b>Sample Size (48.53%)</b>
<b>Head Office</b>			<b>266</b>	<b>129</b>
<b>Grade-4 Branch</b>	2	2		
Arat Killo Main Branch.			18	9
Wollo Sefer Branch			15	7
<b>Grade-3 Branch</b>	4	4		
Bole-18 Branch			17	8
Olompia Branch			16	8
Genet Branch			12	6
Megenagna Branch			11	5
<b>Grade-2</b>	17	5		
Shalla Menafesha Branch			13	6
Sholla Gebeya Branch			11	5
Pissa Branch			11	5
Gojem Bernda Branch			10	5
18- Mazoriaya branch			8	4
<b>Total</b>			<b>408</b>	<b>198</b>

Source: Buna International Bank share Company Branch Operation Department

### **3.5 Data Types and Sources**

This study were used both primary and secondary data. Primary sources of data are selected employees of the organization. Secondary sources of data are company's surveys related employees satisfaction and commitment, the company's human resources policy and procedure manuals and websites, and other related sources.

### 3.6 Measurement Instrument

#### Questionnaire

The questionnaires that were applied to capture data on the level of existence of organizational commitment in the bank and the factors affecting Organizational commitment by employee's of BIB perception. The questionnaire is developed based on the conceptual frame work that will generate after the pertinent literature has been assessed and produced. They are two question items that are included. Part one of the questionnaire is about the general perception of employees on the existence and level of existence of their commitment. Part two is about the practice of the bank on the selected five factors of human resources practice and their level of practice. There are 20 questions in part one of the questionnaire and the 30 questions with an average of 5 questions for each selected factors in part two of the questionnaire.

The source of the questionnaire is Allen and Meyer (1996) and for the independent variable (Johnston, Parasuraman, Futrell, and Black, 1990; Mathieu, Bruvold and Ritchey, 2000; Boles, Madupalli, Rutherford and Wood, 2007)

Before this questionnaire was dispatched to capture the final data pilot testing was undertaken based on which a handful of improvements on content were made while reliability testing is conducted thereafter. The commonly applied reliability coefficient, Cronbach's  $\alpha$  (alpha), has been generated with a coefficient of 0.86. The detail of the testing is presented as follows.

Cronbach's  $\alpha$  is defined as

$$\alpha = \frac{n}{n-1} \left( 1 - \frac{\sum V_i}{V_{test}} \right)$$

– n = number of questions.

–  $V_i$  = variance of scores on each question.

– *V test* = total variance of overall scores (not %'s) on the entire test.

### **3.7 Data Collection Procedures**

In the effort to collect the required data, the researcher was firstly get letter of cooperation from Addis Ababa University School of Commerce. Then the researcher was communicating the letter to the BIB HR Office for permission. After getting the permission, the questionnaire will be self-distributed at the Head Office and the selected branches in collaboration with Human resource manager and branch managers. And the questioners were collected from respondents after four days from the distribution date. Once the primary data is collected as represented above another 10 days were arranged to collect data from secondary sources.

### **3.8 Ethical Consideration**

The studies, data gathering techniques, analysis, interpretation and any conclusions to be made was based up on the real findings of the study using appropriate methodology. Except logical drawings no single sentence were stated in the study out of the real findings made in the study including personal opinion and any feeling of the student researcher. In addition, the voluntary participation of the respondents was communicated kindly and that secrecy and unanimity of the responses was maintained for this assurance given for the respondents. There was not description as part of the research was made without honesty and transparency and any works of other authors was made with full acknowledgement.

### **3.9 Data Analysis**

Data was gathered using the instruments described in section 3.5 was edited carefully. Both descriptive and inferential analyses will be employed to address each of the research questions. More specifically, tabular analysis, graphs, percentages as well as correlation will be

used together with appropriate commentaries based on the pertinent literature in the descriptive part. For those data and questions that require inferential analysis, linear regression multiple regression and correlation will be used. For instance, to analyze and identify the degree of relationship between the factors affecting organizational commitment and organizational commitment, regression and correlation will be used. SPSS version 20 was used to process and facilitate the data analysis.

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

The objective of this study was to identify the factors affecting organizational commitment in Buna International Share Company. The aim of this chapter is to present, analyze, interpret and discuss the data's obtained from respondents. Thus, the chapter starts by providing the demographic characteristics respondents and the descriptive, correlation analysis, linear regression and Multiple regression analysis are presented thereafter.

#### 4.1. Sample and Response Rate

As has been demonstrated in section 3.4 in chapter three, the size of the sample for this study is 198. Thus the questionnaire was distributed for 198 employees of BIB who served in the organization for at least one year, but only 187 were collected. This constitutes 94.4% response. The responses are presented under in the following sub topics.

##### 4.1.1 Profile of respondents

To have some background information about the respondents, information such as sex, age, educational background, service year, job category, etc was collected. The responses are summarized in tabular form as follows:

**Tabel-2 Respondents' Profile**

No.	Item	Response	
		Number	Percentage
1	Gender:		
	a) Male	112	59.9%
	b) Female	75	40.1%
	Total	187	100.0%
2	Age		
	a) <25&=25	50	26.7
	b) 26-35	97	51.9
	c) 36-45	35	18.7
	d) >46&=46	5	2.7

	Total	187	100.0%
3	Educational Back Ground		
	a)Diploma	12	6.4
	b)BA/BSC Degree	128	68.4
	c)MA/MSC	47	25.1
	Total	187	100.0%
5	Service year		
	<5	102	54.5
	5-10	69	36.9
	11-20	16	8.6
	Total	187	100.0%
6	Employment Category		
	Managerial	38	20.3
	Professional	149	79.7
	Total	187	100.0%
7	Place of Assignment		
	Head Office	126	67.3
	Branch	61	36.7
	Total	187	100.0%

**Source:** Survey Result (2018)

This section is meant to demonstrate how representative the participants were the larger population of BIB as well as how appropriate they were for studying the issues pointed out in the

research objective part. The issues addressed in this part are generally related to the biographic profiles of the respondents.

As the data on table 2 shows, the number of male 50.9% and female was 40.1% and male respondents is somewhat greater than the female respondents.

It is evident from table 2 that 78.6% of the respondents were within the age range of 35 and below which point out that greater part of the respondents were young, which reflects the BIB employees had young age structure.

While a small minority section of the respondents (6.4%) have diploma, the rest of the sample members have either a bachelor degree or MA. That is, 68.6% of sample population had first degree and around 25% had M.A Degree, this indicates that most of the employee had first degree.

The data on table 2 shows that more than the majority of the respondents that is, 91.4% of the respondents work experience within the Bank range from 1-10years with 54.5% below 5 years and 36.9% above and equal to 5 years which shows that part of the workforce is new.

## **4.2. Goodness of measurements**

### **4.2.1. Reliability of organizational commitment instrument**

To measure organizational commitment a 20-item scale developed by Meyer, Allen and Smith (1996) was used in this study. All items are responded to on a Likert scale of 1-5, where 5 = strongly agree and 1 = strongly disagree some items are reverse scored, so that the opposite is true (i.e. 1 = strongly agree and 5 = strongly disagree). Previous studies using this scale have shown adequate reliability, for example. Hayget. (2017) reported reliability of 0.81. Thus for this study cronbach alpha for organizational commitment is summarized in table 3 below.

And To measure the factors affecting organizational commitment it is a total of 31 for the five constructs each constituting from 4-10 items five factors. Five factors are selected namely

Compensation and Incentive, Training and Learning Opportunity, Career Management, Supervisor Support and Promotion fairness. Response to the questionnaire were measured using five item scales (Strongly disagree, Disagree, Neutral, Agree, Strongly Agree (6 questions) were reverse scored. Former studies using this scale have shown adequate reliability of around 0.85 (Johnston, Parasuraman, Futrell, and Black, 1990; Mathieu, Bruvold and Ritchey, 2000; Boles, Madupalli, Rutherford and Wood, 2007). And the reliability coefficient alpha for selected five factors in this study was 0.824 and the details are presented in table 3 below.

Table 3- Reliability of organizational commitment instrument and independent variable

Dependent Variable	No. Item	Cronbach alpha
Organizational Commitment	20	.88
Independent Variable	No. Item	Cronbach alpha( $\alpha$ )
Compensation and Incentive	10	.92
Training and Learning Opportunity	6	.85
Career Management	4	.88
Supervisor Support	5	.84
Promotion Fairness	6	.84

**Source:** Survey Result (2018)

According to Zikmund et al, (2009) scales with a coefficient  $\alpha$  between 0.80 and 0.95 are considered to have very good reliability, scales with a coefficient between 0.70 and 0.80 are considered to have good reliability, a value between 0.60 and 0.70 indicates fair reliability and when the coefficient is below 0.6, the scale is believed to have poor reliability. Thus, as the data on table 3 shows Organizational Commitment and all the five factors affecting organizational commitment have shown very good reliability.

#### **4.2.2 Validity of Organizational Commitment and Independent Variable.**

Construct validity exists when a measure reliably measures and truthfully represents a unique concept. Construct validity consists of several components, including face validity, content validity, criterion validity, convergent validity and discriminate validity (Zikmund 2009). However, ensuring the face validity (how well they are measuring what they are intended to measure) and content validity is the base for assessing other components of construct validity (Zikmund et al, 2009). Thus, for this study to ensure face validity and content validity of organizational commitment survey instrument used in this study literature Allen and Meyer (1996) and Hayget.A (2017). Besides the literature review the validity of the instruments checked by two vice president and three directors of BIB accordingly all of them have articulated their agreement. And to ensure face validity and content validity of the factors affecting organizational commitment survey instrument used in this study literature like(Johnston, Parasuraman, Futrell, and Black, 1990; Mathieu, Bruvold and Ritchey, 2000; Boles, Madupalli, Rutherford and Wood, 2007). Besides the literature review the validity of the instruments checked by two vice president and three directors of BIB accordingly all of them have articulated their agreement.

Face validity according to Zikmund et al, (2009) refers to the subjective agreement among professionals that a level reasonably replicate the idea being measured whereas Content validity refers to the degree that a measure covers the selected factors.

## 4.3 Assumption

The assumption of normality is also important in research using regression (or general linear models). Essentially, we can look for normality visually, look at values that quantify aspects of a distribution (i.e. skew and kurtosis) and compare the distribution we have to a normal distribution to see if it is different (Field 2009) Accordingly, the data of this study has been experienced against the following assumptions to ensure that the data is suitable to behavior statistical analysis.

### 4.3.1 Normality

Values for the normal distribution is an absolute value greater than 1.96 is significant at  $p < .05$ , above 2.58 is significant at  $p < .01$  and absolute values above about 3.29 are significant at  $p < .001$ . Large samples will give rise to small standard errors and so when sample sizes are big, significant values arise from even small deviations from normality and to check that the distribution of scores is approximately normal, we need to look at the values of skewness and kurtosis (Field 2009,p139)

In a perfectly normal distribution, the values of skewness and Kurtosis are 0. If a distribution has values of Skew or Kurtosis above or below 0 then this indicates a deviation from normal. Accordingly a positive skewness value point out positive (right) skew; a negative value point out negative (left) skew. The higher the absolute value, the greater the skew, similarly, a positive kurtosis value indicates positive kurtosis; a negative one indicates negative kurtosis, the higher the absolute value, the greater the kurtosis.

Table 4- Skewness and kurtosis of Factors affecting organizational commitment

	N		Skewness		Kurtosis	
	Availed	Missing	Skewness	Std. Error of Skewness	Kurtosis	Std. Error of Kurtosis
Independent Variable	187	0	-.101	.178	-.495	.354

**Source:** Survey Result (2018) Skewness and kurtosis of organizational commitment

Table-5

	N		Skewness		Kurtosis	
	Availed	Missing	Skewness	Std. Error of Skewness	Kurtosis	Std. Error of Kurtosis
Dependent Variable	187	0	-.509	.178	.495	.354

**Source:** Survey Result (2018)

Accordingly, to check the normality of the data collected for this study depend on the above table 5 and 6 for Independent and dependent variable respectively by dividing the result skewnes to std, Error that is  $-.101/.178=-.567$  the result of Kurtosis is 1.4 ,this result has shown the normality of independent variable for both testing within the limits ( $\pm 2.58$ ). When student researcher cheeked the normality of dependent variable by dividing skewness to std., Erro is  $-.509/.178=2.86$  and the result of Kurtosis is 1.4 this result is within the limits but the skewnes is grater form the limit by .27

#### 4.4 Descriptive analysis

Descriptive analysis is the elementary transformation of data in a way that describes the basic characteristics such as central tendency, distribution, and variability (Zikmund et al, 2009). Mean, also known as arithmetic average, is the most common measure of central tendency and may be defined as the value which we get by dividing the values of various given items in a series by the total number of items (Kothari, 2004). Therefore, to answer research question one

what is the level of Employees' Organizational Commitment of Buna International Bank? and research question two What is the level of factors that are Compensation and Incentive, Training and Learning Opportunity, Career management, Supervisor support and promotion fairness in Buna International Bank the researcher used Mean and standard division. And for further insight of perceived organizational commitment and the factors affecting organizational Commitment of employees Mann-Whitney U test was conducted to compare the perceived organizational commitment and perceived factors affecting organizational commitment of Head office and branch staffs.

#### 4.4.1 Employee organizational commitment Level.

Table 6

Items	N	Mean	Std. Deviation
I think this organization is a great place to work	187	3.4599	1.19688
I believe I have a good future in this organization	187	3.4759	1.28816
I intend to go on working for this organization	187	3.5241	1.22396
I am not happy about the values of this organization the ways in which it conducts its business	187	3.3476	1.25811
I believe that the products/services provided by this organization are excellent.	187	3.4385	.91594
I really feel as if this organization's problems are my own	187	3.4973	1.16108
I do not feel like "part of my family" at this organization	187	3.6310	1.14896
I would feel guilty if I left this organization now	187	2.9893	1.26996
I do not feel a strong sense of belonging to this organization	187	3.5080	1.22855
I do not feel any obligation to remain with my organization	187	3.6043	.99113
Even if it were to my advantage , I do not feel it would be right to leave	187	2.9572	.95506
I would feel guilty if I left this organization now It would be very hard for me to leave my job at this	187	2.9572	1.25222

This organization deserves my loyalty	187	3.5668	1.10695
I am willing to put in great deal of effort beyond that is expected in order to help this organization be successful	187	3.7540	1.03872
I am proud to tell others that I am part of this organization	187	3.7112	1.02759
I believe I have too few options to consider leaving this organization	187	2.8984	1.10002
I feel for me this is the best of all possible organizations for which to work.	187	3.0214	1.20017
I really care about the fate of this organization.	187	3.6578	1.11224
Right now, staying with my job at this organization is a matter of necessity as much as desire	187	2.9305	1.17797
One of the few negative consequences of leaving my job at this organization would be the scarcity of available alternatives elsewhere	187	2.4866	.98569
<b>Aggregate for all items</b>	<b>187</b>	<b>3.3209</b>	<b>.68342</b>

**Note: The responses of all negative questions were entered in SPSS reversely.**

The organizational commitment survey tool uses 5-point agree-disagree response choices (strongly disagree, disagree, Neutral, agree, strongly agree). Thus, a mean score of 3 (midpoint) indicates ambivalence, a mean score below 3 indicates lower commitment and a mean score above 3 and below 4 indicates moderate commitment and a mean score of 4 or above indicates higher commitment. According to Zaidon & Bagheri (2009) the mean score below 3.39 was considered as low, the mean score from 3.40 up to 3.79 was considered as moderate and a mean score above 3.8 was considered as high as illustrated by Comparison bases of mean of score of five point Likert scale instrument.

The above table presents a summarized version of the level of organizational commitment in BIB. In the table we can see that the grand mean Commitment score 3.32 which is

low. Therefore, it may be reasonable to say that the level of commitment of the employees of BIB is not adequate in order to achieve the vision of the company

#### 4.4.1.2 Employee organizational commitment Level in terms of Place of assignment

Table 7: Mann- Whitney U test of Head office and Branch staff organizational commitment Ranks

	place of Assignment	N	Mean Rank	Sum of Ranks
Organizational Commitment	H.O	126	89.42	11266.50
	Branch	61	103.47	6311.50
	Total	187		

Test Statistics

	Organizational Commitment
Mann-Whitney U	3265.500
Wilcoxon W	11266.500
Z	-1.665
Asymp. Sig. (2-tailed)	.096

a. Grouping Variable: place of Assignment

The result of the Mann-Whitney test analysis as shown in table 7 revealed that the mean rank for respondents in Branch worker units is 103.47 for organizational commitment level which is higher than the mean rank of respondents in the Head Office worker whose mean score is 89.42. Thus, organizational commitment level of respondents in Branch staffs is statistically significantly higher than the organizational commitment level of respondents in Head office staffs ( $U=3,265.5P<10\%$ ) This could be due to the reason that employees in the Head Office are more professional employees and according to Howell and Dorfman (1986 cited in Rahman & Hanafiah, 2002) professional employees tend to become more committed to their profession and its values than to their employers or organizations.

#### 4.4.2 Level of Employees on selected factors that affecting Organizational Commitment

At this section was perceived level of existence of human resources practices of BIB on the selected factors namely Compensation and incentive, Training and Learning opportunity, Career development, Supervisor support and Promotion fairness. The perception of employees on the question items directed toward measuring by each factors affecting organizational commitment at BIB The scale of measurement ranges from ‘1’ (strongly disagree) to ‘5’ (strongly agree) where the midpoint is ‘3’ (an indifferent position).

##### 4.4.2.1 Employee Compensation and Incentive level

Tabel-8

compensation and Incentive Items	N	Mean	Std. Deviation
My contribution is adequately rewarded	187	3.37	1.17
Pay increases are handled fairly	187	3.30	1.27
My pay compares favorably with what I could get elsewhere	187	3.35	1.18
The benefits package compares well with those in other organizations	187	3.20	1.21
I would like more choice about the benefits I receive	187	3.38	1.04
I feel I am being paid a fair amount for the work I do.	187	3.48	1.16
I feel unappreciated by the organization when I think about what they pay me.	187	3.57	1.13
I feel satisfied with my chances for salary increases.	187	3.36	1.18
The benefits we receive are as good as most other organizations offer.	187	3.24	1.24
There are benefits we do not have which we should have.	187	3.12	1.28
<b>Compensation and Incentive</b>	<b>187</b>	<b>3.34</b>	<b>.87</b>

**Note: The responses of all negative questions were entered in SPSS reversely.**

As shown in the table 8 above, Compensation and incentive (mean=3. 34 and SD=.87), this result is According to Zaidaton & Bagheri (2009) the mean score below 3.39 was considered

as low, the mean score from 3.40 up to 3.79 was considered as moderate and mean score above 3.8 was considered as high as illustrated by Comparison bases of mean of score of five point Likert scale instrument. BIB are providing compensation and Incentive like annual leaves, sick leaves, maternity and paternity leaves, policies, bonus, salary increments, health and insurance, mortgage loan, emergency staff loan, housing allowance and fuel allowance are providing but the result had shown most of respondents response were considered as low’

#### 4.4.2.2 Training and Learning Opportunity

Tabel-9

<b>Training and Learning Opportunity Items</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
The induction or orientation training are conducted properly	187	3.18	1.218
I make good of most learning opportunities provided by BIB	187	2.97	1.188
BIB provided training and Learning program in work place skill on a regular basis.	187	3.03	1.24
BIB share expertise obtained from training and learning with each other.	187	2.68	1.04
The trainings which you attended have relevance with your job description.	187	2.97	.94
BIB undertakes staff training need analysis	187	3.11	1.21
<b>Training and Learning Opportunity</b>	<b>187</b>	<b>2.99</b>	<b>.88</b>

Training and development can be used to enhance job specific skills, correction of deficiencies in job performance and development of employees with abilities the organization might need in the future (Wood and Menezes, 1998, Chew and Chan, 2007). If training and learning process is conducted properly it makes better activities that contribute to organizational

excellence. As shown in the table 10 above, Training and Learning opportunity (mean=2.99 and SD=.88), this result is Less than the midpoint.

#### 4.4.2.3 Career management

Tabel-10

<b>Career Management Items</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
Your organization has been established career path for all position.	187	3.48	1.07
employs are changed to improve their skill and take the next step in their career	187	3.47	1.11
No availability of the chance to growing as a professional in this company	187	3.43	1.14
There is no opportunity to establish a clear career path with company	187	3.40	1.13
<b>Career management</b>	<b>187</b>	<b>3.45</b>	<b>.98</b>

**Note: The responses of all negative questions were entered in SPSS reversely.**

Employee career management is taken as positive actions on the part of organization towards employees. (Nadler , 1989). Respondents' response also shows that from table 10 Mean and Std. Deviation are 3.45 and .98 respectively, According to Zaidaton & Bagheri (2009) that is moderate response.

#### 4.4.2.4 Supervisor Support

Tabel-11

<b>Supervisor Support</b>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
My supervisor is quite competent in doing his/her job	187	3.73	1.033
My supervisor is unfair to me	187	3.90	.946
My supervisor shows too little interest in the feelings of subordinates.	187	3.67	.97
Managers are held accountable for the development of their employs.	187	3.67	1.04
The management threats all employs equal.	187	3.32	1.18
<b>Supervisor Support</b>	<b>187</b>	<b>3.66</b>	<b>.83</b>

**Source:** Survey Result (2018)

In an organization or a department, the top management team, the manager, department leader or supervisor is usually the mediator. Between the employees and the organization itself they developed that supervisors are the agent of the organization the level of interaction, the trust, the relationship is build through this interaction (Eisenberger, Huntington, Hutchison & Sowa, 1986). the respondent responses shown as 3.66 mean and .83 Std. According to Zaidaton & Bagheri, this result was describing that moderate or convinced supports that get form their supervisor.

#### 4.4.2.5 Promotion fairness

Tabel-12

Promotion fairness Items	N	Mean	Std. Deviation
There is really too little chance for promotion on my job.	187	3.00	1.24
Those who do well on the job stand a fair chance of being promoted.	187	3.18	1.21
People get ahead as fast here as they do in other places	187	3.05	.92
I am satisfied with my chances for promotion	187	3.14	1.11
The bank uses the required technology for identifying of pool of applicants	187	3.09	1.12
All candidates are fairly treated by the promotion panels	187	3.03	1.05
<b>Promotion fairness</b>	<b>187</b>	<b>3.08</b>	<b>.83</b>

**Source:** Survey Result (2018)

Promotion fairness is guided by predetermined selection criteria such as job descriptions, job specifications and job profiling and commences after the recruitment process has been completed (Robbins, 2001). According Zaidaton & Bagheri (2009) to the data on table 12 respondent's response were low on promotion fairness and they feel that BIB had a lack of clarity on promotion process.

**Tabel-13 factors affecting Organizational commitment Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Response for the independent variable.	187	1.84	4.63	3.3033	.73914

The result has shown that the aggregate of the five selected factors of respondent's response is scored mean of 3.30 and standard deviation of 0.74. The mean score for factors affecting organizational commitment level According Zaidaton & Bagheri (2009) was low

#### 4.4.2.6 Employee selected factors affecting organizational Commitment Level in terms of Place of assignment

Mann-Whitney U test of Head office and Branch staff organizational commitment

Table 14

	place of Assignment	N	Mean Rank	Sum of Ranks
Factors affecting Organizational Commitment	H.O	126	87.34	11004.50
	Branch	61	107.76	6573.50
	Total	187		

Test Statistics<sup>a</sup>

	Organizational Commitment
Mann-Whitney U	3003.500
Wilcoxon W	11004.500
Z	-2.420
Asymp. Sig. (2-tailed)	.016

a. Grouping Variable: place of Assignment

The result of the Mann-Whitney test analysis as shown in table 14 above revealed that factors affecting organizational commitment level of respondents in branch worker with a mean rank of 107.76 is higher than level of respondents in Head Office worker which has a mean rank of 87.34, thus, based on the data show on table 14 it can be shown as that factors affecting organizational commitment level of respondents in the branch worker is statistically significantly higher than the factors affecting organizational commitment level of respondents in the Head

Office worker ( $U=3003.5$ ,  $P=0.016$ ). This is due to the reason that the way to perceiving selected factors Head office staffs is highly different than the Branch Staffs'

#### **4.5 Correlation Analysis**

**Correlation analysis** can be considered as a standardized covariance that shows the extent to which a change in Correlation analysis is a technique used for indicating the relationship of one variable to another one variable corresponds systematically to a change in another and Correlation is a measure of linear relationship between two variables (Zikmund et al, 2009). Thus to answer research question three or analyze and identify the degree of relationship between the factors affecting organizational commitment and organizational commitment were used correlation analysis

. Correlation coefficient is a standardized measure of an observed effect. A coefficient of +1 indicates a perfect positive relationship, a coefficient of -1 indicates a perfect negative relationship, a coefficient of 0 indicates no linear relationship at all. And a correlation coefficient of values of  $\pm 0.1$  represent a small effect,  $\pm 0.3$  is a medium effect and  $\pm 0.5$  represent a large effect (Field, 2009).

## The Dependent and Independent variables correlation coefficient Result

Table 15

	Organizational Commitment	Compensation and Incentive	Training and Learning Opportunity	Career Management	Supervisor Support	Promotion Fairness
Organizational Commitment	1					
Compensation and Incentive	.549**	1				
Training and Learning Opportunity	.418**	.556**	1			
Career Management	.506**	.505**	.646**	1		
Supervisor Support	.618**	.560**	.621**	.677**	1	
Promotion Fairness	.472**	.635**	.682**	.677**	.662**	1

\*\* . Correlation is significant at the 0.01 level (2-tailed). N=187

### 4.5.1 Relationship between Compensation & Incentive and Organizational Commitment.

The results from table 15 shows that the there is statistically significant positive relationship between organizational commitment and Compensation and Incentive ( $r=0.549$ ,  $P<0.01$ ) which is in line with the findings of Hinkin & Tracey (2000) and Su, Baird & Blair (2009) who reported significant positive relationship between Compensations and Incentive and a organizational commitment.

#### **4.5.2 Relationship between Training and Learning Opportunity and Organizational Commitment.**

The results from table 15 shows that the there is statistically significant positive relationship between organizational commitment and Training and Learning opportunity ( $r=0.418$ ,  $P<0.01$ ) which is in line with the Chew and Chan (2007) who reported significant positive relationship between Training and Learning with organizational Commitment a organizational commitment.

#### **4.5.3 Relationship between Career Management and Organizational Commitment**

The results on the third factor of Career Management also show that is positively and significantly correlated to organizational commitment having strength of 0.506 at  $p \leq 0.01$ . This result confirms the study of Khaliq IH, Naeem B, Khalid S (2016) who that the support and organizational commitment have a correlation of 0.31. Further correlations are also in line with the other finding.

#### **4.5.4 Relationship between Supervisor Support and Organizational Commitment**

The level of supervisor support is also positively and in fact highly correlated with organizational commitment having a value of 0.618 at  $p < 0.01$ . This is in line with the study of Landsman However the study conducted by to Landsman (2008) supervisor support is correlated to organizational commitment at a level of 0.26.

#### **4.5.5 Relationship between Promotion fairness and Organizational Commitment**

The fifth and the last factor which is significantly and in correlated to organizational commitment are Promotion and Farness. The value of correlation between organizational commitment and Promotion and fairness is 0. 472 at  $p < 0.01$ . Also previous study was conducted by Khaliq, Naeem and Khalid (2016) as shown positive and significant relationship between Organizational Commitment and promotion fairness.

#### 4.5.6 Relationship between aggregate of selected factors which affecting organizational Commitment and Organizational Commitment

Table-16

	<b>Organizational Commitment</b>	<b>Selected Factors affecting Organizational Commitment</b>
<b>Organizational Commitment</b>	1	
<b>Selected Factors affecting Organizational Commitment</b>	.599**	1

\*\* . Correlation is significant at the 0.01 level (2-tailed). N=187

According to the data presented on table 16 positive statistically significant relationship between Selected factors affecting Organizational Commitment and organizational commitment ( $r = 0.599, p < 0.01$ ).

The positive significant associations observed between dimensions of Factors affecting Organizational Commitment and organizational commitment mean that respondents who are agreed with Compensation and Incentive, Training and Learning Opportunity, Career Management, Supervisor Support, and promotion fairness tend to develop organizational commitment towards the BIB.

#### 4.6. Simple Linear Regression Analysis

According to Zikmund, et al. (2009), regression analysis is an additional technique for measuring the linear association between a dependent and a set of independent variables. Regression is a confidence technique that makes a difference between dependent and independent variables. Thus, with simple regression, a dependent (or criterion) variable, Y, is linked to an independent (or predictor) variable, X. Linear regression is used when we want to forecast the value of a variable stand on the value of another variable. Therefore, in this study to

test the influence Factors affecting Organizational Commitment (independent or predictor variable) has on organizational commitment (dependent or decisive factor). Thus the researcher used this analysis in order to answer question number four.

#### 4.6.1 Impact of Compensation and Incentive with Organizational Model Summary

**Table-17**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.552 <sup>a</sup>	.304	.301	.57151

a. Predictors: (Constant), Compensation and Incentive

The model summaries on table 17 present the value of R, R<sup>2</sup> and adjusted R<sup>2</sup> for the model that has been derived. For these data R which is the degree of association between Compensation and Incentive and organizational commitment has a value of 0.552, the value of R<sup>2</sup> is 0.304 and the adjusted R<sup>2</sup> has a value of 0.301 which shows that compensation and Incentive accounts for 30.1% of the variation in organizational commitment. Consequently, the model summary discloses that the proportion of the variation in organizational commitment of respondents is explained by compensation and incentive only by 30.1% and the remaining 69.9% of the variation in organizational commitment is explained by other variables. This finding is in line with Feryal and Sahail (2014) surveyed on 200 commercial banks in Lahore, Pakistan.

**Table-18 ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26.448	1	26.448	80.974	.000 <sup>b</sup>
	Residual	60.425	185	.327		
	Total	86.874	186			

a. Dependent Variable: Organizational Commitment

b. Predictors: (Constant), Compensation and incentive

The analysis of variance (ANOVA) shows whether the model overall results in a significantly good degree of prediction of the outcome variable (Field, 2009). According to table

18 the analysis of variance (ANOVA) for these data, The F-statistic is 80.974, which is significant at  $p < 0.01$ . This result indicates that there is less than a 0.1% chance that an F-ratio this large would happen, if the null hypothesis proposed about F-ratio were true. Therefore, it can be concluded that the regression model overall predicts organizational commitment significantly well

**Table- 19** **Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.868	.167		11.198	.000
1 Compensation and Incentive	.435	.048	.552	8.999	.000

a. Dependent Variable: Organizational Commitment

Table 19 provides facts of the model parameters (the beta value and the significance of this value).  $b_0$  is the y intercept and this value is the value B for the constant. Thus, according to the above table  $b_0$  is 1.868 and this can be understand as meaning that when there is extremely low (close to zero) compensation and Incentive level (when  $X=0$ ), the model predicts that organizational commitment level of employees will be 1.868. Table 19 also provides the value of  $b_1$  which represents the incline of the regression line, which is .435 which represents the change in the outcome associated with a unit change in the predictor. Therefore, if the predictor variable which is compensation and Incentive is increased by one unit, then this model predicts that organizational commitment will be increased by .435 the data on table 19 also provides the exact probability that the observed value of that would occur if the value of b in the population were 0. If this observed significance is less than 0.05 which is true for this model, it can be concluded that the probability of these  $t$ -values or larger occurring if the values of  $b$  in the population were 0 is less than .05. Therefore, as the  $b$  are different from 0 it is possible to conclude that

compensation and Incentive makes a significant contribution ( $p < .01$ ) to predicting organizational commitment.

Thus, based on the model the following linear regression equation can be derived:

$$Y = b_0 + b_1X$$

Y=the dependent variable (organizational commitment in this case)

$b_0$ = the Y intercept

$b_1$ =Gradient of the regression line

X= Independent variable (compensation and Incentive)

Therefore, organizational commitment = 1.868+.435(Compensation and Incentive)

#### 4.6.2 Impact of Training and Learning opportunity with Organizational Commitment

Table-20

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.399 <sup>a</sup>	.159	.155	.62832

a. Predictors: (Constant), Training and Learning

The model summaries on table 20 present the value of R, R<sup>2</sup> and adjusted R<sup>2</sup> for the model that has been derived. For these data R which is the degree of association between Training and Learning Opportunity and organizational commitment has a value of 0.399 the value of R<sup>2</sup> is 0.159 and the adjusted R<sup>2</sup> has a value of 0.155 which shows that Training and Learning opportunity accounts for 15.5% of the variation in organizational commitment, consequently, the model summary disclose that the proportion of the variation in organizational commitment of respondents is explained by Training and Learning Opportunity only by 15.5% and the remaining 84.5 % of the variation in organizational commitment is explained by other variables. This finding is similar to (Greenberg, 1990; McFarlin and Sweeney, 1992; Sweeney & McFarlin, 1993) conducted, that training and development does contribute as a significant predictor of organizational commitment.

Table-21

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.838	1	13.838	35.051	.000 <sup>b</sup>
	Residual	73.036	185	.395		
	Total	86.874	186			

a. Dependent Variable: Organizational Commitment

b. Predictors: (Constant), Training and Learning

According to table 21 the analysis of variance (ANOVA) for these data, The F-statistic is 35.051, which is significant at  $p < 0.01$ . This result indicates that there is less than a 0.1% Therefore, it can be concluded that the regression model overall predicts organizational commitment significantly well.

**Tabel-22**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.398	.162		14.761	.000
	Training and Learning	.309	.052	.399	5.920	.000

a. Dependent Variable: Organizational Commitment

Table 22 provides facts of the model parameters (the beta value and the significance of this value).  $b_0$  is the y intercept and this value is the value B for the constant. Thus, according to the above table  $b_0$  is 2.398 and this can be understand as meaning that when there is extremely low (close to zero) Training and Learning opportunity level (when  $X=0$ ), the model predicts that training and learning level of employees will be 2.398. Table 22 also provides the value of  $b_1$  which represents the incline of the regression line, which is .309 which represents the change in the outcome associated with a unit change in the predictor. Therefore, if the predictor variable which is Training and learning opportunity is increased by one unit, then this model predicts that organizational commitment will be increased by .309. The data on table 22 also provides the exact probability that the observed value of that would occur if the value of b in the population

were 0. If this observed significance is less than 0.05 which is true for this model, it can be concluded that the probability of these *t*-values or larger occurring if the values of *b* in the population were 0 is less than .05. Therefore, as the *b* are different from 0 it is possible to conclude that training and learning opportunity makes a significant contribution ( $p < .01$ ) to predicting organizational commitment

Thus, based on the model the following linear regression equation can be derived:

$$Y = b_0 + b_1X$$

Y=the dependent variable (organizational commitment in this case)

*b*<sub>0</sub>= the Y intercept

*b*<sub>1</sub>=Gradient of the regression line

X= Independent variable (Training and learning opportunity)

Therefore, organizational commitment = 2.398+.309(Training and learning opportunity)

### 4.6.3 Impact of Career management with Organizational Commitment

**Table-23 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.479 <sup>a</sup>	.230	.226	.60137

a. Predictors: (Constant), Career Management

The model summaries on table 23 present the value of R, R<sup>2</sup> and adjusted R<sup>2</sup> for the model that has been derived. For these data R which is the degree of association between Career Management and organizational commitment has a value of 0.479 the value of R<sup>2</sup> is 0.230 and the adjusted R<sup>2</sup> has a value of 0.226 which shows Career Management accounts for 22.6% of the variation in organizational commitment, consequently, the model summary disclose that the proportion of the variation in organizational commitment of respondents is explained by Career Management only by 22.6% and the remaining 77.4 % of the variation in organizational commitment is explained by other variables. This finding is similar to Saha (2016) well

application of career management had encouraged employees to be more committed to their organization.

**Table-24** ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.969	1	19.969	55.218	.000 <sup>b</sup>
	Residual	66.904	185	.362		
	Total	86.874	186			

a. Dependent Variable: organizational commitment

b. Predictors: (Constant), Career Management

According to table 23 the analysis of variance (ANOVA) for these data, The F-statistic is 55.21, which is significant at  $p < 0.01$ . This result indicates that there is less than a 0.1%. Therefore, it can be concluded that the regression model overall predicts organizational commitment significantly well.

**Table-25** Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.164	.162		13.373	.000
	Career Management	.336	.045	.479	7.431	.000

a. Dependent Variable: organizational commitment

Table 25 provides facts of the model parameters (the beta value and the significance of this value).  $b_0$  is the y intercept and this value is the value B for the constant. Thus, according to the above table  $b_0$  is 2.164 and this can be understand as meaning that when there is extremely low (close to zero) Career Management level (when  $X=0$ ), the model predicts that Career Management level of employees will be 2.164 Table 25 also provides the value of  $b_1$  which represents the incline of the regression line, which is .336 which represents the change in the outcome associated with a unit change in the predictor. Therefore, if the predictor variable which is career Management by one unit, then this model predicts that organizational commitment will

be increased by .336 the data on table 25 also provides the exact probability that the observed value of that would occur if the value of  $b$  in the population were 0. If this observed significance is less than 0.05 which is true for this model, it can be concluded that the probability of these  $t$ -values or larger occurring if the values of  $b$  in the population were 0 is less than .05. Therefore, as the  $b$  are different from 0 it is possible to conclude that training and learning opportunity makes a significant contribution ( $p < .01$ ) to predicting organizational commitment.

Thus, based on the model the following linear regression equation can be derived:

$$Y = b_0 + b_1X$$

$Y$ =the dependent variable (organizational commitment in this case)

$b_0$ = the  $Y$  intercept

$b_1$ =Gradient of the regression line

$X$ = Independent variable (Career Management)

Therefore, organizational commitment =  $2.164 + .336(\text{Career Management})$

#### 4.6.4 Impact of Supervisor Support with Organizational Commitment.

**Table-26 Model Summary**

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.601 <sup>a</sup>	.361	.358	.54774

a. Predictors: (Constant), Supervisor support.

The model summaries on table 26 present the value of  $R$ ,  $R^2$  and adjusted  $R^2$  for the model that has been derived. For these data  $R$  which is the degree of association between Supervisor Support and organizational commitment has a value of 0.601 the value of  $R^2$  is 0.361 and the adjusted  $R^2$  has a value of 0.358 which shows Supervisor support accounts for 35.8% of the variation in organizational commitment, consequently, the model summary disclose that the proportion of the variation in organizational commitment of respondents is explained by

Supervisor Support only by 35.8% and the remaining 64.2 % of the variation in organizational commitment is explained by other variables. Similar to this study other study conducted by Munirah Salim, Halimahton Kamarudin and Mumtaz Begam Abdul Kadir (2008).utilizes correlation and regression statistics to analyze the data. The findings of the survey show there is a significant relationship between Support supervisor and organizational commitment.

**Table-27 ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31.371	1	31.371	104.564	.000 <sup>b</sup>
	Residual	55.503	185	.300		
	Total	86.874	186			

a. Dependent Variable: Organizational Commitment

b. Predictors: (Constant), Supervisor Support

According to table 27 the analysis of variance (ANOVA) for these data, The F-statistic is 104.564, which is significant at  $p < 0.01$ . This result indicates that there is less than a 0.1% chance that an F-ratio this large would happen, if the null hypothesis proposed about F-ratio were true. Therefore, it can be concluded that the regression model overall predicts organizational commitment significantly well.

**Table-28 Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1	(Constant)	1.521	.181	8.426	.000
	Supervisor support	.492	.048	.601	10.226

a. Dependent Variable: Organizational Commitment

Table 28 provides facts of the model parameters (the beta value and the significance of this value).  $b_0$  is the y intercept and this value is the value B for the constant. Thus, according to the above table  $b_0$  is 1.521 and this can be understand as meaning that when there is extremely

low (close to zero) supervisor support level (when  $X=0$ ), the model predicts that supervisor support level of employees will be 1.521 Table 28 also provides the value of  $b_1$  which represents the incline of the regression line, which is .492 which represents the change in the outcome associated with a unit change in the predictor. Therefore, if the predictor variable which is supervisor support by one unit, then this model predicts that organizational commitment will be increased by .492 the data on table 28 also provides the exact probability that the observed value of that would occur if the value of  $b$  in the population were 0. If this observed significance is less than 0.05 which is true for this model, it can be concluded that the probability of these  $t$ -values or larger occurring if the values of  $b$  in the population were 0 is less than .05. Therefore, as the  $b$  are different from 0 it is possible to conclude that training and learning opportunity makes a significant contribution ( $p < .01$ ) to predicting organizational commitment.

Thus, based on the model the following linear regression equation can be derived:

$$Y = b_0 + b_1X$$

$Y$  = the dependent variable (organizational commitment in this case)

$b_0$  = the  $Y$  intercept

$b_1$  = Gradient of the regression line

$X$  = Independent variable (Supervisor Support)

Therefore, organizational commitment = 1.521 + .592 (Supervisor Support)

#### 4.6.5 Impact of promotion fairness with Organizational Commitment

**Table-29 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.441 <sup>a</sup>	.194	.190	.61512

a. Predictors: (Constant), promotion fairness

The model summaries on table 29 present the value of R, R<sup>2</sup> and adjusted R<sup>2</sup> for the model that has been derived. For these data R which is the degree of association between promotion fairness and organizational commitment has a value of 0.441 the value of R<sup>2</sup> is 0.194 and the adjusted R<sup>2</sup> has a value of 0.190 which shows Promotion fairness accounts for 19% of the variation in organizational commitment, consequently, the model summary disclose that the proportion of the variation in organizational commitment of respondents is explained by promotion fairness only by 19% and the remaining 81 % of the variation in organizational commitment is explained by other variables. Similar to this study other study conducted by Khaliq, Naeem and Khalid (2016) on grade II officers of different banks in Pakistan utilizes correlation and regression statistics to analyze the data. The findings of the survey show there is a significant relationship between promotion fairness and organizational commitment.

**Tabel-30 ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	16.876	1	16.876	44.602	.000 <sup>b</sup>
Residual	69.998	185	.378		
Total	86.874	186			

a. Dependent Variable: Organizational Commitment

b. Predictors: (Constant )Promotion Fairness

According to table 30 the analysis of variance (ANOVA) for these data, The F-statistic is 44.602, which is significant at  $p < 0.01$ . This result indicates that there is less than a 0.1% Therefore, it can be concluded that the regression model overall predicts organizational commitment significantly well.

**Table-31** **Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.206	.173		12.754	.000
Promotion fairness	.362	.054	.441	6.678	.000

a. Dependent Variable: Organizational Commitment

Table 31 provides facts of the model parameters (the beta value and the significance of this value).  $b_0$  is the y intercept and this value is the value B for the constant. Thus, according to the above table  $b_0$  is 2.206 and this can be understood as meaning that when there is extremely low (close to zero) promotion fairness level (when  $X=0$ ), the model predicts that promotion fairness level of employees will be 2.206. Table 31 also provides the value of  $b_1$  which represents the incline of the regression line, which is .362 which represents the change in the outcome associated with a unit change in the predictor. Therefore, if the predictor variable which is promotion fairness by one unit, then this model predicts that organizational commitment will be increased by .362. The data on table 28 also provides the exact probability that the observed value of that would occur if the value of  $b$  in the population were 0. If this observed significance is less than 0.05 which is true for this model, it can be concluded that the probability of these  $t$ -values or larger occurring if the values of  $b$  in the population were 0 is less than .05. Therefore, as the  $b$  are different from 0 it is possible to conclude that training and learning opportunity makes a significant contribution ( $p < .01$ ) to predicting organizational commitment.

Thus, based on the model the following linear regression equation can be derived:

$$Y = b_0 + b_1X$$

$Y$  = the dependent variable (organizational commitment in this case)

$b_0$  = the Y intercept

$b_1$  = Gradient of the regression line

X= Independent variable (promotion fairness)

Therefore, organizational commitment = 2.206 +.362(promotion fairness)

#### **4.7. Multiple Regressions**

While the independent variable in this study is one which are five selected factors to further explore the influence those selected factors have on organizational commitment and its construct multiple regression has been conducted to identify of the five factors that has significant contribution to organizational commitment and its constructs. According to Field (2009) multiple regressions is a way of predicting an outcome variable from several variables. consequently, in this study the five factors which are Compensation and Incentive, Training and Learning opportunity ,Career Management, Supervisor Support, promotion fairness, were taken as predictors or independent variables and organizational commitment were the dependent or outcome variable. In order to determine the order predictor variables are entered into the model forced entry method was selected which according to Field (2009) refers to entering all predictors into the model simultaneously.

### 4.7.1. Multi co linearity Assumptions

Table 32- Multicollinearity Test

Coefficients<sup>a</sup>

Model		Co linearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Compensation and Incentive	.531	1.884
	Training and Learning Opportunity	.461	2.168
	Career Management	.367	2.722
	Supervisor Support	.418	2.392
	Promotion fairness	.364	2.751

a. Dependent Variable: Organizational Commitment

According to Field (2009) variance inflation factor (VIF) indicates whether a predictor has a strong linear relationship with the other predictor(s) and related to the VIF is the tolerance statistic, which is its reciprocal (1/VIF). According Menard, (1995) and Meyers,( 1990) Tolerance should be more than 0.2 and VIF should be less than 10 , doesn't have strong correlation i.e, no multicollinearity bias. Thus the result of table 32 as shown the tolerance result was 0.43 on average and VIF average result was 2.38

### 4.7.2. Influence of selected factors on overall organizational commitment

Table 32-Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.647 <sup>a</sup>	.419	.403	.52824	1.957

a. Predictors: (Constant Compensation and Incentive, Training and Learning Opportunity, Career Management ,Supervisor Support and Promotion fairness

b. Dependent Variable: Organizational Commitment.

Durbin-Watson statistic test informs us about whether the assumption of independent errors is acceptable. The test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated and a value greater than 2 indicates a negative correlation between adjacent residuals, whereas a value below 2 indicates a positive correlation. For these data the value of Durbin-Watson test is 1.957 which is above 1 and closer to 2. Thus, it can be said the independent errors assumption has been met (Field, 2009). R in the column labeled R refers to the values of the multiple correlation coefficient between the predictors i.e., Compensation and Incentive, Training and Learning Opportunity, Career management, Supervisor Support and Promotion Fairness and the outcome or the dependent variable i.e., organizational commitment. And according to table 32  $r = 0.647$ .  $R^2$  which is a measure of how much of the variability in the outcome is accounted for by the predictors is 0.419 and the adjusted  $R^2$  is 0.403. Thus, by taking the adjusted  $R^2$  on table 32 it can be said the predictors i.e., Compensation and Incentive, Training and Learning Opportunity, Career Management, Super Visor Support and Promotion Fairness account for 40.3% variation of employee's organizational commitment. And the remaining 59.7% depend on other factors.

**Tabel-33**

**ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	36.367	5	7.273	26.066	.000 <sup>b</sup>
Residual	50.506	181	.279		
Total	86.874	186			

a. Dependent Variable: Organizational Commitment

b. Predictors: (Constant) Compensation and Incentive, Training and Learning opportunity ,Career Management, Supervisor Support and Promotion fairness.

According to Field(2009) if the improvement due to fitting the regression model is much greater than the inaccuracy within the model then the value of F will be greater than 1 . For the model on table 33 the F-ratio is 26.06, which is very unlikely to have happened by chance as  $p < .001$  and this result implies that the model significantly predicts the outcome variable which is organizational commitment.

**Tabel-34** **Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.296	.185		6.994	.000
Compensation and Incentive	.242	.061	.307	3.943	.000
Training and Learning Opportunity	-.017	.065	-.022	-.265	.791
Career Management	.056	.065	.080	.852	.395
Supervisor Support	.337	.072	.412	4.699	.000
Promotion fairness	-.051	.077	-.062	-.663	.508

a. Dependent Variable: Organizational Commitment

The b-values indicate the individual contribution of each predictor to the model and positive value shows the existence of positive relationship between the predictor and the outcome, whereas a negative coefficient represents a negative relationship (Field, 2009). Thus, the b-values on table 34 above show the relationship between organizational commitment and each factor, i.e., the predictors. And for these data of the five predictors only Compensation and Incentive with  $t=3.943$ ,  $P<0.01$  and Supervisor Support with  $t=4.699$ ,  $P<0.01$  were found to have substantial contribution to organizational commitment with positive b-values of .242 and .337 respectively The b-values also shows to what degree each predictor affects the outcome if the effects of all other predictors are held constant (Field,2009). Thus, other predictors being held constant Compensation and incentive with  $b=.242$  value indicates that as employees satisfaction with Compensation and incentive increases by one unit, organizational commitment of

employees increases by .242 and with Supervisor Support  $b=.337$  value increases by one unit then organizational commitment of employees increases by .337 other predictors being held constant. According to Field(2009) If the t-test associated with a b-value is significant then the predictor is making a significant contribution to the model and the smaller the value of significance and the larger the value of t, the greater the contribution of that predictor. Thus, for this model, with Supervisor Support ( $t=4.699$ ,  $P<0.01$ ) has the larger t value than Compensation and Incentive ( $t=3.943$ ,  $P<0.01$ ) this implies Supervisor Support is the greater contributor predictor of organizational commitment. And the factor Career Management b is .08 and  $P>10\%$ . Thus, based on table 34 the following regression equation can be derived:

$$Y = b_0 + b_1X_i + b_2X_{ii}$$

Y=the dependent variable (organizational commitment)

$b_0$ = the Y intercept

$b_1$ =the coefficient of the first predictor

$b_2$ = the coefficient of the second predictor

$X_i$ = first predictor (Supervisor Support)

$X_{ii}$ = second predictor (Compensation and Incentive)

Therefore, organizational commitment =  $b_0 + b_1$  (Supervisor Support) +  $b_2$  (Compensation and Incentive) Organizational commitment= $1.296+.337$ (Supervisor Support) + $.242$ (Compensation and Incentive) some research finding such as, Research conducted by Khaliq, Naeem and Khalid (2016) were shown all five factors had significant relationship .However on this study only two factors were significant contribution.

From the regression summary in table 34, it is noted that only two of the five variables are significant ( $*p < 0.05$ ,  $**p < 0.01$ ) in influencing organizational commitment. The significant variables were Supervisor Support, ( $B=0.337$ ,  $p < 0.01$ )and Compensation and Incentive ( $B=0.242$ ,  $p < 0.01$ ) but the other three factors, Training and Learning Opportunity, Career

Management and Promotion fairness found to be not significant in influencing organizational commitment in this research. And Supervisor Support and Organizational Commitment contributed 35.8% and 30,1% to organizational commitment respectively.

#### 4.8 Summary of Hypotheses result

**Tabel-35**

<b>Hypothesis</b>	<b>Result</b>	<b>Analysis technique</b>
H.1 Compensation and Incentive is positive and significant relation with Organizational Commitment (Affective, Normative and Continuous) of BIB	Supported	Spearman rho correlation test
H2. Training and Learning opportunity is positive and significant relation with Organizational Commitment (Affective, Normative and Continuous) of BIB	Supported	Spearman rho correlation test
H.3 Carrere management is positive and significant relation with Organizational Commitment(Affective, Normative and Continuous) of BIB	Supported	Spearman rho correlation test
H.4 Supervisor Support is positive and significant relation with Organizational Commitment(Affective, Normative and Continuous) of BIB	Supported	Spearman rho correlation test
H.5 Promotion Fairness is positive and significant relation with Organizational Commitment(Affective, Normative and Continuous) of BIB	Supported	Spearman rho correlation test
H.6 Five Selected factors namely (Compensation and Incentive ,Training and Learning Opportunity, Career Management, Supervisor Support and Promotion and Fairness) highly infulnce (Affective, Normative and Continuous) of BIB	Partial suported	Multiple Regression

H.1 Compensation and Incentive is positive and significant relation with Organizational Commitment (Affective, Normative and Continuous) of BIB. To test this hypothesis Charles Spearman's product moment correlation coefficient was conducted and the result showed statistically significant positive relationship exist between Compensation and Incentive and organizational commitment ( $r=0.549$ ,  $P<0.01$ )

H.2 Training and Learning Opportunity is positive and significant relation with Organizational Commitment (Affective, Normative and Continuous) of BIB. To test this hypothesis Charles Spearman's product moment correlation coefficient was conducted and the result showed statistically significant positive relationship exist between Training and Learning Opportunity and organizational commitment ( $r=0.418$ ,  $P<0.01$ ).

H.3 Career Management is positive and significant relation with Organizational Commitment (Affective, Normative and Continuous) of BIB. To test this hypothesis Charles Spearman's product moment correlation coefficient was conducted and the result showed statistically significant positive relationship exist between Career Management and organizational commitment ( $r=0.506$ ,  $P<0.01$ ).

H.4 Supervisor Support is positive and significant relation with Organizational Commitment (Affective, Normative and Continuous) of BIB. To test this hypothesis Charles Spearman's product moment correlation coefficient was conducted and the result showed statistically significant positive relationship exist between Supervisor Support and organizational commitment ( $r=0.618$ ,  $P<0.01$ ).

H.5 Promotion Fairness is positive and significant relation with Organizational Commitment (Affective, Normative and Continuous) of BIB. To test this hypothesis Charles Spearman's product moment correlation coefficient was conducted and the result showed

statistically significant positive relationship exist between Promotion Fairness and organizational commitment ( $r=0.472$   $P<0.01$ ).

H.6 Five Selected factors namely (Compensation and Incentive, Training and Learning Opportunity, Career Management, Supervisor Support and Promotion and Fairness) highly influenced Organizational Commitment (Affective, Normative and Continuous) of BIB

To test this hypothesis simple/linear regression analysis has been conducted and as the result of the analysis showed that Compensating and incentive and Supervisor support Supervisor ( $B=.435$   $p<0.01$ ) and Sport ( $B=.492$ ,  $p<0.01$ ) influenced highly .And Supervisor Support and Compensation and incentive contributed 35.8% and 30.1% to Organizational Commitment respectively.

To further explore the influence five selected factors has on organizational commitment and its constructs multiple regression has been conducted. And of the five factors only Supervisor Support and Compensation and incentive and were found to be a significant predictor of organizational commitment with ( $b=.412$ ,  $t=4.699$ ,  $P<0.01$ ), ( $b=0.307$ ,  $t=3.943$ ,  $P<0.01$ ) respectively. Career Management was found to be a insignificant predictor of organizational commitment with ( $b=.80$ ,  $t=.852$ ,  $p>.1$ ). And the other two factors Training and Learning Opportunity and Promotion fairness were found ( $b=-.022$ ,  $t=-.265$ ,  $p>.1$ ), ( $b=-0.62$ ,  $t=-.663$ ,  $p>.1$ ) this was shown as negatively influenced organizational commitment H6 was partial supported.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

This chapter will discuss and attempt to interpret the key findings. It will also provide a summary and conclusion drawn from the research results as well as provide recommendations for future research and finally the implications of the findings of factors affective organizational commitment BIB.

#### **5.1 Summary of Major Findings**

The overall objective of the research was to examine factors that affect Organizational Commitment at Buna International Bank Share Company. And the main purpose of the study was to answer the following four research questions specifically; the study aims to address the following four research questions in exploring the factors affecting organizational commitment on employees of BIB.

1. What is the level of Employees' Organizational Commitment of Buna International Bank?
2. What is the level of factors affecting organizational commitment that are Compensation and Incentive, Training and Learning Opportunity, Career management, Supervisor support and promotion fairness in Buna International Bank?
3. What is the relationship between factors affecting organizational commitment (Compensation and Incentive, Training and Learning Opportunity, Career Management, Supervisor Support and Promotion and Fairness) and Organizational Commitment?

4. To what extent the factors that are Compensation and Incentive, Training and Learning Opportunity, Career management, Supervisor support and promotion fairness influence Organizational Commitment in Buna International Bank?

Thus study data was collected from 187 respondents who are found in the BIB head office and Selected Branches which found under Addis Ababa and to collect data about Organizational Commitment Allen and Meyer (1996) with 20-items question and for the independent variable that are five selected factors, Compensation and Incentive, Training and Learning opportunity, Career Management, Supervisor Support and Promotion fairness were used survey tool (Johnston, Parasuraman, Futrell, and Black, 1990; Mathieu, Bruvold and Ritchey, 2000; Boles, Madupalli, Rutherford and Wood, 2007) of 36-items quest

When investigating the level of Employees' Organizational Commitment of Buna International Bank to address research question number one, the study result as shown the grand mean Commitment score is 3.32 which is above the midpoint of the measure, the finding of the study also shown us organizational commitment level of respondents in Branch staffs is higher than the organizational commitment level of respondents in Head office

The result as shown as the level of BIB employees for selected five factors of affecting organizational commitment near to the mean and above the mean or moderate except Training and learning opportunity which is below the midpoint. And factors affecting organizational commitment level of branches worker are higher than the head office staffs.

In connection to research question number three, the study result found statistically significant positive relationship between Compensation and Incentive and Organizational Commitment, ( $r=0.549$ ,  $P<0.01$ ) .According to the result of the study there is statistically significant positive relationship between organizational commitment and Training and Learning

opportunity ( $r=0.418$ ,  $P<0.01$ ).The results on the third factor of Career Management also show that is positively and significantly correlated to organizational commitment having strength of ( $r=0.506$  at  $p < 0.01$ ).The level of supervisor support is also positively and in fact highly correlated with organizational commitment having a value of( $r= 0.618$  at  $p < 0.01$ ). The fifth and the last factor which is significantly in correlated to organizational commitment was Promotion fairness. The value of correlation between organizational commitment and Promotion fairness is ( $r=0. 472$  at  $p < 0.01$ .)

Research question number four was the selected factors to what extent affected organizational commitment. Accordingly to addressee this question properly the study was conducted by multiple analysis regression Thus, other predictors being held constant Compensation and incentive with  $b=.242$  value indicates that as employees satisfaction with Compensation and incentive increases by one unit, organizational commitment of employees increases by  $.242$  and with Supervisor Support  $b=.337$  value increases by one unit then organizational commitment of employees increases by  $.337$  other predictors being held If the t-test associated with a b-value is significant then the predictor is making a significant contribution to the model and the smaller the value of significance and the larger the value of t, the greater the contribution of that predictor. Thus, for this model, with Supervisor Support ( $t=4.699$ ,  $P<0.01$ ) has the larger t value than Compensation and Incentive ( $t=3.943$ ,  $P<0.01$ ) this implies Supervisor Support is the greater contributor predictor of organizational commitment.

From the regression summary in table 34, it is noted that only two of the five variables are significant ( $*p < 0.05$ ,  $**p < 0.01$ ) in influencing organizational commitment. The significant variables were Supervisor Support, ( $B=0.337$ ,  $p < 0.01$ )and Compensation and Incentive ( $B=0.242$ ,  $p < 0.01$ ) but the other three factors, Training and Learning Opportunity, Career

Management and Promotion fairness found to be not significant in influencing organizational commitment in this research. And Supervisor Support and Organizational Commitment contributed 35.8% and 30,1% to organizational commitment respectively

## **5.2 Conclusion**

The level of Organizational Commitment grand mean score is 3.32 which is only an insignificant degree above the midpoint of the measure, BIB in the past five years has been through a fast paced level of growth with scores of milestones registered in its journey to achieve its vision. Also the level of profit growth, expansion of branches, and diversification of services as well as improvements in technology are unprecedented, but the response of the employees was shown less commitment.

The level of factors affecting organizational commitment were almost moderate specially supervisor support scored high 3.66 but Training and learning opportunity was scored below the midpoint also the respondent response for promotion fairness average that is 3.08

The relationship of organizational commitment was studied with five independent key organizational factors i.e Compensation and Incentive, Training and Learning Opportunity, Career Management, Supervisor support and Promotion fairness accordingly all five factors have positive and significant relationship and are highly correlated with organizational commitment However, the multiple Regression Analysis result was shown us from all selected factors only Supervisor Support and Compensation and incentive had influenced organizational commitment highly. The selected factors for this research influenced organizational commitment only in 40.3% the remaining 59.7% may be depend on other factors ,accordingly the researcher concludes that other study will be needed in the company to investigate other affected factors of Organizational commitment.

Besides the mentioned point the researcher concludes that, it is clear that developed commitment has important implications for banking industry. Therefore, highly committed Banker would make a positive contribution to their Bank and may lead to increase the effectiveness of the Banking business. Thus, BIB which seek to retain their Employees by building strong organizational commitment are in a better position to gather the benefits of a more dedicated, motivated, reliable Employees.

### **5.3 Recommendation**

Human resource is one of the main precious assets of the institute that is fundamental to its overall achievement. Thus, having highly committed employees who work hard and are willing to go the further mile to guarantee the success of the organization is invaluable.

However, the result of the study showed that the organizational commitment level of employees' was low in related to this the researcher recommends that in order to strengthen the commitment of employees with their organization, the factors responsible for enhancing the commitment must be strengthened because committed employees are very beneficial for the Organization. Thus the relevant factors that are Compensation and Incentive and Supervisor support must be promoted to enhance the commitment of employee consequently the employees in turn are likely to put more effort, and are likely to be attached with the organization for longer time. The BIB should provide competent compensation and Incentive, supervisor should be support their subordinate.

### **5.4 Limitations and Suggestion for Further Research**

Meyer and Allen (1991) stated conceptualization of organizational commitment as a three-dimensional construct of affective commitment, continuance commitment and normative commitment. However In this study, those three dimensions are delimited or not measured in

particular with the independent variables, simply measured the factors with the general term of organizational commitment.

As the study is undertaken by taking only one Bank the result of the study is limited in its generality to other similar organizations. Thus, future research should be undertaken in order to generalize the result at banking industry level and to compare the result of the BIB with other similar organizations.

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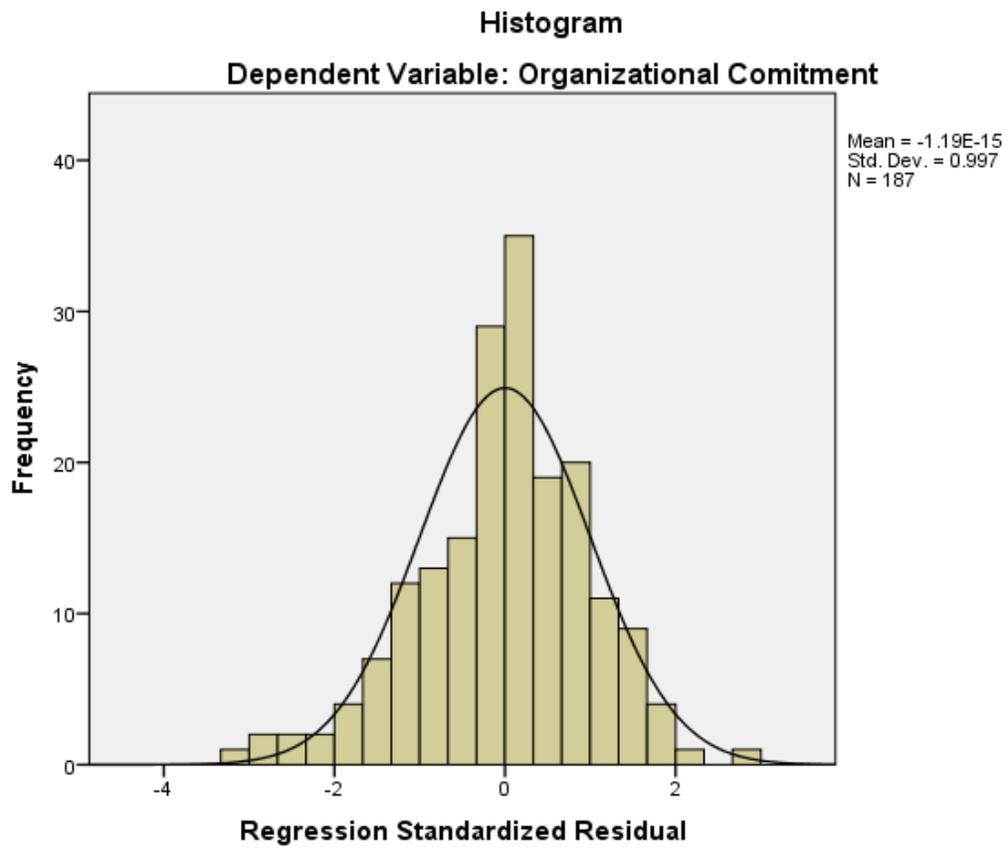
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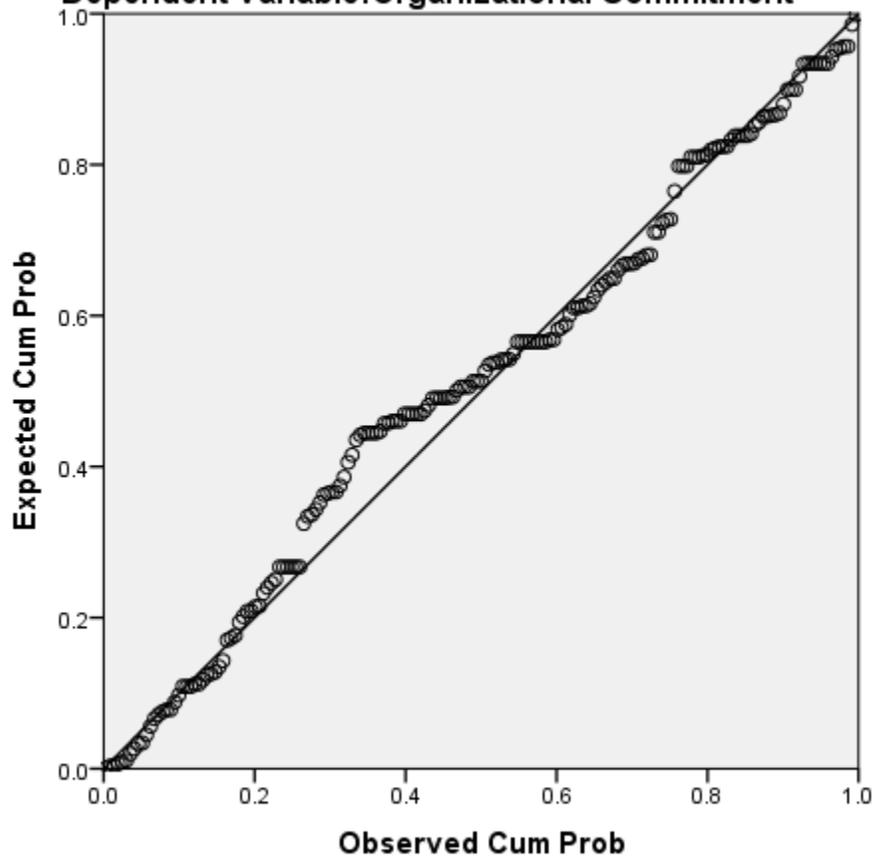
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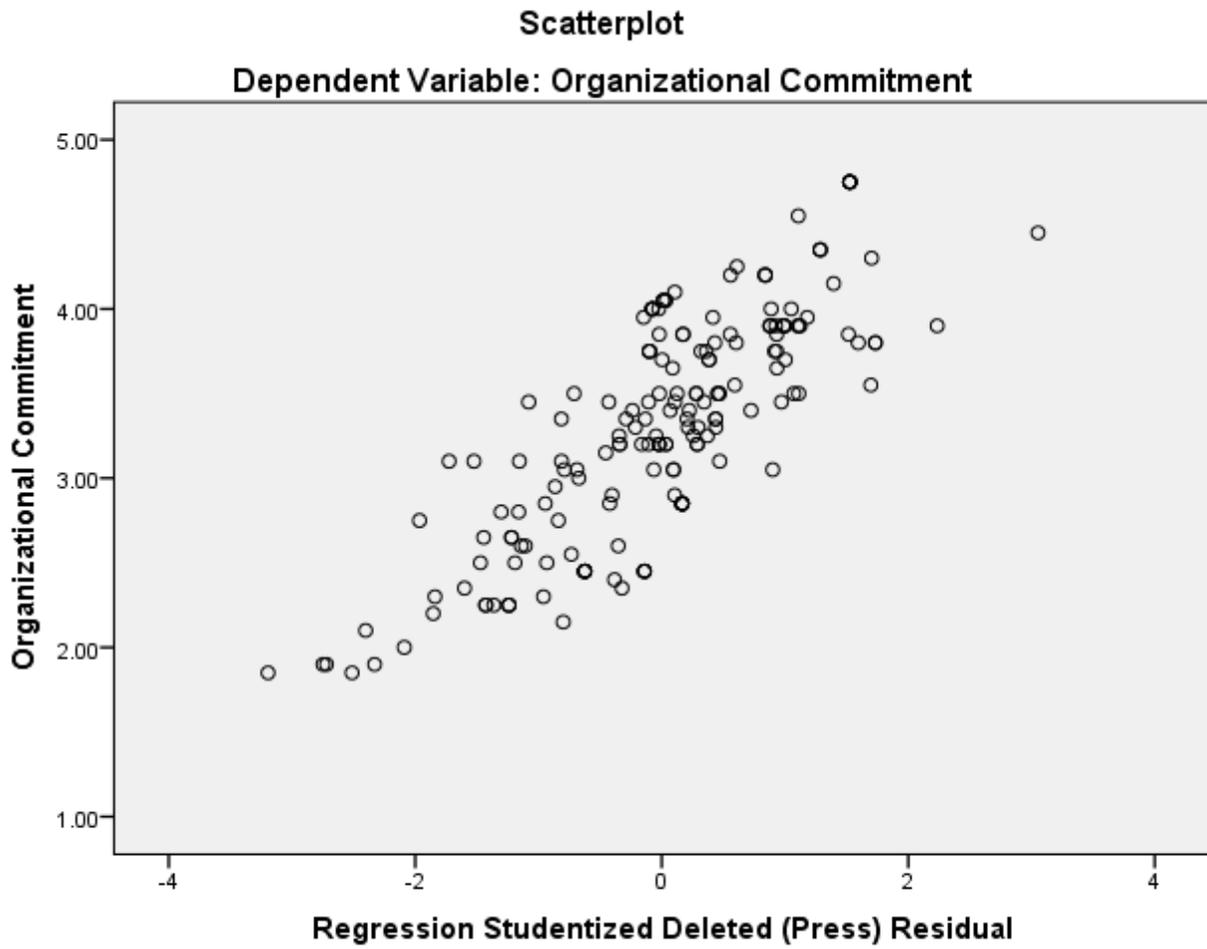
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**Normal P-P Plot of Regression Standardized Residual**  
**Dependent Variable: Organizational Commitment**





## Annex 2

Dear respondent,

The aim of this study is to assess your perceived level of existence of human resources practices of your bank on the selected factors (Compensation and incentive, Training and Learning opportunity, Career development, Super visor support, and Promotion fairness) and organizational commitment in the Buna bank and to examine if selected factors have influence on employees' organizational commitment.

Therefore, this questionnaire is designed to collect information on the factors affecting organizational commitment on Employees of Buna International Bank Share Company. The data collected shall be used as primary data in my thesis, which I am conducting as a partial fulfillment for the requirement of my study in Masters in Human Resources Management at Addis Ababa University College of Commerce. Thus, I kindly request you to go through all questions and respond frankly. No need to mention your name and your responses will be kept confidential. If you have any questions or concerns please call at 0911- 705542 naming Gizachew.

Instructions:

Please use this “√” mark for each question to indicate your response

Thank you for your precious time and cooperation!

### Part One: Biographical Information

1.1 Gender:	Male	<input type="checkbox"/>
	Female	<input type="checkbox"/>
1.2 Age:	25 or below	<input type="checkbox"/>
	26-35	<input type="checkbox"/>
	36-45	<input type="checkbox"/>
	≥46	<input type="checkbox"/>

1.3 Educational Background:

High School Certificate

Diploma

BA/BSC Degree

MA/MSc

PHD

1.4 How long you have been serving in Buna International Bank S.C?

Less than 5 years

5 - 10 years

10 - 20 years

≥20 years

1.5 Please specify your current Job Title \_\_\_\_\_

1.6 Please specify your current Place of assignment \_\_\_\_\_

**Part II Organizational Commitment**

In this part of the questionnaire you will find questions which will assess your level of commitment in your bank. The questions are designed to know your general commitment level in the bank. Please rate your level of commitment by putting your rate in the boxes provided under respective level of your satisfaction as hereunder.

Strongly Disagree.....(1), Disagree..... (2), Neutral..... (3),  
 Agree.....(4),  
 Strongly Agree..... (5)

No.	Item	Strongly disagree (1)	Disagree (2)	Netural(3)	Agree(4)	strongly agree(5)
	<b>Commitment</b>					
1	I think this organization is a great place to work					

2	I believe I have a good future in this organization					
3	I intend to go on working for this organization					
4	I am not happy about the values of this organization the ways in which it conducts its business					
5	I believe that the products/services provided by this organization are excellent.					
6	I really feel as if this organization's problems are my own					
7	I do not feel like "part of my family" at this organization					
8	I would feel guilty if I left this organization now					
9	I do not feel a strong sense of belonging to this organization					
10	I do not feel any obligation to remain with my organization					
11	Even if it were to my advantage , I do not feel it would be right to leave					
12	I would feel guilty if I left this organization now It would be very hard for me to leave my job at this					
13	This organization deserves my loyalty					
14	I am willing to put in great deal of efferent beyond that is expected in order to help this organization be successful					
15	I am proud to tell others that I am part of this organization					
16	I believe I have too few options to consider leaving this organization					

17	I feel for me this is the best of all possible organization for which to work.					
18	I really care about the fate of this organization.					
19	Right now, staying with my job at this organization is a matter of necessity as much as desire					
20	One of the few negative consequences of leaving my job at this organization would be the scarcity of available alternative elsewhere					

### Part III Factors affecting organizational commitment

This part of the questions is designed to assess the practice of human resource factors in the bank in relation to their level of existence. There are different human resources practices in the bank. However, as per your human resources management surveys, the major factors that affect organizational commitment are Compensation and Incentives, Training and Learning opportunity, Career management, and Supervisor Support and Promotion fairness.

Hence, based on your perception please put your level of agreement for each question below under the corresponding level of your agreement.

No.	Item	Strongly disagree (1)	Disagree (2)	Natural(3)	Agree(4)	strongly agree(5)
<b>I.</b>	<b>Compensation and Incentive</b>					
1	My contribution is adequately rewarded					
2	Pay increases are handled fairly					
3	My pay compares favorably with what I could get elsewhere					
4	The benefits package compares well with those in other organizations					

5	I would like more choice about the benefits I receive					
6	I feel I am being paid a fair amount for the work I do.					
7	I feel unappreciated by the organization when I think about what they pay me.					
8	I feel satisfied with my chances for salary increases.					
9	The benefits we receive are as good as most other organizations offer.					
10	There are benefits we do not have which we should have.					
<b>II.</b>	<b>Training and Learning opportunity</b>					
1	The induction or orientation training are conducted properly					
2	I make good of most learning opportunities provided by BIB					
3	BIB provided training and Learning program in work place skill on a regular basis.					
4	BIB share expertise obtained from training and learning with each other.					
5	The trainings which you attended have relevance with your job description.					
6	BIB undertakes staff training need analysis					
<b>III.</b>	<b>Career Management</b>					
1	Your organization has been established career path for all position.					

2	employs are changed to improve their skill and take the next step in their career					
3	No availability of the chance to growing as a professional in this company					
there is no opportunity to establish a clear career path with company						
<b>IV. Supervisor Support</b>						
1	My supervisor is quite competent in doing his/her job					
2	My supervisor is unfair to me					
3	My supervisor shows too little interest in the feelings of subordinates.					
4	Managers are held accountable for the development of their employs.					
5	The management treats all employs equal.					
<b>V. Promotion Fairness</b>						
1	There is really too little chance for promotion on my job.					
2	Those who do well on the job stand a fair chance of being promoted.					
3	People get ahead as fast here as they do in other places.					
4	I am satisfied with my chances for promotion.					
5	The bank uses the required technology for identifying of pool of applicants					
6	All candidates are fairly treated by the promotion panels					