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IJEMR Transactions, online available on 25th Nov 2022. Link

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10.48047/IJEMR/V12/ISSUE 11/08

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Volume 12, ISSUE 11, Pages: 62-73

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IMPACT OF DEMOGRAPHIC VARIABLES ON ORGANIZATIONAL COMMITMENT- A STUDY OF SELECT BANK EMPLOYEES WORKING IN HYDERABAD

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Abstract

Commitment is the energy which impels the employees towards organizational objectives. Hence, organizations have to adapt competitive policies and practices which improve motivation and job satisfaction and enhance employee commitment. The present study aims at analyzing the impact of demographic variables (age, gender, marital status, cadre, annual income, experience, and social category) on Organizational Commitment of select bank employees. 533 responses were collected from managerial and non-managerial cadre of select bank employees through judgmental sampling technique. The dimensions of Organizational Commitment (affective commitment, normative commitment, and continuance commitment) were assessed using a standard scale developed by Allen and Meyer (1999). The research was analyzed using statistical instruments like an independent sample t-test, one-way ANOVA and Chi-Square test. The findings revealed that employees differ in Organizational Commitment on the basis of demographic variables like age, marital status, cadre, annual income and experience while gender, qualification and social category has no impact on the organizational commitment of the respondents.

Keywords: *Commitment, Demographic Variables, Affective Commitment, Normative Commitment and Continuance Commitment.*

Introduction

In globally competitive environment, the greatest challenge that the organizations are facing is to retain talented employees. Today all organizations require employees who are committed to their vision, mission and goals in order to continue to exist. In order to be successful, every organization should be backed by a strongly committed employee base. It would be impossible for the organizations to enhance performance without committed employees. Commitment is the energy which impels the employees towards organizational objectives. Employee Commitment is the result of one's motivation and job satisfaction. Hence, organizations have to adapt competitive policies and practices which improve motivation and job satisfaction and enhance employee commitment.

Over past two decades, Organizational Commitment has been a voguish research topic because of its powerful implication on employee motivation and performance (Mowday, Porter, & Steers, 1982, Becker, 1992). Commitment is a psychological bonding that exists between the organization and the employees

working in it (Mc Donald and Makin, 2000). O'Reilly (1989) expresses Organizational commitment as an individual's psychological & emotional attachment to one's organization with a sense of job involvement by being loyal and having faith in organizational values and system.

Banking sector is considered as the most powerful financial sector which has a major role in the economic development of a country. Banks are said to be one of the most stressed-out industries in today's world because of its changing technology usage and competition. Indian banking sector has developed through leaps and bounds. Lots of opportunities are created due to opening of private and multinational banks in India. These banks are involved in recruitment of talented and experienced candidates from competing banks on better packages and salaries. These problems in banking sector influence the commitment level and as a result it increases the issues of underperformance, absenteeism and turnover.

LITERATURE REVIEW

Organizational commitment is an important concept because it influences the commitment on employees, organizations, and society as a whole. Employees can benefit from commitment using the intrinsic and extrinsic rewards relevant to the organization. Organizational commitment is viewed as “a tendency to ‘engage in consistent lines of activity’ based on the individual’s recognition of the ‘costs’ associated with discontinuing the activity”.

As subject under research is gaining importance, some literature study covering Organizational Commitment in banking sector have been produced by several economists, researchers and practitioners. Plenty of empirical investigations have explored one or more facts about employees commitment, demographic and other factors affecting the employees commitment which are summarized in the review related with the proposed work, are as under:

Several scholarly researchers have identified that many factors lead to development of the organizational commitment in an employee. These factors include demographic or personal characteristics like age,

gender, service tenure, qualification, designation etc.

The inferences drawn from various studies on the relationship between demographic and organizational commitment have been mixed. For instance, Rostami, Mahrukh (1992) study on extent and antecedents of Organizational commitment among Indian bank employees investigated the extent of commitment among officers of Indian Banks and also to determine the factors that affect the employee commitment. It was concluded from the study that the commitment of bank employees (Officers) was found to be moderately high. The Cooperative banks indicated highest commitment followed by Public Sector and Private Sector Banks have the least Commitment. Demographic variables such as Gender, scales, present designations, size of branch, joining designation and qualifications had a significant impact on employee's commitment.

Saba Saleem, (2011) research on the impact of Financial Incentives on Employees Commitment in the Private Sector Banks, Public Sector Banks, Islamic Banks and Microfinance Banks at Bahawalpur showed that there is a significant

positive relationship between financial incentives and employee commitment. Whenever there is an increase in financial incentives such as promotion and bonuses, employee commitment enhances which increases the performance of employees and reduces turnover. The study suggests that employees can be loyal only when their wants and needs are satisfied.

Inderpreet Gandhi (2013) in study about extent and antecedents of Organizational commitment among Indian bank employees found that that due to various factors like job security and status, employee's show higher level of commitment in Nationalized Banks. It was also concluded that demographic factors like age and service tenure show significant impact on Employee's Organizational Commitment. It was found that Managerial and Non-Managerial Employees differ in terms of Organizational Commitment in Public and Private Sector Banks.

Nizamettin Dogar (2014) research on finding relations between organizational commitment and demographic factors in banking sector tried to identify whether organizational commitment changes with change in demographic

variables. It was found from the study that demographic variables show a significant impact on Organizational Commitment. Employees with more work experience, service tenure, and age show more commitment than other employees who relatively have less work experience, age and service tenure but gender has no impact on organizational commitment.

Affum-Osei, E., Acquaaah, E. and Acheampong, P. (2015) in their research on relationship between organizational commitment and demographic variables on employees of a Commercial Bank in Ghana indicated that individuals differ in terms of their organizational commitment levels based on demographic factors. The research indicated that most of the employees are moderately committed towards their organization. The research also suggested that the organizational HR policies should be directed towards the improvement of employees' commitment in order to enhance performance.

Rajeswari Madey (2018) research on Organizational Commitment in Bank Employees in Visakhapatnam studied the impact of demographic variables on organizational

commitment in bank employees. The study came with the findings that though there is no significant difference in the level of the organizational commitment of public sector and private sector bank employees according to their gender but there is difference in organizational commitment according to their marital status. The study suggested that the banks need to adopt strategies to improve the Organizational Commitment for the single employees so that they get more motivated and attached to their organization.

Soni, Siddharth (2018) conducted a study to examine the nature of the relationship between perceived levels of job stressors and organizational commitment among public and private sector bank employees. The study concluded that all three dimensions of organizational commitment namely, affective commitment, continuance commitment and normative commitment are significantly higher in public sector banks when compared with private sector banks. The study also reported that employees having longer tenures and ages show more commitment and vice versa.

Statement of Research Problem

Organizational Commitment of employees play an extremely important role in banks due to the recent reforms like Digitalization, Demonetization, Foreign Direct Investment, technology driven services and merging of most public sector banks to make them globally competitive. Though several researchers have undertaken various studies on Organizational Commitment but very few studies were conducted in Banks. Besides, similar studies were not conducted in Hyderabad Region which is a metropolitan with large number of opportunities provided by private and international players. Hence, it was proposed to conduct a research on Organizational Commitment of select Bank Employees in Hyderabad.

Objectives and Hypotheses

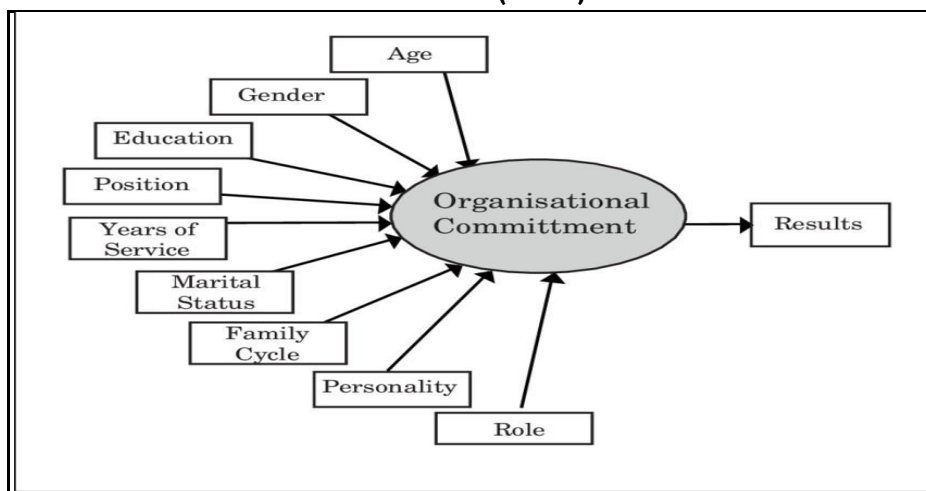
Objectives

The main objective of the study is to investigate whether there is variation in organizational commitment of select bank employees working in Hyderabad on the basis of

demographic variables. For these purpose, eight demographic variables i.e Gender, Age, Marital Status, Cadre, Qualification, Work Experience, Annual Income and

Social Category are taken into consideration and analyzed in order to check for variations on the basis of variables.

Figure-1: Antecedents and Organizational Commitment Research Model, Emanuel Camilleri (2015)



Hypotheses

The paper evaluates the following hypotheses as mentioned below:

H₀₁: Gender has no impact on organizational commitment of select bank employees working in Hyderabad.

H₀₂: Age has no impact on organizational commitment of select bank employees working in Hyderabad.

H₀₃: Marital Status has no impact on organizational commitment of select bank employees working in Hyderabad.

H₀₄: Cadre has no impact on organizational commitment of select bank employees working in Hyderabad.

H₀₅: Qualification has no impact on organizational commitment of select

bank employees working in Hyderabad.

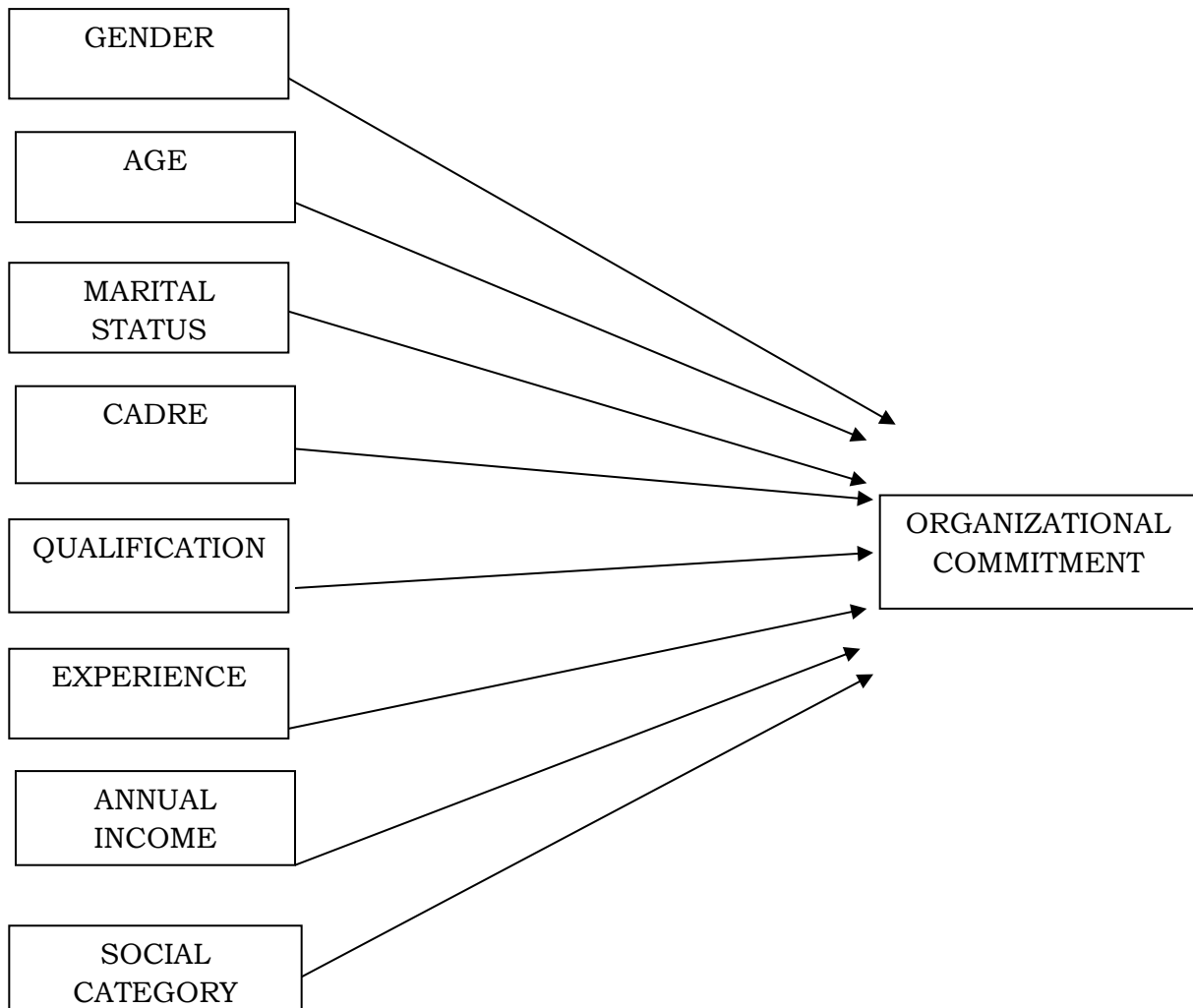
H₀₆: Experience has no impact on organizational commitment of select bank employees working in Hyderabad.

H₀₇: Annual Income has no impact on organizational commitment of select bank employees working in Hyderabad.

H₀₈: Social Category has no impact on organizational commitment of select bank employees working in Hyderabad.

STUDY MODEL - Based on the objective, the study model is as shown in Fig 2

Figure -2: Study Model of Organizational Commitment and Demographic Variables



RESEARCH METHODOLOGY

The study used a judgmental sampling technique for administering the questionnaire. The target population was the select bank employees working in managerial

and non-managerial positions in Hyderabad. The sample chosen was 533 respondents representing the population. Table 1 depicts the demographic profile of respondents of the select bank employees.

Table-1: Demographic Data of the Respondents

Demographics	Characteristics	Frequency	Percentage
Gender	Male	360	67.5
	Female	173	32.5
Age	up to 25 yrs	17	3.2
	26-35 yrs	358	67.2
	36-45 yrs	78	14.6
	46-55 yrs	32	6.0
	56 & above	48	9.0
Qualification	Graduation	378	70.9
	Post Graduation	124	23.3
	Professionals	15	2.8
	Others	16	3.0
Marital Status	Married	437	82.0
	Unmarried	96	18.0
	Others	0	0.0
Cadre	Managerial	250	46.9
	Non-Managerial	283	53.1
Experience	0-5 Yrs	142	26.6
	6-10 Yrs	218	40.9
	11-15 Yrs	62	11.6
	16-20 Yrs	31	5.8
	21-25 Yrs	32	6.0
	26-30 Yrs	16	3.0
	Above 30 Yrs	32	6.0
Annual Income	1 - 3 Lacs	0	0
	3.1 – 5 Lacs	123	23.1
	5.1 – 7 Lacs	143	26.8
	7.1 – 9 Lacs	77	14.4
	9.1 lacs and above	190	35.6

Social Category	OC	253	47.5
	BC	155	29.1
	SC/ST	94	17.6
	Others	31	5.8

Demographic information was collected through a self structured questionnaire. Table 1 shows the demographic data of the respondents where majority of the respondents (67.5%) are males and 32.5 percent are female. The age groups of the respondents as stated in the table are the maximum number of respondents fall into the age group between 26-35 yrs (67.2%), followed by the age 36-45 yrs (14.6%). With respect to educational qualification and majority of the respondents (70.9%) are graduates, followed by post graduates (23.3%), professionals (2.8%) and others (3%). Marital status of the respondents indicated that 82 percent of the respondents were married and 18 percent are unmarried. The distribution of the respondents according to experience includes majority of the respondents have

experience of 6 – 10 yrs and 0-5 yrs, followed by 11-15 yrs. A small percentage of people have high experience which is above 31 yrs. Majority of the respondents fall into the annual income bracket of 9 lacs and above. The minimum annual income reported is more than 3 lacs. With respect to social category, there are 47.5 percent of the respondents who belonged to OC category followed by BC which represented 29.1 percent of total respondents. SC&ST contribute to 17.6 percent of total respondents and others represent 5.8 percent of total respondents.

Results

To test H_{01} and H_{03} , an independent sample t-test was conducted. The results of which are depicted in Table-2.

Table-2
Independent Sample t-test Results

Association Between Variables	Levene's Test for Equality of Variances	F Static value	Sig. (2-tailed)
Gender and OC	Equal variances are not assumed	44.307	0.318

Marital Status and OC	Equal variances are not assumed	10.968	0.006
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An independent sample t-test resulted in the significance value (p value = 0.318) for H_{01} which is greater than 0.050. For H_{03} , the significance value (p value = 0.006) is lesser than 0.050. Hence, it can be concluded that there is no significant difference in organizational commitment levels of select bank employees on the basis of Gender but select bank

employees have significant difference in organizational commitment on the basis of marital status.

To test H_{02} , H_{06} and H_{07} , a one-way ANOVA was performed to check the association, the results of which are presented in Table-3.

Table-3
One-way ANOVA Results

Association Between Variables	F Static value	Degrees of Freedom	Sig. Value
Age and OC	20.939	(4,528)	p>0.001
Experience and OC	46.776	(3,529)	p>0.001
Annual Income and OC	49.081	(6,526)	p>0.001

One-way ANOVA analysis results depicted significance value as (F(4,528) = 20.939, p>0.001) on the basis of age, (F(3,529) = 46.776, p>0.001) on the basis of annual income and (F(6,526) = 49.081, p>0.001) on the basis of experience. Hence, it can be concluded that there is significant difference in

organizational commitment levels of select bank employees on the basis of age, experience and annual income.

An attempt was made to test H_{04} , H_{05} and H_{08} using a Chi-Square test. The results are depicted in Table-4.

Table-4

Chi-Square Results

Association Between Variables	Degrees of Freedom	Level of Significance	Calculated Value	Table Value
Cadre and OC	2	5 %	9.660	5.99
Qualification and OC	6	5 %	2.729	12.59
Social Category and OC	6	5 %	3.817	12.59

As the calculated value of Chi-Square is more than table value of Chi-square, the null hypothesis is rejected in case of H_{04} . Since the calculated value of Chi-Square is less than table value of Chi-Square for H_{05} and H_{08} , the null hypothesis that there is no significant impact of Qualification and Social Category on Organizational Commitment is accepted.

It was observed from the analysis that select bank employees differ in terms of Organizational Commitment on the basis of marital status, age, cadre experience and annual income. But no significant differences were reported on the basis of gender, qualification and social category.

Conclusions

This study aimed at identifying the difference in Organizational Commitment of select bank employees on the basis of eight demographic variables. The data was collected from select bank employees of Hyderabad. The questionnaire was based on the three component model of Organizational Commitment as suggested by Allen and Meyer and for demographic variables; a self structured questionnaire was used. The data was further processed using SPSS statistical package. Various statistical tools like independent sample t-test, one-way ANOVA and Chi-Square test were applied to analyze the data. The statistical results indicated that

marital status, age, cadre, experience and annual income has significant impact on organizational commitment of select bank employees whereas gender, qualification and social category doesn't show any difference in commitment levels of select bank employees.

Suggestions

Demographic variables such as age, marital status, experience, annual income and organizational position have significant difference associated with Organizational Commitment among employees. Therefore, while providing training & development programmes to the employees, the bank management should seriously take these demographic variables into consideration in order to enhance the Organizational Commitment which increases the productivity of the organization.

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