

# FACTORS INFLUENCING ORGANIZATION COMMITMENT OF GOVERNMENT SAVING BANKS EMPLOYEES IN MUKDAHAN PROVINCE, THAILAND

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## ABSTRACT

The objective of this research was to investigate 1) the influence of work motivation on employee participation and organization commitment and 2) The impact of employee participation on organization commitment. Data was collected from a sample of 235 staffs of Government Savings Bank in Northeastern Region, Thailand. The results showed that work motivation (motivation factor and hygiene factor) significantly influenced employee participation and organization commitment to Call 3 facts: 1) belief in and acceptance of the organization's goal and values, 2) a willingness to focus effort on helping the organization achieve its goals, and 3) a desire to maintain organizational membership) Moreover, the findings presented that employee participation completely impacted organization commitment. Findings could be used to help the organization created the organization commitment climate. Research contributions, research implications and directions for future research were suggested. Keywords- Work Motivation, Employee Participation, Organization Commitment, Motivation Factor, Hygiene Factor

## INTRODUCTION

### *Background*

Currently, there is a change of external and internal environment of economy, politics, information management technology and advanced technology, which influences people's life. In addition, increasingly fierce competitiveness among financial institutions results in adaptation of a commercial bank and financial institutions. They have applied principles of marketing, sale and services as basic management elements in response to the current state. Thus, financial institutions are obliged to improve the work procedure by seeking alternatives: e.g. improvement of staff's expertise and ability in product presentation and service provision, alteration in organizational management, and use of modern technology to offer an alternative channel of service provision.

With the current state, this present study intended to explore factors influencing the promotion of operational excellence and improvement of staff's capacity to enable financial institutions' ability to respond to customer needs or provide excellent services.

Specifically, the study investigated variables influencing the staff's operation and tested hypotheses so as to ensure consistency or rationale among variables which would help address research questions. The variables investigated in this study consisted of job attributes, administrative policies, working environment, career path and growth as well as welfare benefits. The study was conducted in hope of providing a guideline for a bank administrator to formulate plans for operation and administration to promote harmony between administrators and staff; this would also enable staff to be physically, mentally and emotionally ready as well as have a mindset which would promote excellent performance.

## LITERATURE REVIEW

Hence, the present study aimed to investigate factors influencing organization commitment of staff at Government Savings Bank in the northeastern region of Thailand. Concepts, theories and related studies in books, research reports and articles were reviewed to formulate a conceptual framework. The study reviewed the following theories and concepts.

### 1. Concept and theory on work motivation

Herzberg, et al. [1] proposed a dual-factor theory, also referred to as a motivation-hygiene theory. 200 engineers and accountants in Pittsburgh were interviewed, and it was found that there were two factors influencing satisfaction and distress in work as follows:

1) Motivation factors are directly related to work and serve to motivate workers to be content with their work. This category of factors also promotes work satisfaction effectively, for it can respond to staff's internal needs.

2) Hygiene factors can be referred to factors which will help maintain staff's motivation. If this type motivation or hygiene factors are no longer available or not compliant with a group of personnel or organizations, staff will become unsatisfied with their work. This category of factor is external factors

2. Concept and theory on employee's participation

Cohen & Uphoff [5] proposed a definition of participation; basically, decision-making not only involves itself alone but also can take place along with operation. What's more, decision-making is concerned with people's benefits and assessment of improvement activities. It can be seen that decision-making, thus, is directly related to operation as well as benefits and assessment; simply speaking, benefits are the outcome or result from decision-making. Assessment and operation will offer feedback to decision-making. There are four steps of participation: participation in decision-making, participation in operation, participation in receipt of benefits and participation in assessment. Each one is related to one another and focuses on participation in decision-making.

3. Concept and theory on organization commitment

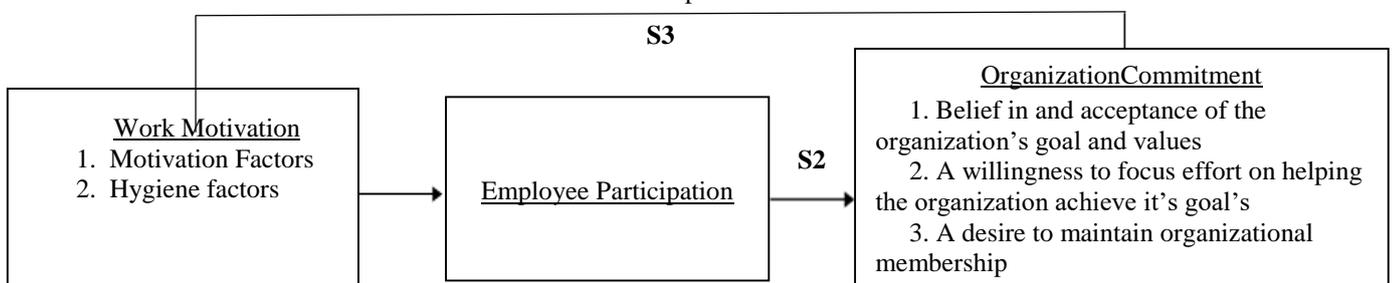
Steers [4] stated that organization commitment is a strong relationship of members in organizations and a single value which each member shares, reflecting unity and mental and physical dedication to organizational activities. This particular commitment can be categorized into three types as follows:

1. Belief in and acceptance of the organization's goal and values
2. A willingness to focus effort on helping the organization achieves its goal's
3. A desire to maintain organizational membership

**CONCEPTUAL MODEL AND HYPOTHESES**

**Figure 1**

Research Conceptual Model



**S1**

Therefore, in testing hypotheses, the study set coding of variables given below.

- S1** = the influence of work motivation on employee participation
- S2** = the impact of employee participation on organization commitment
- S3** = the influence of work motivation on organization commitment

Population in this study included staff at Government Savings Bank in the northeast of Thailand; including seven are as in six provinces. The sample in this study was chosen through a probability sampling approach, specifically purposive sampling. The sample was the staff, and the data were collected from seven areas: 1) 48 questionnaires collected from Khon Kaen Area 1; 2) 36 copies obtained from Khon Kaen Area 2; 3) 34 copies from Roi-et; 4) 29 copies from Mahasarakham; 5) 30 copies from Kalasin; 6) 31 copies from Chaiyaphum; and 7) 27 copies from Mukdahan. The total number of respondents was 235 of the entire population.

**RESULTS**

The present study adopted a quantitative approach. The sample in this study was 235 staff at Government Savings Bank in seven areas the northeastern region of Thailand. A questionnaire was developed to assess reliability by analyzing Cronbach's alpha reliability coefficient. The value of Cronbach's alpha must not be below 0.7 (Hair et al., 2010) as shown in Table 1 on regression analysis for hypothesis testing.

**Table 1**  
Result of measure validation

Factor	Cronbach's Alpha
Motivation factors influencing operation	0.806
Hygiene factors influencing operation	0.816
Employee's participation	0.794
Belief in and acceptance of the organization's goal and values	0.818
A willingness to focus effort on helping the organization achieve it's goal's	0.813
A desire to maintain organizational membership	0.816

**Descriptive statistics**

In terms of descriptive statistics, the findings showed that 136 of the staff, accounting for 57.9 percent, were females while 99 of them, 42.1, were males. Concerning age, 103 of them, representing 43.8, were aged from 26-35, whereas only 16 of them, 6.8, were aged 56-60. In addition, it was discovered that 117 of them, constituting 49.8, were married while 102 of them, 49.8, were single, and only seven of the staff, 3.0, were divorced.

**Hypothesis testing**

In the statistical analysis for testing hypothesis to investigate the variables, Pearson Product Moment Correlation Coefficient was employed to establish the correlation of independent variables, and regression analysis was adopted as well. A coding scheme applied in this study was provided below.

**WM1** = Motivation factors

**WM2** = Hygiene factors

**EP** =Employee's participation

**OC1** = Belief in and acceptance of the organization's goal and values

**OC2** = A willingness to focus effort on helping the organization achieve it's goal's

**OC3** = A desire to maintain organizational membership

**Table 2**  
Correlation Analysis between independent variables

	<b>WM1</b>	<b>WM2</b>	<b>EP</b>	<b>OC1</b>	<b>OC2</b>	<b>OC3</b>
$\bar{x}$	4.11	4.01	4.15	4.47	4.14	4.46
<b>SD.</b>	.42	.46	.47	.60	.76	.65
<b>WM1</b>	1					
<b>WM2</b>	.59**	1				
<b>EP</b>	.61**	.65**	1			
<b>OC1</b>	.37**	.31**	.38**	1		
<b>OC2</b>	.50**	.44**	.55*	.47**	1	
<b>OC3</b>	.43**	.29**	.46**	.63**	.44**	1

Note: \*\* P< 0.01 at the 0.01 levels significant correlation

Table 2 displays the result of testing the correlation between variables. In particular, correlation analysis showed that variables exhibited a positive correlation ranging from 0.29 to 0.65. Thus, the variables could be further utilized for the multiple regression analysis since the correlation between concomitant variables was not above 0.80 may cause of Multicollinearity by Hair,et al. [9]

**Table 3**  
Research Results of regression analysis

Variable	Dependent Variable							
	EP		OC1		OC2		OC3	
	$\beta$	Sig.	$\beta$	Sig.	$\beta$	Sig.	$\beta$	Sig.
WM1	0.34	0.00	0.29	0.00	0.36	0.00	0.39	0.00
WM2	0.45	0.00	0.14	0.05	0.23	0.00	0.41	0.06
EP	-	-	0.38	0.00	0.55	0.00	0.46	0.00

P<0.05

Table 3 illustrates the result of multiple regression analysis. Based on hypotheses, the findings demonstrated that concerning work motivation, motivation factors influenced employee's participation (S1.1), just as hygiene factors impacted the employee's participation (S1.2). In addition, on organization commitment, employee's participation was found to influence belief in and acceptance of the organization's goal and values (S2.1) and a willingness to focus effort on helping the organization achieve its goal's (S2.2). It had impacts on a desire to maintain organizational membership as well (S2.3). On effects of work motivation on employee's participation, it was discovered that motivation factors influenced belief in and acceptance of the organization's goal and values (S3.1) and a willingness to focus effort on helping the organization achieve its goal's (S3.2) as well as a desire to maintain organizational membership (S3.3). Likewise, hygiene factors were found to affect belief in and acceptance of the organization's goal and values (S3.4), along with a willingness to focus effort on helping the organization achieve its goal's (S3.5). Notwithstanding that, hygiene factors did not influence a desire to maintain organizational membership (S3.6).

**Table 4**  
The hypotheses testing

Hypotheses	Accepted/Rejected
S1	
S1.1	✓
S1.2	✓
S2	
S2.1	✓
S2.2	✓
S2.3	✓
S3	
S3.1	✓
S3.2	✓
S3.3	✓
S3.4	✓
S3.5	✓
S3.6	✗

## CONCLUSIONS

The findings demonstrated that regarding work motivation, both motivation factors and hygiene factors directly influenced employee's participation. This phenomenon complies with Davis and Newstrom [6] that participation is a person's willingness to participation in situations or activities to accomplish the group's mission. This also goes hand in hand with the hypothesis that work motivation, e.g. achievement, career path, administrative policies and welfare benefits, serve as a factor which immensely affects employee's participation.

In addition, employee's participation could have a direct effect on the organization commitment. This is also consistent with Steers [4] that variables of participation, e.g. participation in expressing ideas, attending activities held by organizations and joining training courses to improve knowledge and skills in a self-performance evaluation, could promote the staff at Government Savings Bank's organization commitment.

The findings also revealed that motivation factors, as in work motivation, directly affected the organization commitment. The result of hypothesis testing demonstrated that motivation factors, such as

recognition awards, recognition and promotion, could promote the staff at Government Savings Bank's organization commitment. This corresponds to Chaiwat[10]'s study on motivation factors related to organization commitment of IT employees at a consulting company. His study found that working period did not have any effect on organization commitment; regardless of having low work experience, employees still were committed to organizations. Thus, promotion of organization commitment may rely on organizational policies, career opportunities and job security as well as monetary or non-monetary rewards.

Despite that, the study discovered that hygiene factors did not have any influence on staff at Government Savings Bank's organization commitment. Specifically, hygiene factors had no effects on organization commitment at a significance level of 0.06 ( $P > .05$ ). This indicates that any hygiene factor, such as a supervisor, management policies, work place or office equipment, did not promote the organization commitment. This phenomenon is akin to Mantira[11]'s study on hygiene factors influencing a desire to maintain organizational membership; her study discovered that relationship with a supervisor and a colleague was related to a desire to maintain organizational membership, whereas work environment did not affect the retention.

Based on the findings in this study, organizations can strengthen organization commitment by developing management policies, consideration for promotion, consideration for salary increases and welfare benefits, and rewards; promoting employee's participation in such activities will enable the staff to work effectively.

Regardless of those motivation or participation variables discussed earlier, there were other variables which could promote organization commitment. Thus, further studies may test hypotheses by focusing on other variables, such as staff's attitudes and organizational image, so as to obtain comprehensive data.

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