

# INFLUENCE OF ORGANIZATIONAL COMMITMENT ON RESIGNATION OF EMPLOYEES

Sawittree Rattanavicharn \*, Watcharapong Intrawong \*\*  
and Pattama Suriyakul Na Ayudhya \*\*

\* Graduate Student of Kasetsart University, Thailand  
E-mail Address: sawittree.r@gmail.com

\*\* Department of Business Management, Faculty of Liberal Arts and Management Science,  
Kasetsart University, Thailand  
E-mail Address: Watcharapong.intr@ku.th, Pattama.s@ku.th

## ABSTRACT

This research objective was aim to; 1) study the organizational commitment and the resignation of employee of Minth Apico and Minth Automobile Parts 2) investigate the different of organizational commitment and resignation of employees when classified by personal factors 3) study the influence of organizational commitment on resignation of employees. The target population used in the research was the employees of Minth Apico and Minth Automobile Parts a total of 229 people, the samples of this research was 157 by using Yamane's calculation formula. The data was collected by questionnaire, reliability was used Cronbach's Alpha Coefficient by organizational commitment and resignation of employee was 0.836, and 0.748. Data was analyzed by frequency, percentage, mean, standard deviation, t-test, F-test (One Way ANOVA), Pearson's correlation, and regression analysis.

The research results found that; the organizational commitment was at high level, meanwhile the resignation of employee was at the average mean. The hypothesis testing reveals that when classified by personal factors; the organizational commitment was different between gender, and employees' resignation was different between age group. The organizational commitment had statistical significance influence on the resignation of employee at the level of .05 by the organizational commitment can predict the employees' resignation of 24.3%, standardized coefficients ( $\beta$ ) -0.243.

**Keywords** - leadership, Organizational Commitment, Demands the Resignation of Employee

## INTRODUCTION

### Background

Organizations today want to increase their business growth and a competitive advantage over time, by using available resources to achieve the desired goals, quality employees are considered important resources able to create an advantage for the organization. It must be connecting employees to the corporate values and employees' commitment to the organization also. Current situation of many organizations in Thailand will tend to employees resigning from the organization, or change to other occupations. It is causing losses to such organizations, because of the cost and wasting time training employees with knowledge, ability, expertise, and experience. The resignation of the employee's is considered a burden and cost of the company, because the company invested in the development of that person. In terms of the impact on the organization, it will lose the cost of recruiting, selecting, training, and developing new employees. In addition, during the recruitment process, people came to replace those who resigned, the productivity and efficiency of the organization will be reduced for a while due to insufficient personnel for the work process, and if any organization has a high staff turnover rate, it will make the organization lack stability, organization may has internal problems, and if the person who resigns from the organization is a skilled staff and high ability, it will affect the operation of the organization and may cause damage, also destroying the spirit and encouragement of the person who is still in the organization. Minth Apico Group was established in 1992, MINTH Auto Parts Company began its humble life as a small factory in the Xiao gang Development Zone located on the outskirts of Ningbo. In 1997, the company organized its various branch companies into a single Group Company, and MINTH Group Limited entered into a new area in the field of exterior auto-parts of passenger vehicle in Mainland China. On 1 December 2005, Minth Group was listed in the Hong Kong Stock Exchange. Minth has now expanded to become a leading supplier in design, manufacturing and sales of body structural parts, trims and decorative parts of passenger vehicles. From the importance mention

above, the researcher chose to study the influence of organizational commitment on the resignation of employees of the Minth Apico and Minth Automobile Parts (Thailand).

### ***Objectives***

This paper examines 3 objectives as follow; 1) study the organizational commitment and the resignation of employee of Minth Apico and Minth Automobile Parts 2) investigate the different of organizational commitment and resignation of employees when classified by personal factors 3) study the influence of organizational commitment on resignation of employees.

## **LITERATURE REVIEW**

### ***Organizational Commitment***

The concept organizational commitment has grown in popularity in the literature on industrial and organizational psychology [1]. Early studies on organizational commitment viewed the concept as a single dimension, based on an attitudinal perspective, embracing identification, involvement and loyalty [2]. In organizational behavior and industrial and organizational psychology, organizational commitment is an individual's psychological attachment to the organization. The basis behind many of these studies was to find ways to improve how workers feel about their jobs so that these workers would become more committed to their organizations. Organizational commitment predicts work variables such as turnover, organizational citizenship behavior, and job performance. Some of the factors such as role stress, empowerment, job insecurity and employability, and distribution of leadership have been shown to be connected to a worker's sense of organizational commitment. Meyer and Allen's [3] three-component model of commitment was created to argue that commitment has three different components that correspond with different psychological states. Meyer and Allen created this model for two reasons: first "aid in the interpretation of existing research" and second "to serve as a framework for future research". Their study was based mainly around previous studies of organizational commitment. Meyer and Allen's research indicated that there are three "mind sets" which can characterize an employee's commitment to the organization. Mercurio [4] extended this model by reviewing the empirical and theoretical studies on organizational commitment. Mercurio posits that emotional or affective commitment is the core essence of organizational commitment. Mowday, Porter, and Steers [5] define organizational commitment as "the relative strength of an individual's identification with and involvement in a particular organization. Conceptually, it can be characterized by at least three factors: 1) a strong belief in and acceptance of the organization's goals and values; 2) a willingness to exert considerable effort on behalf of the organization; and 3) a strong desire to maintain membership in the organization". In this examine adapted the conceptual from Mowday, Porter, and Steers.

### ***Employee Resignation***

A resignation is the formal act of giving up or quitting one's office or position. A resignation can occur when a person holding a position gained by election or appointment steps down, but leaving a position upon the expiration of a term is not considered resignation. When an employee chooses to leave a position, it is considered a resignation, as opposed to involuntary termination, which occurs when the employee involuntarily loses a job. Whether an employee resigned or was terminated is sometimes a topic of dispute, because in many situations, a terminated employee is eligible for severance pay and/or unemployment benefits. Sayles and Strauss [6] said that resignation means the end of hiring employees, and hiring new employees to work instead or employment. The reason that employees want to resign is due to work, when they came to work, the employee felt that the assignment was a job that they were not good at, do not like, or they were not proud of working with this organization. There was a conflict in the group of colleagues; low job satisfaction will result in less bonding with the organization, absence, and resignation. Shikiar and Freudenberg [7] were study factors that effecting to the employees resignation, there were consist of 1) Push Factors, Push Factor is a factor within an organization that affects to employees dissatisfaction, such as pressure from the organization policies, commanding of leader, organization work process, low educational opportunities, problems in the relationship between people in the organization. 2) Pull factor refers to external factors. This is what attracts employees moving or to resign to a new organization, such as the opportunity to have a better quality of work life, more career path development opportunity, and higher compensation. In addition; finding the determinants of turnover intention has become an important driver of turnover research. Earlier researchers have recognized a number of determinants of turnover intention. These cover job embed, organizational commitment, dissatisfaction with job and the breach of

psychological contract [8]. The concept of Shikiar and Freudenberg was used for develop employee resignation measurement tools in this research.

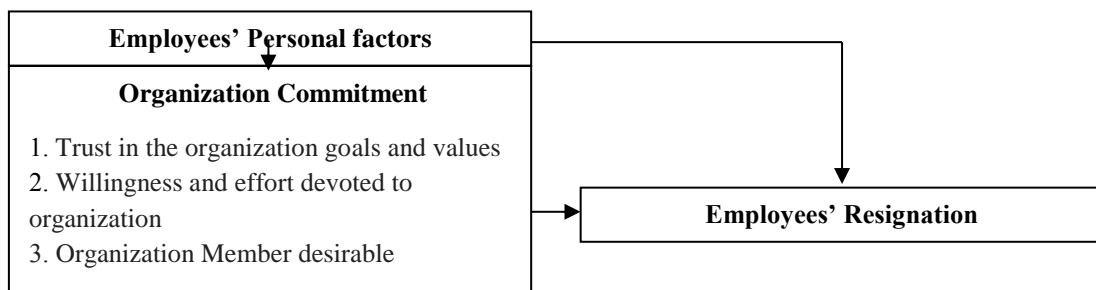
This section presents the link between organizational commitment and employees' resignation. DeConinck and Bachmann [9] was study "Organizational Commitment and Turnover Intentions of Marketing Managers", higher levels of distribute justice, job satisfaction, promotional opportunity and seniority were significant predictors of organizational commitment. Marketing managers' intention to leave their jobs was highly influenced by their degree of organizational commitment. Ahmed and Nawaz [10] "Impact of Organizational Commitment on Employee Turnover: A Case Study of Pakistan International Airlines (PIA)", Findings of the study revealed that motivation to learn, job satisfaction, perceived organizational support, availability of training programs, job autonomy and organizational learning culture have significant positive relationship with organizational commitment. While job involvement does not significantly contributes towards organizational commitment. According to the results organizational commitment is significantly negatively related to the turnover intention of employees. The findings of this study may help the policy makers and practitioners to understand as how they can reduce turnover intention of employees by increasing organizational commitment. Bonds [11] "Employees' Organizational Commitment and Turnover Intentions", Study results provide additional evidence showing that employees' affective, continuance, and normative commitment to their organizations relate to their turnover intentions. These results may contribute to positive social change by helping leaders to better understand the relationship between employees' organizational affective, continuance, and normative commitment and turnover intentions. With this knowledge, leaders may be able to decrease turnover and turnover-related costs and increase firm performance. The money saved from turnover costs can be used to develop employees, invest in the company culture, or contribute to community-related programs. Based on relevant research results, it shows empirical evidence of the influence between organizational commitment and employee resignation requirements.

## CONCEPTUAL MODEL AND HYPOTHESES

The research conceptual framework is composed of independent variables (personal factors, organizational commitment), and dependent variable (employees resignation); the details of research conceptual model is reported in Figure 1.

**Figure 1**

A conceptual model of research



H<sub>1</sub>: The organizational commitment and employee resignation are different when classified by employees' personal factors.

H<sub>2</sub>: The organizational commitment has negative influence on employee resignation.

The target population used in the research was the employees of Minth Apico and Minth Automobile Parts a total of 229 people, the samples of this research was 157 by using Yamane's calculation formula [12], proportional sampling and simple random sampling were used. The data was collected by questionnaire, reliability was used Cronbach's Alpha Coefficient by organizational commitment and resignation of employee was 0.836, and 0.748. The statistics used for data analysis were frequency, percentage, mean, and standard deviation. The hypothesis has been tested by F-test (One Way ANOVA), Pearson product coefficient correlation, and Regression analysis.

## RESULTS

The results found that the organizational commitment was at high level; meanwhile the resignation of employee was at the average mean.

The hypothesis testing was as follow; the first hypothesis was found that the organizational commitment and employee resignation when classified by employees' personal factors; only gender variable had statistic significant at 0.05 level different in the aspect of organizational commitment, and age group variable in the aspect of employee resignation, according to the information shown in the table 1 and table 2. The male employees were higher organizational commitment than female employee by mean at 3.71, and 3.46 respectively. In the aspect of employee resignation; the employee age below 30 years was the highest mean, and age above 50 years was the lowest mean.

**Table 1**

The different of organizational commitment when classified by gender

Gender	Organizational Commitment			
	$\bar{X}$	S.D.	t	Sig
Male	3.71	0.46	44.038	.010**
Female	3.46	0.46		
Total				

**Table 2**

The different of employee resignation when classified by age

Age	Employee Resignation			
	$\bar{X}$	S.D.	F	Sig
Below 30 years	3.202	.454	17.480	.000**
30-39 years	2.738	.758		
40-49 years	3.142	.497		
Above 50 years	1.920	.692		
Total	2.996	.654		

The second hypothesis was examining the influence of organizational commitment on employees' resignation, the research was defining symbol for regression analysis as follow; OCOM: organizational Commitment, ERES: Employee Resignation.

**Table 3**

Correlation analysis between variables

	OCOM	ERES
OCOM	1	
ERES	-.243**	1

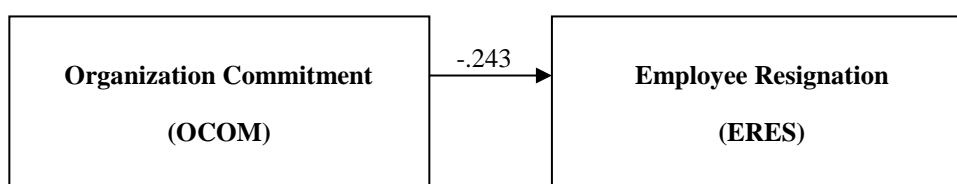
**Table 4**

The influence of organizational commitment on employee resignation

Independent Variable	Standardize Coefficients ( $\beta$ )	t	Sig.
OCOM	-.243	-3.117	.002**
$\Delta R^2 = .243$ , SEE = .636, F = 9.714, Sig. of F = .002**			

**Figure 2**

The influence of organizational commitment on employee resignation



The second hypotheses testing found that the organizational commitment can explain the variation of employee resignation 24.30% (Adjusted R-Square 0.243) at 0.05 significant levels. The organizational commitment had statistically significant negative influenced on employee resignation with standardized coefficients ( $\beta$ ) of -.243.

## CONCLUSIONS

The research of “The influence of organizational commitment on resignation of employees” aim to investigate the level of organizational commitment and level of employees’ resignation of Minth Apico and Minth Automobile Parts, include study the different of organizational commitment and employees’ resignation when classified by personal factors, and examine the influence of organizational commitment on employee resignation. The target population used in the research was the employees of Minth Apico and Minth Automobile Parts a total of 229 people, the samples of this research was 157 by using Yamane's calculation formula. The data was collected by questionnaire, reliability was used Cronbach's Alpha Coefficient by organizational commitment and resignation of employee was 0.836, and 0.748. Data was analyzed by frequency, percentage, mean, standard deviation, t-test, F-test (One Way ANOVA), Pearson's correlation, and regression analysis. The research finding found that the organizational commitment was at high level; meanwhile the resignation of employee was at the average mean. The hypothesis testing was found only gender variable had statistic significant at 0.05 level different in the aspect of organizational commitment, and age group variable in the aspect of employee resignation, by male employees were higher organizational commitment than female employee, and the employee age below 30 years was the highest mean of employee resignation, and age above 50 years was the lower mean than other group. The organizational commitment had statistically significant negative influenced on employee resignation, this research results was consistent with DeConinck and Bachmann (2011), Ahmed and Nawaz (2015), and Bonds (2017). Policy recommendation; administrators should find measures to create organizational commitment for female employees such as communicate frequently, most employees appreciate transparent management because it keeps them informed of administrative decisions that may affect their jobs. Consistent firm communication helps minimize negative rumors and misunderstanding that would otherwise damage employee organizational commitment. Visibly honor and promote employees who work hard and demonstrate commitment to the organization, also institute tenure timetables rewarding the commitment of long-standing employees. In addition to the issues of employee resignation; the corporate should be hire the right people by considerate employees who are behavioral and cultural fits for the job and firm environment, offer competitive pay and benefits, show the career path; corporate should show your employees a clear career path, where can they go from their current position, administrators can help employees advance along their career path. Provide them with coaching by recommending ways to advance. You can also provide employees with training opportunities. Give them opportunities to learn new skills and practice them.

For the future research; form the empirical evidence of this study, it was found that the organizational commitment could predict the employee resignation 24.30%, and there are still other variables almost 80% related to the resignation of employees. In the future, it is necessary to add those independent variables to research so that the research can increase the predictability, examples of interesting antecedent variables such as job stress, job satisfaction, work environment, organizational climate, organizational culture, and leadership. In addition, the research methodology of this research uses quantitative research approach which still has limitations in the findings. In the future, it is very important that more qualitative research approach is needed in order to gain more in-depth information.

## REFERENCES

- [1] Cohen, A. (2003), Multiple Commitments in the Workplace: An Integrative Approach. Mahwah, NJ: Lawrence Erlbaum Associates.
- [2] Porter, L., Steers, R., Mowday, R., and Boulian, P. (1974), Organizational commitment, job satisfaction, and turnover among psychiatric technicians. *Journal of Applied Psychology*, 59, 603-609.
- [3] Meyer, P. and Allen, J. (1991), Commitment to Organizations and Occupations: Extension and Test of a Three-component Conceptualization, *Journal of Applied Psychology*, Vol. 78, pp. 538-551.
- [4] Mercurio, Z. (2015), Affective Commitment as a Core Essence of Organizational Commitment: An Integrative Literature Review, *Human Resource Development Review*, 1-26.
- [5] Mowday, R., Porter, L. and Steers, R. (1982), Employee Organization Linkages: The Psychology of Commitment, Absenteeism, and Turnover. *Academic Press, New York*.
- [6] Sayles, R. and Strauss, G. (1977), Management human resources, Englewood Cliffs, NJ: Prentice-Hall.

- [7] Shikiar, R. and Richard, R. (1982), Unemployment Rates as a Moderator of the Job Dissatisfaction-Turnover Relation, *Human Relations - HUM RELAT*, 35, 845-855.
- [8] Orvis, K., Dudley, N., Cortina, J., (2008), Conscientiousness and Reactions to Psychological Contract Breach: A Longitudinal Field Study, *The Journal of applied psychology*, 93, 1183-93.
- [9] DeConinck, J. & Bachmann, D., (2011), Organizational Commitment and Turnover Intentions of Marketing Managers, *Journal of Applied Business Research*, 10 (3), 87.
- [10] Ahmed, I., Musarrat, N., Ghulam, A., and Talat, I., (2015) Perceived organizational support and its outcomes: A meta-analysis of latest available literature, *Management Research Review*, 38, 627-639.
- [11] Bonds, A., (2017), Employees' Organizational Commitment and Turnover Intentions, Dissertations and Doctoral Studies, *Walden University*.
- [12] Yamane, T. (1973), "Statistics: An Introductory Analysis", *New York: Harper and Row Publication, Third edition*.