

Human Resources Leaves Managers & Companies, Not the Job: Role of Affective & Normative Commitment in Employees Retention

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Abstract:

McGregor's theory X represents managers influenced on employees' behaviors, managers direct their efforts, control and modified their behaviors' that fit to organizations' needs. "The average human being has an inherent disliking of work and will avoid it if possible". McGregor's theory Y represents "The expenditure of physical and mental effort in work is as natural as play and rest". Annual staff turnover in USA is from 21% to 135%, although companies paying a huge amount to them (Simmons 2005). Retention management is highly touching topic and an important issue that many organizations might face in future, if they are not facing presently.

Key Words: Employee Retention, Affective and Normative Commitment

Introduction

A highly productive workforce is a core for gaining competitive edge, through best human resource practices by organization (Chiang and Birtch 2010). Describers of social exchange theory focus on reciprocity, one person perform a honest work for other he also want same favour from other (Eisenberger, Armeli, Rexwinkle, Lynch and Rohades 2001b). The management history derived from five schools of thoughts. The first one is Traditional, second is Behavioral, third one is System, forth the Contingency and the last one is Quality View Point. All of them had the same objective, the affective use of resources. (2000). The behavioral school of thought by Follet, Barnard, Mayo, McGregor and others, related to human participation in organization.(2000). In this age of industrialization managers have acknowledged the importance of human capital and considering it a competitive advantage. Employees have shown a great deal of commitment, sincerity, loyalty and dedication to their employers in past years. Employees' exciting participation in companies' process always leads organizations to find out new ways of optimizing its resources. A criterion of organizational effectiveness is related to better employees' efficiency and their role in organizations processes (Ivancevich and Matteson 1999). In organizations, top management ignored

the inefficiency created by the employees due to their absenteeism and staff turnover later on it may cause for major problems. According to a report in United State, 601 Human Resource Manager had attempted to retain human capital, they get 10% actual success, it is a great loss (Comeau-Kirschner 1999). Gaining a high employee commitment is a prominent feature of best class companies of the world. Employees commitment is an important variable to predict organization performance and also performance of national economies, it needs to be carefully analyzed (Harter 2000, Fleming 2000). Organizational commitment can be defined as loyalty and sincerity with organization, always is ready to do anything for organization with internal power. Meyer and Allen have defined organizational commitment in three major kinds (1) affective, normative and continuous. Affective commitment created when employees feel themselves as a family member with current employer, normative commitment when an employee have a sense of obligation with employer and third a continuous commitment that is related to an employee intention of leaving cost with present organization. Literature defines perceived organization support in which employees trust on employer, having a positive perception and maintain strong relationship. The perceived organization support has a positive impact on

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employee behavior at workplace. (Lee andPeccei 2006). Employee job satisfaction can be determined with help of organizational commitment that is a predictor to retain employees into organization. (Chen 2006). Empirically tested work and family benefits in the result of organizational commitment, including parental leaves, flexible schedule and monetary support when ever need by employee, force employee to remain in one organization (Goverand Crooker 1995). Automobile industry recognized as the “mother” of all industries in the world, it is blessing of this industry life become very easy as compare to elderly period. It carries many different kinds of vehicles to mobility of goods and people from one location to another. In recent years, we have witnessed South Asian countries more dependent on development of automobile industry, in Japan and Korea wellbeing in their citizens because they have done a prominent development in automobile industry. The use of mother as a term for automobile industry is a perfect, three years have witnessed there is a significant growth in automobile industry in terms of technology, quality and increased in produced sales volume in Pakistan. The industry is working in Pakistan with almost 120,000 employees and contributing more than 12 billion rupees in GDP. Present study is conducting on parts manufacturing company in Lahore, Pakistan. Local market is the main focus of this company although international market also considered. Indian and Italy are big customers of this company product. The main focus of this research article is offering expended view which employees perceived their organizations and cultivates commitment; make sure how employees support programs involve employees’ participation into organization. Second purpose of this study was to test an explanation why employee commitment is necessary to retain him. The aim of this paper is to focus attention on employee relation with employer and find out reasons of increasing attrition rate. Make sure importance of HR practices for human resource development, participation in building an excellent work environment, good staffing, proper communication throughout organization, training and development, compensation, career development, team building and most important is development of supportive culture. Another purpose of this research is to find out factors that lead employees to resign or have an intention to resign. To get maximum output from employees sides is a main consideration by providing maximum benefits to them and creates a strategic fit between management and employees.

Literature Review

Organization commitment defined as “individuals’ attachment that showed they are profoundly devoted with employer and are advocate for their employing organizations (Cole and Bruch 2006). When expectations arise from ends, employee and employer, towards each other, social exchange started, future expectations increased for righteousness.(Wayne, Shore, BommerandTetrick 2002). Changing in work nature that is recognized and documented by companies, proactive response of these changes is necessary, employee authenticityand loyalty with organization is a key to fill this gap.(Sinclair, Tucker and Cullen 2005). The concept of organization commitment gives a direction to employee’s dedication organization

(Dockel, Bassonand Coetzee 2006). Commitment in organizations appeared when individuals complete their objectives in s given period of time, their performance measured relevant to these objectives and they are rewarded against it (Erscovitchand Meyer). Researchers have described three approaches of study about commitment, attitudinal, behavioral and a motivational; attitudinal is more related with employees positive mind set about organization (Dockel et al. 2006). Allen and Meyer defined three kinds of commitment (1) affective (2) normative (3) and continuous, with same intention to retain employee with organization with ethics (Dockel et al. 2006). Commitment can be defined by Meyer and Allen; it is a psychology condition of mind that forces employees to remain into organization. Organization commitment develops during employment in organization, more duration more commitment (Dockel et al. 2006). Organization commitment encompasses views, individual and employer relationship as a series of social exchange, mutually understanding by both parties (Cole and Bruch 2006).Social exchange relation between employer and employee is different from economic change, in which only consideration is a profit in a monetary term (Cole and Bruch 2006). The organizational commitment construct from well-being of organization (Cole and Bruch 2006). Organizational commitment is a better tool for checking employees’ performance and work behavior. (Langkamerand Ervin).

Theory of organizational commitment has been used for enhancement of organization performance and effectiveness (Langkamerand Ervin). Researchers have deep studied on employee s’ attachment with employer with help of organizational commitment (Sinclair et al. 2005). Allen and Meyer have developed an organization commitment framework in which affective, continuous and normative commitment are considering element for employees attachment with their organizations(Sinclair et al. 2005). In literature high profile of commitment appear when employee work in team, groups or individuals, only concern is organization productivity (Sinclair et al. 2005). According to Meyer and Allen commitment to an organization develops because employees investigate in the organization (Shore, Barksdale and Shore 1995). Commitment has different character for define, common to all it is related to employee positive behavior, to work and to stay within one organization. (Grant, Dutton andRosso 2008). Meyer and Allen argued that to define different commitment kinds is necessary because every kind is related to different human behavior (Meyer, Becker andVandenberghe 2004)

Affective Commitment

Allen and Meyer define affective commitment as an emotional attachment with organization that forces individuals to enjoy membership, association and a family status with organization (Shore and Wayne 1993). In affective commitment employees have an emotional attachment with their organization; they show a high level of dedication and loyalty to their organizations (Rhoades andEisenberger 2002). Affectively committed employees enjoy a belonging sense, identification and attachment that enhanced employee’s engagement in organizational

objectives (Eisenberger et al. 2001b). Employer has value, and dedication to their employees and they get excellent results from employee (Eisenberger, Stinglhamber, Vandenberghe, Sucharski and Rhoades 2002). Affective commitment develops when employee involves in organization's core activities, get job enrichment, empowerment, recognizes organization's missions and vision and take a decision to work intrinsically for organization (Dockel et al. 2006). Affective commitment indicates that employees are emotionally bound to their employers and organizations and on this base they recognize themselves (Vandenberghe et al. 2007). Employers commonly value employees' dedications, which are emotionally attached with present organization, employees show outclass performance, reduced absenteeism, and have less intention to quit their jobs. (Rhoades and Eisenberger 2002). When employee wanting to be a part of current organization this is called an affective commitment (Langkamer and Ervin). Employee are emotional bound with their organizations it is called an affective commitment (Rhoades and Eisenberger 2002). When increased in a sense of belonging and identification with organizational activities, task, reduced the gap of communication with in organizations' department and increased trust on each other, employees are fully committed with employer (Rhoades and Eisenberger 2002). Affective commitment concerns about emotional attachments of employees, with strong employees believe on a good relation (Sinclair et al. 2005). Affective commitment often explains in a social exchange framework, such that employees exchange good relationship with organization with reciprocity of trust, safe working conditions, fair compensation and benefits. (Sinclair et al. 2005). Benefits influence social exchange processes and it is a contribution of affective commitment (Sinclair et al. 2005). Affective commitment is form of employees commitment in which employees showed their intentions towards company's core objectives (Shore et al. 1995). When dedication related to arousing feelings with organizations, individuals classify and feel an association in firm (Gong, Law, Chang and Xin 2009).

Normative Commitment

When an individual's attached and wish to stay with employer, it is a normative commitment (Gakovic and Tetrick 2003). Normative commitment is a second form of commitment (Vandenberghe et al. 2007). Grooming of human personality due to the execute a positive behavior in work place, normative commitment (Vandenberghe et al. 2007). Employees' mindset that obligation increased through socialization, social exchange, reciprocity and in term of psychology contract that is normative commitment (Dockel et al. 2006). According to Winer, employees developed normative commitment due to combination of family and cultural pressure that they earn during orientation days with new employer (Dockel et al. 2006). Well-built thinking for organization related to normative organizational commitment, normally such activities force employees for participation in organization. Normative commitment has an intention to do well for their organization, in so doing they work by motivation controlled by someone else (Vandenberghe et al. 2007).

Employees are more concerned with organizational normative commitment; they have honest obligations for organizations (Langkamer and Ervin). Normative commitment enhanced employees' desires to do their best for their employer (Solinger, Olfen and Roe 2008). Organizations need to change socialization procedure, should be a procedure that leads employees toward normative commitment (Dockel et al. 2006).

Perceived Organization Support

Individual's perception about employer that they value them, care them, involve them in decision making is related to perceived organizational support. LaMarsto had defined perceived organization support as "a general perception concerning the extent to which organization values their employees, general contributions and cares for their wellbeing" (Moorman, Blakely and Niehoff 1998). Organizational support theory has explained emotional attachment of employees with their designations and jobs, in order to maintain this process employees also perceived some values and wellbeing from employer (Eisenberger et al. 2001b). Perceived organization support may be encouraged a tendency for work in a good manner for organization (Eisenberger et al. 2001b). Perceived organization support enhanced feelings of employees for employer and employees work for organizational objectives. Perceived organizational support creates a direct relation of employee retention into organization (Rhoades and Eisenberger 2002). According to perceived organization support employees supposed to meet employer's expectations because of increasing in rewards, motivation and increased in employees' perception of wellbeing by organization in future (Eisenberger et al. 2002). Employees perceived that organization will do better for them and will take a positive step for their goodness in every matter (Eisenberger et al. 2002). When employees get strong relation with owners, they get involve in and want some expectations from owners; it is determined by the social exchange process (Moorman et al. 1998). Some researchers have described incentives, perks and other fringe benefits which created perceived organization support (Moorman et al. 1998). Perceived organization support related to developmental experiences, formal and informal benefits including numbers of promotions. (Moorman et al. 1998). With respect to perceived organization support, employee commitment should be toward employer (Wayne et al. 2002). Perceived Organizational Support belongings the employer's commitment to employee (Wayne et al. 2002). Changing employment conditions have wakened employee's expectations towards organizations with the passage of time (Grant et al. 2008). Employees are habited in changing more jobs, less dependent and more innovative for employment as compare to previous years (Grant et al. 2008). Employee support programs are designed to increase employees perceived organization support (Grant et al. 2008). Employee support programs create perceived organization support, when employees utilized the services offered by the support program they feel that organization value for their work and looking for wellbeing of employees (Grant et al. 2008). Strong organizational relationship caused a long rung stay of employee when employee perceived organizational support as previous

done by organization (Vandenberghe et al. 2007). According to the concept of reciprocity, employer always want a good effort by an employee and employee want a good appraisal against due to performing very good tasks (Vandenberghe et al. 2007). According to a research, employers develop a global relation with employees' perception and try to do for wellbeing of employees (Allen, Shore and Griffith 2003). Eisenberger with other researcher suggested that employee's perception of the organizational development, means a perceived organization support, it is done when employer do for wellbeing of employees (Shore and Wayne 1993). Social Exchange theory suggested employees' wellbeing who perceived high level support from current organization, repay the organization in term of company profit (Shore and Wayne 1993). Perceived organization support is a social concept; it represents only staying in organization for achieving its goals (Shore and Wayne 1993).

Employee Retention

Leaving of employees have bad effects on work performance, decreased production, and increased workload on remaining employees, current employees' burnout with work load (Chen 2006). Employee turnover give loss of huge amount which company spent on training and development, recruitment and selection and a loss of work when replacement occurred by new employee (Simmons 2005). Behavioral intentions play a major role in employee turnover process in any organization of the world. (Langkamer and Ervin). Research has proved employees behavioral factors which intended them to leave organization (Anvari, Amin, Wan Ismail and Ungku Ahmad 2010). Employers always keen to retain its skilled and competent personnel; lack of quality personnel is very costly to organizations (Langkamer and Ervin). Cascio described retention strategy, is a plan by top management to keep employees from changing their jobs, enforce them to work in current organization by rewards and incentives, according to the company objectives (Grant et al. 2008). Employers always tried to build relations with employees, make sure employees stay in organization and tried to manage a healthy and friendly atmosphere for retention of employee in organization (Dockel et al. 2006). McNce and all in 1998 identified the important of job satisfaction, career growth, training opportunities, fair appraisal, increment, incentives, motivation, and job security, supervisor support, learning opportunities, perks and fringe benefits for employees' retention (Dockel et al. 2006). Top management's broad perspective always focused on attraction and retention of skilled human capital due to increased competition and threat from new entrance in market (Holtom, Mitchell, Lee and Eberly 2008). Early turnover, damage the core of business and force to owners to find the reasons behind this, if they find the appropriate reasons they are good enough to retain them (Holtom et al. 2008). Extensive research has proved that affective commitment to organization creates important outcomes ranging from decreased employees turnover and absenteeism, job performance increases in these cases (Grant et al. 2008). Affective commitment has a direct positive relation with employee retention in organization (Rhoades and Eisenberger 2002). Affective commitment is

a psychology of mind which retains employees into organization (Dockel et al. 2006). Affective commitment to organization creates a link to human behavior outcomes, ranging from decrease absenteeism and increase employee's retention (Grant et al. 2008). Employee affective commitment has been shown extra ordinary performance in job assignment and reduced intention of switching current job (Vandenberghe et al. 2007). Meyer and Allen's model of the commitment kinds commonly has a same intention to love with current job and do not switch it (Meyer et al. 2004). Managers are the only source to retain employees in organization with the help of emotional attachment and affective commitment (Shore et al. 1995). By dividing employees commitment into different shapes and patterns, affective, continuous and normative, are most closely to employee happiness at work place and his intention to stay into organization (Fisher* 2010). According to signaling theory, jobs assignments, promotions, and other organizational experiences based on human resource decisions serve as signals about employees' intention to stay with one organization, is called normative commitment (Wayne et al. 2002). Three forms of employee commitment tend to bind employee with organization, normative commitment have a strong effect to retain employee in organization (Meyer et al. 2004). Motowidlo and Lawton found in 1984, a relationship between employee retention and normative commitment (Langkamer and Ervin). Employees who are aware of about training, recruitment, salary, and bonuses and annual increment expenses passion of their normative commitment automatically increased (Dockel et al. 2006). In normative commitment employee belief on employer's loyalty, feel obligation to remain with it (Gakovic and Tetric 2003). Individuals with high perceived organization support, have a less intention to leave organization (Allen et al. 2003). A sufficient focus on perceived organizational support creates a lesson in employees mind, it is not fair to leave present organization at this time, perceived organization support decreased employee turnover. In resulting of perceived organizational support, employees think about their leaving decisions, effects on their casual behaviors towards organization and reduction in resignation (Eisenberger et al. 2002). The concept of reciprocity connect wellbeing from both sides, when you do a good for another, sure you will also get the same. (Eisenberger, Armeli, Rexwinkel, Lynch and Rhoades 2001a). When companies get a success to address poor working conditions, employees judged cost of staying with organization (Sinclair et al. 2005). Numerous studies show that perceive organizational support (POS) and employee retention have a strong positive relation (Eisenberger et al. 2001b). In recent studies researcher have proved that employee cannot stay in one organization, only one thing for their stay is they feel some obligation for employer (Shore and Wayne 1993). The literature support when increased in employees support programs than there is increased in employees perceive organizational support and this leave the result on employee retention into organization (Grant et al. 2008).

Research Methodology

Choice of methods is very important for investigation and final results. The goal with this research is that readers will be able to understand, accept and conclude the results. The concept needs to be clear for the readers to follow the investigation, discussion and argumentation (Rienecker, 2002). The most important way the use of simple language when writing research (Rienecker, 2002). Retention management is a key issue in previous decades, the background of this study to discuss the issue that makes it important for organization, to work hard on retention management. Our study aim to educate the top management about the importance of employee, reasons for leaving organization and intensive cost on it.

Sample Size

The sites used for this study is a large manufacturing of automobile components. Total strength of company is about 800 employees, 400 are full time employees, 200 are on company contract and remaining 200 are hired by third party contract. Company normally operates its plant 5 days in a week. There are two types of cadres, management cadres and non-management cadres. Non-management cadres were not involved in this study.

Questionnaire Development and Measurement

Data was collected through secondary source by using self-administrative questionnaire of every variable. Control variable were used are gender, designation and experience in years with current organization. Likert Scale from 1-5 was used, 5 represents strongly agree and 1 denotes strongly disagree. For affective commitment 8 questions, normative commitment 9 questions, perceived organization support 7 questions and for employee retention 8 questions were asked. Questionnaires were given from executives to managerial level through direct interaction, they were asked to complete questionnaires and return directly. Total questionnaires were delivered to 178 employees, 150 responses were received. Participants in the study were voluntary, and their confidentiality was assured. The management of the company was fully cooperated that's why within a week respondents returned questionnaires. The organization provided previous records of employee resigns and old employees' information that are related to study.

Hypotheses 1: Affective commitment significantly and positively related with employee retention

Hypotheses 2: Normative commitment significantly and positively related with employee retention

Hypotheses 3: Perceived organizational support moderates the relationship between affective commitment and normative commitment

Hypotheses 4: Perceived organizational support moderated the relationship between normative commitment and employee retention

Research Questions

Is there any relation of employee commitment in employee retention? What are the best practices of HR department for retaining employees in organization? What is the role of top management to retain employees? Is retention

management necessary in building a creative effective organization?

Data Analysis And Interpretation

To determine the data whether affective and normative commitment have any relation with employees' retention. Hence, MS Excel, MS Word and SPSS statistical software are employed to evaluate the data. To analyze the questionnaires information, first step is to define all control, independent and dependent variables in SPSS. Second step is to transpose the data collection into SPSS and run for results. Results are transferred into MS office sheet for interpretation. Tables and figures were later designed to allow for comparison. First of all checked all frequencies and then reliability of every variable. Main findings are standard deviation values; mean values, beta values, R square values, change in R square values and interaction terms. We attempt to try to examine, perceived organizational support variable participation in total model and try to interpret two hypothesis on this basis, whether it moderates or not.

Recommendation

The results of this study are not only useful to top management to selected companies although for other companies' top management. Leaders can reduce the gap between top, middle and lower level employees. They can assess the reasons why employees attached emotionally with their organization. Commitment is a key aspect to check employees' internal feeling for their organizations; it can be used in a better pattern in organization by proper communication to all employees.

Conclusion

Knowledge of retention is a key issue for organizations and it is hidden in organizational policies; it takes time, skills and resources. To ensure effective retention knowledge in organizations is crucial but it is necessary for creating a good organization. Commitment is a key concept for explaining relationship between employee and employer, commitment target both theoretically and practically reasons (Grant et al. 2008). Underrating of different forms of commitment which leads employees to attach with present organizations is a strong indicator to employees' retention. Employees join organizations for better benefits like salaries and other perks. According to Taylor employee retention is one of the biggest unmet opportunities in organizations in these days. Companies are facing the problems of employees leaving and joining to other companies, specially to competitors, the average employee change job ten time between the age of eighteen to thirty seven (Young, 2006). To retain employees in organization is an intense competition, to figure out how to keep employees from leaving, Human Resource department should spent a large amount of time, effort and cost. Employee only can stay in organization due to commitment and emotional attachment with organization.

The career escape has been characterized by change in recent years (Arthur and Rousseau), due to competition and increasing benefit trend in jobs. Employee want to a good future in their jobs, they feel their selves either they are fit

for this organization. Turnover imposes extensive cost on employer and employee, at employee level, the transitions to another job, no matter if the employees leaves voluntarily or is forced to leave. The employee estimated time for adjustment to in a new job and a career to get back on track is to one year, it stand by employer (Michell at al, 2001). Expert suggests that willingness to work with organization is related to employee commitment with employer, commitment has an emotional component that force employee to work for employer. Human Resource strategies must relate with employees welfare so that they considered their selves as a part of this organization.

Future Direction

Research need to be used third form of commitment “continuous commitment” for explaining full concept of commitment. Commitment should not be only one factor to determine employee retention. Employee’s history of treatment in the area of promotion, annual increment, training and development, motivation and career growth are essential elements to retain employee. Future research should be done on these variables as considering of independent variables. Employees’ intention to leave organization also a very good source for determining employees’ behavior to leave organization. Perceived organization support is not showing any moderation, organization culture can be used as a moderator in next study.

Limitation

A number of limitation for this study should be recognized, this study was only conducted in one company. The study focused on employee retention only, not the way of how employee can retain. Present study measures retention of company employees through employees’ commitment, job involvement, compensation and benefits, job autonomy, task effectiveness, happiness at work place did not considered. Third form of commitment that is continuous commitment is ignored in this study.

Figure 1 Insert Here

Relationship of four variables was shown in this model with the help of arrows. The main objective of this model is to get a deep underrating of relationship among independent, dependent and moderating variables. The chosen model will investigated how selected company’s Management retains its employees with the help of affective and normative commitment. Model is built on the basis of problem statement “Increasing attrition rate in automobile manufacturing company. First arrow from affective commitment to employee retention showing a direct relation between two variables and the same in the normative commitment case. Perceived organizational support is a moderator in this model and two arrows show it is moderating between normative and affective commitment at same time. Employee retention is a dependent variable. The first arrow from affect commitment to employee retention shows, employee retention depends on affective commitment; it may be after imperially testing, it is a first model and on this basis hypothesis one was built. The second arrow from normative commitment to employee retention shows,

employee retention depends on normative commitment; it may also be proved after imperially testing, it is a second model and on this basis hypothesis second was built. Third arrow that is touching the arrow between affective commitment and employee retention, shows that perceived organizational support playing a role as moderator, it is a moderator of first model and on this base third hypothesis was built. Fourth arrow that is touching the arrow between normative commitment and employee retention, shows that perceived organizational support playing a role as moderator, it is a moderator of second model and on this base forth hypothesis was built

Table 1 Insert Here

Affective commitment (AC) has a standard deviation of 0.6 and a mean of 3.93 at 1-5 Likert Scale and its reliability in our study is (0.845). Normative commitment (NC) has a standard deviation of 0.72 and a mean of 3.86 at 1-5 Likert Scale and its reliability in our study (0.879). Perceived organizational Support (POS) has a standard deviation of 0.76 and a mean of 3.89 at 1-5 Likert Scale and its reliability in our study (0.900). Employee retention (ER) has a standard deviation of 0.68 and a mean of 3.80 at 1-5 Likert Scale and its reliability in our study (0.812). There is a positive and significant correlation between affective commitment (AC) and Normative commitment (NC) with values ($r=.451, p < 0.01$). There is a positive and significant correlation between affective commitment (AC) and perceived organizational support (POS) with values ($r=.431, p < 0.01$). There is a positive and significant correlation between affective commitment (AC) and employee retention (ER) with values ($r=.495, p < 0.01$). There is a positive and significant correlation between normative commitment (NC) and perceived organizational support (POS) with values ($r=.674, p < 0.01$). There is a positive and significant correlation between normative commitment (NC) and employee retention (ER) with values ($r=.62, p < 0.01$). There is a positive and significant correlation between perceived organizational support (POS) and employee retention (ER) with values ($r=.681, p < 0.01$)

Table2 Insert Here

In order to test the first and second hypotheses, regression analysis was employed for finding beta and r square. Affective commitment (AC) has β value of .208 which is significant at .01, whereas R^2 is the value of 0.418 which shows that 41 % of the model is explained as β is showing significant relationship hence the hypothesis H1: Affective commitment positively related to employee retention is proved. Normative commitment (NC) has β value of .526 which is highly significant at .001, whereas R^2 is the value of 0.418 which shows that 41 % of the model is explained as β is showing significant relationship hence the hypothesis H2: Normative commitment positively related to employee retention is proved.

Table3 Insert Here

Affective commitment (AC) and Perceived organizational support (POS) were taken in the first step in the moderated regression analysis and the interaction term between independent variable and moderator was taken in the second step. The β of the interaction term showed a

negative value of (-0.342) and was not significant. Whereas the R^2 was (0.492) and there was a very minute change in R^2 in the second step. Hence the hypothesis H3: Perceived Organizational Support moderates the relationship between affective commitment and employee retention is not accepted. Normative commitment (NC) and Perceived organizational support (POS) were taken in the first step in the moderated regression analysis and the interaction term between independent variable and moderator was taken in the second step. The β of the interaction term showed a negative value of (-0.7) and was non significant. Whereas the R^2 was (0.519) and there was a very minute change in R^2 in the second step. Hence the hypothesis H4: Perceived Organizational Support moderates the relationship between normative commitment and employee retention is not accepted.

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APPENDEX

Figure 1. Schematic Diagram of Theoretical Model

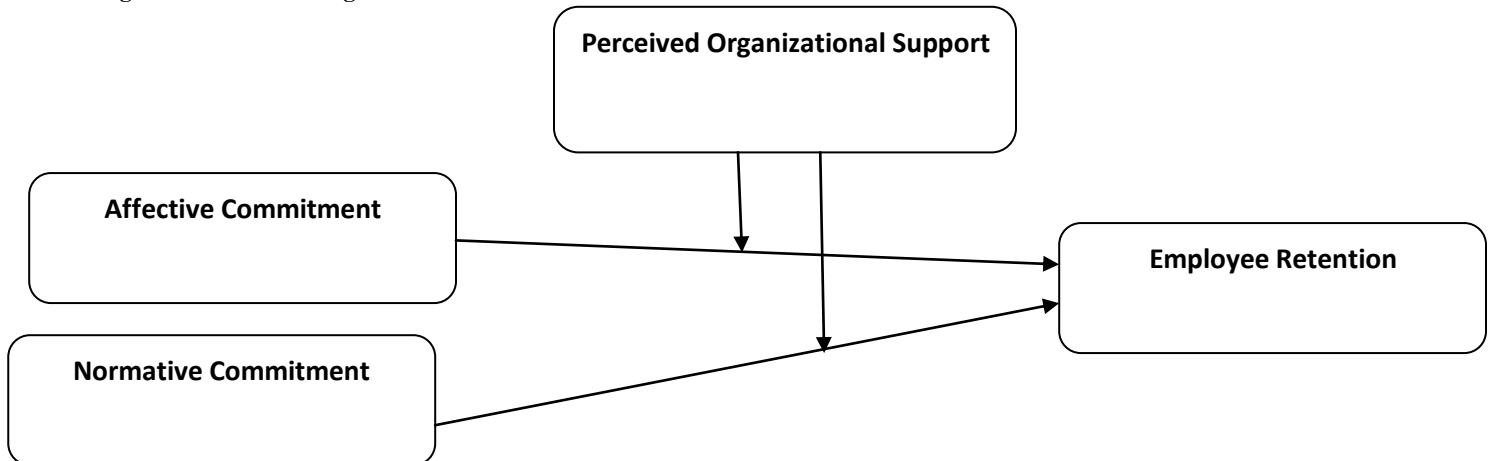


Table 1: Correlation

	SD	Mean	AC	NC	POS	ER
AC	0.60	3.93	(0.845)			
NC	0.72	3.86	.451**	(0.879)		
POS	0.76	3.89	.431**	.674**	(0.900)	
ER	0.68	3.80	.495**	.62**	.681**	(0.812)

(*** at 0.001 P-Value) (** at 0.01 P-Value) (* at 0.05 P-Value)

Table 2: Regression

Employee Retention (ER)	B	R ²
AC	.208**	0.418
NC	.526***	0.418

Table 3: Moderation Regression

Mediator (Perceived Organizational Support Between Affective / Normative Commitment and Employee Retention)

	B	R ²	ΔR ²
Step 1 AC		0.492	
POS		0.492	
Step 2 Interaction Term	-0.342	0.494	0.002
Step 1 NC		0.511	
POS		0.511	
Step 2 Interaction Term	-0.7	0.519	0.008