PERCEIVED EQUITY AND ORGANIZATIONAL CLIMATE AS PREDICTORS OF ORGANIZATIONAL COMMITMENT

[1]Okonkwo Ejike A., [2]Azike Irene N., [3]Okoro Chinwendu M., [4]Echezona-Anigbogu Jovita C. and [5]Eze Adaobi C.

[1,2,4&5]Department of Psychology, Enugu State University of Science and Technology, Enugu,
[3]Department of Guidance and Counseling, African Thinkers Community of Inquiry College of Education, 1Coal City University Close, Independence Layout, Enugu
E-mail: aejyke@yahoo.com

ABSTRACT

This study investigated perceived equity and organizational climate as predictors of organizational commitment among civil servants in Enugu urban. Sixty three (63) participants comprising 29 males and 34 females between the ages of 24 to 41 years with a mean age of (M = 33.48; SD = 5.79) were sampled using purposive sampling technique. Buchanan (1974) Organizational Commitment Scale, Smith (1976) Index of Organizational Reaction and Van Yperen (1996) Perceived Equity Scale adopted and validated by the researcher were used for data collection. A correlational design was used while multiple regression was used as statistical for data analysis. The results revealed that perceived equity and organizational climate neither jointly nor independently predicted organizational commitment at P > .05 level of significance. It was concluded that other factors than perceived equity and organizational climate might be responsible for the organizational commitment.

Keywords: *Perceived Equity, Organizational Climate, Organizational Commitment*

INTRODUCTION

Organizational commitment refers to emotional attachment of individuals to the organization (Meyer & Allen, 1991). As a result of such attachment, it is likely that individuals will perceive the organization's problems and outcomes as their own. Organizational commitment entails employees' belief in and acceptance of organizational goals and values, their willingness to work towards accomplishing the organization's goals, and their strong desire to continue as an organizational member (Porter, Steers, Mowday & Boulian, 1974). The concept of organizational commitment has attracted considerable interest as an attempt to understand the intensity and stability of employees' dedication to work and organization (Eisenberger, Fasolo, & Davis-LaMastro, 1990). Organizational commitment is an important part of an employee's psychological state because employees who experience high organizational commitment are to engage in many behaviors, such as citizenship activities and high job performance that are

believed to be beneficial to the organization (Jaros, 1997). Thus, a multiple commitments perspective strongly suggests that the commitment experienced by any one individual may differ markedly from that experienced by others (Reichers, 1985). Organizational commitment is a positive evaluation of the organization and the organizations goals (Sheldon, 1971) and a bond between an individual (the employee) and the organization (Buchanan, 1974). Meyer and Allen, (1991), Dunham, Grube and Castaneda (1994) identified three types of commitment; affective commitment, continuance commitment, and normative commitment. Affective commitment is the emotional attachment, identification, and involvement that an employee has with the organization and goals (Meyer & Allen, 1993). Continuance commitment is the willingness to remain in an organization because of the investment that the employee has with "nontransferable" investments. Nontransferable investments include things such as retirement, relationships with other employees, or things that are special to the organization (Reichers, 1985). Continuance commitment also includes factors such as years of employment or benefits that the employee may receive that are unique to the organization (Reichers, 1985). Employees who share continuance commitment with their employer often make very difficult for an employee to leave the organization (Meyer & Allen, 1997). Normative commitment is employees´ feeling of obligation to their workplace (Bolon, 1993) and moral obligation to the organization (Wiener, 1982).

Meyer, Allen and Smith (1993) noted that the three types of commitment are a psychological state "that either characterizes the employee's relationship with the organization or has the implications to affect whether the employee will continue with the organization. Staff or employees are the assets and the assistants to the organization. Without their commitment, the survival of the business may come to an end. Employees who are committed to their company will increase their job efforts (Organ, 1988), increased efforts might be seen as a means to reciprocate rewards from co-workers, supervisors and/or the organization as a whole (Lee, 2001). Organizational commitment has been found to be related to employee behavior and performance effectiveness, attitudinal, affective and cognitive constructs such as job satisfaction, characteristics of the employee's job and role such as responsibility and personal characteristics of the employee such as age, job tenure, perceived equity and organizational climate (Batemen & Strasser, 1984). Equity is commonly defined as anything of value earned through providing or investing something of value (Adams, 1965). Equity is achieved when the return on equity is equivalent to the investment made. Equity is achieved when pay equates to the value of the work performed. Inequity, on the other hand, occurs when the value of the work performed does not match the value of the compensation received. Perceptions of equity can also influence a company's ability to attract, retain, and motivate its employees. Employee perceptions of equity and inequity are equally

important and should be considered when a company sets compensation objectives. Employees who perceive equitable pay treatment may be more motivated to perform better or to support a company's goals. Individual employees, however, perceive equity in many different ways. According to Adams (1963), perception of equity is the extent to which an employee perceives he is treated fairly relative to comparable others inside and outside the organization. An employee's perception of equity is determined through comparing his inputs/outcomes ratio to the ratio of others inside and outside the organization. On one hand, inputs here include all the contributions that the employee brings to the organization such as time, effort, loyalty, hard work, commitment, ability, adaptability, flexibility, tolerance, determination, enthusiasm, personal sacrifice, trust in superiors, support from co-workers and colleagues, Skill, while outcomes include all the rewards/outputs that the employee receives from his organization in return for his contributions such as job security, salary, employee benefit, expenses, recognition, reputation, responsibility, sense of achievement, praise, thanks, stimuli. Most of the studies (e.g. McIntyre, Bartle, Landis, & Dansby, 2002, Paik, Parboteeah, & Shim, 2007, Lambert, Hogan, & Griffin, 2007, Deconinck & Bachmann, 2007) that investigated the perception of equity as a predictor of organizational commitment reported a positive relationship between the two variables. When an employee perceives that he is treated fairly, it is logical that he consequently feels satisfied with the job (McIntyre et al., 2002, Rifai, 2005, Paik et al, 2007, Lambert et al, 2007, Deconinck & Bachmann, 2007).

Organizational climate reflects an organization's objectives which aim to develop its employees by providing them with good working environment and condition, assisting and support them in having job satisfaction, and thus these all will enhance commitment to the organization among the staff. High-performing organizations have climates with particular measurable characteristics (Watkin & Hubbard, 2003) and employees more energized and productive in work environments in which particular organizational and leadership practices were present (Wiley & Brooks, 2000). The more energized and productive the employees were, the greater customer satisfaction was and the stronger the long-term business performance of the organization, thus suggesting that climate does make a difference in an organization's. Organizational climate has been described as an experientially based description of the work environment and, more specifically, employees' perceptions of the formal and informal policies, practices and procedures in their organization (Schneider, 2008). An important distinction has been made between psychological and organizational climate (Hellriegel & Slocum, 1984; James & Jones, 2004). Individuals' own perceptions of the work environment constitute psychological climate at the individual level of analysis, whereas organizational climate has been proposed as an organizational or unit-level construct. When employees within a unit or organization agree on their perceptions of the work context, unit-level or organizational

climate is said to exist (James & James, 2004; Joyce & Slocum, 2004). A large number of studies (e.g. (Ostroff, 2007) have consistently demonstrated relationships between unit or organizational climate and individual outcomes such as performance, satisfaction, commitment, involvement and accidents. Organizational climate is a concept that enables the industrial/organizational psychologist to identify how the organization is a psychologically meaningful environment for individual organization members (Payne & Pugh, 1976). Descriptively, it represents the individual member's perceptions of the conditions, factors, and events that occur in the organization (Ekvall, 1987).Organizational climate can be viewed as that which is represented by the employees' perceptions of the objective characteristics of an organization (Landy, 1989). For example the number of managers employed by an organization is objective, but employees' feelings about those managers are subjective. Organizational climate comprises of cognate sets of attitudes, values and practices that characterize the members of a particular organization (Xaba, 1996, Low, 1997).

Most scholars (e.g. Smith, Kendall and Hulin,1969) recognize that organizational climate is a global concept that also comprises various facet such as pay, promotions, coworkers, supervision and the work itself, and recognition, working conditions and company and management (Locke, 1976). Fajana (2002) refers to organizational climate as the general job attitudes of employees which he divided into five major components such as; attitude toward work group, general working conditions, attitudes toward the organization, monetary benefits and attitude toward supervision which he said is intricately connected with the individual's state of mind about the work itself and life in general. Employees who perceived equity and well conducive organizational climate tend to have high level of commitment towards the organization. They perceive their roles more expansively, care for the organization they are working for, and would put extra effort to perform duties that are beyond role-prescribed (Ackfeldt & Wong, 2006). Such extra-role duties are the outcome of loyal employee's emotional attachment to, identification with, and involvement in the organization (Meyer & Allen, 1991).

For the success of any organization, there should be a good organizational climate and perceived equity, thus effectiveness of an organization depends on the behavior of the people within the organization, and the organizational context, which they create (Ostroff, 1993). An in-depth analysis of organizational climate and perceived equity may help employees of an organization become more committed, hence this study.

THEORETICAL BACKGROUND
Adams Equity Theory
The Adams' Equity theory extends beyond the individual self, and incorporates influence and comparison of other people's situations - for example colleagues and

friends - in forming a comparative view and awareness of equity, which commonly manifests as a sense of what is fair. When people feel fairly treated they are more likely to be motivated and when they feel unfairly treated they are highly prone to feelings of disaffection and demotivation. The way that people measure this sense of fairness is at the heart of equity theory. Equity, and the sense of fairness which commonly underpins motivation, is dependent on the comparison a person makes between his or her reward/investment ratio with the ratio enjoyed (or suffered) by others considered to be in a similar situation. Adams called personal efforts and rewards and other similar 'give and take' issues at work respectively inputs and outputs. Inputs are logically what we give or put into our work. Outputs are everything we take out in return. The terms help emphasis that what people put into their work includes many factors besides working hours, and that what people receive from their work includes many things aside from money. Adams used the term referent others to describe the reference points or people with whom we compare our own situation, which is the pivotal part of the theory. Adams (1963) noted that inequity will motivate person to achieve equity or reduce inequity, and the strength of motivation to do so will vary directly with the amount of inequity. Equity theory focuses upon a person's perceptions of fairness with respect to a job resulting in commitment to the organization. Moreover, perception of equity makes employees feel that the organizational climate (environment) is favorable and supportive, thus the desire to be committed to the organization. In contrast, perception of inequity will likely make the employees feel that the organizational climate is not supportive, hence little or no commitment to the organization.

METHOD
Participants
A total of 63 participants comprising 29 male and 34 female between the ages of 24 to 41 years with a mean age of 33.48 and standard deviation of 5.79 were sampled using purposive sampling technique from the population of civil servants in Enugu urban. Purposive sampling was used due to the nature of the population under study with typical cases that provide requisite data (Kalton, 1983).

Instrument
Buchanan (1974) 23-item Organizational Commitment Scale (OCS), Smith (1976) 42-item Index of Organizational Reaction (IOR) and van Yperen (1996) Perceived Equity Scale (PES) were administered for data collection. The 23-item organizational commitment scale which measured the participants' organizational commitment had direct and reverse scoring. Buchanan (1974) reported Coefficient Alpha of .94 while Mogaji (1977) reported Cronbach Alpha of .62. The 42–item Index of organizational reaction inventory which measured organizational climate had direct and reverse scoring. Smith (1976) and

Mogaji (1997) reported reliability coefficients of respectively .69, .71, .74, .62, .65, .64, .72 and .8, .89, .91, .85, .88, .99, .87 respectively for the subscales of the instrument. The 7–item perceived equity scale which measured perceived equity of the participant had a seven-point response scale ranging from strongly disagree (1) to strongly agree (7). All responses were reversely-coded. Van Yperen (1996) obtained a reliability coefficient of 0.90 and the present researchers in a pilot study reported Cronbach alpha of .85 and Spearman Brown split-half reliability of .86.

Procedure: The researcher administered a total of 78 copies of the questionnaire within 2 weeks. This administration was carried out in various ministries in Enugu urban (e.g. Enugu State Judiciary High Court, Ministry of Information, Civil Service Commission and ESUT Teaching Hospital). The exercise was carried out after been permitted by the authorities of these workplaces. To this end, 63 (92.5%) copies which were properly completed and returned were used for analysis and testing of the hypotheses

Design/Statistics: The study used correlational design. Multiple regression was applied as a statistical test using Statistical Package for the Social Sciences (SPSS).

Results

Table I: Summary table of Multiple Regressions on Perceived Equity and Organizational Climate as predictors of Organizational Commitment among Civil Servants.

Criterion variable	Predictor Variables	B	Beta	t	P	Confidence limit		R	R^2	Adjusted R^2	F	p
						Lower Bound	Upper Bound					
Organizational climate								.209	.044	.012	1.372	>.05
	Perceived Equity	.293	.160	1.266	>.05	-.170	.755					
	Organizational climate	3.965	.128	1.011	>.05	-.3.882	11.812					

From table I above, it was observed that perceived equity and organizational climate did not jointly predict organizational commitment among civil servants R^2 =.044, F (2, 62) = 1.37, P > .05 level of significance. These results indicated that there was no significant relationship between the predictor variables (perceived equity and organizational climate) and the criterion variable (organizational commitment), R=.209. Perceived equity together with organizational climate accounted for 1.2% of the variation in organizational

commitment (Adjusted R^2 = .012). Moreover, as shown in the table, the regression coefficients for perceived equity (b) was .29 (95% confidence interval of -.17 to .76) and organizational climate (b) was 3.97 (95% confidence interval of -.3.88 to 11.81). Since the confidence limits contained negative values, therefore it could be concluded that the population regression coefficient for perceived equity (t = 1.27, ns) and organizational climate (t = 1.01, ns) were negative. Based on the outcomes, the standardized regression coefficients indicated that Perceived equity and organizational climate   independently did not predict organizational commitment among civil servants. Therefore the hypothesis which stated that 'perceived equity and organizational climate will neither jointly nor independently predict organizational commitment was confirmed and thereby accepted.

DISCUSSION

The results of previous studies (e.g. Steers, 1977, DeCotiis & Summers,1987, Folger & Konovsky,1989) did not support the findings of this present study which revealed that perceived equity and organizational climate neither jointly nor independently predicted organizational commitment. These indicated that perceived equity and organizational climate as experienced by civil servant jointly did not predict their organizational commitment. These result showed that there was no association between the joint experience of perceived equity and organizational climate as factors and organizational commitment of civil servants in Enugu urban. Hence, increase in civil servants organizational commitment was not associated with the increase in satisfaction of their perceived equity and organizational climate experiences. Moreover, the results revealed that independently perceived equity and organizational climate did not predict civil servants organizational commitment. Thus, independent experiences of these work variables (perceived equity and organizational climate) by civil servants did not associate with their organizational commitment. That was to say that civil servants perceived equity alone did not relate to their organizational commitment manifestation. In the same vein, their satisfaction with organizational climate alone had no relationship with their organizational commitment manifestation. Hence increase in civil servants' perceived equity had no relationship with their increase in organizational commitment. This was also applicable to organizational climate and organizational commitment. The outcome of this present study not being in agreement with previous studies did not come as a surprise, considering the nature of the work environment and workers objectives in joining the work force especially civil service. In Nigeria, white collar job is always seen as the end thing, therefore, civil servants in as much as they receive their pay, go to leave, and enjoy other benefits which many a time are tokens compare to what they will actually get if the system is not corrupt. They tend to be committed in other not to lose their job, since the high rate of unemployment in the country can make one to tolerate

injustice in order to remain in an organization especially in the public sector. Now, instead of a worker looking at equity from the work or organizational point of view he/she will be viewing it from the employed and unemployed point of view. This popular saying is always a readymade answer to such situation "half bread is better than none". To this end, perceived equity and organizational climate not predicting organizational commitment could be attributed to factors inherent in the Nigerian workforce and high rate of fear of the unknown.

CONCLUSION

The findings of this study have shown that perceived equity and organizational climate neither jointly nor independently predicted organizational commitment among this segment of civil servant, hence the need to consider other factor as possible determinants of organizational commitment. However, policy makers in both public and private Nigerian organizations irrespective of the outcome of this study should consider fair treatment of employees and supportive work environment among other factors as important factors that result in organizational commitment.

REFERENCES

Ackfeldt, A.L. & Wong, W. (2006). The Antecedents of Prosocial Service Behaviours: An Empirical Investigation. *Service Industries Journal, 26:* 727-745.

Adams, J. S. (1965). Inequity in Social Exchange. In Berkowitz, L. (Ed.) *Advances in Experimental Social Psychology* (Vol. 2, pp. 267-299). New York, Academic Press.

Adams, J.S. (1963). 'Towards an Understanding of Inequity'. *Journal of Abnormal and Social Psychology, 67:* 422–36.

Bateman, T.S. & Strasser, S. (1984). 'A Longitudinal Analysis of the Antecedents of Organizational Commitment'. *Academy of Management Journal, 27*: 95–112.

Bolon, D. S. (1993). Beyond Job Satisfaction: A Multidimensional Investigation of the Relationship between Organizational Commitment and Organizational Citizenship Behaviours. Virginia Polytechnic Institute and State University.

Buchanan, B. (1974). Building Organizational Commitment: The Socialization of Managers in work Organizations. *Administrative Science Quarterly, 19:* 533-546.

DeCotiis, T.A. & Summers, T.P. (1987). A Path Analysis of a Model of the Antecedents and Consequences of Organizational Commitment. *Human Relations, 40 (7),* 445-470.

Deconinck, J. & Bachmann, D. (2007). "The Impact of Equity Sensitivity and Pay Fairness on Marketing Managers' Job Satisfaction, Organizational Commitment and Turnover Intentions." *Marketing Management Journal, 17(2)*: 134-141

Dunham, R., Grube, J., & Castaneda, M. (1994). 'Organizational commitment: the utility of an integrative definition'. *Journal of Applied Psychology*, 79(3): 370-380.

Eisenberger, R., Fasolo, P., & Davis-LaMastro, V. (1990). Perceived Organizational Support and Employee Diligence, Commitment, and Innovation. *Journal of Applied Psychology, 75:* 51–59.

Ekvall, G. (1987). The Climate Metaphor in Organizational Theory. In B. M. Bass, & P. Drenth (Eds). *Advances in Organizational Psychology: An International Review* (pp.177-190). Beverly Hills, CA: Sage.

Fajana, S. (2002). *Human Resource Management: An Introduction.* Lagos: Labofin and Company.

Folger, R., dan Konovsky, M.A. (1989). Academy of Management Journal. 32(1): 115-130.

Hellriegel,D & Slocum, J.W. (1984). "Organizational Climate: Measures, Research and Contingencies". *Academy of Management Journal, 17:* 255-280.

Hellriegel, D. & Slocum, J. (2006). *Organizational behaviour* (11th Ed.). Mason, OH: South Western.

James, O.J & James, O.P. (2004). The Meaning of Organisations: The role of Cognition and Values. *Organisational Climate and Culture, 5(2)*, 40-84.

Joyce, O.U and Slocum, J.W. (2004). Collective Climate: Agreement as a Basis for Defining Aggregate Climates in Organisations. *Academy of Management Journal. 27(6):* 721-742.

Jaros, S.J. (1997). An assessment of Meyer and Allen's (1991) there-Component Model of Organizational Commitment and Turnover Intention. *Journal of Vocational Behaviour, 51*: 319-337.

Kalton, G. (1983). *Introduction to Survey Sampling.* Newbery Park, CA: Sage.

Lambert, E., Hogan, N. L. & M. L. Griffin (2007). "The Impact of Distributive and Procedural Justice on Correctional Staff Job Stress, Job Satisfaction, and Organizational Commitment." *Journal of Criminal Justice 35(6):* 644-656.

Landy, F. J. (1989). *Psychology of Work Behavior.* Pacific Grove, CA: Brooks/Cole.

Lee, H. J. (2001). Willingness and capacity: The Determinants of Prosocial Organizational Behaviour among Nurses in the UK. *International Journal of Human Resource Management, 12,* 1029-1048.

Low, D.A. (1997). *Human Development.* Pretoria: Kagiso.

Matulovich, M.J. (1978). An Analysis of the Organizational Climate of a Company in the South African Motor Industry. Unpublished MBL Dissertation. Pretoria: University of SouthAfrica.

McIntyre, R.M., Bartle, S.A., Landis, D., & Dansby, M.R. (2002). The Effects of Equal Opportunity Fairness Attitudes on Job Satisfaction, Organizational Commitment, and Perceived Work Group Efficacy. *Military Psychology, 14(4),* 299-319.

 Meyer, J. P., & Allen, N. J. (1997). *Commitment in the Workplace: Theory Research, and Application.* Thousand Oaks, CA: Sage.

Meyer, J.P. & Allen, N.J. (1991). 'A Three-Component Conceptualization of organizational Commitment'. *Human Resource Management Review, 1:* 61–89.

Mogaji, A.A. (1997). "Effect of Organisational Climate on Employees Commitment, Involvement and Motivation in some Nigerian Manufacturing Industries." Unpublished Ph.D Thesis,   Department of Psychology, University of Lagos.

Organ, D.W. (1988). *Organizational Citizenship Behaviour: The Good Soldier Syndrome.* Lexington, MA: Lexington Books.

Ostroff, O.R, Kinicki, S.N. & Tamkins, U.O. (2007). Relationships between Psychological Climate Perceptions and Work Outcomes: A Meta- Analytic Review. *Journal of Organisational Behaviour,* 24(4), 389-416.

Paik, Y., Parboteeah, K., & Shim, W. (2007). "The Relationship between Perceived Compensation, Organizational Commitment and Job Satisfaction: The case of Mexican Workers in the Korean Maquiladoras." *International Journal of Human Resource Management 18(10)*: 1768-1781.

Payne, R., & Pugh, D.S. (1976). Organizational Structure and Climate. In M.D. Dunnette (Ed.), *Handbook of Industrial and Organizational Psychology.* Chicago: Rand McNally.

Reichers, A.E. (1985). A Review and Reconceptualization of Organizational Commitment. *Academy of Management*, 10(3), 465-475.

Rifai, H.A. (2005). A Test of the Relationships among Perceptions of Justice, Job Satisfaction, Affective Commitment and Organizational Citizenship Behaviour. *Gadjah Mada International Journal of Business*, 7, 131-154.

Schneider, I.I. (2008). Motivation and Organisational Climate. Journal of Personnel Psychology, 29(3). 371-392.

Sheldon, M. (1971). Investments and involvements as mechanisms producing commitment to the organization. *Administrative Science Quarterly, 16:* 143-150.

Smith, P.C. (1976). Index of Organisational Reactions (IOR). *JSAS Catalog of Selected Documents in Psychology*, 6(1), 54 No. 1265.

Steers, R. (1977) 'Antecedents and Outcomes of Organizational Commitment'. *Administrative Science Quarterly, 22:* 46–56.

Van Yperen, N.W. (1996). Communal Orientation and the Burnout Syndrome among nurses: A Replication and Extension. *Journal of Applied Social Psychology, 26*: 338-354.

Watkin, C., & Hubbard, B. (2003). Leadership Motivation and the Drivers of Share Price: The Business Case for Measuring Organisational Climate. *Leadership and Organization Development Journal, 24*(7), 380-386.

Wiener, Y. (1982). Commitment in Organization: A Normative view. *Academy of Management Review. **7***:601-607.

Wiley, J.W., & Brooks, S.M. (2000). The High-Performance Organizational Climate. In N.M. Ashkanasy, C.P.M. Wilderom & M.F. Peterson (Eds.), *Handbook of Organizational Culture and Climate* (pp. 177-191). Thousand Oaks, CA: Sage.

Xaba, M. I. (1996). "Factors Influencing the Job Satisfaction of Senior Teachers in Schools Attended by Black Students". Unpublished M.Ed Dissertation, Patchefsroom, University for Christian Higher Education.