



# Impact Of Employee Resilience On Organizational Commitment: An Empirical Study Among Employees Of Indian Banking Sector

Dr. Aman Khera

Assistant Professor

University Institute of Applied Management Sciences (UIAMS), Panjab University, Chandigarh

## Abstract

Indian Banking sector has registered tremendous growth in the past by providing various incentives and job opportunities to employees and growth to the nation. Employee resilience is a strategic imperative for effective coping when faced with adversities and can be essential for long-term effectiveness. Resilience as a resource capacity may help employees bounce back from different adversities. Organizational commitment as a psychological concept has been identified as an important factor, which plays a significant role in the relationship between individuals and organizations. The study aims at studying of the impact of employee resilience on organizational commitment among the banking sector employees in India. The data sample is of 100 employees of banks in the northern region was collected and questionnaire was distributed for the same in both physical copy and online form, in which employee resilience and organisational commitment was measured using the standardized questionnaire. The results have indicated significant correlation between the variables. The results showed that there is a positive relationship among employee resilience and organizational commitment at workplace in Indian banking sector.

**Key words:** Employee Resilience, Organizational Commitment, Indian Banking Sector.

## Introduction

Indian Banking sector has registered tremendous growth in the past by providing various incentives and job opportunities to employees and growth to the nation. India's banking sector has an effect on a wide variety of activities such as trade, hotel and restaurants, financing, insurance, real estate, community, health and care, tourism, education, engineering, communications, transportation, information technology, banking and management. In today's fast growing and highly competitive banking sector, employee's voluntary behavior and activities which go beyond the employee's official or prescribed duties that have a major impact on the efficiency of the whole organization become all the more important. Such activities come within the scope of the concept of positive organizational behavior.

## Employee Resilience

The term "Resilience" conveys many things to many people, though we believe in our ability to learn, change, and master stressful situations of work and life. Employees who are working in various organizational settings, irrespective of the size, type, level, and location effectively adapt to changes by greater skills to suit environmental pressures, simultaneously the organizations also undergo changes through downsizing, merging and acquisitions in order to survive (De Meuse et al., 2011). Wagnild & Young, (1990) states, at one point of a lifetime, every person is bound to stumble and fall, but each differs on their ability to bounce back and keep going is known as resilience.

Werner and Smith (1970) was one of the first scientists to use the term Resilience. She studied a cohort of children from Kauai, Hawaii. Kauai was quite poor and many of the children in the study, grew up with alcoholic or mentally ill parents, many of the parents were also unemployed (Waglund & Young, 1993) Werner observed that of the children who grew up in these bad situations, two-third exhibited destructive behaviors in their later teen years, but one-third of these children did not show destructive behaviors, Werner called the latter group as 'Resilient'. (Luthans, 2002) recognizes resilience in the workplace as found in psychological capital and positive organizational scholarship.

During the past three decades, many theories of resilience have been proposed by various researchers, the most predominant theories have described resilience from a variety of perspectives such as, a Trait or personality perspective, a developmental phenomenon and a process perspective. (Waglund & Young, 1993) view Resilience as a personality characteristic that moderates the negative effects of stress and promotes adaptation. Majority of theories incorporate the notion that resilience is a dynamic process that changes over time, (Luthan, 2002) describes resilience as a developable capacity, rather than a stable personality trait, hence organizations should come forward on developing the individual resilience, which in turn enhances employee's individual, and organizations wellbeing. McCubbin (2001) defined resilience as an outcome that can be divided into two groups: poor outcomes and positive outcomes. Poor outcomes are observed in vulnerable groups where as positive outcomes are found in invulnerable groups. Schoon (2006) explained resilience as a dynamic process whereby individuals show adaptive functioning in the face of significant adversity.

## Organizational Commitment

Organizational commitment refers to the nature of the employee's attachment to their organization (Shahnawaz & Jafri, 2009) and to the employee's identification with and involvement in a particular organization (Mowday, Porter & Steers, 1982). Porter et. al., 1974 have defined it as —an attachment to the organization, characterized by an intention to remain in it; an identification with the values and goals of the organization; and a willingness to exert extra effort on its behalf. Their definition further implies that employees and individuals will be influenced hugely by the extent to which the goals and values of the organization they are a part of, relate to their own.

Organizational commitment is a feeling an employee bears for the organization that he/she is working for (Swales, 2002), which is also a function of the perceived compatibility between the individual and the organization (Bateman and Strasser 1984). Researchers view organizational commitment as a kind of psychological commitment that makes an individual internalize the goals and values of the organization, try hard to be a part of it and feel like a strong member of the family (Steers 1977; Mowday et al., 1979). It can then be said that organizational commitment is characterized by the strong desire to continue the membership of an organization. In sum, the degree of commitment often determines the decision to stay with the organization, as Clugston (2000) shows that individuals with a high degree of commitment are less likely to quit their jobs.

Allen and Meyer (1990) proposed a three-component model of organizational commitment: affective, continuance and normative commitment. Affective commitment refers to the employee's emotional attachment to, identification with and involvement in the organization. Continuance commitment refers to commitment based on the benefits of staying with the organization versus the costs that are associated with leaving the organization. Normative commitment refers to an employee's feeling of obligation to remain with the organization. Much research has focused on the affective component of organizational commitment (Field & Buitendach, 2011). The affective component has the strongest and most consistent relationship with desirable workplace outcomes.

### Objective of the Study

- To examine the impact of employee resilience on organizational commitment among bank employees in northern India.

### Research Methodology

The study has been undertaken to examine the impact of employee resilience on organizational commitment of employees in the Indian banking sector. For the purpose of data collection standardized questionnaire related to employee resilience and organizational commitment has been used collectively along with some demographic variables, and shared with the employees of banks in the northern India. The standardized questionnaires used for employee resilience in the research, was developed by Morgana Hodliffe (2014), Employee Resilience Scale (EmpRes). The questionnaire contains 14 items. A pilot study was done with the aim to identify unsuitable items and refine the scale the preliminary scale dimensions.

The organizational commitment was measured by using the standardized questionnaire developed by Allen and Meyer Scale (1990) was used. The scale contains 24 items which are divided into three factors viz., affective commitment; continuance commitment and normative commitment.

## Data Analysis

In order to analyze the impact of employee resilience (independent variable) on organizational commitment (dependent variable), linear regression analysis is being used.

### Regression Analysis

#### Descriptive Statistics

	Mean	Std. Deviation	N
OCM	3.3321	.50865	100
ERM	3.8629	.64575	100

Table 1

The table 1 describes the descriptive statistics for the variables employee resilience and organizational commitment. ERM represents the mean of responses related to employee resilience, whereas, OCM represents the mean of organizational commitment mean. As we can see in the table, organizational silence has (Mean=3.8629, Standard deviation=.64575), organisational commitment has (Mean=3.3321, Standard deviation=.50865).

#### Correlations

		OCM	ERM
Pearson Correlation	OCM	1.000	.315
	ERM	.315	1.000
Sig. (1-tailed)	OCM	.	<.001
	ERM	.001	.
N	OCM	100	100
	ERM	100	100

#### Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	ERM <sup>b</sup>	.	Enter

a. Dependent Variable: OCM

b. All requested variables entered.

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			
						F Change	df1	df2	Sig. F Change
1	.315 <sup>a</sup>	.099	.090	.48520	.099	10.802	1	98	.001

a. Predictors: (Constant), ERM

Table 2

The table 2 shows the linear regression model summary and overall fit statistics for the dependent variable Organizational Commitment. We find that the adjusted  $R^2$  of model 1 is .099 with the  $R^2 = .099$ . This means that the linear regression explains 9.9% of the variance in the data in model 1.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.373	.296		8.026	<.001	1.787	2.960
	ERM	.248	.076	.315	3.287	.001	.098	.398

a. Dependent Variable: OCM

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.543	1	2.543	10.802	.001 <sup>b</sup>
	Residual	23.071	98	.235		
	Total	25.614	99			

a. Dependent Variable: OCM

b. Predictors: (Constant), ERM

Table 3

The table 3 shows the  $F$ -ratio in the ANOVA table tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable Organisational Commitment, for all the models (i.e., the regression model is a good fit of the data).

### Correlation Analysis for Relationship between Employee Resilience and Organizational Commitment

Pearson correlation is worked out to see whether there is any relation between Employee Resilience (ER) and Organisational commitment (OC) among bank employees.

#### Correlations

		OCM	ERM
OCM	Pearson Correlation	1	.315**
	Sig. (2-tailed)		.001
	N	100	100
ERM	Pearson Correlation	.315**	1
	Sig. (2-tailed)	.001	
	N	100	100

\*\* Correlation is significant at the 0.01 level (2-tailed).

Table 4

The table 4 above shows that the correlation between employee resilience and organisational commitment (OC) is 0.315 which indicates that there exists a positive relationship between employee resilience and organisational commitment at level of significance (p-value of .01). Thus, there is significant relationship between the between Employee Resilience and Organisational Commitment is accepted.

## Conclusion

The study shows that there is a lack of strong empirical evidences in Indian banking sector that determine impact of employee resilience on organizational commitment. Very few studies were found that focuses on the prevalence of organizational silence in the banking industry. The current research stands unique by analysis the combination of two variables of employee resilience and organizational commitment. This study also contributed on how employee resilience and organizational silence are related. The findings of this study would be useful to management working in the banking sector to analyze the impact organizational silence on commitment of employees. The relationship has been analyzed has been analyzed by conducting questionnaire survey among the bank employees in northern India. The research reveals that there is a positive relationship between employee resilience and organizational commitment.

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