

Organizational commitment: an ever-shifting concept forever changed by COVID-19

ABSTRACT

Evolving from the concept of organizational loyalty, organizational commitment (OC) is a construct that we propose is both dated and lacking in the literature. Our paper aims to address critical gaps in OC literature as it pertains to human resource development for the modern work setting by highlighting three salient elements that have a significant impact on OC on an international scale. We posit that technology, dynamic markets, and globalization are crucial aspects of OC that are largely omitted by the literature in this domain and should be further examined to enhance our understanding of OC as it pertains to human resources development. We also highlight the profound influence that the COVID-19 pandemic has had on OC from a human resources development perspective across the globe. Implications for practitioners and researchers are discussed.

KEYWORDS Commitment, turnover, COVID, technology, globalization, market

Introduction

Organizational loyalty is a dated concept that refers to the degree of engagement, pledge, and tenure an individual employee is willing to offer to their specific organization (Jauch, Glueck, and Osborn 1978). This literature eventually led to the more modern spinoff of this construct, nowadays often referred to as organizational commitment (OC; Meyer and Allen 1991), which refers to the person-organization fit in terms of culture, the desire to put forth effort that can improve the organization, and the drive to remain a team member of the organization.

Comprised of the three aspects of Affective Attachment, Perceived Costs/Continuance, and Obligation/Normative, this conceptual trichotomy of OC has led to a plethora of related research that has expanded the complexity associated with each element of the model (Jaros 1997), including job satisfaction (Hellman 1997), supervisor leadership (Mathieu et al. 2016), and loyalty (Chen, Tsui, and Farh 2002). Despite some research into the OC domain, the OC literature is largely fragmented and comprised of disagreements across scholars (Mercurio 2015). This presents a serious issue for practitioners that are attempting to follow best practices for retaining talented employees.

In this vein, we posit that there are issues and gaps in the literature as it stands. We further discuss the continuous and uncertain impact that COVID-19 and its corresponding variants have on OC on an international scale, specifically as it pertains to human resources development. As such, our aim is to modernize and expand the construct of OC by including salient and timely influential elements such as COVID on technology, globalization, and modern practitioner perspectives on commitment with regard to human resources development.

The missing core elements of organization commitment

We suggest that the following three elements significantly affect and predict modern OC: Technology, Dynamic Markets, and Globalization. These constructs were selected because each of these elements has their own discriminant value to OC, yet they are simultaneous connected and more importantly seemingly ignored by both historical and modern academic research. As a result of the COVID-19 pandemic, the modernization of each of these aspects has become increasingly critical for organizations to survive and function, which has in turn led to shifts in OC throughout virtually all industries across the globe.

Technology

Access to job openings has become virtually universal due to the advances of the internet. Employers can post job openings online on a variety of dedicated sites, their own websites, social media sites, etc. Given that millennials are more likely to be active on the internet (Lund, Manyika, and Robinson 2016), it is now easier than ever for current employees to seek job opportunities with reduced risk and effort; this makes it all the more crucial for organizations to strategize methods in which they can retain talent (Maznevski 2015).

While the modern workforce was already moving towards an online-friendly model that accommodated and fostered digital work, the COVID-19 pandemic further hastened this formerly optional transition (Howe et al. 2020). As governments across the world began issuing quarantine orders, requiring non-essential businesses and personnel to stay at home, many organizations and their employees had to quickly adapt to a digital and remote work environment (Donthu and Gustafsson 2020). Many companies have faced significant issues throughout the pandemic; some employees are leaving their long-term employers for other job opportunities that better accommodate their preferred work style. Furthermore, as labour shortages seemingly plague virtually all industries at an international level, former employees cite a fear of being paid less than their prior jobs and preparing for career shifts among their top reasons for remaining unemployed. Conversely, some employers claim that the lack of a labour force is primarily due to the unemployment benefits provided by some governments (Maurer, 2021). This disconnect highlights the evolution of OC, as employees feel that they are underpaid and have more options than ever. Such a mindset would have been unlikely with the dramatic increase in remote-work options, as well as an increase in time as a result of lay-offs and shutdowns that allow former employees to seek alternative job options and re-evaluate their worth (Amico 2021).

As such, it is our recommendation that organizations seriously consider permanent options that allow employees to work, at least to some extent, remotely if they so desire. This trend is becoming increasingly prevalent, with major international companies such as Microsoft simply changing their policies to indicate that their employees can choose to work remotely indefinitely (Novet 2021). Such powerful work options act as alluring incentives to employees who already struggle balancing their multiple-life responsibilities without the addition of being required to physical travel to a workplace. If travel is arbitrary, such mandatory policies that require employees to be in the office will all but certainly eat away at an employees' baseline level of OC.

Dynamic markets

Whereas COVID-19 may have expedited the increasing trend of limited organizational commitment across employees, a culture of reduced OC was already becoming more common across industries at an international level, particularly among the younger workforce (Hervas-Oliver et al. 2013). In dynamic and rapidly changing industries such as information technology and security, losing OC from employees can trigger considerable consequences for the organization. Not only will the organization need to quickly replace talent, they may find that replacing them could be challenging depending on the labour force available. For example, an international labour shortage is having severe implications for human resources development and international trade for basic amenities, as companies become increasingly desperate to recruit and attract employees that are not particularly interested in returning to work (Karan and Asgari 2021). Furthermore, simply replacing an employee with a new hire that is equally qualified may not be quite enough to remedy the issue of the original employee leaving. This is especially the case when the former employee was performing critical functions whereby they had exclusive knowledge of how to perform their job tasks that cannot be easily trained.

In addition to the sheer cost required to hire, train, and integrate a new employee to replace another, this can often trigger a cascading effect, as other employees that are

familiar with the vacant job's functions will have to pick-up those responsibilities (albeit often temporarily), including additional stress as well as taking time away from their own responsibilities (Winterton 2004). In addition to a labour force that is reluctant to return to work, this acts as a nightmarish scenario for international human resource development. To combat these undesirable issues that stem from a lack of employee OC, organizations are encouraged to provide unique incentives and rewards to their employees that may help increase the opportunity cost of employees leaving. While in some cases salary is a powerful tool for retention, if matching a competitor's offer is not feasible other perks that would be hard for competitors to offer can often times be more valuable for an individual when compared to sheer salary (Sutton 1985). Drawing on Herzberg's Two-Factor Theory of motivation, there are several motivators that could be offered as incentives to remain with a company. Among these include customized vacation packages, bonuses, work-hour flexibility, the option for remote work, increased autonomy, and much more (Alfayad and Arif 2017).

Globalization

Whereas it is understandable that the lack of OC is baffling and upsetting to employers, it is not too surprising given that organizations worldwide have also seemingly begun to value individual employee commitment less as well (Hervas-Oliver et al. 2013). There are myriad reasons as to why an organization may not necessarily be interested in the commitment of their employees; most notably, organizations often recruit higher calibre talent to assume the roles of less impressive current employees. Other cases could simply occur when an employee is overpaid due to constant raises of a long tenure within the same company. We often see cases such as this be resolved with retirement incentives being offered to such employees, as a means of removing them from the organizational payroll for less expensive options.

The ongoing COVID pandemic and its salient impact on the labour force is a prime example as to why organizations should double-down on OC now more than ever. Aside from the obvious fact that many industries across the globe simply cannot afford to lose an already strained and bare-boned workforce, demonstrating a genuine interest in employee well-being can potentially foster a sense of commitment that has been seemingly abandoned in modern organizations (Erickson and Roloff 2007).

Although global organizations are accustomed to working through differences in culture, these shifts in OC can potentially vary widely among each culture. Culture shapes the perspectives employees have towards OC (Wood and Wilberger 2015). Globalization has been shown to expedite the deterioration of core concepts such as loyalty and commitment (Albrow et al. 1994). Because globalization has been shown to have a direct effect on commitment, our understanding of OC must also be broadened to incorporate this aspect. This issue is exacerbated by the fact that global companies need to merge multiple cultures, and therefore multiple perspectives regarding OC, into one cohesive organizations. This may require global organizations to create discrete means to reduce turnover and increase commitment depending on the culture or cultures in which they operate. Furthermore, research has shown that globalization causes different cultures to directly affect each other (Tomlinson 1999). This means that any programmes in place meant to enhance OC within a global company will need to be consistently reviewed to assess their efficacy. Such investments may very well aid in mitigating the subsequent effects of the pandemic on international labour shortages via a genuine commitment towards OC.

Discussion

Implications for applied practitioners

Much of the literature covering organizational commitment (OC) stems from the dated literature on organizational loyalty (OL). However, we posit that the original foundation in which OC was built upon on loyalty is largely outdated and inapplicable to modern organizations. Technology, dynamic markets, and globalization have all drastically

affected both organizational loyalty and commitment over the past few decades. Further bolstering this shift is the dramatic impact of COVID-19 and its relevant variants on the international labour force, which has led to mass labour shortages because of a lack of employee OC amongst other key variables (Maurer 2021). As it pertains to human resources development on an international scale, organizations are highly encouraged to revisit their conceptualization of OC and its corresponding value. Understanding how such a focus could have prevented current HR-related issues such as turnover, attrition, and recruitment-shortages can act as powerful preventative for subsequent problems that may arise. As such, we suggest that OC research incorporate these salient elements, shying away from the foundational and dated literature in which the concept of OC was originally based upon.

To combat the ever-evolving issue of technological advancement and the increased job options, we encourage organizations to consider a fluid approach towards work expectations. This could come in the form of listening to employee preferences and needs, including the option for increased digital work opportunities whereby they can complete their job functions with greater flexibility such as remote options. Many organizations have learned an important lesson that employees may not be as expendable as they once thought, even at the entry-level. Indeed, entry-level employees are often the crux of many organizations in several industries across the world that associate with food, service, and retail, as these employees are mandatory in order for an organization to function and are often the ones that interface with customers. As it pertains to the nature of dynamic markets, providing a plethora of differing unique or idiosyncratic benefits and rewards to employees may be a valuable means of combating a reduction in OC. While matching a competitor's salary offer to a current employee may not always be feasible, sometimes simply listening to the interests of an employee can better help manager ascertain the corresponding motivators for an employee that may not necessarily be linked to a simple dollar amount.

We posit that our modernized approach towards this relevant organizational topic provides a novel twist on the commonly studied concept of OC that is critical for both practitioners and researchers alike. Indeed, the current approach towards securing OC from employees may very well be lacking in intuitive areas that could improve retention and performance alike. The magnitude and consequences of this paradigm shift that we are proposing will likely catch the attention of researchers, practitioners, and popular media alike, as it essentially suggests that we are effectively ignoring elements that could dramatically improve employee commitment across a variety of organizations and industries. The plethora of potential avenues for future research are virtually endless because OC impacts all business regardless of size, industry type, or maturity; ultimately addressing the fertility requirement of the *Debates* submission model.

Research implications

Technology, dynamic markets, and globalization all act to enhance a modern perspective and understanding of how OC pertains to the current work climate. However, there is still a myriad of constructs that should be further investigated as they pertain to OC given its criticality within the realm of human resources development.

Given its strong linkage with recruitment and retention, relevant predictors for OC should be examine in the research setting including (but not limited to) generational differences. Specifically, subsequent research should look into the fact that the millennial workforce, which is now literally the largest living adult generation (Fry 2016), expect more from their employers than seemingly ever before (Petrucci 2017). Despite this evidence, modern academic research is minimally investigating avenues that could be fruitful with regard to the retention of this newer, modern workforce. As such, subsequent research could provide scholars and practitioners alike the current best practices, as well as fruitful avenues of future research, that can help address the gap associated with the retention of this modern workforce that is inevitably going to be the future of all management and organizations.

As it pertains to OC, technology clearly acts to expand the plethora of digital and remote work opportunities that exist for employees, but future research should imagine the specific mediums through which this can occur and their corresponding strengths and weaknesses. Dynamic markets certainly provide a foundation for critical adaptably-based considerations that impact OC, but the impact of this phenomena as it pertains to varying industries is a valuable area for future research to explore. Lastly, globalization demonstrates the international scale of variation associated with OC and differing groups, but the specific considerations that pertain to particular cultures can enlighten our understand of OC as it pertains to human resources development will further enhance our understanding this crucial construct.

Conclusion

As the ongoing COVID pandemic ambiguously influences employers and their workforce on an international scale, the implications for OC in human resource development cannot be understated during these uncertain times. As variants serve to effectively reset our fears for the pandemic, there is a legitimate chance that subsequent variations may arise in the future. Therefore, it is our assessment that the COVID-19 will likely have permanent implications on modern OC and human resources development. We have already seen numerous instances of unprecedented activity from employees ranging from a refusal to return to a physical workplace, to exploring alternative career avenues, to simply demanding more pay and work-related benefits (Maurer 2021). As governments across the world adapt to this dynamic issue, so too must human resource experts. We hope that our suggestions above are considered for implementation in the workforce, as simply ignoring the modern shift on OC will all but certainly lead to subsequent and quite possibly catastrophic consequences for human resources development.

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