Journal of Human Resource & Leadership



Effect of Employee Commitment on Organizational Performance; Case of Textile Firms in Sweden

Ludvig Esteban Stackhouse, Fredrik Mikael Zaman & Karl Walter Turner

ISSN: 2616-8421



Effect of Employee Commitment on Organizational Performance; Case of Textile Firms in Sweden

Ludvig Esteban Stackhouse, Fredrik Mikael Zaman & Karl Walter Turner

^{1*}Postgraduate Student, Stockholm University ^{2&3}Lecturers, Stockholm University

Email of the corresponding author: ludvigesteban@gmail.com

How to cite this article: Stackhouse, L., E., Zaman, F., M., & Turner, K., W. (2022). Effect of Employee Commitment on Organizational Performance; Case of Textile Firms in Sweden. Journal of Human Resource & Leadership 6 (2), 1-10. https://doi.org/10.53819/81018102t5074

Abstract

Employee commitment helps organizations perform better and achieve their goals because employees feel connected to the organization and are more productive and dedicated to their work. Thus, the study sought to examine the effect of employee commitment on organizational performance in the case of textile firms in Sweden. The study adopted the descriptive research design. The collection of the data was done using the questionnaires. The data was collected from two textile companies in Sweden, namely Meandi Holding AB and Woodline Swedish Outdoor Co. The study conducted a pilot study to examine the validity and reliability of the research instruments. The analysis of the data was done using descriptive and inferential statistics, SPSS was used to generate the output. The study findings indicated that employee commitment is positively and significantly related to organizational performance (β=.1579, p=0.013). Employee commitment is necessary for every organization to have amazing performance on a long-term basis. Committed employees bring added value to the organization, including determination, proactive support, relatively high productivity and an awareness of quality. The study recommended that textile companies should continue ensuring there is employee commitment. Organizations need to increase employee commitment by including them in decision-making, which will ultimately increase their commitment to the organization. Moreover, it is recommended that organizations should encourage transparency. When an organization keeps employees informed, they feel valued and trustworthy. Further, it is recommended that organizations should encourage open and free communication. Open and accessible communication in an organization facilitates an environment of trust. There should be letting the employees be innovative in providing ideas, strategies and ways of communication. The employees should be valued by the organizations and encouraged to develop better ideas and rewards for their achievements and innovation.

Keywords: Employee commitment, organizational performance, textile firms, Sweden



1.0 Introduction

Commitment is thought to be the psychological immersion of an individual with his institute through the feeling of belonging, possession of business goals and preparation to accept obstacles. Creating commitment among workers is essential because it will be tough for a company to achieve strategic objectives without this. Organizational commitment indicates an employee's involvement in executing his work with passion and excitement (Bedarkar & Pandita, 2018). The performance of any firm is directly associated with the commitment level of workers. Devoted employees can execute their duties more than management expectations. High-level commitment is indispensable for enhancing output and obtaining sustainable competitive advantages. Preparing and retaining committed workers is imperative for business growth, as dedicated employees work harder and perform their jobs with devotion and commitment (Sharma & Dhar, 2019). The goal of business growth is to enhance the capability of the company to improve its efficiency in attaining strategic goals. Building the firm's capability is possible when every staff member understands his duty and responsibility for results associated with his performance.

Encouraging workers play an essential role in increasing the outcomes and performance of the organization. Motivation is both a goal and a method to aid workers in efficiently finishing their job (Grant, 2018). A strong labour force means that every worker understands and devotes to the values and objectives of the company. Motivation does not just assist workers in doing well but additionally supports their struggle to accomplish the objectives. Several researches have shown the interaction between organizational commitment and worker motivation. In the version of work satisfaction and organizational commitment, job satisfaction is the cause impacting the organizational commitment and hard and practical work, which are essential behaviours to the organization. According to the study by Frey (2018), workers without significant payment for their efforts are affected by their intrinsic motivation.

Employee commitment is a requirement for every company to have extraordinary performance in the long run (Elnaga & Imran, 2018). Currently, the employees intend to give their outstanding performance individually and in group work. Currently, no firm can attain its highest levels unless each worker is committed to the company's goals. Therefore, it is essential to know the concept of commitment and its possible result. The employees in different companies play a crucial role in transforming theory into practice to boost company growth. The workforce nowadays is filled with different attitudes. Recently, there has been much support for human capital growth, lifelong learning and constant focus on soft skill growth (Theriou, Maditinos & Theriou, 2020). Nonetheless, many times, concerns are just attended to at the surface level but not to the roots of the cause. Humans are highly related to feeling and intelligence. As a result, the need to fulfil the human demand hierarchy is instead an essential element, particularly in satisfaction and motivation.

Commitment has a rational component; many individuals knowingly decide to make commitments, and then they attentively plan and perform the activities needed to accomplish them (Schelling, 2021). Since commitments need an investment of time along with psychological and emotional energy, most individuals make them with the expectation of reciprocation. Hence, people presume they will certainly obtain something of value in return for their commitment like



favours, affection, presents, interest, goods, money, and property. From this point of view, the value of a multidimensional view of worker commitment. There is a presumption that the previous principle of organizational commitment may not tell the whole story concerning private performance (Lovely, Afzal & Alam, 2019). Determining multiple foci of worker commitment beyond the organization assists in clarifying numerous inspirational bases among employees toward performance enhancement efforts.

Organizational commitment is one of job associated attitudes that has been well studied in human resource management by academicians and practitioners and its importance has been recorded (Hislop, 2020). Organizational commitment is a vital business subject since high levels of commitment brings about numerous positive organizational outcomes. It is suggested that workers become devoted to organizations for different reasons, consisting of an affective attachment to the organization's values, an awareness of the costs entailed with leaving the organization, and a sense of obligation to the company. Committed employees benefit their organizations in several ways (Shahid & Azhar, 2021). They will put forth extra efforts to accomplish their work, participate in extra-role behaviour, and assist the company in operating efficiently. Some researchers suggest that organizational commitment is negatively related to turnover intentions. Hence, the study sought to determine the effects of employees' commitment on the organizational performance in the case of the textile firms in Sweden

1.1 Research Objective

To determine the effect of employees' commitment on organizational performance in the case of textile firms in Sweden

2.0 Literature Review

Sigler and Pearson (2020) report that organizational commitment is crucial in an organization and leads to high performance. Commitment to the team, feeling responsible for goals, and having a sense of obligation to group needs can be the exact definition of commitment. Dedication to task and job team is more considerable and eventful, particularly in unfavorable circumstances. Maybe the best time for assessing workers' dedication is when troubles arise. The commitment of the team's participants will be more powerful when it is anchored on human and moral values and when it has happened as a result of conscious selection; since doing affairs under compulsion and imposition will work in the opposite direction of commitment. Qureshi, Zaman and Shah (2018) look at the effect of worker commitment on company performance in cement firms in Pakistan. Most of the passion in analyzing worker commitment originates from worry about the behavior repercussions that are assumed to arise. It concentrates on the impact of worker dedication on organizational efficiency and workers' turnover. Both descriptive and informative research methodologies were utilized in this research. The outcome reveals that: the degree of worker commitment of the personnel of cement firm is very high; there is a relatively more significant connection between worker dedication and company performance; there is likewise a high relation between staff member commitment and workers' turnover etc. A few of the suggestions made are that: the administration is required to hire workers that are most likely to become connected to the company; the administration is required to develop clear and realistic work and organizational previews.



Anitha (2016) indicates that employee commitment plays an essential role in developing the company's performance. Numerous firms wish to enhance their performance. Employee commitment will increase the employee's performance in the company. The behaviour of commitment adjustments can occur in the job fulfilment, motivation and job participation. The data was collected from one hundred workers. It was found that workers' commitment is positively associated with firm performance. Worker commitment is positively associated with job satisfaction, motivation and job participation. The firm must pay more relevance to increasing the worker's commitment to a high level of performance.

A study by Stackhouse and Turner (2019) argued that no firm could perform to high levels unless every staff member is dedicated to the company's goals. Hence, it is essential to know the dedication theory and its practical result. The research goal was to determine the impact of worker commitment on the company's performance anchored upon the research of Sugar Factory. The research identified variables that impact worker commitment in the research location and likewise attempted to recognize the partnership and their impact between workers' commitment, elements influencing worker's commitment, and the connection and impact between workers' dedication models and organizational performance at Sugar Manufacturing Facility. The study is crosssectional research. Two hundred sixty-one workers and four monitoring participants were selected as the research samples. Standard surveys were distributed, filled up, and gathered. SPSS was utilized to analyze and examine the information accumulated from the participants. In addition, workers' commitment was discovered to affect the organizational performance in the research location. According to the regression results, workers' commitments influence performances for the firm at Sugar Manufacturing Facility. Hence, suggestions have been given to enhance commitment by deliberately offering motivational packages and developing a sustainable regular training program.

Collier and Esteban (2017) show that employee commitment constantly plays an essential duty in enhancing firm performance. The firm performance can be gauged with many means like business financial performance, worker turnover, return on equity and others. Worker commitment can be increased through their participation in evaluation construction and providing them with an opportunity for much better attention to the entire process of the firm performance dimension like worker commitment. According to the information accumulated from the three big cities of Pakistan, it was discovered that firm performance could be boosted by including workers in decision-making, which will eventually enhance their commitment to the firm. Gul (2019) conducted a study to examine the effect of worker commitment on company development. The study population consisted of middle-level supervisors of all telecommunication businesses in Pakistan's Khyber Pakhtunkhwa district. Primary data was gathered from 370 supervisors. A set of questions was carried out to gather primary information. Company growth and worker commitment were used as dependent and independent variables specifically. Correlation and regression evaluation tests were examined to know whether there is a connection between worker commitment and business growth and, likewise, to learn the forecaster of company growth. Research exposed a high correlation between worker dedication and its elements and company growth. Regression analysis verified that worker commitment is a forecaster of company growth. The research has great value for the supervisors and scholars as it will undoubtedly assist them in

Stratford Peer Reviewed Journals and Book Publishing Journal of Human Resource & Leadership Volume 6/|Issue 2/|Page 1-10/|June/|2022/ Email: info@stratfordjournals.org ISSN: 2616-8421



making an incorporated and thorough system for developing commitment amongst the workers to increase the company's performance.

Evangelista (2019) researched the effects of organizational commitment on employee motivation via two moderating aspects of opportunistic behaviour and expertise sharing in Vietnamese business. The samples were picked by the non-probability sampling approach followed by practical sampling, moderately stratified by areas in Vietnam. The sample dimension was 636 workers in Vietnamese businesses. The number of gathered online surveys was 379, while the variety of legitimate surveys was 329. In the direct survey, the variety of distributed sets of questions was 750, while the variety of gathered sets of questions was 421 and the number of valid sets of questions was 307. The total number of legitimate sets of questions utilized for analysis was 636. The research utilized quantitative methods with structural formula modelling evaluation. The outcome shows that among the parts of business dedication, normative commitment has both straight and indirect influence on worker motivation with two mediating aspects: opportunistic actions and understanding sharing. On the other hand, effective dedication indirectly affects worker motivation with these moderating aspects. Continuance dedication has both direct and indirect effects; nevertheless, it has only an indirect influence on worker motivation via opportunistic behaviour. On top of that, the results reveal opportunistic behaviours have an unfavourable effect on the understanding sharing of workers in businesses.

A study by Pang and Lu (2018) checks out the influence of organizational performance due to employee commitment in the Taiwan hospitality sector. The research utilized a descriptive survey study, while a structured set of questions and individual interviews were utilized to gather information from 75 participants in the chosen resorts in Taiwan. Outcomes disclosed that affective commitment and continuance commitment have favourable but irrelevant influences on task efficiency. Outcomes likewise suggest that normative commitment has an adverse but insignificant influence on organizational performance. The research concludes that practical and continuance dedication have a weak effect on task efficiency, while normative commitment has an inverted impact on organizational performance. Ultimately, research suggests that monitoring needs to meet its obligation by inspiring its workers with inspiring variables that significantly affect worker organizational performance.

Meyer, Becker and Vandenberghe (2018) state that employee commitment is just one of the many elements that impact performance; however, it is an essential element and comprises one of the many methods available to a firm to enhance performance. As a result, worker commitment and organizational performance work together as the company's performance is considerably figured out by the dedication that workers have. Commitment assists in attaining the planned goals, therefore, causing high organizational efficiency. The study's goal was to take a look at the factors that influence worker dedication. That is, to particularly access the effect of employee dedication on company efficiency. The study has a sampled population of 40 participants. The study tools utilized in information gathering were interviews and surveys comprised of both open and closed-ended questions. The research shows that worker commitment has a counterproductive impact on enhanced productivity, performance, worker morale, performance, and efficiency and lowers absence as a dissatisfying factor in the workplace. The method through which worker dedication is enhanced and dealt with is additionally an issue of the research. The study focuses on how team



building, company society, incentives, involvement and participation affect worker dedication. The research also recognized just how external and innate variables affect worker dedication. The research findings were that incentives as external factors to a significant level impact worker commitment. Participation and worker involvement as an innate aspect to a relative extent influence staff member dedication. The research revealed that teamwork, to an extent, influences worker dedication. Culture is a rarely recognized aspect that has small or no impact on worker commitment. All the aspects discussed over to have a counteractive result on efficiency, performance and effectiveness in organizations.

3.0 Research Methodology

The study adopted the descriptive research design. The collection of the data was done using the questionnaires. The data was collected from two textile companies in Sweden, namely Meandi Holding AB and Woodline Swedish Outdoor Co. The study conducted a pilot study to examine the validity and reliability of the research instruments. The analysis of the data was done using descriptive and inferential statistics. SPSS was used to generate the output.

4.0 Research Findings and Discussion

The discussion in the study was based on the research findings. The presentation of the findings and discussion are those of correlation and regression analysis.

4.1 Correlation Analysis

The correlation analysis showed the association between the variables. The association shows the movement in which a positive association indicates movement in the same direction, while a negative association shows the movement in the opposite direction. There is no correction if the coefficient is zero. Table 1 summarizes the correlation analysis.

Table 1: Correlation Analysis

		Organizational Performance	Employee Commitment
Organizational Performance	Pearson Correlation	1.000	
	Sig. (2-tailed)		
Employee Commitment	Pearson Correlation	.539 **	
	Sig. (2-tailed)	0.000	0.000

The correlation results from Table 1 indicate that employee commitment is positively and significantly associated with organizational performance (r=.539, p=0.000). Hence, employee commitment and organizational performance move in the same direction. The results concur with Anitha (2016), who found that worker commitment is positively associated with job satisfaction and motivation. The firm must pay more relevance to increase the worker's commitment to a high-



performance level. Employee commitment increases the overall performance in both the short and long run.

4.2 Regression Analysis

The section consisted of model fitness, analysis of variance and regression of coefficient. The results in Table 2 show the model's fitness.

Table 2: Model Fitness

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.115 a	0.285	0.213	0.15425

The results from Table 2 show that employee commitment was satisfactory in explaining organizational performance. This was supported by the coefficient of determination, also known as the R square of 0.285. This signified that employee commitment explains 28.5 % of the variations in organizational performance. The study results of the analysis of variance is presented in Table 3

Table 3: Analysis of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.485	1	2.285	727.33	.000b
	Residual	1.087	346	0.003		
	Total	3.572	347			

The results in Table 3 show that the overall model was statistically significant. The results reveal that employee commitment is a good predictor in explaining the organizational performance among the organizations in Sweden, as the reported p-value was 0.000, which was less than the conventional probability significance level of 0.05. Hence, the managers can work on increasing employee commitment to increase the organizational performance of the textile firms within the county. The regression of the coefficient is presented in Table 4

Table 4: Regression of Coefficient

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	В	Std. Error	Beta		
(Constant)	0.0161	0.002		8.050	0.005
Teacher quality	0.1579	0.071	0. 237	4.079	0.013



According to the results presented in Table 4, it was discovered that employee commitment is positively and significantly related to organizational performance (β =.1579, p=0.013). This was supported by a calculated t-statistic of 4.079, larger than the critical t-statistic of 1.96. The results implied that when the employee commitment is increased by one unit, the organizational performance will increase by 0.1579 units while holding other factors constant. Stackhouse and Turner (2019) articulated that workers' commitment influences the firm's performance; hence there is a need to enhance commitment by deliberately offering motivational packages and developing a sustainable regular training program in the firm. Organizational commitment is a vital business subject since high levels of commitment brings about numerous positive organizational outcomes.

5.0 Conclusion and Recommendations

Based on the study's findings, it is concluded that employee commitment has a positive and significant impact on organizational performance. Employee commitment is necessary for every organization to have amazing performance on a long-term basis. It was discovered that when the employee commitment is increased by one unit, the organizational performance will increase by 0.1579 units while holding other factors constant. The results revealed that employee commitment is a good predictor in explaining the organizational performance among the organizations in Sweden, as the reported p-value was 0.000, which was less than the conventional probability significance level of 0.05. The committed employees benefit organizations in numerous ways as they present additional efforts to accomplish their tasks. Committed employees bring added value to the organization, including determination, proactive support, relatively high productivity and an awareness of quality. Employees committed to work are also less likely to call in sick or leave the organization. Employee commitment helps organizations perform better and achieve their goals because employees feel connected to the organization and are more productive and dedicated to their work.

The study recommended that textile companies should continue ensuring there is employee commitment. Organizations need to increase employee commitment by including them in decision-making, which will ultimately increase their commitment to the organization. High levels of employee satisfaction in an organization are related to work commitment. Moreover, it is recommended that organizations should encourage transparency. When an organization keeps employees informed, they feel valued and trustworthy. This increases their sense of belonging and, in turn, increases commitment to work. Further, it is recommended that organizations should encourage open and free communication. Open and accessible communication in an organization facilitates an environment of trust. There should be letting the employees be innovative in providing ideas, strategies and ways of communication. The employees should be valued by the organizations and encouraged to develop better ideas and rewards for their achievements and innovation.



REFERENCES

- Bedarkar, M., & Pandita, D. (2018). A study on the drivers of employee engagement impacting employee performance. *Procedia-Social and Behavioral Sciences*, 13(3) 106-115. https://doi.org/10.1016/j.sbspro.2014.04.174
- Collier, J., & Esteban, R. (2017). Corporate social responsibility and employee commitment. Business ethics: A European review, 16(1), 19-33. https://doi.org/10.1111/j.1467-8608.2006.00466.x
- Elnaga, A., & Imran, A. (2018). The effect of training on employee performance. *European journal of Business and Management*, 5(4), 137-147.
- Evangelista, F. (2019). Organizational context and knowledge acquisition in IJVs: An empirical study. *Journal of World Business*, 44(1), 63-73. https://doi.org/10.1016/j.jwb.2008.03.016
- Frey, B. S. (2018). How intrinsic motivation is crowded out and in. Rationality and society, 6(3), 334-352. https://doi.org/10.1177/1043463194006003004
- Grant, A. M. (2018). Does intrinsic motivation fuel the prosocial fire? Motivational synergy in predicting persistence, performance, and productivity. *Journal of applied psychology*, 3(1), 48-56. https://doi.org/10.1037/0021-9010.93.1.48
- Gul, Z. (2019). Impact of employee commitment on organizational development. *FWU Journal of Social Sciences*, 9(2), 117-124.
- Gupta, A. K., & Govindarajan, V. (2022). Business unit strategy, managerial characteristics, and business unit effectiveness at strategy implementation. *Academy of Management Journal*, 27(1), 25-41. https://doi.org/10.2307/255955
- Liang, H., Saraf, N., Hu, Q., & Xue, Y. (2020). Assimilation of enterprise systems: the effect of institutional pressures and the mediating role of top management. *MIS quarterly*, 5(9), 87-94. https://doi.org/10.2307/25148781
- Lovely, S. N., Afzal, M. K., & Alam, Z. (2019). Impact of job satisfaction and organizational commitment on job performance of private bank employees in Bangladesh. *Journal of Economics and Public Administration*, 19(2), 112-123.
- Mansaray, H. E. (2019). The role of leadership style in organisational change management: a literature review. *Journal of Human Resource Management*, 7(1), 18-31. https://doi.org/10.11648/j.jhrm.20190701.13
- Meyer, J. P., Becker, T. E., & Vandenberghe, C. (2018). Employee commitment and motivation: a conceptual analysis and integrative model. *Journal of applied psychology*, 8(6), 93-101. https://doi.org/10.1037/0021-9010.89.6.991
- Pang, K., & Lu, C. S. (2018). Organizational motivation, employee job satisfaction and organizational performance: An empirical study of container shipping companies in Taiwan. *Maritime Business Review* 4(2), 16-31. https://doi.org/10.1108/MABR-03-2018-0007



- Qureshi, M. I., Zaman, K., & Shah, I. A. (2018). Relationship between rewards and employee's performance in the cement industry in Pakistan. *Journal of international academic research*, 10(2), 19-29.
- Schelling, T. C. (2021). Strategies of commitment and other essays. Harvard University Press.
- Shahid, A., & Azhar, S. M. (2021). Gaining employee commitment: Linking to organizational effectiveness. *Journal of management research*, 5(1), 25-38 https://doi.org/10.5296/jmr.v5i1.2319
- Sharma, J., & Dhar, R. L. (2019). Factors influencing job performance of nursing staff: mediating role of affective commitment. Personnel Review. *Journal of Leadership*, 4(2), 17-26
- Sigler, T. H., & Pearson, C. M. (2020). Creating an empowering culture: examining the relationship between organizational culture and perceptions of empowerment. *Journal of quality management*, 5(1), 27-52. https://doi.org/10.1016/S1084-8568(00)00011-0
- Stackhouse, M., & Turner, N. (2019). How do organizational practices relate to perceived system safety effectiveness? Perceptions of safety climate and co-worker commitment to safety as workplace safety signals. *Journal of safety research*, 7 (2) 59-69. https://doi.org/10.1016/j.jsr.2019.04.002