



Commitment and Loyalty to Organizations: An Understudied Relationship

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Abstract:

Despite substantial advancements in the study of organizational commitment in recent years, little is known about the relationship between organizational commitment and loyalty. It has been suggested in the literature that commitment may be an antecedent of loyalty, but no empirical study has directly looked at the relationship. A possible reason for this is scholars' confusion between the two constructs. The present study provides the first investigation of the relationship between organizational loyalty and affective, normative, and continuance commitments. The results of this study are relevant for organizations in today's competitive environments. I conclude the paper with practical recommendations as well as considerations for future research.

Keywords: *Organizational loyalty, organizational commitment, leaving intentions.*

1. Introduction

Loyalty and commitment are a source of confusion in management research. At times, the two constructs are regarded as the same (e.g. Olson-Buchanan & Noswell, 2002). Indeed, it may not be easy for a layperson to articulate the difference between the two terms. However, for those who study the topic in-depth the distinction is clear. In a nutshell, commitment describes one's bond to a goal or social foci (Meyer, Becker, & Vandenberghe, 2004), whereas organizational loyalty refers to a genuine concern for the interests of an organization (Pfeiffer, 1992), to the extent that competing interests are sacrificed. There is an emerging agreement among scholars that commitment precedes loyalty (Cater & Zabkar, 2009). Nevertheless, to date no study has directly looked at the relationship between these two important constructs. The few studies that did use both constructs either had a different focus or operationalized loyalty in a narrow way (e.g. the intention to remain in the organization) that does not appreciate the width and breadth of the construct (Minton, 1992).

The first purpose of this study is to propose an original operationalization of organizational loyalty based on Schwartz's model of human values (1992). Second, I conducted regression analysis to provide improved understanding of the relationship between organizational loyalty and its possibly most fundamental antecedent, organizational commitment. Third, the analysis is used to separate organizational loyalty and leaving intentions (or "exit"), which are commonly confused in the literature (e.g., Alvesson, 2000). I conclude the study with suggestions for future research which could explore the relationship between organizational loyalty and commitment.

The lack of understanding of loyalty in organizations may be reflected by the increased scarcity of loyalty in today's corporate world. Organizations today are exposed to members' deviant behaviors, leakage of sensitive knowledge, whistle-blowing, and other behaviors that endanger the legitimation and stability of organizations (Barnard, 1938). My objective here is to provide improved understanding of the relationship between organizational loyalty and commitment.

1.1. The Constructs of Commitment and Organizational Loyalty

Commitment refers to one's ties to social foci or to goals of interest (Meyer et al., 2004). It is widely accepted in the literature that commitment includes three components: affective, continuance, and normative. Affective commitment refers to workers' attachment, social identity, and personal involvement in the organization. Normative commitment refers to ties to the organization due to the internalization of norms and obligations. Continuance commitment is more instrumental, and refers to expected returns from investments made in the relationship.

Meyer, Stanley, Herscovitch, & Topolnytsky (2002) conducted a meta-study on affective, continuance, and normative commitments, which shows that only affective and normative commitments are significantly associated with organizational support, perceived justice, and job satisfaction. Organizational tenure has significant association only with continuance commitment, thus reflecting its calculative nature. Importantly, altruism is associated with affective commitment, and supervisor rating of citizenship is associated with both affective and normative commitment.

In contrast to organizational commitment, the construct of organizational loyalty enjoyed less consensus in the literature. The greatest interest in organizational loyalty followed Hirschman's famous work on exit, voice, and loyalty in organizations (1970). A close look at Hirschman's work demonstrates that his definition of loyalty is not very clear (Hart & Thompson, 2007).

This study has an exploratory feature in its novel operationalization of the construct of organizational loyalty. The items I used reflect the findings of Schwartz's (1992) prominent study, which reflects the conceptual similarity of values. In this analysis, loyalty was shown to be located closest to the constructs of responsibility, honesty, helpfulness, and self-discipline. These four constructs will be used in this study to operationalize loyalty. According to Schwartz's map of human values, responsibility, honesty, and helpfulness belong to the "benevolence" region, whereas self-discipline belongs to the "conformity" region. We may, therefore, expect some difference in results between the two regions. I use a self-reported loyalty as a benchmark.

1.2. The Present Study

In this paper, I wish to differentiate the construct of organizational loyalty from the concepts of commitment and "exit." A focal argument in this work is that organizational loyalty reflects a genuine concern for the organization's interests. This argument is supported by scholars who associate loyalty with disinclination toward opportunism (Dooley & Fryxell, 1999) and a willingness to sacrifice self-interest to fulfill orders (Chen et al., 2002). Whereas organizational commitment may result from need satisfaction, organizational loyalty is understood to result not directly from such self-interest, but rather from the commitment to the organization.

- Hypothesis 1: Commitment will fully mediate the relationship between job satisfaction and loyalty.

Similarly to the concept of job satisfaction, continuance commitment also represents an instrumental binding force to the organization. This element of commitment pertains to expected returns from a relationship (Meyer et al., 2004). Notably, studies that discuss the relationship between organizational commitment and loyalty refer either to the affective component of commitment (Olson-Buchanan & Boswell, 2002) or to the normative component (Wiener, 1982). Therefore, similarly to the first hypothesis, I expect that loyalty will have no significant association with continuance commitment.

- Hypothesis 2: Continuance commitment will not be associated with loyalty, controlling for affective and normative commitments.

The third and last proposition refers to confusion in the literature between organizational loyalty and leaving intentions or "exit." Alvesson (2000), for example, equates loyalty with the absence of exit. Such definitions of loyalty were criticized in the literature (e.g., Rosanas & Velilla, 2003). In this study I seek to illuminate the differences between the constructs of exit and loyalty.

- Hypothesis 3: Exit will be negatively associated with both job satisfaction and continuance commitment, controlling for affective and normative commitment.

2. Methods

2.1. Procedure

In this study, I used the General Social Survey (GSS), which studies American citizens since 1972. The sample of this study includes the responses of full-time workers. The survey of 1991 includes the variables of interest. Multiple logistic regression analysis was conducted, and background variables were controlled in all regressions.

2.2. The Dependent Variables

Organizational loyalty. In addition to a self-reported measure ("I feel very little loyalty to this organization"), I employed four measures that have the closest conceptual proximity to loyalty according to Schwartz's analysis (1992): Helpfulness ("I am willing to work harder than I have to in order to help this organization succeed"), honesty ("I have a lot to say on my job"), responsibility ("I can work independently"), and self-discipline ("Compared to other people who do the same or similar kind of work that you do, how well would you say you do your job?"). Items were reversed to create a set of responses in which high values represent high loyal attitudes.

Intention to stay. Measures the extent to which the worker agrees to stay with an employer when better job opportunities are available. Job satisfaction and organizational commitment were both shown to be predictive of voluntary turnover (DeCotiis & Summers, 1987). The item is "I would turn down another job that offered quite a bit more pay in order to stay with this organization."

2.3. The Independent Variables

Commitment. The construct of commitment has affective (“I am proud to be working for my employer”), normative (“Success of my organization depends a lot on how well I do my job”), and continuance components (“All in all, how likely is it that you will try hard to find a job with another organization within the next 12 months?”). Items were reversed in order to have high value representing high commitment.

3. Results

3.1. Descriptive Statistics

Table 1 presents the correlations among the loyalty indices, the three commitment types, job satisfaction, and intention to stay. Means and standard deviation are included. Viewing Table 1, it is notable that self-discipline has the lowest correlation with the other loyalty indices, suggesting that self-discipline may refer to one component of loyalty (conformity), whereas responsibility, honesty, and helpfulness represent another component (benevolence). Job satisfaction has the highest correlation with affective commitment and the lowest correlation with self-discipline.

	M	SD	1	2	3	4	5	6	7	8	9
1. Self-discipline ^a	3.85	0.83	-								
2. Responsibility ^b	3.19	0.95	.13**	-							
3. Honesty ^b	2.84	1.06	.10**	.56***	-						
4. Helpfulness ^c	3.32	0.64	.19***	.27***	.34***	-					
5. Subjective loyalty ^c	3.17	0.83	.10*	.19***	.25***	.36***	-				
6. Affective ^c	3.21	0.64	.12**	.29***	.34***	.53***	.43***	-			
7. Normative ^c	3.26	0.70	.16***	.21***	.30***	.52***	.29***	.38***	-		
8. Continuance ^d	2.56	0.70	.03	.12***	.14***	.17***	.23***	.26***	.10***	-	
9. Job satisfaction ^e	3.35	0.75	.09*	.21***	.20***	.27***	.26***	.40***	.21***	.27***	-
10. Intention to stay ^c	2.36	0.91	.03	.20***	.28***	.31***	.28***	.44***	.20***	.37***	.34***

^a Measured on a five-item scale ranging from “much more” to “much less.”
^b Measured on a three-item scale ranging from “very true” to “not true at all.”
^c Measured on a four-item scale ranging from “strongly agree” to “strongly disagree.”
^d Measured on three possible responses: “not at all likely,” “somewhat likely,” and “very likely.”
^e Measured on a four-item scale ranging from “very dissatisfied” to “very satisfied.”

Table 1: Means, Standard Deviations, and Correlations of the Study Variables

Note. N's range from 655 to 692. Items were reversed to create a set of responses in which high values represent positive attitudes.
 * $p < 0.05$. ** $p < 0.01$. *** $p < 0.001$.

3.2. Tests of Hypotheses

Hypothesis 1 was that commitment would fully mediate the association between job satisfaction and organizational loyalty. Table 2 shows that the hypothesis was fully supported for three out of the four measures. The mediation effect was clear and consistent across all four measures. I also predicted that self-discipline would represent a different component of loyalty than the other three measures. The results support the existence of such distinction. Self-discipline was the only measure that had no significant association with affective commitment.

Hypothesis 2 was that continuance commitment will not be associated with loyalty. The results fully and consistently support this hypothesis. The self-reported measure of loyalty presented in Table 3 is overall consistent with the earlier findings. Job satisfaction was fully mediated by the commitment components, supporting hypothesis 1. Although continuance commitment did have significant association with self-reported loyalty, this association was weak in comparison to the effects of affective and normative commitment, thus lending support to hypothesis 2.

Dependent Variables: loyalty indices								
Predicting Variables / Step	Self-discipline		Responsibility		Honesty (voice)		Helpfulness	
	1	2	1	2	1	2	1	2
<i>Step 1: Job Satisfaction (B)</i>								
Age	-.003	-.003	.010	.009	.001	-.002	.012	.009
Gender (Male)	-.200	-.223	.020	-.055	.296	.356*	.127	.209
Education	.061*	.055	.076*	.062*	.095**	.084**	.051	.034
Tenure	-.011	-.011*	.007	.006	.011*	.012*	-.001	-.002
Income	.073*	.072*	.069	.066	.102**	.091*	.026	-.003
Job satisfaction	.220*	.104	.484***	.226*	.507***	.168	.646***	.029
<i>Step 2: Commitment (B)</i>								
Affective		.191		.623***		.769***		1.649***
Normative		.316**		.394**		.601***		1.516***
Continuance		-.034		.070		.130		.157
R ² (Nagelkerke)	.042**	.063***	.076***	.146***	.110***	.229***	.085***	.482***
N	608		613		610		614	

Table 2: Results of Steps 1-2 in Ordinal Regression Analyses Predicting Loyalty Indices with Background Variables, Commitment, and Job Satisfaction

Notes: Reported are results after a list-wise deletion of missing data; 61-66 participants did not complete specific variables.
* p<0.05. ** p<0.01. *** p<0.001.

Predicting Variables / Step	Dependent Variables			
	Subjective loyalty		Intention to stay	
	1	2	1	2
<i>Step 1: Job satisfaction (B)</i>				
Age	.010	.005	.005	-.005
Gender (Male)	.043	.106	.251	.380*
Education	.051	.030	.019	.005
Tenure	.001	-.001	.006	.005
Income	.043	.012	.026	.008
Job satisfaction	.735***	.163	.857***	.407**
<i>Step 2: Commitment (B)</i>				
Affective		1.553***		1.084***
Normative		.692***		.133
Continuance		.301*		.873***
R ² (Nagelkerke)	.108***	.373***	.132***	.317***
N	613		591	

Table 3: Results of Steps 1-2 in Ordinal Regression Analyses Predicting Self-Reported Loyalty and Intention to Stay Indices with Background Variables, Commitment, and Job Satisfaction

Notes: Reported are results after a list-wise deletion of missing data; 61-83 participants did not complete specific variables.
* p<0.05. ** p<0.01. *** p<0.001.

Hypothesis 3 predicted that organizational loyalty will demonstrate different qualities than intention to stay or “exit.” I hypothesized that in contrast to organizational loyalty, intention to stay will be associated with both job satisfaction and continuance commitment. The regression results fully support the third hypothesis. The results demonstrate a clear distinction between “exit” and organizational loyalty.

4. Discussion

This study provides empirical evidence of the distinctiveness of the construct of organizational loyalty. The study shows that intention to stay and organizational loyalty reflect different attitudes, thus providing support for those criticizing the confusion in the literature between the constructs. The study results show that job satisfaction and continuance commitment were not significantly correlated with organizational loyalty after controlling for other types of commitment. These two instrumental aspects of employment, however, did significantly correlate with intention to stay.

Perhaps the key contribution of this study is the introduction of a novel way of measuring organizational loyalty. The measures used are consistent with Schwartz’s value analysis (1992). The results suggest that there may be two components of organizational loyalty, conformity and benevolence. Clearly, future studies will benefit from exploring this distinction.

5. Limitations and Future Research

The study results should be taken in light of their limitations. First, this study is based on self-reported data. However, it should be noted that I used the GSS, which is one of the most robust surveys in the social sciences today. This large sample is believed to represent the US population. Also, the results were consistent and in the expected direction across a number of indicators. I believe that these conditions make the findings reliable and valid.

Second, the data used is cross-sectional. It could be that the relationship between commitment and organizational loyalty is affected by other factors, or that the causal direction of the relationship is reversed. Although there is a growing consensus in the literature that commitment antecedes loyalty, there is a place for additional research to refute any potential errors.

This short paper does not offer a comprehensive examination of the phenomenon of organizational loyalty. It does provide an opening for much-needed future research, as it demonstrates that organizational loyalty and commitment are associated in some logical and predictable manner. In addition to replication of the study results, scholars should elaborate on the two components identified for organizational loyalty. Research is also needed on possible moderators between the constructs of commitment and loyalty.

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