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*Public Productivity & Management Review* is currently published by M.E. Sharpe, Inc.
ORGANIZATIONAL COMMITMENT

Does Sector Matter?

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Organizational commitment involves loyalty to and identification with an organization. Commitment has been associated with three factors: (a) a strong belief in and acceptance of the organization’s goals and values, (b) a willingness to exert considerable effort on behalf of the organization, and (c) a strong desire to maintain membership in the organization (Mowday, Steers, & Porter, 1979).

What makes organizational commitment salient to practitioners and scholars is its relationship to performance. Committed employees take pride in organizational membership, believe in the goals and values of the organization, and therefore exhibit higher levels of performance and productivity (Mowday, Porter, & Dubin, 1974). In addition, employees who are committed to their organizations tend to be tardy and absent less often and are less likely to leave their organizations (Larson & Fukami, 1984). Because tardiness, absenteeism, and low productivity are costly for organizations, it is important for organizations to determine what variables affect organizational commitment.

Previous research on organizational commitment in the public sector has yielded mixed results (Balfour & Wechsler, 1991; Buchanan, 1974a, 1974b; Choudry, 1989; Hoy & Sousa, 1984). Lower organizational commitment levels were found in government managers than were found in private firm executives (Buchanan, 1974a, 1974b). These findings were echoed by several other comparative studies (Boyatzis, 1982; Chubb & Moe, 1991; Rainey, 1979, 1989). Alternatively, other studies have reported inconclusive or inconsistent findings (Balfour & Wechsler, 1990, 1991; Kline & Peters, 1991). Following O’Reilly and Chatman’s (1986) model of three dimensions of commitment, Balfour and Wechsler (1990) found a positive correlation between public employment and internalization commitment, no correlation between public employment and compliance commitment, and a negative correlation between public employment and identification commitment. Balfour and Wechsler (1991) found a correlation between commitment and employees’ desire to remain with their organizations but no correlation with a willingness to do extra work. Kline and Peters (1991) found no relationship between behavioral commitment and perceived publicness.

One explanation for the variety of findings is that the definition of public versus private is itself troublesome and vague. The terms “private” and “public” have been
used in a variety of ways (Perry & Rainey, 1988). As more government services have been privatized and as more services are offered by both sectors (i.e., hospitals, schools), the distinction has become even more blurred. McKelvey (1982) argued that although the public/private differentiation may not work well in a general taxonomy, it might be useful in constructing taxonomies that distinguish organizations within a particular category.

This article extends previous research on organizational commitment by exploring the effects of the public/private distinction and of separate industry-level groupings. Following a review of the literature, we present results of research in which a national sample was analyzed. This study was designed to determine whether the distinction of public versus private or the distinction of type of industry contributes more to the explanation of variance of organizational commitment. Following the presentation of our results, we discuss the implications for future research.

**Literature Review**

Organizational commitment has interested researchers for some time (Mowday et al., 1979). Organizational commitment has been perceived to be important because it has been positively and significantly associated with improved performance (Larson & Fukami, 1984; Van Maanen, 1975) and significantly and negatively related to costly behaviors such as tardiness, absenteeism, and turnover (Koch & Steers, 1976; Mowday et al., 1979). Therefore it is believed that an organization to which employees are committed will experience better performance from those employees and will spend fewer organizational resources on processes such as discipline and hiring.

For more than 20 years, academicians have been interested in comparative studies of public and private organizations (Perry & Rainey, 1988; Rainey, Backoff, & Levine, 1976). Consequently, the number of studies that discuss public/private differences and the distinctive nature of public sector employees is growing. In many of these studies, the public/private distinction is seen as an important moderator variable.

Both past research and public knowledge have shown mixed results regarding differences in organizational commitment between employees in the private sector and employees in the public sector. The public’s perception of how committed public sector employees are to their jobs seems to be different from the viewpoint of many public sector employees themselves. The public’s perception is that public employees are less committed than employees in the private sector (Gortner, Mahler, & Nicholson, 1987) and that they are basically security oriented compared to private sector employees (Cacioppe & Mock, 1984).

From the viewpoint of public sector employees, however, the opposite may be true because many public sector employees believe they are making sacrifices to continue working in the public sector. Public employees have endured an environment characterized by retrenchment, an increasing anti-public-employee political rhetoric, low levels of recognition for public employees’ contributions, widespread criticism, and low morale (Romzek, 1985). Problems associated with recruitment and retention in the federal government have been documented by the Volcker Commission, and many of those problems result from federal employees who believe that their job investments
in federal service are returning a poor yield when compared to the rewards of those working in the private sector (Romzek, 1990).

Empirical research has identified differences between the sectors in those aspects of work that are considered to be antecedents to organizational commitment. Smith and Nock (1980) found that blue-collar public sector workers are more satisfied than are blue-collar private sector workers but that white-collar public sector workers are less positive about the intrinsic aspects of their work and their social relations at work than are white-collar private sector workers. Newstrom, Reif, and Monczka (1976) found that public sector employees felt a strong and unmet need for opportunities to find fulfillment at work.

The prospect of inherent differences between employees in both sectors has been intriguing. For example, it has been hypothesized that people enter the public sector seeking different rewards from their jobs than do people entering private sector jobs (Wittmer, 1991). The motivation and reward structures that can be used in the public arena show that public employees are motivated by many intrinsic and extrinsic rewards such as public service motivation, merit pay, and job security (Pearce & Perry, 1983; Rainey, 1982). Perry and Wise (1990) summarized public service motives as belonging to three groups: rational, norm based, and affective. Rational motives include concepts such as participating in policy formulation, personally identifying with and being committed to a public program, and advocacy for a special or private interest. Norm-based public service motives include a desire to serve the public interest, loyalty to duty and to the government as a whole, and social equity. Affective public service motives include commitment to a program from a genuine conviction about its social importance and patriotism of benevolence. Therefore it could be assumed that public sector employees may be more altruistic and more committed to the organizations for which they work if those organizations help them fill those needs.

Hoy and Sousa (1984) found that greater participation in decision making increased loyalty in public sector employees. Balfour and Wechsler (1990) determined that the strength of a person’s attachment to an organization is a function of several aspects of organizational experience that have inconsistent effects. It is possible that public sector employees may be attracted to an organization because they hope to serve important values but may simultaneously be repelled by low or negative feelings of affiliation (Balfour & Wechsler, 1990).

Contrary to these findings, Choudry (1989) found no significant differences in job attitudes of public and private employees. Further, he suggested that no relationship existed between employee attitudes and occupational level within both sectors. No relationship between behavioral commitment and perceived publicness was found by Kline and Peters (1991).

One of the difficulties with this literature is that the distinction between public and private organizations has been problematic (Perry & Rainey, 1988). Often the distinction has been made in a summary or global fashion, representing criteria such as ownership, impact on societal values, and openness to external influence. Public organizations frequently have been seen as government bureaus, and all other organizations or business firms have been seen as private (Peabody & Rourke, 1965). Such a simplistic view does not pay sufficient attention to variations in political and economic environments (Perry & Rainey, 1988). Drawing on the work of Zald (1978) and others,
Perry and Rainey (1988) created a typology by cross-classifying the dimensions of ownership, funding, and mode of social control. As demonstrated in their research, organizations that are generally referred to as public are heterogeneous. Because of this heterogeneity, the use of a simple public/private dichotomy for empirical research is not always appropriate.

Wittmer (1991) used a slightly different categorization and discussed the reward preferences for managers in the public sector, the private sector, and what he referred to as hybrid organizations. Hybrid organizations included those organizations perceived to be between public and private organizations due to characteristics such as political control and market influence. Industries included in the hybrid category included education and health care.

Grouping employees by industry results in a more homogeneous grouping than a public/private dichotomy because the factors affecting each industry and its labor force are more similar. Within industries (e.g., service, durable goods manufacturing), economic and market factors are more likely to be similar. For example, when one auto manufacturer is affected by an increase in the price of steel, all manufacturers in the industry are affected by similar increases. Meanwhile, this increase may not directly affect another industry such as the service industry. Additionally, characteristics of employees within an industry may be more similar than would be the characteristics of employees throughout the range of public and private institutions. Training, labor market forces, expectations, and wages may be more similar within an industry than they would be between industries. Therefore each industry is a more homogeneous category than is public or private sector. The main hypothesis of this study is that industry will explain more variance in organizational commitment than will sector.

Study Design

SAMPLE

Data used in this study were obtained from the 1991 General Social Survey. The survey is conducted annually for the National Data Program for the Social Sciences at the National Opinion Research Center of the University of Chicago. The 1991 survey included, in addition to the standard questions, a series of questions regarding employment-related issues. Interviews with 1,517 individuals were completed in the 1991 sampling with the median length of an interview being 1 1/2 hours. The sample was independently drawn from English-speaking persons 18 years of age or over living in noninstitutional arrangements within the borders of the United States. Full probability sampling was employed.

MEASURES

Most variables in this analysis were measured using single survey items. Factor analysis was used to identify two scales—one for autonomy and another for organizational commitment. The autonomy scale contained four items:

Someone else decides both what I do and how I do it. (R)
I can work independently.
I have a lot to say over what happens on my job. My job allows me to take part in making decisions that affect my work.

Cronbach’s alpha for this scale was .72.

The organizational commitment scale consisted of four items that are nearly identical in wording to items in the organizational commitment questionnaire (Mowday et al., 1979), which is widely used to measure organizational commitment. The items included in the scale are as follows:

- I am willing to work harder than I have to in order to help this organization succeed.
- I feel very little loyalty to this organization. (R)
- I find that my values and the organization’s values are very similar.
- I am proud to be working for this organization.

The scale created from these four items had an alpha of .68.

Industry codes were based on three-digit industrial coding done by the U.S. Bureau of the Census. This coding resulted in groupings of nondurable manufacturing, durable manufacturing, regulated industries, wholesale trade, retail trade, finance and insurance, service, professional service (basically health care and education), and public administration.

In the first model, dummy codes were used to create the “sector” variable, which essentially divides the database into those individuals identified as being “public administration” by industry code and everyone else identified as being in the private sector. The grouping labeled as regulated industries includes many that could be either public or private such as railroads, utilities, and bus companies. Therefore, in the second model, another set of dummy codes was used to identify members of the public sector and of regulated industries in one group compared to the private sector. In the third model, dummy codes were used to separately identify the public sector, regulated industries, and the private sector. In the fourth model, dummy codes were created to identify the various industries, and a fourth analysis was done in which industries were entered together.

Results

The basic statistical tool used in this study was hierarchical multiple regression. This regression method allows the researcher to enter independent variables in blocks based on prior knowledge and hypotheses. Independent variables are given priorities by the researcher before their contribution toward prediction of the dependent variable is assessed (Tabachnick & Fidell, 1989). Therefore the effects of some independent variables are assessed and removed before the effects of other independent variables are assessed. For each independent variable in a hierarchical multiple regression, therefore, the higher priority independent variables act as covariates for lower priority independent variables. The degree of relationship between the dependent variable and the independent variables is reassessed at each step of the hierarchy, essentially recomputing multiple correlations as each new independent variable is added to predict the dependent variable.
The choice about the order in which to enter the variables was based on two criteria. The first criterion was to employ a conservative test of the contribution of sector or industry. The later a variable is entered into regression, the less variance is left for it to explain. Entering the sector or industry variable last would therefore be the most rigorous test. The second criterion was to enter variables in clusters based on their probable causal ordering. Following the usual convention, personal characteristics were entered first because they represented innate characteristics of the respondents, work characteristics were entered next, and sector or industry variables were entered last.

The results of the regression analyses are shown in Tables 1, 2, 3, and 4. The regression was run four times, entering personal characteristics as step 1 and work characteristics as step 2 each time. In model 1, the public/private distinction was used on the third step. In model 2, the regulated industries were combined with the public sector to compare against the private sector on the third step of the model. In model 3, the public sector and the regulated industries were individually compared to the private sector. In model 4, the separate industries were entered on the third step.

In overall correlations, we found significant zero-order correlations among age, number of years in the job, number of years employed by the organization, autonomy,
job satisfaction, good union-management relations, good coworker relationships, and organizational commitment, as expected. Of these, job satisfaction (0.44), autonomy (0.40), and union-management relations (0.39) were the most highly correlated.

For all four analyses, personal characteristics were entered on the first step. The personal characteristics of age, education, sex, race, number of years in the job, and number of years with the employer accounted for only 3% of the variance (see Table 5). For all three models, work characteristics were added on the second step. The second step, adding work characteristics such as coworker relations, job satisfaction, autonomy, and union-management relations, was more powerful, adding an additional 19% of variance explained (see Table 5).
Table 5. Comparison of Regression Models

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<td>Step 2—Work characteristics</td>
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<td>.00</td>
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<td>Step 3—Sector or industry</td>
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<td>Model 1—Sector</td>
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<td>.00</td>
<td>.12</td>
<td>40.07</td>
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<tr>
<td>Model 2—Regulated included in public</td>
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<td>.00</td>
<td>.08</td>
<td>36.99</td>
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<td>Model 3—Public, regulated and private</td>
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<td>.00</td>
<td>.28</td>
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<tr>
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<td>.01</td>
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ANALYSIS OF SECTOR AND INDUSTRY

In the first analysis, we entered the sector dummy variable on the third step of the regression. As shown in Table 5, this added essentially no additional explanation of variance (.00126). Tenure with the organization, job satisfaction, autonomy, and union-management relations contribute significantly to the model, but the “sector” variable does not.

In the second analysis, we changed the dummy variable for public administration to include the regulated industries and entered this new variable on the third step. Although this model accounted for more explanation of variance, the amount (.00261) was not significant (see Table 5). The grouping together of public administration and regulated industries does not correlate with organizational commitment and does not contribute significantly to the model, whereas the four variables of tenure, job satisfaction, autonomy, and union-management relations contribute significantly to the model.

In the third analysis, we entered the public sector variable and the regulated industry variable as separate variables compared to the private sector. This model accounted for more explanation of variance (.00135) than did the first model, but this was not significant. Organizational tenure, job satisfaction, autonomy, and union-management relations again contribute significantly to the model.

In the fourth analysis, we entered the separate industries on the third step. The entry of industries on the third step added an additional 1% of variance explained (see Table 4) compared to essentially none when the different forms of the public sector/private sector distinction were used in the previous analyses. Organizational tenure, job satisfaction, autonomy, union management relations, and the wholesale trade and professional trade industries contribute significantly to the model. As shown in Table 5, model 4 is a significant improvement over model 3.

Discussion

This research was designed to explore the question of whether the variable category “industry” or the variable distinction of “public” versus “private” would be more helpful in predicting organizational commitment. We first entered the commonly accepted antecedents for organizational commitment, personal characteristics, and work characteristics and then added either industry or public sector/private sector variables to determine which provided more help in explaining organizational commitment.
Public sector/private sector distinction. Literature comparing characteristics and attributes of employees in public sector versus private sector jobs has been mixed (Balfour & Wechsler, 1991; Buchanan, 1974a, 1974b; Choudry, 1989; Hoy & Sousa, 1984). Our hypothesis was that this distinction would not be useful in terms of explaining organizational commitment.

Results of the analysis provide support for our hypothesis that the public sector/private sector distinction, even when including regulated industries as part of the public sector, would not be a useful category. Additional variance explained was negligible, and no significant correlations between either the public sector or the private sector and organizational commitment were found.

Industry distinction. Using “industry” to categorize respondents divides the sample into more homogeneous groups, both by the effects of the economy and market forces on the industry and by the characteristics (education, wages, expectations) of the employees within each industry. Therefore this distinction may provide more power because it is more precise. Our hypothesis was that the category “industry” would be more helpful in explaining variance and that there would be higher correlations between individual industries and organizational commitment than there were between sectors and organizational commitment.

The category of “industries” provided significantly more help in explaining variance than did several versions of the public/private distinction. Additionally, the correlation between individual industries and organizational commitment is interesting. The correlations with both wholesale manufacturing and finance and insurance (.09**) are positive. However, the negative correlation with the industry grouping of professional services is somewhat surprising. This category includes jobs such as education and health care, and perhaps this finding is affected by the turmoil currently being experienced in both fields due to downsizing and budgetary constraints. This category would equate to Wittmer’s (1991) hybrid category.

Results of this study reinforce the findings of several previous researchers. Our results are highly consistent with those of Balfour and Wechsler (1990). Their results suggest that a dichotomous public/private distinction is not very useful as an explanatory variable. The current study’s results also reinforce McKelvey’s (1982) argument that public/private distinctions may be more meaningful as subsidiaries of other classifications such as technology or industry. Although this study was not a direct test of the eight-category typology proposed by Perry and Rainey (1988), these results are not inconsistent with their call for more precision in the specification of the public/private variable.

One of the strengths of our study is the use of a national sample. Because the General Social Survey is a statistically representative national sample, this study represents an improvement over samples used in previous studies. Previous studies often relied on convenience samples, whereas this sample is based on a national, English-speaking, random probability sample.

The major implication of these results is that the industry categorization does a better job in predicting organizational commitment than does the public/private categorization. This underscores previous work that argues that the simple public/private categorization is too global. In so doing, these findings support the argument
of Perry and Rainey (1988) that distinctions between public and private should be grounded in more specified models.

Another implication of the findings concerns the antecedents of organizational commitment. It appears that the presence of organizational commitment may be a function of factors that are more micro in nature than either the industry or the public/private distinction. Building organizational commitment appears to be most closely related to the work characteristics of autonomy, job satisfaction, union-management relations, and relationships with coworkers. Therefore supervisors and managers in the public sector should seek to increase these factors to encourage the positive behaviors that committed employees display.

The results of this study show that the organizational commitment of public employees is not that different from that of employees in other sectors—and that may be both good and bad. This similarity may be good because it breaks the public's stereotype of disinterested public sector employees. Conversely, it may be bad because public employees are not more committed despite the widespread belief that public service ought to be more dependent on normative incentives. If commitment is grounded in values, we would expect public employees to display higher levels of organizational commitment.

Micro factors such as work characteristics have continually been shown to be important to organizational commitment. This research underscores the fact that micro factors are important to organizational commitment, but those same factors apparently do not lead to higher organizational commitment in the public sector.

References


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