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## Article

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# The management of the early stages of restructuring in a tertiary-education institution – an organisational commitment perspective

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Restructuring in business firms is often characterised by uncertainty, anxiety, low morale, tardy job performance and high levels of absenteeism and staff turnover. Restructuring has recently been extended to tertiary education, but its effects on the higher education environment have not been thoroughly investigated.

This study investigates the impact of restructuring (mergers) on the organisational commitment, job performance and intent to resign of tertiary education staff, as well as the relationship between selected antecedents (commitment to top management and satisfaction with career factors, monetary remuneration, fringe benefits, relations with peers and growth needs) and organisational commitment.

The results show that the respondents, during the early stages of restructuring, exhibit low levels of organisational commitment, commitment to top management and satisfaction with monetary remuneration, fringe benefits and career factors. They also report high levels of satisfaction with growth factors (opportunities for training and development), relations with peers and performance intentions, and low levels of intentions to resign.

Multiple regression analyses reveal that organisational commitment is positively related to performance intentions and negatively related to intent to resign. The results also show that commitment to top management and satisfaction with fringe benefits, peer relations and career factors were positively related to organisational commitment. Neither satisfaction with monetary remuneration nor the satisfaction of growth needs was significantly related to organisational commitment. The managerial implications of these findings are discussed.

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## Introduction

Former Royal Dutch/Shell executive, Nijenrode Learning Centre and London Business School academic and author of the best-selling book *The living company*, Arie de Geus, recently made the point that he has been kept busy for the past five years by the question why business firms are saying that people are their most important asset, yet they are quick to lay off workers in an economic downturn (*Sunday Times, Business Times*, 2 November 2003:7). On the other hand, firms want committed and productive employees to meet production targets over the short-term in order to achieve their long-term goals, such as return on investment and the survival of their firms. All this against the background that research has shown that lay-offs have a detrimental influence on the organisational commitment of the survivors of downsizings and retrenchments (Clark & Koonce, 1995:24-25; Robbins, 1998:526). During restructuring employees suffer from uncertainty and the anxiety associated with new tasks and having to discard long-standing work practices and formal social networks. The resulting decline in commitment carries the seeds of numerous other organisational problems, including the non-achievement of the above-mentioned long-term goals.

It appears that firms are quick to replace people with capital goods in their pursuit of their economic objectives. De Geus suggests that in future firms will have to think very carefully about the capitalisation of firms to achieve long-term goals, because firms are entering into a business era in which people will take centre stage. De Gues holds the view that the business world has perhaps reached the point where people cannot be replaced by machines any longer. It was hoped, he says, that computers would be able to replace people, but this also failed. Computers can make people more effective, but cannot replace them. De Geus suggests that the critical success factors in the oil and car industries, for example, are whether firms in these industries are better in extracting more oil from the ground or making a car more attractive to a consumer. This calls for high levels of human talent and ingenuity rather than replacing the latter with more machines (*Sunday Times, Business Times*, 2 November 2003:7)

## Problem statement

The lay-off of employees is often the consequence of restructuring in firms. In other words, mergers and take-overs often lead to downsizing and retrenchments. It is not only business firms that are prone to restructuring and

change, but recently also educational institutions. Although the nature of business firms is different from that of educational institutions, it can safely be expected that the often-cited advantages and disadvantages of restructuring will manifest themselves more or less similarly in these institutions. For example, business firms and educational institutions will be equally affected by benefits such as cost savings and disadvantages such as loss of human talent and demotivated lay-off survivors after restructuring has taken place.

An educational institution is one of the most important organisations in a society. Its vision and mission and the activities it performs should therefore be consistent with the direction of social expectations. Tertiary institutions should contribute to the social, economic and scientific development of people (Khosa, 1996). They are, for example, expected to find solutions for societal problems (Gourley, 1995).

The vision, mission and goals of tertiary institutions cannot be achieved without their academic and support staff. The human element (teacher/facilitator/lecturer) is much more important in educational institutions than in other organisations, as the development, transfer and reception of knowledge cannot be achieved without the inputs of the educators. Educators and supporting staff therefore need to have commitment to their task as well as their institutions if quality outputs are to be achieved. Boshoff and Arnolds (1995a: 89), for example, found that the professional and organisational commitment of teachers and administrative personnel significantly and positively influence their job performance and intent to resign. It is therefore important that attention be given to the organisational commitment of staff members of educational institutions that are undergoing restructuring.

Educational institutions in South Africa have historically been fairly protected institutions in which very few if any structural changes took place. Apart from the normal turnover of staff, few educational institutions have ever been called upon to merge with other educational institutions. To make matters worse, different types of educational institutions have never anticipated the merger of a technikon with a university, as these institutions serve different markets. Education institutions in the past therefore had stable workforces and reasonably high levels of organisational commitment among their staff members.

It is expected that the uncertainty and anxiety caused by restructuring will result in lower levels of job performance and higher employee turnover and absenteeism in the changing tertiary-education institutions. These institutions are expected to experience overt and covert resistance to change (Hellriegel, Slocum & Woodman, 2001:553). Overt resistance may take the form of strikes, reduced productivity, inferior work and even possibly sabotage, while covert resistance is often expressed by increased tardiness and absenteeism, requests for transfers, resignations, loss of motivation, lower morale and higher levels of accidents and work errors. Hellriegel *et al.*, (2001) identify, in their opinion, one of the most damaging forms of resistance, namely passive resistance. Passive resistance

occurs when employees refuse to participate in the formulation of change proposals, and this ultimately manifests itself in a lack of commitment to these proposals. Little is known about how restructuring and the above-mentioned consequences would affect the employee commitment and performance of institutions of higher learning.

It could be argued that the academic and administrative staff at tertiary education institutions exhibit a professional commitment to their jobs (Erwee, 1980) and that organisational commitment is therefore not important. The counter argument would be that both professional commitment and organisational commitment in tertiary-education institutions have never been investigated under the strain of the type of restructuring taking place in South Africa at present. In other words, it can be argued that professional commitment has been allowed to develop under circumstances of reasonable stability and the image and status of tertiary-education institutions have played a big role in the development of the professional status of their staff members. There is therefore the need to assess what influence the restructuring will have on the employee commitment and performance of these institutions. The present study is an attempt to address this gap in the literature as far as the employees' commitment to their employing organisation is concerned. The restructuring of South African tertiary-education institutions provides a unique opportunity to make a contribution to research and knowledge about organisational commitment in restructuring organisations, in general, and higher education organisations, in particular.

### **Contextual background of the study**

The post-1994 South Africa has been undergoing tremendous amounts of transformation in its political, economic, social and technological environments (Bainbridge, 1996; Brill & Worth, 1997). As part of the social environment, education is also compelled to restructure as well. Restructuring and change in the primary and secondary school sectors mostly took the form of the admission to schools of learners and educators who were not in the past allowed to attend or teach at those schools. Unlike the primary and secondary school sectors, tertiary-education institutions are subjected to a more complex and challenging restructuring process of mergers. Mergers are taking place between teacher-training colleges and technical colleges, as well as between universities and technikons. The merging of these institutions is prescribed and guided by the Higher Education Act 101 of 1997 (South Africa, 1997).

### **Objectives of the study**

The main objective of the study is to investigate what the impact of restructuring will be on the organisational commitment of the staff of a tertiary-education institution.

More specifically, the study investigates, in the context of the early stages of restructuring, what the relationship would be between organisational commitment, on the one hand, and performance intentions and intent to resign, on the other

hand. The relationship between selected antecedents (commitment to top management and satisfaction with career factors, pay, fringe benefits, relations with peers and growth needs) and organisational commitment in the context of restructuring is also explored. The study is the first phase in a longitudinal investigation of the development of organisational commitment during the pre-, middle and post-merger phases of restructuring.

The above-mentioned variables are defined as follows:

- Early stages of restructuring: the data collection occurred during the period after the formal announcement of the pending merger but before the signing of a memorandum of agreement between the three institutions – the month of May (2003) in the year before formal amalgamation on 1 January 2004.
- Organisational commitment: the extent to which an individual identifies with an organisation, which is expressed in a willingness to exert extra effort on behalf of the organisation and the desire to stay with the organisation, thus resembling affective commitment (Allen & Meyer, 1990; Rylander, 2003).
- Career factors: perceptions of promotion and advancement opportunities, as well as career planning in the organisation.
- Growth needs: the need for training and development, a challenging work environment and opportunities to learn new things.

## Methodology

### The sample

The realised sample consisted of 170 (response rate of 15,1%) academic and administrative staff of a South African university during the early stages of a pending merger. An electronic questionnaire was e-mailed to all the staff members of the university (N = 1124). Anonymity and confidentiality were strictly guaranteed. (Information on the composition of the sample is available from the first author).

### The measuring instruments

Measuring instruments with confirmed reliability and validity properties were used to measure the constructs investigated in the study.

Organisational commitment was measured using the shortened, 9-item version of the Mowday, Porter and Steers (1982) scale (OCQ). The reliability and validity of both the short and long (15-item) versions have been adequately proven (Brooke, Russell & Price, 1988:139; Mathieu & Farr, 1991:129).

Performance intentions have been described as a potent measure or predictor of employee job performance. Performance intentions are regarded as a direct motivational determinant of task performance (Hampton, Summer & Webber, 1982:378), a strong indication of motivation to

produce (Carkhuff, 1986:61), a prerequisite for peak performance (Sumerlin & Norman, 1992:478) and a strong precursor to actual job performance (Shore, Newton & Thornton, 1990:64).

The performance intentions scale, developed by Shore *et al.* (1990), was used as a surrogate measure of job performance in this study. The reported reliability coefficients, which ranged from 0,60 to 0,84, are regarded as sufficient to use this instrument to measure the performance intention construct (Shore *et al.*, 1990).

Intent to resign was measured using the scale developed by Becker (1992). This scale is a composite of two items selected from the Michigan Organisational Assessment Questionnaire of Cammann, Fichman, Jenkins and Klesh (1979) and two items from the OCQ scale of Mowday *et al.* (1982). Responses were measured on a seven-point Likert-type scale. Internal reliability coefficients of 0,80 and 0,81 have been reported for this scale (Becker, 1992; Boshoff & Arnolds, 1995a).

The commitment to supervisor scale, developed by Boshoff and Arnolds (1995a), was used to measure commitment to top management. The word 'supervisor' was replaced by 'top management' in the phrasing of the items. Responses were anchored by a seven-point Likert-type scale. Boshoff and Arnolds (1995a) reported an internal reliability coefficient of 0,83 for this scale.

The seven-item scale of Jans (1985) was used to measure career factors in this study. The instrument measures respondents' perceptions of career factors such as promotion, satisfying senior appointments, fairness of advancement policies and participation in career planning. A Cronbach alpha of 0,80 has been reported for this scale (Boshoff & Arnolds, 1995b).

The shortened version of Alderfer's (1969) instrument was used to measure satisfaction with monetary remuneration, fringe benefits, peer relations and growth needs. Favourable results on the convergent and discriminant validation and reliability coefficients ranging from 0,64 to 0,90 have been reported for these scales (Alderfer, 1969; Arnolds & Boshoff, 2000).

## The hypothesised relationships

Restructuring in any organisation often causes uncertainty and anxiety among employees in the organisation (Clark & Koonce, 1995; Robbins, 1998). A study to investigate the effect of restructuring in a South African tertiary-education institution by Viljoen and Rothman (2002:8) found that staff members of that institution were very dissatisfied with how the restructuring process was managed by their management. Against this background the following propositions are formulated:

- P1: There will be low levels (less than 60%) of organisational commitment among the staff in a restructuring tertiary-education institution

- P2: There will be low levels (less than 60%) of performance intent among the staff in a restructuring tertiary-education institution
- P3: There will be high levels (more than 60%) of intent to resign among the staff in a restructuring tertiary-education institution
- P4: There will be low levels (less than 60%) of satisfaction with career factors (aspirations for advancement and promotion) among the staff in a restructuring tertiary-education institution
- P5: There will be low levels (less than 60%) of satisfaction with monetary remuneration among the staff in a restructuring tertiary-education institution
- P6: There will be low levels (less than 60%) of satisfaction with fringe benefits among the staff in a restructuring tertiary-education institution
- P7: There will be low levels (less than 60%) of satisfaction with peer relations among the staff in a restructuring tertiary-education institution
- P8: There will be low levels (less than 60%) of satisfaction with growth needs (need for training and development) among the staff in a restructuring tertiary-education institution
- P9: There will be low levels (less than 60%) of commitment to top management among the staff in a restructuring tertiary-education institution

For the purposes of this study a score of below 60% (a mean score of 4,2 on a 7-point scale) is regarded as an indication of low organisational commitment given that the global organisational commitment average ranges from 60 to 65 percent, while the South African average is 68% (Bennett, 2002a: 1). For the purposes of consistency the cut-off point of 60% is extended to the other constructs investigated in this study, such as commitment to top management and satisfaction with career factors, monetary remuneration, fringe benefits, peer relations and growth needs.

### The relationship between organisational commitment and job performance

The intuitively expected positive relationship between organisational commitment and job performance has been inconsistent (Luthans, 1992:125). Angle and Perry's (1981:2-3) empirical findings rendered no support for their hypothesis that strongly committed employees would exhibit increased performance. Steers (1977:53), for example, reported no significant relationship between organisational commitment and job performance in a sample of scientists and engineers.

Mowday, Steers and Porter (1979:327), however, produced evidence that highly committed employees, under certain conditions, performed better than their less committed counterparts. Zaccaro and Dobbins (1989:272) concur that the employee's productivity is positively affected by

organisational commitment. Boshoff and Arnolds (1995a:89) reported that organisational commitment significantly increases job performance, while Steers (1977:53) found a marginally positive relationship between organisational commitment and two of four measures of job performance for a sample of hospital employees.

Despite some inconsistencies most of the above studies report a positive relationship between organisational commitment and job performance. It is therefore hypothesised that:

- H1: Organisational commitment exerts a positive influence on job performance.

### The relationship between organisational commitment and intent to resign

Research has shown a consistently strong negative relationship between organisational commitment and employee turnover (Miner, 1992:127). Pierce and Dunham (1987:172-173) reported significant negative relationships between organisational commitment and three measures of turnover, namely thinking of quitting, intent to search for new employment, and intent to quit. Angle and Perry (1981:3) hypothesised that members who are strongly committed to their employing organisations would exhibit lower levels of voluntary turnover. This hypothesis was supported by their empirical findings. Boshoff and Arnolds (1995a) also found that enhanced organisational commitment significantly reduced the intent to resign of a sample of chartered accountants, teachers and administrative employees.

Shore *et al.* (1990: 59), found that organisational commitment is negatively related to turnover intentions. Boshoff, Van Wyk, Hoole and Owen (2002:22) reported significant negative correlations between intent to quit, on the one hand, and affective, normative and calculative commitments on the other hand. It is consequently hypothesised that:

- H2: Organisational commitment exerts a negative influence on intent to resign.

### The relationship between career factors and organisational commitment

Dissatisfaction with career factors such as the bases of promotion in the organisation (Buchanan, 1974:534), perceived job security and promotion opportunities (Jans, 1989:257) has been reported to shape the employee's organisational commitment. Darden, Hampton and Howell (1989: 85) and Mottaz (1989:154) have shown that clearly defined career paths are important determinants of organisational commitment. Boshoff and Arnolds (1995b: 131) reported that career factors have a significant positive affect on organisational commitment. In a recent Markinor survey in America, career options emerged as the most important reason cited for people leaving their employing firms for other firms (Bennett, 2002b:1). It is therefore hypothesised that:

H3: Satisfaction with career factors exerts a positive influence on organisational commitment

#### The relationship between monetary remuneration and organisational commitment

Mottaz (1989:154) reported that monetary remuneration is an important determinant of organisational commitment. Oliver (1990:520), and Colarelli and Bishop (1990:165) found that salary correlates positively and significantly with organisational commitment. Cohen (1992:553) found that monetary income demonstrated a stronger positive relationship with organisational commitment for professional than for non-professional employees. In a survey of 612 American employees monetary compensation was ranked the most important element in their intention to stay with their firms, in other words their organisational commitment (*Management Review*, 1999:6).

The preceding literature review suggests a positive relationship between monetary remuneration and organisational commitment. In other words, an increase in satisfaction with monetary remuneration can be expected to lead to an increase in organisational commitment. It is therefore hypothesised that:

H4: Satisfaction with monetary remuneration exerts a positive influence on organisational commitment

#### The relationship between fringe benefits and organisational commitment

Darden, Hampton and Howell (1989:85) and Mottaz (1989: 54) have shown that fringe benefits are important determinants of organisational commitment. In a survey of 612 American employees it was found that the most important elements in what keeps these employees committed to (intent to stay) their firms are salaries and fringe benefits (*Management Review*, 1999:6). Bennett (2002b:1) reports that after career options and training, better monetary remuneration and fringe benefits are the second most important reason given for why people leave one firm for another firm. It is consequently hypothesised that:

H5: Satisfaction with fringe benefits exerts a positive influence on organisational commitment

#### The relationship between peer relations and organisational commitment

Commitment to co-workers is significantly and positively related to organisational commitment (Gregersen, 1993:39). Bagraim (2003:19) also found a significant positive relationship between affective commitment to co-workers and affective organisational commitment. Wallace (1995) reported that professional employees such as lawyers exhibit

stronger organisational commitment if they experience greater co-worker support.

The preceding literature review suggests that an employee who experiences healthy relationships with co-workers would have a positive identification with his/her employing organisation. It is therefore hypothesised that:

H6: Satisfaction with peer relations exerts a positive influence on organisational commitment

#### The relationship between growth need satisfaction and organisational commitment

Pierce and Dunham (1987:169) found that the extent to which organisations satisfy the growth needs of employees has a significant influence on organisational commitment. Alpaender (1990:55) reported that growth needs correlated positively and significantly with organisational commitment. There is general realisation on the part of managers that an employee who is not empowered through training and development, will not be fully committed to his/her employing organisation (*Sunday Times, Business Times*, 26 March 2000:2). Such an employee will be 'hooked in financially', but would deliver 'mediocre performance'. Many management consultants agree that to attract and retain committed professional employees, their growth needs need to be satisfied, such as through challenging assignments which engage them intellectually, emotionally and behaviourally (Falkenberg, 2001:2; Willemse, 2002:2). It is consequently hypothesised that:

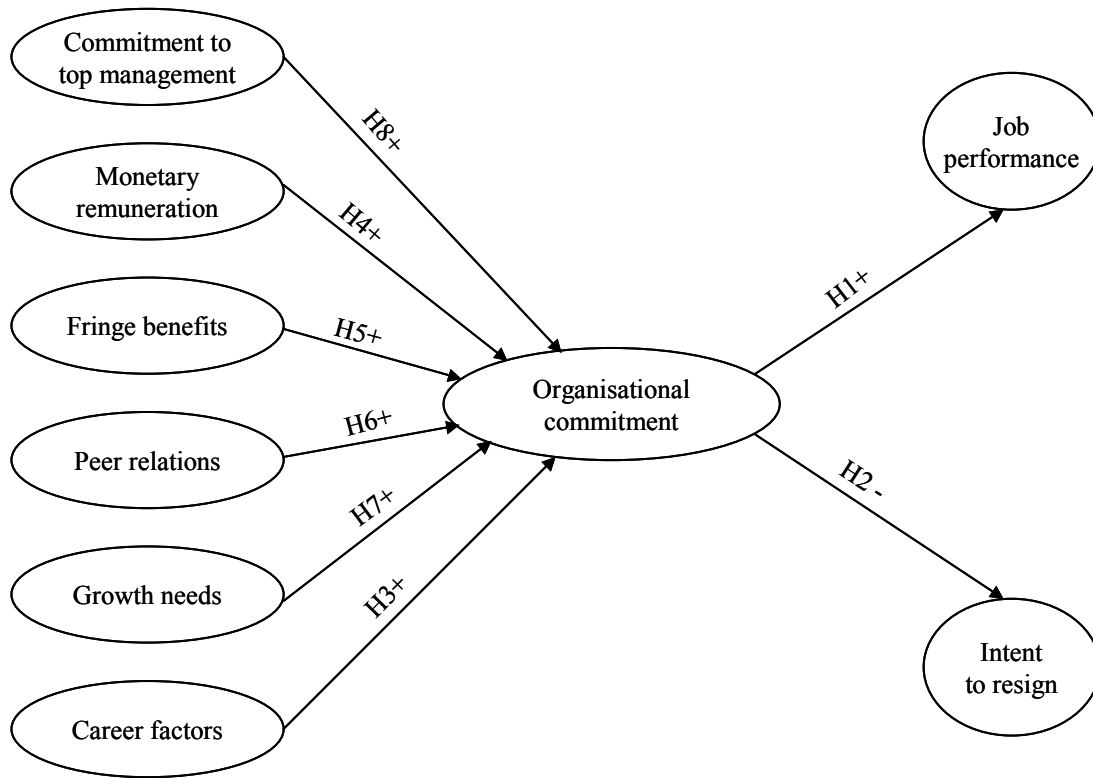
H7: Satisfaction of growth needs exerts a positive influence on organisational commitment

#### The relationship between commitment to top management and organisational commitment

Leader behaviour is an important determinant of organisational commitment (Jans, 1989:248). Commitment to top management is significantly and positively related to organisational commitment (Gregersen, 1993:39). Faith in management, a construct very near to commitment to top management, has been shown to be a strong determinant of organisational commitment (Cook & Wall 1980:47). Drawing from surveys of more than 360 000 employees, the International Survey Research (ISR) organisation, an international employee research organisation, identifies the employee's assessment of leadership in firms as *the* most important determinant of employee commitment to organisations (Bennett, 2002a: 1). It is therefore hypothesised that:

H8: Commitment to top management exerts a positive influence on organisational commitment

The above-mentioned hypothesised relationships are graphically depicted in Figure 1.



**Figure 1: The hypothesised model**

## Data analysis

### Internal reliability

The first step in the data analysis procedure was to assess the internal reliability of the measuring instruments by means of Cronbach alpha coefficients, using the computer programme SAS (SAS Institute, 1988). The initial results reported in Table 1 show that all the instruments returned alpha values of more than 0,70. The item-to-total correlation of each item was then considered to establish whether the alpha values could not be improved by deleting items with low (below 0,35) item-to-total correlations. The removal of low item-to-total items improved the internal reliability of two instruments. Removing one item from the commitment to top management scale (CTOP4) improved the coefficient from 0,92 to 0,94. In the case of the career factors scale the removal of CRER1 improved the alpha value from 0,79 to 0,83.

Table 1 shows that all the instruments used in this study exhibit reliability coefficients that exceed the minimum reliability requirement according to Nunnally (1978). All the variables listed on Table 1 were therefore retained in the theoretical model following the reliability analysis.

### Discriminant validity

The second phase of analysis involved an assessment of the discriminant validity of the measuring instruments. For this purpose an exploratory factor analysis procedure was conducted, using the computer programme BMDP4M (Frane, Jennrich & Sampson, 1990). Maximum likelihood was specified as the method of factor extraction and a Direct Quartimin oblique rotation of the original factor matrix was used (Jennrich & Sampson, 1966).

The rotated factor solution is shown in Table 2, while Table 3 identifies the items which were regarded as measures of the individual latent variables retained in the theoretical model. Tables 2 and 3 show that two items of the career factors construct, namely CRER4 and CRER5, loaded on 'satisfaction with growth needs' and 'satisfaction with peer relations' respectively and were therefore regarded as measurements of the latter constructs. The dependent variable, organisational commitment, was not included in the factor analysis as its discriminant validity was well-established in previous studies (Boshoff & Arnolds, 1995a). Only the items listed in Table 2 were used in all subsequent statistical procedures.

## The empirical results

Table 4 shows that the respondents in the present sample exhibit relatively low levels of organisational commitment, commitment top management and satisfaction with monetary remuneration, fringe benefits and career factors (propositions 1, 4, 5, 6 and 9 supported). The results also reveal low levels of intentions to resign (proposition 3 not supported).

High levels of satisfaction with growth factors (opportunities for training and development), relations with peers and performance intentions are, however, reported (propositions 2, 7 and 8 not supported).

**Table 1: Cronbach alpha values of measuring instruments**

The measuring instruments	Initial value	Final value
Organisational commitment	0,89	0,89
Commitment to top management	0,92	0,94
Career factors	0,79	0,83
Monetary remuneration	0,86	0,86
Fringe benefits	0,93	0,93
Peer relations	0,86	0,86
Growth needs	0,84	0,84
Intent to resign	0,80	0,80
Job performance	0,77	0,77

**Table 2 Rotated factor loadings: Independent variables<sup>(1)</sup>**

	Factor 1 Commitment to top management	Factor 2 Fringe benefits	Factor 3 Growth needs	Factor 4 Peer relations	Factor 5 Monetary remuneration	Factor 6 Intent to resign	Factor 7 Performance	Factor 8 Career factors
CTOP1	<b>0,786</b>	-0,027	-0,014	-0,009	0,056	-0,094	0,021	0,066
CTOP2	<b>0,953</b>	0,115	-0,002	0,036	-0,049	0,086	-0,068	0,039
CTOP3	<b>0,944</b>	-0,070	0,055	-0,024	-0,013	-0,030	0,048	-0,127
CTOP5	<b>0,816</b>	0,031	0,000	0,056	0,041	0,000	0,019	0,026
ALFB1	0,064	<b>0,834</b>	-0,012	0,017	0,103	-0,009	0,028	0,023
ALFB2	0,012	<b>0,851</b>	0,020	-0,033	-0,003	-0,066	0,046	0,038
ALFB3	-0,026	<b>0,740</b>	-0,024	0,109	0,205	0,008	0,059	-0,026
ALFB4	0,189	<b>0,649</b>	-0,100	0,040	0,267	0,012	0,087	-0,046
ALGR1	0,065	0,106	<b>0,729</b>	-0,018	0,003	-0,066	0,001	-0,035
ALGR2	0,152	-0,025	<b>0,717</b>	-0,007	0,039	-0,095	0,036	0,036
ALGR3	-0,035	-0,086	<b>0,736</b>	-0,001	0,094	0,037	0,044	-0,007
ALGR4	-0,015	-0,094	<b>0,510</b>	0,112	0,024	0,044	0,100	0,026
CRER4	0,008	0,088	<b>0,707</b>	0,061	-0,105	-0,099	-0,024	0,030
ALRP1	0,035	-0,094	-0,011	<b>0,726</b>	0,147	0,132	-0,001	0,090
ALRP2	0,035	0,003	0,088	<b>0,800</b>	0,058	0,027	-0,079	-0,120
ALRP3	-0,002	0,105	0,021	<b>0,783</b>	-0,104	-0,157	-0,054	-0,019
ALRP4	-0,034	0,035	-0,079	<b>0,746</b>	-0,093	-0,094	0,119	-0,002
CRER5	0,088	0,055	0,170	<b>0,521</b>	-0,055	-0,048	0,080	0,113
ALPY1	0,123	0,115	-0,069	-0,072	<b>0,704</b>	-0,017	0,044	0,102
ALPY2	0,010	0,241	0,108	0,068	<b>0,612</b>	-0,016	-0,074	-0,080
ALPY3	-0,096	0,175	0,179	0,032	<b>0,597</b>	-0,034	-0,055	-0,004
ALPY4	0,100	-0,019	-0,073	0,012	<b>0,792</b>	-0,113	0,065	0,011
RESI1	-0,063	-0,012	-0,027	-0,085	-0,043	<b>0,630</b>	0,035	0,035
RESI2	-0,027	-0,028	0,086	-0,052	0,064	<b>0,887</b>	-0,010	0,063
RESI3	0,027	0,076	-0,150	0,028	-0,070	<b>0,672</b>	0,014	-0,080
RESI4	-0,020	-0,167	-0,025	0,061	-0,164	<b>0,437</b>	-0,035	-0,114
PERF1	0,037	0,042	0,246	0,040	-0,016	-0,130	<b>0,481</b>	-0,266
PERF2	-0,007	-0,028	-0,007	0,031	0,002	0,036	<b>0,737</b>	0,073
PERF3	-0,043	0,091	0,020	-0,000	0,007	-0,004	<b>0,836</b>	-0,099
PERF4	0,086	0,022	-0,005	-0,023	-0,007	0,039	<b>0,537</b>	0,132
CRER2	0,050	0,240	0,332	0,051	-0,117	0,007	0,151	<b>0,428</b>
CRER3	0,170	0,236	0,314	0,011	0,031	-0,036	0,010	<b>0,384</b>
CRER6	0,149	-0,180	-0,017	0,123	0,198	-0,255	0,221	<b>0,472</b>
CRER7	0,269	-0,009	0,024	0,038	0,129	-0,285	0,033	<b>0,501</b>
Eigen Values	3,342	2,761	2,759	2,693	2,163	2,110	1,916	1,016

1) Loadings greater than 0,350 were considered significant



**Table 3: The empirical factor structure**

Variables	Items
Organisational commitment	OC 1,2,3,4,5,6,7,8,9
Job performance	PERF 1,2,3,4
Intent to resign	RESI 1,2,3,4
Commitment to top management	CTOP 1,2,3,5
Satisfaction with monetary remuneration	ALPY 1,2,3,4
Satisfaction with fringe benefits	ALFB 1,2,3,4
Satisfaction with peer relations	ALRP 1,2,3,4, CRER5
Satisfaction with growth needs	ALGR 1,2,3,4, CRER4
Career factors	CRER 2,3,6,7

To empirically evaluate the various relationships depicted in Figure 1, a series of three multiple regression analyses were conducted using the computer programme SAS (SAS, 1988). In the first regression analysis organisational commitment served as an independent variable while job performance served as the dependent variable. The second regression analysis considered the influence of organisational commitment (the independent variable) on intent to resign (the dependent variable). The third regression analysis involved the determinants of

**Table 4: Mean scores of variables**

Variable	Mean score (on 7-point scale)	Percentage ((mean score ÷ 7) x 100)
Organisational commitment	3,94	56,3
Commitment to top management	3,33	47,6
Intent to resign	3,60	51,4
Satisfaction with monetary remuneration	3,13	44,7
Satisfaction with fringe benefits	3,23	46,1
Satisfaction with career factors (promotion and advancement opportunities)	3,73	53,3
Performance intentions	4,95	70,7
Satisfaction with growth factors (challenging work environment, training and development)	5,22	74,6
Satisfaction with peer relations	4,72	67,4

Note: mean scores of below 4,2 (60%) are regarded as "low"

### Organisational commitment and intent to resign

The empirical results (Table 5) indicate that organisational commitment is significantly and negatively related to intent to resign ( $p < 0,001$ ). This means that the higher an employee's organisational commitment is the less likely he/she will be to resign. The hypothesis (H2) that organisational commitment exerts a negative influence on intent to resign is therefore accepted. The results reveal that organisational commitment explains 43,1% of the variance in intent to resign and is therefore an important determinant of the latter.

### The determinants of organisational commitment

Table 5 and Figure 2 show that all the determinants of organisational commitment depicted in Figure 1 are significantly and positively related to organisational commitment, except satisfaction with monetary remuneration and growth needs. Hypotheses H3, H5, H6

organisational commitment, namely commitment to top management, satisfaction with monetary remuneration, fringe benefits, peer relations and growth needs, and career factors as independent variables and organisational commitment as dependent variable.

### Organisational commitment and job performance

The empirical results reported in Table 5 and graphically depicted in Figure 2 show that organisational commitment is significantly and positively related to employee job performance ( $p < 0,001$ ). This means that the stronger the employee's commitment is to his/her employing organisation, the higher his/her job performance will be. The hypothesis (H1) that organisational commitment exerts a positive influence on job performance is therefore confirmed by the empirical results. Table 5 also shows that organisational commitment is an important determinant of employee job performance. Organisational commitment explains 21,6% of the variance in job performance.

and H8 are therefore all supported by the empirical results. These results indicate that employees who are highly committed to their top management and satisfied with their fringe benefits, peer relations and career factors (promotion and advancement policies and opportunities) will exhibit higher levels of organisational commitment.

The empirical results reveal, however, that satisfaction with monetary remuneration does not exert a significant influence ( $p > 0,05$ ) on organisational commitment (H4 not accepted). The relationship between growth needs and organisational commitment is positive as hypothesised but not significant at the 5% level. Hypothesis H7 is thus rejected. Table 5 also reveals that the listed determinants of organisational commitment explain 67,9% of the variance in organisational commitment. These determinants are therefore very important influencers of organisational commitment.

**Table 5: Empirical results: Multiple regression analyses**

**Dependent variable: Job performance**

Independent variables	Estimate (Beta coefficient)	Exceedance probability
Intercept	17,37904772	0,0001
Organisational commitment	0,18385439	0,0001***

R<sup>2</sup> = 21,6%

**Dependent variable: Intent to resign**

Intercept	26,00973103	0,000
Organisational commitment	-0,42080372	0,0001***

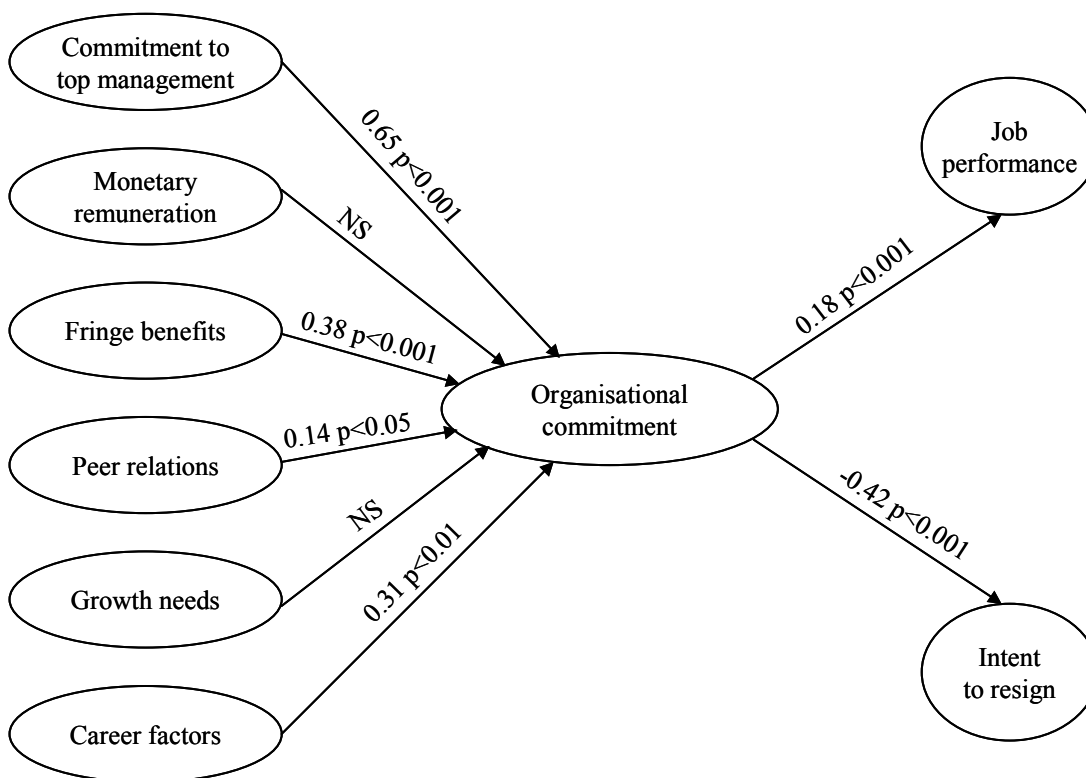
R<sup>2</sup> = 43,1%

**Dependent variable: Organisational commitment**

Intercept	1,586914269	0,4251
Commitment to top management	0,653038645	0,0001***
Monetary remuneration	0,038151855	0,7035
Fringe benefits	0,383299835	0,0001***
Peer relations	0,139188455	0,0383*
Growth needs	0,158441350	0,0526
Career factors	0,311717324	0,0041**

R<sup>2</sup> = 67,9%

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 \* p < 0,05  
 \*\* p < 0,01  
 \*\*\* p < 0,001



**Figure 2: The empirical results**

## Summary of results

The empirical results indicate that employees, in an organisation that is in the early stages of organisational restructuring, exhibit low levels of organisational commitment, commitment to top management and satisfaction with monetary remuneration, fringe benefits and career factors. On the other hand, the results show high levels of satisfaction with growth factors (opportunities for training and development) and relations with peers. As far as the outcomes of organisational commitment are concerned, the respondents show high performance intentions and low levels of intentions to resign.

The results of the regression analyses reveal that organisational commitment is positively related to performance intentions and negatively related to intent to resign. This confirms previous findings as far as these relationships are concerned (Zaccaro & Dobbins, 1989; Boshoff & Arnolds, 1995a; Shore *et al.*, 1990; Boshoff *et al.*, 2002). Except for two all the modelled antecedents of organisational commitment (commitment to top management, satisfaction with fringe benefits, peer relations and career factors) are positively related to organisational commitment. These findings therefore support previous research results as far the relationship is concerned between organisational commitment, on the one hand, and commitment to top management (Jans, 1989; Gregersen, 1993; Bennett, 2002a), satisfaction with fringe benefits (Darden *et al.*, 1989; Mottaz, 1989; Bennett, 2002b), peer relations (Gregersen, 1993; Wallace, 1995; Bagraim, 2003) and career factors (Jans, 1989; Darden *et al.*, 1989; Boshoff & Arnolds, 1995b), on the other hand. Satisfaction with monetary remuneration and growth needs were positively but not significantly related to organisational commitment. This finding does not support previous findings that monetary remuneration (Oliver, 1990; Colarelli & Bishop, 1990; Cohen, 1992) and growth needs (Pierce & Dunham, 1987; Alpander, 1990) correlate positively and significantly with organisational commitment.

## Managerial implications

The empirical results show that the staff of this tertiary-education institution exhibit low levels of organisational commitment, commitment to top management and satisfaction with monetary remuneration, fringe benefits and career factors during the early stages of restructuring. This result substantiates previous research findings (Clark & Koonce, 1995; Robbins, 1998; Viljoen & Rothman, 2002) that institutional restructuring has a negative influence on the members of that institution. Proper attention should therefore be given to how a restructuring process is managed in tertiary-education institutions as this would impact significantly on the employee's job performance and desire to stay with the institution.

The empirical results indicate that an increase in organisational commitment leads to an increase in employee job performance and a decrease in intent to resign. This is an indication for management that if organisational commitment further decreases as a result of negative perceptions about restructuring, the levels of performance

intentions will also decrease, while intentions to resign will increase. The results further show that commitment to top management and satisfaction with fringe benefits and career factors impact positively on organisational commitment. Given the low levels of commitment to top management and satisfaction with fringe benefits and career factors, it means that increasing negative perceptions about these variables will further decrease organisational commitment. Management should therefore make an effort to improve the image of top management, fringe benefits and career factors to arrest a further decline in organisational commitment.

The results show low levels of intent to resign, but high levels of performance intentions and satisfaction with peer relations and growth needs. This means that the staff of this tertiary-education institution exhibit a professional commitment to their job, as they identify with their peers, appreciate the training and development opportunities in their jobs and are intent to perform well for their students. The assertion of professional commitment is reinforced by the fact that these respondents do not see themselves resigning from their institution very soon despite their low satisfaction with monetary remuneration, fringe benefits and career factors and low organisational commitment. This finding is in line with Erwee (1980) who found that the academic staff of tertiary-education institutions exhibit a stronger professional commitment than organisational commitment.

The empirical result that monetary compensation is not a significant determinant of organisational commitment, provides further support for the assertion that staff in tertiary-education institutions have a strong professional commitment to their jobs. Although, as professionals, academic and administrative staff of a tertiary-education institution would expect to be paid a fair salary, their monetary remuneration is not the strongest determinant of their organisational commitment, job performance and intent to resign. The results seem to suggest that professionals are more concerned about the extent to which their fringe benefits, collegial relations and opportunities for career advancement improve their professional delivery of service and their professional status. Management should therefore pay attention to how operational activities, such as budgetary expenditure and appointments affect the staff members' ability and capacity to deliver a professional service, particularly during a restructuring process.

The results indicate high levels of growth need satisfaction and healthy peer relations, as well as a positive relationship between these variables and organisational commitment. During a restructuring process management is therefore advised to strengthen collegial relations and training and development opportunities to enhance organisational commitment and job performance.

The strongest determinant of organisational commitment in this study was commitment to top management (0,65,  $p < 0,001$ ). This is an indication of how important the leadership of top management is in managing restructuring in organisations. Restructuring causes uncertainty and this often contributes to employees being critical towards the management of the organisation (Viljoen & Rothman,

2002:8). Open communication channels and regular feedback are crucial to the successful management of restructuring. Training top management in issues such as transformational leadership, participative management and management of diversity is often a necessity in dealing with organisational restructuring.

In conclusion, employees who are not committed to their employing organisations tend to render lower levels of job performance than those who are committed to their organisations. Academics and administrative staff of tertiary-education institutions tend to exhibit a professional commitment to their job, which sustains their performance intentions. Arnolds and Boshoff (2002) have shown that organisational commitment and professional commitment have a significant interactive relationship. Both these commitment types therefore need to be carefully managed during a restructuring process in higher education institutions.

### Future research

Organisational commitment has been shown to influence important employee behaviours, such as job performance, intent to resign and absenteeism and therefore warrants continual research. The restructuring of higher education institutions in South Africa provides a unique opportunity to contribute to the body of knowledge on organisational commitment. This study represents the first phase in a longitudinal investigation of the development of organisational commitment in a restructuring organisation. The second phase will investigate the relationship between organisational commitment, its antecedents and its outcomes (job performance and intent to resign) midway through the merger process, while a third phase will investigate these relationships after the merger process. This study occurs against the background of Rylander's (2003:140) call for a movement away from the practise of the measurement of organisational commitment at a single point in time during employment. He is of the opinion that it is a serious limitation in most organisational commitment research. This study is the first step in addressing this limitation.

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