The Effect of Organizational Commitment on Organizational Excellence, the Case Study in South Zagros Oil and Gas Production Company, Iran (Operating Area of Parsiyan)

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INTRODUCTION

In today’s organization, human resources are considered as the most important resources of the organization and managers have perceived that it is the most important factor in obtaining competitive advantages. So nowadays paying attention to human resource commitment and loyalty in organization and better performing of their roles and even functions higher than their roles is one of the managers’ serious mental disturbances in the organizations. Organizational commitment is an attitude, a mental state that indicates a kind of tendency, need and necessity to carrying on being employed in an organization. Tendency means personal sincere interest and will for continuance of being in the service of the organization, need means that the employee has to continue his/her job because of the investments he/she has done in the organization and necessity is a employee’s liability, responsibility and duty against organization and he/she is bound to remain in it. On the other view, organizational commitment is a kind of an affiliation and dependence to the organization. Therefore organization commitment is: "An attitude to employees’ loyalty to the organization, and a continuous process that organization members show their interest to organization and its continuous success and efficiency through it .

It is evident that employee organizational commitment is valuable when it has positive effect on organizational excellence and promotes the organization productivity. In this paper the organizational productivity has been discussed in the Parsiyan Operational Zone.

Parsiyan Operational Zone is consist of four gas field and it is one of the largest sweet gas field of the country that located in middle of the Lamerd township and includes a broad geographical area. These fields in south of Fars province and neighborhood south-east of Bushehr province and north-east of Hormozgan province has the area of 600000 hectare. These fields include:

1. Tabnak gas field, located in Tabnak mountain chin in south of Lamerd township.
2. Veravy gas field, located in Veravy mountain chin in north-west of Lamerd township.
3. Homa gas field, located in Homa mountain chin in north-west of Alamarvdasht township.
5. And kheirgoo separation center, located in Alamarvdasht region.
Because of the importance of oil and gas exploitation and their importance in the development of the country, the purpose of this research is, examining quality of organizational commitment effects on organizational excellence in the Parsiyen Operational Zone.

Definition of commitment:
Different individuals have defined commitment differently that some of them are pointed below:

Counter knows the commitment as the people tendency to grant their energy and loyalty to the social system. Salankic defines the commitment as joining an individual to his/her actions that is, when a person feels affiliation and responsibility to his/her behavior and actions commitment is achieved.

Moody et al., refer the commitment to the actions higher than the defined functions. Practical express of commitment is necessary for the activities to be done especially in critical and key jobs that it is especially important. Cok and wal have posed three concepts of "loyalty", "identity and recognition" and "readiness" for commitment.

Organizational commitment theoretical viewpoints (Meyer and Allen mode):
Meyer and Allen (1997) believed that commitment joins the individual to organization and this joint decreases the probability of breach of duty (Meyer and Herscovitch, 2001). They presented three parts for organizational commitment:

1. Affective commitment: includes affective joint of individual to organization, so that individuals introduce themselves by their organization.

2. Continuance commitment: according to this commitment an individual calculate the cost of leaving the organization. In fact an individual asks him/herself what will be costs of leaving the organization for him/her. Truly the individuals who undertake to organization continuously are those who remain in the organization because they need to remain.

3. Normative commitment: in this case the employees feel that they have to remain in the organization and remaining in the organization is an honest action (Lotanz, 1991). Meyer and Allen relate organizational commitment definitions to three general subjects of affective affiliation, costs perception and a feeling of responsibility. From the conceptual differences of three parts of organizational commitment which somewhat are independent from each other, it is conclude that each of them is the issues of special assumptions. The assumptions of affective commitment are categorized in four groups: personal traits, job characteristics, structure characteristics and job experiences. Many researches conducted about organizational commitment represent that the relationship of organizational commitment with job performance and behaviors conform organizational following, is direct (positive) but its relationship with breach of duty, absenteeism and employees tardiness is indirect (negative). So the nature of individual relationship with the organization in each of the three parts of affective commitment, continuance commitment and normative commitment is different. The employees with high affective commitment remain in the organization because they want to remain. The employees with high continuance commitment remain in the organization because they need to remain and those who have high normative commitment remain in the organization because they feel they must remain.

Organizational excellence:
The changes in global economy and the attempts done by World Trade Organization (WTO) and competition growth make the developed and developing countries believe that for presence and duration in global, Local and even domestic markets, they should promote competitiveness of their industries and organizations. Organizational excellence or being the elite of businesses models, are used as powerful instruments for establishment of these systems measurement in different organizations. By using these models, an organization meanwhile evaluating its success in performing improvement plans in different periods of time it can compare its performance with other organizations and especially with the best of them (Hoffman, Hoelscher, & Sherif, 2005).

In these days most of the countries in the world have established awards in national and local levels to encourage organizations and businesses in development, growth and making wealth. Deming award in Japan, Baldirg award in the United State and European award of quality are three main awards of this kind in the three big economic poles in the recent century – Japan, United State and Europe. The European award of quality was established by European Foundation for Quality Management, and is known as EFQM has won the fame and generality around the world. Strong systematic viewpoint, paying accurate attention to based on organizational process management and result orientation of EFQM is very performable and learnable for Iranian organizations that have some serious problems in these areas. Organizational excellence model has nine criteria. Five criteria are developers and four other criteria are results. Developer criteria cover what an organization does and result criteria cover what an organization obtains. Results obtain from performing of developers and developers are improved by feedback from results. Innovation and learning help the improvement of developers and the improvement of developers cause the improvement of results. Nine organizational excellence criteria include:

Results are: 1. customer results, 2. people results, 3. society results, 4. Key Performance Results

5. Research hypothesis:

The Research hypothesis is:
The relationship between organizational commitment and promotion of organizational excellence is positive and significant in Parsiyan Operational Zone.

6. Statistical society, sample and sampling method:
The statistical society of the study consists of all people who are employed in Parsiyan Operational Zone and a sample was chosen by random sampling. The sample size is 73.

7. Research method and data gathering instrument:
Data gathering instrument is questionnaire, so for measuring organizational commitment a questionnaire with 20 questions was used. For measuring organizational excellence a questionnaire with 38 questions was used which was designed according to the questionnaires of European Foundation for Quality and Iranian National Organization for Productivity. A five-item Lickert type scale ranging from “strongly disagree” (1) to “strongly agree” (5) was used for measurement of concepts. The reliability of research questionnaires, were tested by computing Cronbach alpha coefficients. Alpha coefficients was 76.8% for the organizational excellence questionnaire and 72.3% for the organizational commitment questionnaire which both were higher than 0.7 and valid Cronbach alpha according to Nunnally’s statement.

8. Data analyzes method:
Statistical inference by SPSS software was used for data analyzing and correlation coefficient regression analyzes was used to identify the effect of organizational commitment on promotion of organizational excellence.

9. Results:

First, Pearson correlation test was used for examining the relationship of organizational commitment and organizational excellence in Parsiyan Operational Zone. Table 1. Represent the results:

<table>
<thead>
<tr>
<th></th>
<th>organizational excellence</th>
<th>normative commitment</th>
<th>affective commitment</th>
<th>continuance commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>organizational excellence</td>
<td>1</td>
<td>0.65%</td>
<td>0.87%</td>
<td>0.33%</td>
</tr>
<tr>
<td>normative commitment</td>
<td>0.65%</td>
<td>1</td>
<td>0</td>
<td>0.43%</td>
</tr>
<tr>
<td>affective commitment</td>
<td>0.87%</td>
<td>0.43%</td>
<td>1</td>
<td>0.002%</td>
</tr>
<tr>
<td>continuance commitment</td>
<td>0.33%</td>
<td>0.25%</td>
<td>0.41%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

After conducting correlation test as it is seen in Table 1 the Sig. is less than 5% so the relationship between variables is significant and since correlation coefficient or r is 0<r<1 it is concluded that the correlation is indirect and imperfect, So the research hypothesis is not rejected.

In carrying on surveying the paper hypothesis again, the below regression estimation has done that T as a dependent variable is organizational excellence and independent variables are: L: affective commitment, M: continuance commitment, h: normative commitment and “log” before each variable shows the logarithm of the variable. Estimative regression model is as below Figure:

\[
\log(T) = a_0 + a_1(\log L) + a_2(\log M) + a_3(\log h) + \varepsilon
\]

Table 2 shows the effect of organizational commitment on organizational excellence which is estimated by ordinary least square or OLS method.

Table 2 has shown a regression model to trail the direction of independent variables on dependent variable namely organizational excellence. It is possible to examine the significance of coefficients by using t statistic. If all the coefficients were significant, then we can say there is a significant relationship between organizational
commitment and organizational excellence in Parsiyan Operational Zone. Therefore first test of the below hypothesis is posed:

**Table 2:** The effect of organizational commitment on organizational excellence regression.

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficient</th>
<th>T statistic</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(constant)</td>
<td>0.321</td>
<td>2.367</td>
<td>0.01</td>
</tr>
<tr>
<td>affective commitment (L)</td>
<td>0.21</td>
<td>4.367</td>
<td>0.000</td>
</tr>
<tr>
<td>continuance commitment (M)</td>
<td>0.76</td>
<td>5.403</td>
<td>0.000</td>
</tr>
<tr>
<td>normative commitment (h)</td>
<td>0.56</td>
<td>7.148</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Adjusted $R^2$ = 0.91, $R$ = 0.93

H0: organizational commitment doesn’t have linear significant effect on organizational excellence

H1: organizational commitment has linear significant effect on organizational excellence

The amount of Sig. is less than 5%, so all independent variables have significant effect on organizational excellence. On the other hand since the coefficients are positive, so the affective commitment, continuance commitment, and normative commitment have linear significant effect on organizational excellence. Therefore the research hypothesis is not rejected that is since the three variables related to organizational commitment are significant, so there is a positive significant relationship between organizational commitment and organizational excellence in Parsiyan Operational Zone. In prolongation, the below experiential model is used for targeting the way of coefficients effects.

![Analytical experiential model](Coefficient)

As it is seen the continuance commitment has the most effect on organization development among the three kinds of affective, continuance and normative commitments.

**Conclusion:**

Nowadays, organization and management thinkers say that the most important and valuable capital of organization is its human resources and paying attention to this precious capital has direct effect on organization success or failure. Therefore efforts for developing employees commitment is an important affair that managers must care. More committed people bound to organization values and goals further and play their roles for organization development actively and think about breach of duty and new job opportunity so less.

As pointed out in this paper, organizational commitment concept directs a positive attitude which obtained from loyalty feelings and is appeared by people participation in organizational decisions, paying attention to organization employees and their success and welfare.

The most important outcomes of employees’ commitment to organization that affect the organization performance are: growth of employees’ creativity and innovation, satisfaction feeling, employees’ dependence and involvement to organization, their desirable job performance, decrease employees exit of organization. Active social behaviors, lack of absenteeism, altruism and helping mates, reduction of job stresses and also organizational financial successes, and increasing in organizational effectiveness and productivity.

Finally, these outcomes cause organizational excellence and achieving to organizational goals and the society enjoy organization benefits and its people endeavors. Affective commitment, continuance commitment, and normative commitment have direct, positive and significant effect on organizational excellence. In this research, validity of hypothesis is confirmed by using regression analyzes and correlation coefficient and there is a positive significant relationship between organizational commitment and organizational excellence in Parsiyan Operational Zone.

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REFERENCES


