The Impact of Employer-Employee Relations on Employee Commitment: A Case from Sri Lanka

L. D. Sawithri¹, H. M. Nishanthi² and K. G. Amarasinghe³

¹,²,³Department of Human Resource Management, Faculty of Commerce and Management Studies, University of Kelaniya, Sri Lanka

¹sawithridulanjika@yahoo.com, ²menaka@kln.ac.lk, ³kulanigayara1@gmail.com

Abstract

Many factors influence the employee commitment in an organizational setting, where the employer-employee relationships play a significant role. There have been a considerable amount of research conducted to identify the impact of supervisor relationship on employee commitment. In this paper, the researchers specifically analyzes the impact of line manager relationship and trust with senior management on employee commitment with reference to Ceylon Electricity Board (CEB) in Sri Lanka. The study is of deductive in nature. Primary data have been collected through a structured questionnaire using a random sample of CEB including 86 assistant level employees where data were obtained from 54 respondents. According to the results of the study, it shows a high positive impact of the line manager relationship and trust in senior management on employee commitment at CEB which directly relates with productivity. Hence, it is recommended to grow and uplift the employer-employee relationships through greater coordination and building a climate of trust.

Keywords: Employee Commitment; Line Manager Relationship; Trust in Senior Management; Employer-Employee Relations

1. Introduction

Organisational commitment often has been viewed as a necessary and essential element in measuring employee behaviour in organisations, which also tends to vary based on organisational/work settings (Brian & Christopher, 2011). Producing employee commitment has also been seen as a leading issue that many managers face in running their organisations (Chew & Chan, 2008). The importance of creating commitment has been enhanced ever before due to its high association in increasing organisational productivity, performance, employee satisfaction as well as lowering absenteeism (Payne & Huffman, 2005). Furthermore, organisational
commitment portrays the attitude and the healthiness of the link between the employer and the employee (Stites & Michael, 2011) as well where line manager relationships and trust in senior management play a significant role.

Line managers in organizations occupy a vital position in achieving major goals and objectives of the organization due to their close link and direct impact on subordinates’ motivation and commitment (Andersen, Cooper, & Zhu, 2007). Further, as in most work settings line managers are partly responsible in executing HR functions which are directly related in creating a supporting working environment (Macky & Boxall, 2007; Meyer & Smith, 2000). A viable working environment then creates greater employee commitment (Eisenberger, Huntington, Hutchinson & Sowa, 1986). Line managers who enable employees to participate in decision making may engender positive employee attitudes toward the organization because the employee feels recognized, heard, and subsequently more satisfied with his or her immediate supervisor (Korsgaard & Roberson, 1995). Hence, it is visible that managing healthy line manager relationships as part of employer-employee relations is of greater importance.

Moreover, degree to which employees’ feel that there is a climate of trust within the organisation would impact the organisational structure, level of communication, job satisfaction as well as employee commitment (Zeffane & Connell, 2003). The creation of climate of trust is specifically essential between the managers and employees in order to generate positive results (Whitener, Brodt, Korsgaard & Werner, 1998). Further, in organizations, senior management needs the trust of its members to maintain direction over the process of implementing strategic decisions (Korsgaard, Schweiger, & Sapienza, 1995). Hence, it could also be noted that a study of trust with senior management and employee commitment would create novel insights as a factor affecting employee commitment.

It is believed that organizational success depends on its employees’ commitment (Hackman & Oldham, 1976). In the international context, there is a considerable body of literature that documents the influence of commitment on supervisor level employees (e.g., Kinicki & Vecchio, 1994; Vandenberghe, Bentein, & Stinglhamber, 2004). With regard to the significance of this current study, only few research studies have been conducted on the supervisors’ impact in terms of both the independent
variables; line manager relationship (e.g. Gilbert, De Winne, & Sels, 2011) and the senior management trust (e.g. Farndale, Hope-Hailey, & Kelliher, 2011; Ruppel & Harrington, 2000). Pate, Beaumont and Stewart (2007) in their study assessed issue of trust in senior management in the public sector in United Kingdom which stress the robustness of the employer-employee relations. They found that there is an issue of trust in senior management in public sector companies where the findings were in line with the studies conducted by Davis and Landa (1999).

Farndale, Van Ruiten, Kelliher, and Hope-Hailey (2011) also found that there is a positive association between line manager relationship and trust in senior management with employee commitment. However, these research were conducted in a European context. Zeffane and Melhem (2017) in their comparative study between public and private sector organisations in United Arab Emirates found that public sector employees feel that there is a greater trust between them and the public sector employer while there was a greater association between trust and turnover intention in private sector employees. Hence, it is worthwhile to examine these relationships in Asian context as well. Unfortunately researchers did not find any empirical study which assesses these employer-employee relations (line-manager relationships and trust in senior management) associating with employee commitment. There were no significant amount of research done in Sri Lankan context in this regard; especially relating to the Ceylon Electricity Board (CEB). With internal information, it is found that there is no much relationship between the management and lower level employees of CEB. Therefore, it is important to study on this impact over other organizational factors. Thus, in this study, authors have focused on investigating the impact of employer-employee relations on the employee commitment in CEB, Sri Lanka.

The main objective of this study was to identify, the impact/extent of employer-employee relations on employee commitment in CEB. Further, following specific objectives were established in order to accomplish the main objective of the study.

- To identify the level of employee commitment of CEB
- To identify the impact of line manager relationship on employee commitment of CEB
To identify the impact of senior management trust on employee commitment of CEB

Studying this impact reduces the gap in knowledge and gives organizations an in-depth understanding of how far these factors affect employee commitment especially in government or semi government organizational environments in Sri Lanka. The learning through this study will help the Sri Lankan government and other organizations to develop better by investing in trust and a sound supervisor relationship. This study will also provide guidance for future research on this particular area.

The rest of the paper is structured with a literature review on the concepts of employee commitment, line-manager relationship and trust with senior management. This is followed by a conceptualisation where the researcher develops the conceptual model with the support of the literature. Next, the methodology of the study is discussed followed by the analysis and results of the study. Subsequently, the paper discusses the findings finally the concluding remarks of the study are presented.

2. Literature Review

2.1. Employee Commitment

In the management and behavioural science literature, organizational employee commitment is a key factor in the relationship between individuals and organizations. Many organisations identify and stress the significance of employee commitment as a vehicle for delivering competitive edge over others by retaining key talent with the organisations. Hence, employee commitment has been mostly viewed as degree of employee attachment to the organisation (Brian & Christopher, 2011). Raju and Srivastava (1994) also described organizational commitment as the factor that promotes the attachment of the individual to the organization. They further state that the employees are regarded as committed to an organization if they willingly continue their association with the organization and devote considerable effort to achieving organizational goals.

In literature, the term ‘employee commitment’ and ‘organizational commitment’ are used interchangeably. Employee commitment is a feeling of dedication to one’s employing organization, willingness to work hard for
that employer, and the intent to remain with that organization (Meyer & Allen, 1988). According to Meyer and Allen (1997), a respected theory proposes that there are three components to organizational commitment: affective, continuance, and normative commitment. Affective commitment is an emotional attachment to the organization. Continuance commitment is characterized by a more rational analysis of the costs of staying versus leaving the organization. Normative commitment is a sense of moral obligation to stay with the organization.

Employee commitment is not a new concept in the study of behavioural science. This topic was examined as early as 1938 (Barnard, 1938). According to Barnard (1938) organizational commitment is, in a general sense, the employee's psychological attachment to the organization. It can be contrasted with other work-related attitudes, such as job satisfaction (an employee's feelings about their job) and organizational identification (the degree to which an employee experiences a 'sense of oneness' with their organization). There is no doubt on how the organizational commitment leads to job satisfaction, which is also considered as a component and a predictor of organizational commitment (LaLopa, 1997).

It is very important to identify factors on which organizational employee commitment is dependent, but there is no clear understanding on how the factors purported to be associated with it contribute to its development or how these organizational factors can be managed to promote the development of organizational commitment (Beck & Wilson, 2001). Unfortunately, commitment has historically been found to exert little direct influence on actual work performance, although lessened turnover intention and consistent attendance are themselves critically important pro-organizational attitudes and actions (Mathieu & Zajac, 1990). Apart from these scholars, studies conducted by scholars such as Fiorito et al., 2007; Wright and Bonett (2002); Allen and Meyer (1996) have found that there is an association between employee commitment and variables such as employee performance and intention to quit (Aladwan, Bhanugopan, & Fish, 2013). However, Colbert and Kwon (2000) identified a negative association between employee commitment and intention to quit.
2.2. Line Manager Relationship

Employees may experience the effect of employee voice as status confirmation because they feel valued by their line manager who enabled the opportunity for employee voice. In turn, the employee may respond with higher levels of organizational commitment (Korsgaard et al., 1995). Another explanation might be that although line managers represent the organization as a whole to the employee (Konovsky & Pugh, 1994), this is only the case if these line managers act according to the interests of the organization. When the line manager’s interests are incongruent with the organization’s, the employee may respond to the opportunity for voice provided by a line manager with behaviour that is considered valuable to the line manager, but not to the organization (Coyle-Shapiro & Shore, 2007). The direct relationship between the employee–line manager relationship and organization-level commitment thus may be diluted.

2.3. Trust in Senior Management

Erturk (2008) found that trust in supervisors mediates between managerial communication and openness to change, and also found a partial relation between participation and openness to change via trust in supervisors. Readiness for change is influenced by employees’ beliefs of self-efficacy, appropriateness, management support, and personal valence. In an attempt to integrate the key components of prior approaches to trust, Mayer, Davis, and Schoorman (1995) defined trust as the willingness to be vulnerable to another party when that party cannot be controlled or monitored. This definition explicitly recognizes the relationship between trust and the critical issue of risk (Deutsch, 1958), since risk is inherent in vulnerability.

Several studies conducted in work organizations have shown a positive relationship between trust and performance (Deluga, 1994; Pettit, Goris, & Vaught, 1997; Podsakoff, MacKenzie, & Bommer, 1996), while others have indicated no relationship (Cropanzano, Prehar, & Chen, 1999; Konovsky & Cropanzano, 1991; MacKenzie, Podsakoff, & Rich, 2001). Lack of trust can be expected to divert an employee's attention from activities that contribute to his or her organization. When employees lack trust in management that is, are unwilling to be vulnerable to management their cognitive resources will be pre-occupied with non-productive issues, especially activities focused on

2.4. Relationship between Line manager relationship and employee commitment

Farndale, Van Ruiten, Kelliher, and Hope-Hailey (2011) in their study found that in addition to a link between perceptions of the opportunity for employee voice and organizational commitment, the relationship is also partially mediated by the employee–line manager relationship and trust in senior management. The mediation through the employee line manager relationship is weaker than the direct relationship, whereas the mediation through trust in senior management is stronger than the direct relationship between employee voice and organizational commitment, almost substituting it. Konovsky and Pugh (1994) also found a strong relationship between employee–line manager relationship and positive employee behaviour such as organizational citizenship behaviour. Citizenship behaviour, however, is a more appropriate response to line managers when reciprocating obligations in social exchange relationships (Liden, Sparrowe, & Wayne, 1997). The direct relationship between the employee line manager relationship and organization-level commitment thus may be diluted. In contrast, organizational commitment is measured at the same level as trust in senior management (i.e., at the organization level); therefore, we might expect this relationship to be stronger.

2.5. Relationship between trust in senior management and employee commitment

It is expected that a strong climate of trust in the organization should motivate members to develop a sense of identification to the goals, values, and loyalty to the organization. This line of reasoning is premised on research evidence that shows that in an organization where trusting relationships are weak, employees reported higher levels of stress and diminished job satisfaction (Ladebo, 2006) and withholds citizenship behaviours (Coyle-Shapiro, 2002). Nevertheless, it is noted that environments which are more stress free and jobs with greater satisfaction is connected with enhanced employee commitment (Vigoda, 2002).
According to Vandenberghe, Panaccio, Bentein, Mignonac, & Roussel (2011), among the various factors of commitment, the supervisors are particularly important because they are formally responsible for monitoring the performance of employees, are involved in decisions regarding pay and promotions that affect their employees and are increasingly made accountable for reducing turnover in their teams. Thus, affective commitment to the supervisor, which depicts a high quality relationship between employees and their supervisors (Cheng et al., 2003), is likely to have a significant bearing on employees’ work related attitudes and behaviours. Based on the literature reviewed, following hypotheses were formulated for the study.

**H$_1$:** There is an impact of line manager relationship on employee commitment in CEB.

**H$_2$:** There is an impact of trust in senior management on employee commitment in CEB.

The conceptual framework for the study is depicted as follows based on the hypothesised relationships.

![Conceptual Framework](image)

**Figure 01: Conceptual Framework**

*Source: Authors*

According to the model, independent variables are line manager relationship and trust in senior management whereas, the dependent variable of the study is employee commitment.
3. Method

The current study is cross sectional in nature. The unit of analysis is individual employee. The population of the study comprised of all 86 assistant level employees of the CEB head office as given below.

Table 1: Population of the Study

<table>
<thead>
<tr>
<th>Employee Level</th>
<th>Number of employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Account Assistant</td>
<td>20</td>
</tr>
<tr>
<td>Audit Assistant</td>
<td>18</td>
</tr>
<tr>
<td>HR Assistant and HR officers</td>
<td>8</td>
</tr>
<tr>
<td>Electrical Superintend</td>
<td>22</td>
</tr>
<tr>
<td>Other Assistant</td>
<td>18</td>
</tr>
</tbody>
</table>

For the convenience of the research, 60 (75%) assistant level employees were randomly selected from each division including, Corporate and Regulation, Finance Division, Supply, Personal Branch, Planning and Development Branch, Legal, Energy marketing, Distribution. Primary data were collected by distributing a well-structured questionnaire among the sample. The questionnaire was of four parts including questions with regards to demographics of the sample, line manager relationship, trust in senior management and employee commitment. Organizational commitment was measured using items based on Mowday et al.’s (1979) while Employee–line manager relationship was measure using items extracted from Cook and Wall (1980) and Unden (1996). Trust in senior management was measured using four items derived from Cook and Wall (1980) (Farndale, Van Ruiten, & Hope-Hailey). All the items were measured on a five point Likert scale. Items in the questionnaire comprised of positive as well as negative questions such as “my line manager is good at his/her job and “our senior management would be prepared to gain advantage by deceiving the workers”. Secondary data of this study were collected through past scholars researches, journals, books and web sites. After the data collection was performed, data were analysed using SPSS version 16.
4. Results

4.1. Sample Composition

A majority (37%) of the employees were in the technical service while 18 (33.3%) employees were assistant accountants. Service, 7 (13%) employees were in HR service and 9 (16.7%) of the employees were engaged other services. Out of the 54 respondents majority 32 (40.7%) were female and the balance 22 (59.3%) were male employees. 45 (83.3%) employees were permanent employees whereas, 9 (16.7%) employees were on a temporary basis. In terms of the level of experience, it is noted that 11.1% of them have less than 1 year experience and majority of them are working for CEB between 1-10 years (29.6%). 16.7% of the respondents were with the experience of 11-20 years, (25.9%) are acquired between 21-30 and 16.7% of the respondents managers were having more than 30 years of experience.

4.2. Reliability of the Measurements

Table 02: Reliability Statistics

<table>
<thead>
<tr>
<th>Reliability Statistics</th>
<th>No of items</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line manager relationship</td>
<td>5</td>
<td>0.963</td>
</tr>
<tr>
<td>Trust in senior management</td>
<td>4</td>
<td>0.897</td>
</tr>
<tr>
<td>Employee Commitment</td>
<td>6</td>
<td>0.933</td>
</tr>
</tbody>
</table>

The Cronbach’s Alpha value is more than 0.7 in all the independent variables and dependent variable. Therefore as per Sekaran and Bougie (2010), the questionnaire is reliable.
4.3. Descriptive Statistics

Table 03: Descriptive Statistics

<table>
<thead>
<tr>
<th>Descriptive Statistics</th>
<th>Line Manager Relationship</th>
<th>Trust in Senior Management</th>
<th>Employee Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean</td>
<td>3.64</td>
<td>3.58</td>
<td>3.69</td>
</tr>
<tr>
<td>Median</td>
<td>4.00</td>
<td>3.75</td>
<td>4.00</td>
</tr>
<tr>
<td>Std. Deviation</td>
<td>0.96</td>
<td>0.96</td>
<td>0.99</td>
</tr>
<tr>
<td>Variance</td>
<td>0.92</td>
<td>0.92</td>
<td>0.99</td>
</tr>
<tr>
<td>Minimum</td>
<td>1.60</td>
<td>1.75</td>
<td>1.67</td>
</tr>
<tr>
<td>Maximum</td>
<td>5.00</td>
<td>5.00</td>
<td>5.00</td>
</tr>
</tbody>
</table>

According to the descriptive statistics presented in Table 3, the mean value for line manager relationship 3.64 out of a five point likert scale. This indicates that line managers are having a good relationship with the employees in CEB. Further, as indicated in the table the mean value for trust in senior management is 3.58. This indicates that level of trust in senior management by the employees is high. Level of commitment of the employees can also be viewed as high as the mean indicates a comparatively higher value (3.69) out of five point likert scale.

4.4. Correlation Analysis

Table 04: Pearson Correlation Statistics

<table>
<thead>
<tr>
<th>Variables</th>
<th>Line Manager Relationship</th>
<th>Trust in senior management</th>
<th>Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Line Manager Relationship</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust in senior management</td>
<td></td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Commitment</td>
<td>0.864**</td>
<td>0.889**</td>
<td>1</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)
* Correlation is significant at the 0.05 level (2-tailed)

Note (01): (1) Between .1-.3: small effect. (2) Between .3-.5: medium effect. (3) Above .5: large effect.
According to Table 4, Pearson correlation value indicates that the correlation is 0.864 at a 99% confidence level. Hence, it could be noted that there is a strong positive correlation between line manager relationship and commitment could be further explained as, when there is greater line manager relationship greater will be the commitment of employees to the organization. Therefore, researchers conclude that, there is strong relationship between line manager relationship and employee commitment. Further, the Pearson correlation coefficient of 0.889 at a 0.01 confidence level indicates that there is a strong positive association between trust in senior management and employee commitment as well.

4.5. Hypotheses Testing

For the current study simple regression analysis was employed to test the hypotheses.

Table 05: Simple Regression Results

<table>
<thead>
<tr>
<th>Method</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>R²</td>
<td>0.747</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>0.742</td>
</tr>
<tr>
<td>F</td>
<td>153.197</td>
</tr>
<tr>
<td>Sig. ΔF</td>
<td>.000</td>
</tr>
<tr>
<td>B – constant</td>
<td>0.415</td>
</tr>
<tr>
<td>Standardized Beta</td>
<td>0.864</td>
</tr>
</tbody>
</table>

According to the table 5, the b value of the equation, the slope of the regression, is 0.864 which is significant. As indicated by adjusted R squared, approximately 74.7 % of the variance of commitment is explained by line manager relationship with the standardized beta of 0.864. The F value is 153.197, which is significant (P=.000), which suggests that line manager relationship has significantly explained 74.7% of the variance of commitment. Hence, as per the results H₁ is accepted; There is an impact of line manager relationship on employee commitment in CEB.

According to the table 6, as indicated by adjusted R squared, approximately 79.1 % of the variance of commitment is explained by trust in senior
management with the standardized beta of 0.889. The F value is 196.53, which is significant (P=0.000), which suggests that trust in senior management has significantly explained 79.1% of the variance of commitment. Hence, as per the result of the simple regression analysis conducted between the two variables H₂ is accepted; There is an impact of trust in senior management on employee commitment in CEB).

Table 06: Simple Regression - Trust in Senior Management

<table>
<thead>
<tr>
<th>Method</th>
<th>Linear</th>
</tr>
</thead>
<tbody>
<tr>
<td>R²</td>
<td>0.791</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>0.787</td>
</tr>
<tr>
<td>F</td>
<td>196.53</td>
</tr>
<tr>
<td>Sig. ΔF</td>
<td>0.000</td>
</tr>
<tr>
<td>B – constant</td>
<td>0.372</td>
</tr>
<tr>
<td>Standardized Beta</td>
<td>0.889</td>
</tr>
</tbody>
</table>

5. Discussion

The current study examined the impact of employer-employee relations on employee commitment specially in terms of employee-line manager relationship and trust in senior management. Based on the results presented above it was found that there is a strong positive impact of both the independent variables, i.e.; line manager relationship and trust in senior management on employee commitment. This highlights the fact that employees would be much more committed to the organisations if they are led by maintaining proper relationships with their immediate superiors. Further, if the employees can trust their senior management in treating them fairly as well as making the right decisions for the future which would benefit both the employer and employee their level of commitment would also intern enhanced. Hence, the current study is of greater importance as it points out that better and trusted leadership would result in better employee commitment and performance.

However, following suggestions can also be presented in order to further strengthen this bond. Each and every organization should enhance their line manager relationship and trust in senior management, because there is a high impact of them on employee commitment. In the current study setting, most
of line managers deemed to be good at his job and they support for the employees when employees have a problems at work. This practice should be further strengthened in order to keep employees from leaving the organisation. As well as they should give feedback on how well employees are performing in their work. Most of senior management make sensible decisions for this organization and they would not be prepared to gain advantage by deceiving the workers. To maintain a strong relationship further, it is suggested to conduct events such as annual trips, annual sportsmeet, provide sufficient resources & better working environment, create friendly working conditions to increase commitment.

With regard to the limitations of the study, only sixty employees were selected as the sample where only 54 employees responded. It is assumed that the sample selected from CEB head office is the same as other branches, where it is not the real case. Therefore, the findings may differ from the actual situation, and it is difficult to generalize with other organizations. That limits comparability as well. Timing has also been a constraint in the study. The researcher has gone through a lot to minimize the limitations and do the best work possible in finding out the relationship.

6. Conclusion

The results from this study examined and determined the relationship as well as the impact between line manager relationship, trust in senior management and employee commitment. It was found that there is a strong positive impact of the variables concerned on the employee commitment. Hence, it could be said that in this era the organizations should consider the line manager relationship and trust in senior management to a greater extent in achieving goals if expect greater commitment form the employees’end as well.

7. References


