DOES AFFECTIVE COMMITMENT POSITIVELY PREDICT EMPLOYEE PERFORMANCE? EVIDENCE FROM BANKING INDUSTRY IN BANGLADESH

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ABSTRACT

The role, effect and importance of affective commitment is predicted to be contingent to context in many extant literatures. However, no study has yet explored the disposition of contextual influence on affective commitment-job performance link. This multi-method case study examines the institutional context of the Bangladeshi banking sector for its possible influence on the link between affective commitment and job performance in two case study banks in Bangladesh for the purpose of literal replication. This study uses information from interviews and focus group discussions among 53 participants and survey results of 436 respondents from the selected banks. The results show that the external and internal contexts have considerable impact on the nature, perception and effect of affective commitment on job performance. Moreover, it is observed that affective commitment does not positively predict employee performance in both banks. This result has been explained by the institutional context.

INTRODUCTION

Affective commitment (AC) may be defined as the strength of an individual's identification with and involvement in the organisation (Porter et al., 1974, Boxall et al., 2011). Meyer and Allen (1991) have argued that AC and normative commitment should positively predict performance, whereas continuance commitment may have no significant effect on performance or may even have a negative effect (Meyer et al., 1993). Meyer et al. (1993) also added that AC would be a better predictor of performance than normative commitment. However, they acknowledged the difficulty of sometimes separating AC from other constructs of commitment (normative or continuance). Contextual differences may also cause a large discrepancy in the nature and understanding of the AC construct among respondents. For example, Appelbaum et al. (2001) positively linked the opportunity-to-participate scale to commitment in the steel and medical industries, but not in the apparel industry. Therefore, it is reasonable to predict that the role and importance of commitment is contingent to context.

Guthrie (2001) argued that the decision to adopt high-involvement work practices by an organisation implies employment practices fostering high skill and commitment, with firms wishing to improve their productivity outcomes. Boxall and Macky (2009) reinforced a similar line of reasoning. High commitment among the employees seems to be important for individual performance outcomes especially where the discretionary efforts of the employees significantly influence organisational performance, such as, banking industry. Therefore, it is important to explore the nature of AC and its link to job performance (that may improve organisational performance) in Bangladeshi banking industry, especially due to dearth of extant literature focusing on developing country context.

This study is designed to explore if the difficulty of psychological disassociation of AC and other types of commitment is visible among the respondents in Bangladesh. This study also investigates the nature and influence of contextual differences in defining the relationship between AC and individual employee performance in two case study banks in Bangladesh. The following sections of the paper presents the theoretical framework of the study and AC construct based on literature review, the research methodology, the findings and discussion and finally the conclusion and implication to the practitioners and future researchers.

LITERATURE REVIEW

This study deals with two major variables: affective commitment and individual employee performance. The first section of literature review will explore the AC construct and pertinent measurement issues and the second part of this review will explore the relationship between AC and job performance.

The AC Construct

The four components identified by different authors in their seminal works on organisational commitment includes affective or attitudinal commitment (Buchanan 1974, Porter, Steers et al. 1974), normative commitment (Allen and Meyer, 1990), behavioural commitment (Staw and Salancik, 1977) and calculative (Becker, 1960) in other words continuance commitment (Allen and Meyer 1990).

This study deals with AC construct. Kehoe and Wright (2013) defined affective commitment as positive affection toward the organization, as reflected in a desire to see the organization succeed in its goals and a feeling of pride at being part of the organization. Affective commitment is shaped by employees' work and organizational experiences and relate strongly and consistently to desired work outcomes, and organizational citizenship behaviors (Meyer et al., 2002).

The most popular method of examining the concept of organisational commitment is through an individual's attitudes and feelings towards his or her employing organization (Legge, 1995, Mathews and Shepherd, 2002). Mathews and Shepherd (2002) revisited the popular constructs of organisational commitment, i.e., British Organizational Commitment Scale (BOCS) developed by Cook and Wall (1980). The authors concluded that there is scope for additional research to explore how different organizational settings and managerial strategies impact on the factor loadings on, and inter-relationships between three identified factors (identification, involvement and loyalty).

Theoretical Framework

Kehoe and Wright (2013) used social exchange theory to explain the relationship between Commitment and job performance. Social exchange theory implies that individuals are drawn to participate and invest in rewarding relationships and then feel obligated to return benefits or favors to their partners in exchange. In this study it is assumed that the level of affective commitment with all its associated antecedents should positively reflect on performance outcomes of the employees.

Scott (1995, 2005, 2008) identified three ingredients underlying institutional order: regulative, normative, and culture-cognitive elements. Regulative elements include rule setting, monitoring, and sanctioning activities, whereas normative elements include prescriptive, evaluative, and obligatory dimensions of social life. The cultural-cognitive elements are defined as the "shared conceptions that constitute the nature of social reality and the frames through which meaning is made" (Scott, 2008: 57). Therefore, according to institutional theory, work practices can be developed and complied in organisations due to expedience, moral obligation, or cultural norms (meaning one cannot conceive any other way of acting). This theory indicates that the nature and effects of affective commitment may be highly contextual.

AC and Job Performance Link

Extant literature predominantly supports the notion that AC should positively predict individual employee performance (Meyer and Allen, 1991, Hu and Bentler, 1999, Boxall and Macky, 2009). Shore et al. (1995), Suliman (2002), Chen et al. (2006) and Lee and Olshfski (2002) also found commitment to be positively correlated to job performance. However, Somers and Birnbaum (1998) suggested that career commitment is positively related to job performance, while affective and normative commitments did not link to job performance. Sommers and Birnbaum (1998) positively linked career commitment to overall performance effectiveness. However, organizational commitment (both affective and continuance) did not positively predict job performance.

A meta-analysis conducted by Riketta (2002: 257) using one hundred and eleven samples from 93 published studies showed at least marginally significant relationship between commitment and job performance "for: (a) extra-role performance as opposed to in-role performance; (b) white-collar workers as opposed to blue-collar workers; and (c) performance assessed by self-ratings as opposed to supervisor ratings or objective indicators. Four other assumed moderators (commitment measure: Affective Commitment scale versus Organizational Commitment Questionnaire, job level, age, and tenure) did not have at least marginally significant effects". Wright and Bonett's (2002) meta-analysis on 3,630 employees obtained from 27 studies found that tenure had a very strong nonlinear moderating effect on the commitment-performance correlation, with correlations tending to decrease exponentially with increasing tenure.

These studies essentially imply that the AC-job performance link is contingent to context. Chen et al. (2006) found differences in the levels of organizational commitment and job performance reported by American and Taiwanese samples, that may be attributed to cultural response bias on the scales according to the authors.

Though the relation between commitment and job performance showed no fundamental differences, the authors have emphasised on conducting more studies in contrasting contexts to explore the influence of culture.

Based on the extant and seminal work on commitment and job performance, a gap in the literature is visible in exploring the influence of contextual variations in the nature, understanding and impact of affective commitment on job performance. This study has selected two local private commercial banks in Bangladesh as representatives of a unique and complex context that is often labelled as 'paradoxically strange' by authors (Sarker, 2006, Haque, 2001, Haque et al., 2011, Chowdhury and Mahmood, 2012). In absence of any notable studies linking AC to job performance in the context of the banking industry in Bangladesh, this study has been designed as an exploratory reseach to answer the following questions:

Q1. How is affective commitment understood and interpreted across the management hierarchy in the banking industry in Bangladesh?
Q2: Do affective commitment among employees positively influence the supervisor's rating of individual employee performance?

METHODOLOGY

This research adopts a case study approach with the unit of analysis at the organisation level. Two PCBLs in Bangladesh have been chosen based on their consistent financial performance over last three years, and managerial independence from shareholder influence (using BankScope-Bureau van Dijk, 2008 database).

The data has been collected and analysed using multi-method research design in two phases. The first phase used semi-structured interviews and focus group discussions across different levels of management. The qualitative data has been analysed using a recursive abstraction technique and thematic analysis. The findings from this phase facilitated the design of the questionnaire survey that was used in the second phase (the quantitative study). The survey findings were analysed using Structural Equation Modelling (SEM) in AMOS21.The qualitative findings also help explain the survey results. This research used the multi-methods research design to "increase the interpretability, meaningfulness, and validity of constructs and inquiry results by both capitalising on inherent method strengths and counteracting inherent biases in methods and other sources" (Greene, et al., 1989: 261).

Qualitative research has the benefit of answering why questions, but cannot provide any concrete ground for generalisation of the events described (Bryman, 1988). The problem of generalisation of inferences (due to inadequate number of respondents in qualitative study) about the attitudes of a larger population from the case study banks has been addressed by using the questionnaire survey in this study (Babbie, 1990).

This type of rigorous and in-depth investigation of the AC-job performance link is not evident in any research conducted in the context of Bangladeshi banks. The narrative from the qualitative stage helps to add meaning to the numbers from quantitative stage, and the numbers are used to add precision to the narrative (Johnson and Onwuegbuzie, 2004). Therefore, this study should contribute significantly in constructing an appropriate scale of AC construct to facilitate future researchers while exploring the direction and intensity of the link between AC and job performance.

Measures and Scales Used in the Survey Instrument

Meyer and Allen's (1997) measure of affective commitment as used in Boxall et al. (2011), has been adapted for use in this study to assess the affective commitment among the employees. Sample items include, 'I would be very happy to spend the rest of my career in this organisation' and 'I feel like part of the family at this organisation'. All items were measured using a five-point Likert scale where 1 = strongly disagree, 2 = disagree, 3 = neither agree nor disagree, 4 = agree and 5 = strongly agree. The question addressing the supervisor ratings of employee performance also used a five-point scale (1=Poor; 2=Average, 3=Good, 4=Very Good and 5=Excellent). The scale of supervisor ratings has been set in accordance with the actual performance appraisal forms used in the case study banks.

First Phase: The Qualitative Phase

The qualitative data collected through interview and focus group schedule was manually analysed using a thematic approach. Manually treating the qualitative data ensured that the data analysis addressed the research questions, and that it examined all relevant evidence and possible alternative interpretations (Auld et al., 2007). This also ensured that each of the cases was treated fairly, as suggested by (Yin, 2008). Auld et al. (2007: 37) stated that doing the analysis by hand may allow for a better contextual understanding of the concepts or

patterns that emerge from the data analysis. They also argued that qualitative software is not essential for valid and reliable research.

The second reason for not using NVivo is the modest number of respondents and data collection sessions used in this study. The qualitative study covered a total of 53 respondents in the interview and focus group sessions (from both banks). Thirty eight of the participants were interviewed in four focus group sessions -which counts for only 19 individual and group interview sessions (45 minutes each on an average). Therefore, NVivo was not essential in this case, as supported by Auld et al. (2007).

Second Phase: The Quantitative Phase

In the second phase 436 employees of the participating banks were surveyed using a structured questionnaire. This part used quantitative data collection and analysis to statistically explore the direction and magnitude of AC-job performance link across two Bangladeshi banks. The unit of analysis of the quantitative phase is at the individual level. An individual level analysis focuses on the individual employee as the unit of analysis and psychological factors as explanation (Cappelli and Neumark, 2001) in linking affective commitment to supervisor's rating of employee performance.

A purposive sampling method was used to select the participants. A total of 500 questionnaires were distributed to Bank A, and a further 250 to Bank B. These numbers were decided according to the level of cooperation from the participating banks, and are based on Fowler's (1984: 43) argument that after a sample size of 150 to 200, there is only a modest gain to increase sample size. Fowler (1984) also argued that there is rarely a definitive answer to how big the sample size should be. A total of 313 responses were returned from Bank A, while only 123 were returned from Bank B. The response rate from Bank A was 62 percent and the response rate from Bank B was 49 percent. The overall response rate from both banks was 58 percent, which is deemed acceptable in social science research (Alreck and Settle, 1995).

Data Analysis: Quantitative Study

A considerable number of outliers have been detected in the data set. However, the skewness (<2) and kurtosis (<7) level is well within acceptable limits for all observed variables, and the mean and 5% trimmed mean value are very similar for each variable. Therefore, the outliers have not been modified (Pallant 2010). Missing data has been replaced by mean values of the respective items before testing the models in AMOS.

The case study banks are used as moderator in multi-group comparison of the hypothesised causal path. Byrne (2001) noted that SEM facilitates analysis of data for inferential purposes by demanding that the pattern of inter-variable relations be pre-specified, which is impossible in exploratory factor analysis. Moreover, SEM provides explicit estimates of measurement error variance parameters. Using alternatives such as regression, or the general linear model may lead to serious inaccuracies if there are sizeable errors in exploratory variables. Third, SEM can deal with latent as well as observed variables simultaneously. Moreover, SEM uses the matrix of variances and covariances amongst all independent and dependent variables instead of raw data as input in regression (unlike the conventional ordinary least squares (OSL) approach). This approach minimises the difference between the sample covariance matrix and the expected covariance matrix implied by the regression model (Holmes-Smith, 2010). SEM and AMOS also facilitate the imputation of more realistic composite scales than the traditional approaches. The goodness of fit measures of such measurement models ensure construct validity and better estimates of the true reliability of the composite scale than Cronbach's alpha (Holmes-Smith 2010).

To use the scales and measures developed and verified in western contexts in an opposite and unexplored case study context requires special care with regard to adjusting the scale in terms of validity and reliability. Traditional factor analysis is not adequate as EFA assumes that the error terms are uncorrelated, which could lead to a misspecification of the factor loading and subsequently the factor score regression coefficient. The above problems can be addressed by using CFA in SEM (Holmes-Smith, 2010). CFA allows for the estimation of the reliability and construct validity of measures, provides new tests of fits for systems of equations and allows for the estimation of higher order factor analysis (without any observed indicator).

Criteria Used for Scale Validity and Model Fit

The following criteria and associated cut off points have been reported and used to test the measurement and structural models in this study. Most of the criteria are set with support of Hancock (2006), Byrne (2001) and Holmes-Smith (2010). Any other references used to determine scale validity and model fit are included in the Table 1.

A linear regression model has been tested to determine the nature and extent of the causal relationship between AC and job performance (using SEM and AMOS). The un-standardised weight shows the extent of change caused in dependent variables (DV), i.e., 'performance' by a one unit increase in AC (independent variable). Standardised regression weight shows the extent of change caused in DV by a one unit increase in AC. The ratio of parameter to standard error (critical ratio, i.e., CR) which is equivalent to a t-statistics test, and its associated two tailed significance levels (P) help test these hypotheses. The P values less than 0.05 indicates that the null hypothesis, i.e., the parameters are zero can be rejected. Therefore, based on the above estimates generated in AMOS output, it can be concluded that hypothesis is accepted if P<.05. The theoretically hypothesised measurement models have been respecified to improve construct validity based on a model fit summary. Selection of multiple banks for literal replication helps ensure construct validity and the reliability of the study (Yin, 2008).

Common Method Variance (CMV)

To avoid CMV, the dependent variable, i.e., supervisor's rating of individual employee performance represents the actual performance rating of the employees as appears in the company record. However, this record has been voluntarily disclosed by the individual respondents and not directly collected from the company record in order to honour the organisations' privacy policy of treating individual performance records as confidential documents. Obtaining measures of the predictor and criterion variables from different sources is recommended to overcome most of the sources of CMV in behavioural studies (Podsakoff et al., 2003).

Credibility, Internal and External Validity

Triangulation in this investigation has been warranted through the use of multiple sources. According to Yin (2008), selecting two or three case study sites are adequate for literal replication. Moreover, reference to field notes (observation) and secondary sources of data have been used to support findings generated by interviews to improve credibility and validity.

TABLE 1. CRITERIA AND STANDARDS USED TO MEASURE SCALE VALIDITY AND MODEL FIT FOR CFA AND STRUCTURAL MODEL

Criterion	Cut-off Point for Acceptance
Cronbach alpha	0.7 or higher (Vogt, 1999)
Squared multiple correlations (SMC)/item reliability	0.3 to 0.5 indicates that the item is a week measure of the construct but adequate and 0.5 and above indicates that the item reflects the construct well.
Goodness of fit Index (GFI)	0.9 or above as a rule of thumb. Generally no specific cut off points are strictly recommended, however, the higher, the better (Joreskog and Sorbom, 1984).
Comparative fit index (CFI)	.90 or higher (Hu and Bentler, 1999).
Root mean square error of approximation (RMSEA)	Cut-off value is close to .06 (Hu and Bentler, 1999) or a stringent upper limit of 0.07 (Steiger, 2007).
CMIN/df	Range from as high as 5.0 (Wheaton, 1977) to as low as 2.0 (Tabachnick and Fidell, 2007). Value less than 1 indicates an over fit model.
P-value (associated to degree of freedom)	Above .05 for multivariate normal data (Barrett, 2007). However, as in this case the data deviates from multivariate normality, P value is not expected to be above .05 in all cases even when the model is accurately defined. In such cases, CMIN/df and other fit measures are used as alternatives.
P Close	0.05 and above

Qualitative Phase: Findings and Analysis

Interesting information has been volunteered about commitment in both banks. In Bank A almost all executives claimed that recruitment and selection processes is very systematic and therefore, the recruits are highly qualified. One top executive used the term 'cream from the labour market' to refer to the new recruits. However, the top executives also mentioned that the employee turnover ratio is very high, which theoretically should indicate lack of organisational commitment.

When asked about high employee turnover rate, a number of participants from different managerial hierarchy explained that these employees are highly qualified and performs well while they are in the bank mainly due to self-motivation, high capability and interest to learn and upgrade their skills for the job market. However, in absence of adequate development, empowerment and promotional opportunities, and availability of other job opportunities for former employees of Bank A, these highly capable work force fails to identify with their current job roles and organisation within a year or two (showing low AC).

One of the top executives of Bank A even recommended hiring mediocre candidates from the market to cut down the loss from high employee turnover ratio or lack of commitment. That implies, individual employee performance should be somewhat sacrificed for the sake of lower turnover rate and overall corporate performance, (according to this recommendation). It was stated that the HR department has already agreed to this policy in theory. However, the implementation of this policy during actual recruitment and selection process was not possible in this exceedingly reputed bank due to large number of highly qualified applicants. This may be explained by the concept of strategic inertia. These findings indicate the impact of external labour market conditions and corporate strategy (internal context) to have an influence on shaping AC in Bank A.

On the other hand, Bank B seems to be suffering from poor recruitment, selection and skill development policy. Consequently, the majority of the employees are non-performers. However, they remain loyal to the bank and the employee turnover ratio is not high. The few exceptional high performers are reported to be leaving the bank due to a differential pay policy for lateral entry, or because of better job offers in the market, Therefore, high level of commitment is maintained among the retained employees. However, this commitment is not translated into job performance in Bank B due to lack of competence among the retained employees, skill development and issues of instrumentality in the reward system. The fact that these employees do not have much scope in the job market and that they can exercise some informal power in this company has been used as the explanation of their high level of affective commitment. This explanation indicates the possible psychological disassociation of affective, normative and continuance commitment (Allen and Meyer 1990) among the participants of Bank B. The conditions in Bank B is potentially dictated by the cultural context of Bangladesh.

The global, regional, national and local characteristics (De Cieri and Dowling, 2006), i.e., phenomenon of informality in the 'Peruvian' economy (Sarker 2006) may have contributed to the formation of 'patron-clientage relationships' (Sarker 2006) in Bangladeshi banks. A web of inter-locked exchanges among political elites, bureaucracy and business elites has been identified as the root cause of default culture and corruption at every level of governance including recruitment policy among other HR practices. Consequently, a public administration mode was in order (McCourt, 2002) in case of Bangladeshi banking sector where corruption is a real problem. However, due to corruption at the state level (Chowdhury, 2002), the strict monitoring of banking operations was proven somewhat counterproductive in private sector. For instance, the powerful ministers, board members, political leaders or Bangladesh Bank officials could exploit their power of monitoring to recommend their relatives or favourite candidates for a position in a private commercial bank. Allegedly, these recommendations were sold to the highest bidding potential candidates (suggested by the participants in the qualitative phase). The obvious outcome of this phenomenon was inflammation of informal recruitment practices in Bangladeshi banks. Consequentially, these informally recruited bankers tend to perceive high level of commitment to their employing banks due to their informal power in the bank, lack of sellable skills and opportunities in the job market and capacity to develop and compete with the formally recruited group. However, this type of affective commitment is unlikely to positively predict their individual employee performance.

Quantitative Phase: Findings and Analysis

The eight scale items of affective commitment has been tested through reliability test and Exploratory Factor Analysis (EFA) in SPSS and then Confirmatory Factor Analysis (CFA) in AMOS. The results of assessment of measurement model was used to test configural invariance across two groups (Bank A and Bank B). The correlation coefficient between affective commitment (Composite variable) and individual employee performance is 0.026 and between affective component and employee performance is .091 and negative artifact and employee performance is -.034. The structural model (Figure-1) shows statistically non-significant relationship between AC and employee performance.

TABLE 2. STANDARDISED ESTIMATES OF MEASUREMENT LOADINGS AND SQUARED MULTIPLE CORRELATIONS OF THE TWO FACTORS AC CONSTRUCT

Scale Items	*COMMITMENT*	*AFFECTIVE COMPONENT*	*NEGATIVE AREFACT*	*SMC*
AFFECTIVE COMPONENT	**0.706**			**0.498**
COMMIT1		0.692		0.478
COMMIT2		0.728		0.531
COMMIT3		0.528		0.279
COMMIT7		0.472		0.222
NEGATIVE ARTIFACT	**0.424**			**0.18**
RCOMMIT5			0.829	0.688
RCOMMIT6			0.783	0.613
RCOMMIT8			0.560	0.314

All retained items of AC scale (as presented in table 2 and 3) are significantly correlated to their respective scales. The standardised regression weights or standardized estimates of measurement loadings range from 0.417 to 0.829. Out of the 7 retained observed items in two latent constructs, only two items (NEGATIVEARTIFACT & COMMIT7) have <0.5 regression weights, lowest being 0.424. Correspondingly, the squared multiple correlation (SMC) of the above two items are poor (lowest is 0.18). However, these items are retained in order to maintain the acceptable level of construct validity and composite reliability and theoretical significance. It should be noted that the other items show good communality with their respective construct (SMC>.3). Moreover, these observed variables are reasonably or highly correlated to their respective factor (standardized regression weight > 0.5).

The error term correlations suggested by the modification indices (MI) have been considered. However, if one of the observed items in such indices has appeared in multiple modification suggestions along with poor factor loading or SMC to the construct (<0.2), the item has been dropped. The residual covariance matrix has also been used to identify problematic items. The model fit index has been observed according to the standards of Table 1 both for measurement and structural model.

Summary of Goodness-of-Fit Indices

CMIN/df and P value for respecified measurement model of AC construct is 1.12 and P=0.336 and for configural invariance test across Bank A and B is 1.016 and P=0.44. CFI, RAMSEA, GFI and P-close of respecified AC measurement model are 0.998, 0.017, 0.991 and 0.938 and for configural invariance test across Bank A and B are 0.999, 0.006, 0.983 and 0.995. These estimates are within the limit specified in Table 1 which means model fit has been ensured by respecifying the measurement model of AC construct according to Figure 1 (Measurement part).

The structural model shows 1.113 CMIN/df with associated P value of .331. The CFI, RAMSEA, GFI and and P-close of the structural model are .997, .016, .989 and .969 which confirms good model fit. The multi-group moderation test also shows good model fit indices that ensures configural invariance across two case study banks. These results conforms to the assumption of literal replication.

The Standardized Regression Weights of AC-performance link is .015 with an associated P Value of .992 for the structural model (when the data is pooled from both banks). Moreover, the result shows statistically non-significant relationship between AC and individual job performance in both banks separately and combined. Therefore, there is no significant relationship between AC and job performance in the selected case study banks in Bangladesh.

TABLE 3. SCALING AND DESCRIPTIVE STATISTICS FOR ITEMS MEASURING AFFECTIVE COMMITMENT

LABELS (OBSERVED ITEMS)	QUESTIONNAIRE ITEMS	MEAN	STD. DEVIATION	SKEWNESS	KURTOSIS	COMMUNALITY		EFA	
						Communality Initial**	Communality Extraction**	Factor 1**	Factor 2**
AFFECTIVE COMMITMENT									
COMMIT1	I would be very happy to spend the rest of my career with this organisation	3.90	1.051	-.828	.148	.324	.456	.461	.493
COMMIT2	I enjoy discussing my organisation with people outside it	4.14	.993	-1.349	1.646	.341	.582	.383	.660
COMMIT3	I really feel that this organisation's problems are my own	4.20	.975	-1.455	2.005	.199	.277	.286	.442
*RCOMMIT4	I think I could become easily attached to another organisation as I am to this one	2.24	1.033	.794	.301				
COMMIT7	This organisation has a great deal of personal meaning to me	3.86	.947	-1.102	1.405	.165	.220	.286	.371
RCOMMIT5	I do not feel like "part of the family" at this organisation	3.85	1.287	-.906	-.373	.472	.718	.793	-.297
RCOMMIT6	I do not feel "emotionally attached" to this organisation	3.50	1.316	-.392	-1.099	.452	.595	.738	-.224
RCOMMIT8	I do not feel a strong sense of belonging to my organisation	3.46	1.327	-.310	-1.176	.256	.311	.546	-.113
	Employee Performance								
PERFORM	Supervisor's rating of individual employee performance	4.18	.698	-.667	.895				

Notes: * RCOMMIT 4 has been excluded from the EFA and 2nd reliability test as the Cronbach's Alpha value with this item was .671 and .709 when deleted

**Factor Extraction Method: Maximum Likelihood

FIGURE 1. STRUCTURAL MODEL
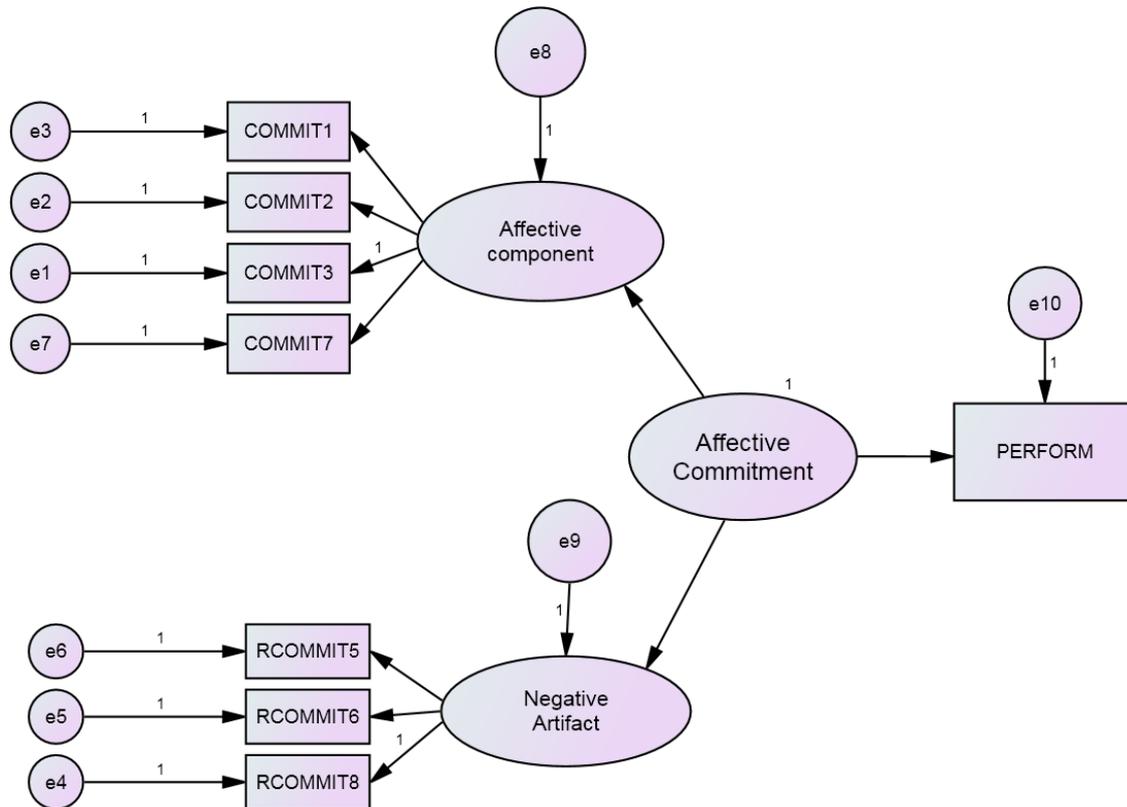
DISCUSSION

The questionable construct reliability of the 'affective commitment scale' used in this study in the context of Bangladeshi banks remains a major limitation of this study. Despite this, AC construct has behaved as per the prediction of the qualitative findings which deserves due attention. Qualitative findings have explained that committed employees may not be the high performers and high performing employees are not necessarily committed. In Bank A the selective hiring practice is evident. Bank A's high level of organisational performance over the years indicates the superior capabilities and performance of the staff members. From the interview schedule, it is evident that highly skilled employees (with work experience and on-the-job training) are self-motivated and are committed to their profession. They do not usually suffer from job-insecurity. On the contrary, Bank A suffers from high employee turnover rate as other banks are intensely competing for skilled and experienced bankers in the local labour market. Bank A struggles to keep their high performing employees committed to the organisation due to limited promotion opportunities and the absence of competitive pay packages. However, despite the commitment issues among the employees, the high performing employees tend to maintain a good performance record to protect their professional reputation. All of the above contextual facts explain why affective commitment does not lead to performance in Bank A as most of the western theories would suggest.

For a completely different set of internal contextual justifications, committed employees of Bank B do not necessarily perform better. Bank B does not practice selective hiring. Only recently have they adapted a formal recruitment and selection policy. As a result, most of the employees at Bank B have been hired based on references from powerful and influential forces, and not based on their competence. These employees are likely to feel high levels of affective commitment due to their gratitude to the organisation and lack of job opportunities outside this bank. Although the lack of job opportunity should only affect their continuance commitment and not their affective commitment (Allen & Meyer, 1990), the reality is that these two concepts are perceived as psychologically inseparable among the respondents. However, high affective commitment is not translated into higher performance in Bank B due to the lower capabilities of the employees in general, and limited training and development opportunities provided by the bank to improve KSA (Knowledge, skills and abilities). These facts can be explained by psychological disassociation of the affective, normative and continuance commitment among the employees in similar contextual settings (Allen & Meyer, 1990).

As an example: if the organisation (such as Bank B) has a history of favouritism in recruitment and selection process, the majority of employees will probably perceive a high level of affective commitment primarily due to their gratitude towards the employer, i.e., normative commitment (Allen & Meyer, 1990). Securing a job in a tough economy despite the lack of employable skills is likely to cause such feeling of affective commitment. Moreover, absence of job opportunities in highly competitive job markets may consecutively create continuance commitment among these employees, which in turn will manifest itself into stronger affective commitment.

The employees of Bank B presumably (as suggested by the interview participants from Bank B) lack the capability, skills and drive to improve their performance. Therefore, if a bank is operating in a similar context (like Bank B), then management should not expect the affective commitment to positively predict employee performance. Conversely, a bank with a systematic and competitive recruitment and selection process, and highly qualified and promising employees (like Bank A) may enjoy high level of employee performance without inducing affective commitment among employees. The highly qualified employees at Bank A demonstrate high levels of individual performance primarily due to their higher skills and capabilities, self-motivation and commitment towards personal development and interest to build professional track records, i.e., career commitment as Somers and Birnbaum (1998) suggested.

However, the participants acknowledged that the turnover rate is very high at Bank A due to the lack of employees' commitment towards the organisation. The top management contended that it is very difficult to keep a highly qualified workforce committed to the organisation due to difficulty in satisfying their higher development expectations. The high demand for their skills in the job market also made employee retention considerably challenging for HRD in Bank A. One top manager even suggested that they should not select the most qualified candidates, as they tend to show lack of commitment (both affective and continuance) towards the organisation despite of their high level of individual job performance.

The influence of internal context has also been visible in modest proportion in the findings. This research was designed to ensure literal replication of results from the two case study sites. The configural invariance of measurement and structural models, and the multi-group moderation test results across two case study banks have predominantly proven their conformity. However, as internal contextual factors cannot be identical in any two organisations, some variations have been observed in the intensity (not the nature) of the causal relationships between AC and performance across the case study sites.

CONCLUSION AND IMPLICATION

The implication of the above findings for the HR practitioners is that the recruitment and selection practices should match the career development opportunities and compensation offered by the organisation, in order to ensure a committed workforce. Only then will a higher level of affective commitment predict higher employee performance. In contrast, if management adopts unfair recruitment and selection practices, the organisation may suffer from retention of a committed workforce incapable of getting jobs elsewhere and without having developed their skill level. Therefore, the banks should avoid unsystematic and non-transparent recruitment and selection practices in order to ensure meaningful commitment that may lead to higher performance. It is worth noting again that most of the respondents used the word 'commitment' to refer to the employees' intentions to stay in the organisation (which is theoretically defined as continuance commitment) despite the fact that the questions clearly focused on AC construct. This confirms the psychological disassociation issues in defining the constructs of organisational commitment (Allen & Meyer, 1990).

Moreover, internal and external fit has to be incorporated in chosen managerial and HR strategies in order to positively link AC to actual job performance. Perceived contradictory practices such as unfair recruitment and selection policy matched with good pay policy may send mixed messages to the employees. The intended HR practices should match the actual practices implemented by the HR agents across managerial hierarchy (Wright and Nishii, 2004). Otherwise, AC may not positively predict job performance of the employees.

The future researchers may revise the scale of AC according to the contextual interpretation of the construct and revisit the AC-performance link in other banks and industrial sectors to facilitate wider generalisation. Comparative studies across contrasting contexts may also shed more lights to specific factors or antecedents that may actually make a difference in the nature, understanding and effect of AC in different institutional contexts.

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