

# Variables Affecting Organizational Commitment

## PRIVATE- VERSUS PUBLICLY-OWNED ORGANIZATIONS IN GREECE

*Dimitris Bourantas and Nancy Papalexandris*

Most writers tend to agree that research and discussion on the differences between private and public organizations is particularly important for management training, consulting and practice. In the past few years there has been a widespread interest in these differences stemming mainly from the urgent need to improve organizational effectiveness which seems to be missing particularly in the public sector.

Most of the research conducted so far in this area has described these differences without examining all possible explanations. According to Lewin's[1] conclusion little is still known about: the way state-owned enterprises are managed; the motivators and managerial behaviour of their executives; differences in managerial behaviour across different national settings or between privately-owned and state-owned enterprises.

In view of the above, efforts were made in this study to check whether the differences in organizational commitment between managers in the private and public sectors, as found by many empirical researchers in other countries, also exist in Greece and to link these differences with differences in the organizational culture of firms under study.

### THE THEORETICAL FRAMEWORK AND RESEARCH HYPOTHESES

Among the large number of definitions of organizational commitment[2], the one provided by Mowday *et al.*[3] in 1979 has become widely accepted[4]. They define organizational commitment as the relative strength with which an individual identifies with and gets involved in a particular organization. Following this definition they suggest that the organizational commitment has three primary components:

- a strong belief in and acceptance of the organization's goals and values;
- a willingness to make a considerable effort for the organization; and
- a strong intent or desire to remain with the organization.

The crucial importance of commitment for the effectiveness of organizations has been ascertained by numerous empirical researchers[5,6,7]. These researchers have demonstrated that commitment is negatively related to labour turnover and, to a lesser extent, to other withdrawal behaviour, such as decreased performance, increased absenteeism and tardiness.

Comparative research among public and private organizations has shown that the organizational commitment of managers in the public sector is lower than that of

managers in the private sector[8-11]. Other empirical research has shown this difference indirectly, also inferring that work satisfaction of managers in the public sector is lower than the work satisfaction of managers in the private sector[12,13,14]. Based on the fact that a positive correlation exists between satisfaction and commitment[15], one can assume that managers in the public sector are less committed to their organizations than managers in the private sector. Confirmation and explanation of this difference holds considerable importance for improving the effectiveness of public organizations.

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### **THE CULTURE OF PUBLIC ORGANIZATIONS BECOMES COMPLEX, CONFOUNDING AND CONFUSING**

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In combining the empirical research on factors defining organizational commitment with research comparing the characteristics of public and private organizations, some basic explanations can be derived. Public organizations are characterized by more bureaucracy, routinization, overstaffing, role ambiguity, and role conflict and less task autonomy, task variety and feedback than private ones[10,14]. These differences tend to make the content and challenge of managers' jobs less interesting in the public sector thus affecting negatively their organizational commitment[8,13,16]. In addition, positive reinforcement is weaker in public organizations because of the greater role vagueness and the difficulties in specifying and quantifying performance measures, which limit the connection between managers' efforts and organizational effectiveness[8,13,16]. Finally, according to Solomon[14], in private organizations there is a significantly greater emphasis on performance-based rewards which reflect positively on the commitment of managers.

In addition to the above factors, a significant explanation for the lower commitment among public sector managers, could be found in their firms' organizational culture[2]. According to existing definitions culture can be defined as the sum of acceptable values, philosophies, expectancies and norms which determine the ways of

functioning of an organization. The importance of culture for organizational effectiveness is supported by many writers such as Kilmann[17], Lemaitre[18], Pascale and Athos[19], Peters and Waterman[20], Schein[21] and Wilkins and Ouchi[22]. The relationship of culture to organizational commitment has also been confirmed, both directly and indirectly. An ideal culture creates a sense and direction, mobilizes the attitude to act, raises the consciousness of managers, facilitates communication, develops the cohesion of teams and thus contributes to the creation of organizational commitment. On the other hand, the lack of a strong culture, the existence of a gap between the ideal and the existing cultures, and between the organization's culture and the sub-cultures of its members is accompanied by low morale, resistance to change, unwillingness to make efforts to execute planned work and a low commitment to the goals of the organization[19,22,23,24].

There are usually small or large differences in the culture of organizations according to the circumstances, factors, critical incidents and methods leading to their growth. Taking into consideration that the mission, the founder-businessman or the pressures of the external environment are important points in defining organizational culture, then it is logical to maintain that the culture of public organizations differs from the culture of private organizations[16,25,20].

According to Whorton and Worthley[16], the culture of public enterprises reflects the paradoxical nature of their environment, where two opposing pressures are affecting their cultures. On the one hand society accords its public organizations enormous powers and expects public managers to provide the desired public services and to promote the common good ("civil servants" = a positive force). On the other hand, society imposes on its public enterprises and its managers constraints and limitations by the laws, procedures and norms intended to control closely their behaviour ("bureaucrats" = a negative force). As a result of this environmental paradox, the culture of public organizations becomes complex, confounding and confusing. Public sector managers face a "schizophrenic existence" and thus tend to underplay and disclaim their accomplishments and catch the classic neurosis of inferiority complex[16], a factor which affects negatively their organizational

commitment. It appears that this environmental paradox is less obvious in the private organizations.

According to the above reasoning the following hypotheses were formulated for this research:

- *Hypothesis 1.* Every organization has a dominant culture. However, every one of its managers holds a view of an individually desired culture. The two cultures do not always coincide. i.e. it is possible that a culture gap exists between the two.
- *Hypothesis 2.* The culture gap negatively affects the organizational commitment of the managers in such enterprises.
- *Hypothesis 3.* The culture gap exists more frequently at the public end of the private-public continuum.
- *Hypothesis 4.* Part of the difference in organizational commitment between the managers in public and those in private enterprises, may be explained by the presence of the culture gap.

## THE CONCEPTUAL FRAMEWORK AND MEASUREMENTS

### The Culture Variables

The concept of organizational culture used in this research was introduced by Harrison in 1972[26] and subsequently enlarged and developed by Handy in 1980[23]. This concept defines four forms of organizational culture which Harrison calls power, role, task and person orientations to which Handy gives names of Olympian Gods: Zeus for power; Apollo for role; Athena for task; and Dionysus for person. He thus connects each organizational form to the corresponding culture of a Greek god. In summary the above writers describe each form of organizational culture as follows.

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### EVERY ORGANIZATION HAS A DOMINANT CULTURE

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*Zeus (power).* The chief characteristics of a Zeus (power) culture, is the existence at the centre of the organization of a powerful and dominant leader, whose will and influence is exercised through key individuals, close to and trusted by the central power source, who

understand and are able to anticipate the wishes of the leader.

*Apollo (role).* This culture places at the centre of its conceptual framework the role rather than the personalities. It assumes that humans are rational and that everything can and should be analysed in a logical fashion.

*Athena (task).* The whole emphasis of the Athena (task) culture is on getting things done. Achievement of a superordinate goal is the highest value. The organization's structures, functions and activities are all evaluated in terms of their contribution to the superordinate goal.

*Dionysus (person).* The essential feature of this culture is that the organization exists primarily to serve the needs of its members. Authority is discouraged but where it is absolutely necessary it is assigned on the basis of task competence.

### Culture Gap

For this research work, a culture gap exists when the dominant organizational culture form, defined as the manager's perception of the existing organizational culture, differs from the manager's preferred/desired culture form. Measurement was conducted using Handy's questionnaire, adapted from Harrison's original questionnaire.

### Private-Public Continuum

This research concerns the full spectrum of organizations except government/state agencies. Taking into consideration Greek peculiarities, the distinction between private and public organizations is based on two criteria: *ownership and market exposure*. These two variables create different pressures, expectations, controls and constraints in organizations and indirectly affect their culture, internal structure, functionality and behaviour in general[9,14,16]. Taking the two criteria as a standard, a continuum may be created between the private and public organizations.

### Organizational Commitment

Mowday *et al.*'s[3] definition, mentioned previously, is acceptable for this research and is used throughout it. To measure this variable the Porter *et al.* questionnaire has been utilized. It consists of 15 items, the answers being given on a seven-point scale (1=strongly disagree, 7=strongly agree).

### Statistics

Data for this research were collected through a survey of mailed questionnaires. The questionnaires were sent to a random sample of about 2,950 junior, middle and senior managers. The answers were sent back anonymously. In total 665 completed questionnaires were returned, of which 588 were valid and usable. From this total 210 came from managers in 22 public organizations, 122 from 32 quasi-public organizations and 256 from 84 private organizations.

### RESULTS

As can be seen from the data in Table I, 38.5 per cent of the respondents thought that their organization had the characteristics of Apollo (role function) and 35.9 per cent the characteristics of Zeus (power function). On the other hand most of the managers (68.4 per cent) preferred the characteristics of Athena (task structures).

In total out of the 585 respondents the 423 (72.3 per cent) reported that the perceived dominant form of organizational culture is different from the form most preferred by them. This percentage is lowered to 68.7 per cent when the comparison is made between the two most dominant organizational cultures and the two preferred forms by the managers. This statistically significant difference supports the first hypothesis of this research, confirming the existence of the culture gap.

As can be seen from Table II, the culture gap increases from the right-hand side (private) of the private-public continuum to the left-hand side (public). This means that there is a culture gap for 62.3 per cent of the

respondents in the private sector. 74.6 per cent in the quasi-public sector and 83.5 per cent of the managers in the public sector.

To examine the influence of the culture gap on the organizational commitment of managers, the one-way analysis of variance and multiple classification analysis was used which confirmed that a statistically significant relationship between culture gap and organizational commitment exists ( $F=61.085$ ,  $p=0.000$ ). In fact, the culture gap negatively affects the commitment of managers towards their organizations. Thus the organizational commitment average (median) for managers showing a culture gap is 69.39, whereas the equivalent for managers without culture gap is 79.73 (Table III). Therefore the third hypothesis of this research is also confirmed.

The two previous findings, that the culture gap increases as it progresses through the continuum of private to public sectors, and that the culture gap has a negative effect on organizational commitment of managers, can partly explain the difference in commitment in the three types of organizations.

A statistically significant relationship exists between the three types of organizations and the organizational commitment of their managers. Thus, whereas the average for organizational commitment for managers in private organizations is 78.17, the corresponding average for managers in quasi-public organizations is 70.27 and for the public sector is 66.04 (Table III).

Of course, another variable which could very well create the differences between these three types of organizations is their different size. In Greece the public enterprises are on average larger in size than the private ones.

Predominant culture types	Perceived				Desired			
	All	Public	Quasi-public	Private	All	Public	Quasi-public	Private
Zeus (power)	35.9	41.1	41.0	29.3	2.4	1.4	1.6	3.5
Apollo (role)	38.5	43.0	33.6	37.1	14.9	12.6	15.6	16.4
Athena (task)	22.9	15.0	23.0	29.1	68.4	63.8	76.2	68.4
Dionysus (person)	2.7	1.0	2.5	4.3	14.4	22.2	6.6	11.7
Total	100	100	100	100	100	100	100	100

*Note:* Values are percentages of respondents ( $n = 585$ ).

TABLE I.  
Predominant Organizational Culture Types Perceived by the Managers and Desired Culture Types

	All	Public	Quasi-public	Private
Gap	72.3	83.5	74.6	62.3
Non-gap	27.7	16.5	25.4	37.7

Notes:  
 $\chi^2 = 26.16; p = 0.0000$ .  
 Values are percentages of respondents ( $n = 585$ )

**TABLE II.**  
**Culture Gap**

For this reason, and in order to explain more objectively the differences in organizational commitment between managers in these three types of organizations, multiple analysis of variance has been used, and the variables, culture gap, type and size of organizations have been introduced (size: small up to 100 employees, medium-sized 101-500, and large more than 500 employees).

According to the significance level of  $F$  ( $p=0.000$ ), the correlation between culture gap and organizational commitment remains statistically significant with a higher score in the relationship between size and commitment, and equally significant in the relationship between type of organization and commitment.

Therefore, the fourth hypothesis of this research is also confirmed with a significant certainty. This means that part of the observed difference in organizational commitment between the managers in public, quasi-public and private organizations is created from the varying appearance of the culture gap among managers and these organizations.

## DISCUSSION

The results from this research agree with the findings of previous empirical research, conducted in other countries with differing environmental factors, which have shown that the organizational commitment of managers in the public sector is lower than that of managers in the private sector [8,10]. To this we should add the difference in organizational commitment between the managers in the three types of organizations, which also supports the arguments of the authors who defend the concept of the public-private continuum [9,27]. It appears, therefore, that differences not only exist between private and public organizations but also between public and quasi-public organizations, as well as between quasi-public and private organizations. It is shown, therefore, that, in addition to the form of ownership, the degree of market exposure also affects organizational culture which in turn affects the organizational commitment of managers. These results imply that both the type and size of an enterprise can affect the organizational commitment of managers.

A further contribution of these findings is that they help us explain the reported differences of organizational commitment through the concept of the culture gap.

The existence of the culture gap in all three forms of organization, could be explained on the basis of the factors and procedures which create and modify the culture of organizations and managers. Regarding this modification, it is believed that a significant part is played by the founder/entrepreneur, or his top

Grand mean of organizational commitment = 72.25	$n$	Unadjusted mean	Adjusted for independents mean	Significance of $F$
<i>Culture gap</i>				
No	162	79.73	78.15	0.000
Yes	423	69.39	-69.99	
<i>Ownership</i>				
Public	206	-66.03	-67.04	0.000
Quasi-public	122	-70.27	-70.00	
Private	257	78.17	77.50	
<i>Size</i>				
Small	35	75.20	-68.71	0.000
Medium	219	74.59	73.74	
Large	331	-70.39	72.86	

**TABLE III.**  
**Multiple Classification Analysis: Organizational Commitment with Culture Gap, Ownership and Size ( $n=585$ )**

executives[28,29], and by the environment of the organization[16,30,31]. The differences in the frequency of appearance of culture gap between public, quasi-public and private organizations, indicate that environmental factors (pressures, expectations, constraints, etc.) are particularly important in the evolution of organizational culture. On the other hand, the preferred culture of managers is a result of their personality and a large number of other variables connected with the organization in which they work, their family and other peer social groups, their education and other general societal factors. Thus, when the organization fails to achieve cultural integration of its members, the culture gap appears. The greater intensity of the culture gaps among Greek public organizations, and the high incidence of the Zeus (power) culture form as a dominant organizational culture, may well be explained by the concentration of power exercised formally and informally in Greek public enterprises. Each successive government often ignores formal structures, existing hierarchy, rules and procedures, and allows a very small number of managers to exercise considerable power, not because of their position in the hierarchical structure, but because of political favouritism. This creates a negative feeling among the remaining employees.

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### ENVIRONMENTAL FACTORS ARE PARTICULARLY IMPORTANT IN THE EVOLUTION OF ORGANIZATIONAL CULTURE

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With reference to the private sector, wherever the dominant culture is the Zeus form this may well be explained by the fact that the enterprise is managed by the owner/entrepreneur, who in order to control the enterprise holds power in his own hands or delegates it to a small number of trusted salaried managers, mostly family members.

In general, these results coincide with those of Cummings and Schmidt[32] who maintained that Greek managers, whilst advocating participative forms of management, simultaneously show little belief in other individuals' capacity for leadership and initiative. The results also coincide with Hofstede's research[31], who found that the Power Distance Index score

and the individualism versus collectivism index for the Greeks is above the mean of his sample, which included 40 countries. The findings are also consistent with the findings of Triandis and Vassiliou[33] which concluded that Greeks give greater weight to the recommendations of friends and relatives than do Americans when selecting employees (Zeus culture).

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### WHEN THE ORGANIZATION FAILS TO ACHIEVE CULTURAL INTEGRATION OF ITS MEMBERS, THE CULTURE GAP APPEARS

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Finally, the existence of the culture gap could explain to a degree the paradoxical findings of Veiga *et al.*[34] that in Greece, while there exists a culture which places a high regard for collectivism and group wellbeing, Greek managers have a lower propensity "to give up control"[35] than American managers. That is, Greek managers tend to behave in an individualistic manner much more than US managers. This behaviour may well be a result of the culture gap which creates a feeling of an "outgroup setting", in which according to the work of Triandis *et al.*[36], the Greeks tend to be extremely competitive, hostile and suspicious and engage in unusual responses to authority figures.

### CONCLUSIONS

This research has tried to set a framework for explaining the differences in organizational commitment between the managers in public, quasi-public and private organizations. It is fully understood that it is somehow a drawback to attempt to explain this difference using only one variable. Despite this, the importance of the concepts of organizational culture and of the culture gap make the implications resulting from the research findings useful for management practice and development. Improvement in organizational effectiveness and efficiency require, in addition to other factors, improvement in the organizational commitment of managers, which in turn requires organizational cultures in which expectations coincide with reality and the

culture gap is minimized. If this does not occur, then the attempts to improve systems, structures, technical skills, etc., will not bring about the expected results. Particularly, for the public and quasi-public organizations, any attempts to transfer systems and techniques of planning, control, decision making, co-ordination, evaluation, etc., from the private sector will not be effective, unless the existing culture is modified, managed and changed in a way which reduces bureaucratic restrictions, favours decentralization of power, develops the quality of communications and leadership, links results to rewards and produces a positive and favourable organizational climate.

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### TOP MANAGEMENT MUST DEVELOP AN ORGANIZATIONAL CULTURE

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Based on the above, it is evident that a very important function of top management is the development of a positive organizational culture. Management training and educational programmes need to place a particular emphasis on this topic and sector. Furthermore, in order to increase organizational effectiveness, management consulting should consider organizational culture and the culture gap in all attempts to achieve organizational change and development.

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- Dimitris Bourantas and Nancy Papalexandris are at the Athens University of Economics and Business, Athens, Greece.
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