

“The impact of organizational stakeholders’ care on organizational commitment: evidence from Malaysia”

AUTHORS	Rajendran Muthuveloo Teoh Ai Ping Lai Siew Meng
ARTICLE INFO	Rajendran Muthuveloo, Teoh Ai Ping and Lai Siew Meng (2015). The impact of organizational stakeholders’ care on organizational commitment: evidence from Malaysia. <i>Problems and Perspectives in Management</i> , 13(2-si), 258-268
RELEASED ON	Tuesday, 28 July 2015
JOURNAL	"Problems and Perspectives in Management"
FOUNDER	LLC “Consulting Publishing Company “Business Perspectives”



NUMBER OF REFERENCES

0



NUMBER OF FIGURES

0



NUMBER OF TABLES

0

© The author(s) 2025. This publication is an open access article.

Rajendran Muthuveloo (Malaysia), Teoh Ai Ping (Malaysia), Lai Siew Meng (Malaysia)

The impact of organizational stakeholders' care on organizational commitment: evidence from Malaysia

Abstract

In today's competitive business world, organizational commitment remains the key challenge for many organizations. With the recent global economic slowdown, organizations' performance has been affected by the negative dynamism of business environment. Organizations need to have highly committed and talented core employees to sustain in the fast changing technology markets. This paper attempts to identify key aspects pertaining to care of organizations towards their stakeholders and their impact on organizational commitment based on the Social Exchange Theory (SET). A quantitative research approach was applied and a total of 287 samples were collected from working individuals across different organizations located in Penang, Malaysia. This study found that among all the organizational stakeholder care that was provided to employees, extended family, CSR, suppliers and customers, employees and suppliers were found to be positively and significantly associated with organizational commitment and all its dimensions. Interestingly, extended family was found to be positively and significantly associated with normative commitment while negatively and significantly associated with continuance commitment. However, organizational stakeholder care that was provided to society, environment and customers was found to have no significant impact on the organizational commitment. This study brings insightful and significant findings to the organizations, especially for Human Resource managers to devise strategies in enhancing employees' commitment towards the organizations.

Keywords: organizational stakeholders' care, organizational commitment, social exchange theory, Malaysia.

JEL Classification: M10.

Introduction

The world is undergoing revolutionary changes: from accelerating products innovation and technological changes to the increase of global market competitions; therefore, organizations need to have highly committed and talented core employees to sustain in this highly competitive and fast changing technology markets. The ability of the organization to retain highly committed talented employees is critical to the productivity, production quality and organization performance (Nehmeh, 2009). However, with the recent global economy slowdown, uncertain and weak demand environment continues to negatively influence organizations' performance. Hence, organizations undergo significant internal challenges to improve their tactical execution by cutting down operating cost and workforce reduction. This restructuring program has increased job insecurity among employees and the philosophy of 'job for life' is no longer existent. Employees constantly fear of losing their jobs and thus lose their motivation and commitment to work. From the Employee Intentions survey conducted by Michael Page International Malaysia 2012, over 40% of the surveyed professionals believe it is highly likely they would change jobs within the next six months. Organizations suffer not only from loss of productivity

but also the knowledge that these critical employees possess, namely, industry knowledge, competitive strengths and weaknesses, products, customers and processes. Thus, organizations need to access internal processes and capabilities to gain their competitive competencies by retaining their key talents to strive for company's success.

Organizational commitment and performance is positively affected by the firm's decision on investing in human capital (Harold & James, 2007). This is because highly committed employees have stronger desire to remain with the company and strive for company's success as they are considered the organization's competitive advantages. Nonetheless, social changes such as changes in the workplace in terms of age, gender, job expectation or even family structures have significant impacts on the nature and operations of organizations, especially in the human resource department. This new generation employees appear to be less committed to their work and their respective organization due to the social and expectation changes (Perryer and Jordan, 2008). Therefore, organizations need to study new trend of meeting employees' expectation such as extending the organizational stakeholders' care to increase organizational commitment amongst employees.

Reviewing both Organizational Support Theory and Stakeholders Theory, it was found that to date, there is limited research done on the employee's perceptions of organizational stakeholders' care on organizational commitment. Therefore, this study attempts to identify

© Rajendran Muthuveloo, Teoh Ai Ping, Lai Siew Meng, 2015.
Rajendran Muthuveloo, Dr., Graduate School of Business, Universiti Sains Malaysia, Malaysia.
Teoh Ai Ping, Dr., Graduate School of Business, Universiti Sains Malaysia, Malaysia.
Lai Siew Meng, Graduate School of Business, Universiti Sains Malaysia, Malaysia.

categories of organizational stakeholders' care provided to the organizational stakeholders that may have an influence on organizational commitment and to examine the relationship among these categories of organizational stakeholders' care and organizational commitment.

1. Literature review

1.1. Organizational commitment. Bateman and Strasser (1984) defined organizational commitment as "multidimensional in nature, involving an employee's loyalty to organization, willingness to exert effort on behalf of the organization, degree of goal and value congruency with the organization, and desire to maintain membership". Porter et al. (1974) discussed three components of organizational commitment as being "strong belief in and acceptance of the organization's goals, willingness to exert considerable effort on behalf of the organization, and definite desire to maintain organizational membership". In other words, commitment is defined as the bond between an individual and the organization (Muthuveloo & Che Rose, 2005). This study adopts the fundamental definition of commitment that lies on the notion that the desire an employee has to remain employed with his organization (Meyer and Allen, 1997).

1.2. Social exchange theory. Social exchange exists when the interaction between individuals creates the sense of obligation reciprocate to each other (Blau, 1989). Key assumptions defined under this theory include: human relationships are formed in exchange for costs and benefits; individuals involved in the relationship seek to maximize the benefits they are going to get from the exchange to fulfill their basic needs; individuals seek to balance the cost and rewards from the social exchange. If the organization does not sincerely show commitment to its employees, the employees will not show commitment to their organization (Zakaria, 2004). Similarly, Zinta et al. (2011) found positive relationship between perceived organizational support and organizational commitment. This study adopts and extends the research done by Al-bdour et al. (2010) on the internal corporate social responsibilities practices and organizational commitment using social exchange theory.

1.3. Organizational stakeholders' care. Daniel and Gregory (2002) defined organizational care as the principles that focus on meeting employee's needs, appreciate their contributions to the organization and promote their best interests. These are derived from the role of an "ethics of care" that an organization responds to its member's needs and the

development of its member's healthy social-psychological needs. Muthuveloo and Teoh (2014) highlighted that ethical concerns should be addressed in ensuring a sustainable business organization. Organizations' care giving practices vary from each other and may change over time as regulation (change of political or environmental rules) or workforce changes (change of employees' needs). It has been found that organizational stakeholders' care has a similar key aspect to perceived organizational support (POS), which refers to the employees' belief about organization values, contributions and cares about their well-being (Eisenberger et al., 1986). Stawiski et al. (2011) defined corporate citizenship as the business values created as part of the organizations responsibility to care for the well-being of all stakeholders, including the environment. This study investigates the relationship between organizational stakeholders' care to their key stakeholders, comprising employees, customers, suppliers, communities, society and environment.

1.3.1. Organizational stakeholder care on employees. Employees have been identified as any organization's key assets (Accenture, 2001). Previous researchers found that employer's ability to fulfil the employees' personal career aspirations (Lew, 2010; Weng et al., 2010), employees' career development (Bashir & Ramay, 2008), and empowerment practices (Humborstad & Perry, 2011) were all correlated with employees' commitment. When the promises related to personal growth and opportunity, and rewards are breached, an employee will be more likely to report negative feelings and attitudes toward the organization; thus, lower levels of commitment will drive their intentions to leave the organization (Phillips, 1997; Pollitt, 2012).

Empirical studies show that employees with high levels of both work-to-life and life-to-work conflict tend to exhibit lower levels of job satisfaction and organizational commitment (Kossek & Ozeki, 1998). By enabling employees to schedule their time in order to better balance competing demands from work and from home (flexible working hour) has proven to be associated with lower levels of work-to-life conflict, increase in organizational commitment, and reduce in turnover intentions (Andreson, Coffey, & Byerly, 2002; Halpern, 2005). Furthermore, employees who perceive their organization is supportive of their well-being and health (such as private medical insurance and health cash plan) (Lew, 2010; Pollitt, 2012) and treats them ethically, will demonstrate higher commitment towards their organization.

1.3.2. Organizational stakeholder care on extended family. With the rising proportions of dual earner families, increased female labour force participation and the growing number of aged dependents, a higher proportion of employees have family responsibilities (Hall & Liddicoat, 2005). Studies found that employees who benefit from childcare centres, referral services, flexible work hours, financial assistance with childcare and other family-supportive practices provided by the organization report higher levels of commitment and lower turnover rate to the organization (Kossek and Nichol, 1992; Hofferth, 1996; Roehling and Moen, 2001; Pollitt, 2012). Zacher & Winter (2011) found that perceived organizational support provided to elderly is beneficial for employees' work engagement and it could lead to an increase in organizational commitment. Organizations that provide flexible work schedule to their employees, which could let them balance their work life conflicts, are found to have a significant organizational commitment (Bashir & Ramay, 2008; Balmforth and Gardener, 2006; Siegel et al., 2005).

1.3.3. Organizational stakeholders' care on CSR. With the widespread attention from the national media as well as the continuous pressure from stakeholders, organizations have begun to involve in the corporate social and environment responsibilities. Research found that there is an impact of socially responsible behaviour on organizational commitment whereby the external CSR is positively related to organizational commitment (Turker, 2009). Maignan et al. (1999) found that market-oriented and humanistic cultures lead to proactive corporate citizenship, which, in turn, is associated with improved levels of employees' commitment, customers' loyalty, and business performance. CSR may have positive effects on employees' motivation and morale as well as their commitment and loyalty to the firm (Viswesvaran et al., 1998; Schoenberg, 2007). If employees perceive their organization as being a socially responsible member of the society by engaging in CSR activities, the senses of belongingness to this favorable reputable organization can enhance employees' self-concepts and social identity which in turn have influence on employees' affective commitment (Stawiski et al., 2011; Kenexa, 2010; Alniacik et al., 2011).

Researchers also found that internal CSR dimensions such as health and safety, workplace diversity, human rights, training and education are significantly related to organizational commitment (Ebeid, 2010; Al-

bdour et al., 2010). CRS activities are highly related to the organizational commitment which results in higher employees' productivities (Ali et al., 2010). Zientara et al. (2015) found that CSR experiences are positively associated with satisfaction and commitment. Likewise, organizational commitment, unlike job satisfaction, was linked to work engagement.

1.3.4. Organizational stakeholders' care on suppliers. The organization responsibility is becoming more important with respect to the supply chain management (Boyd et al., 2007). Thus, it is important for an organization to improve commitment and trust within buyer-supplier relationships to achieve the level of interaction and knowledge exchange necessary for high-performing supply chain relationships. Top management commitment is critical in building stronger supplier relationships and activities such as supplier training and supplier recognition because this will help to enhance the relationship with the suppliers (Kimball & Stanley, 2007; Krause & Ellram, 1997). Organizations believe that collaboration among different suppliers and other partners can create common standards and shared solutions, helping to advance organizational responsibilities for everyone's benefit (Alessandra & Tiziana, 2011). Employees associate their social identity with their organization's reputation in the marketplace which, in turn, impacts their commitment towards their organization (Turker, 2009; Alniacik et al., 2011; Rego et al., 2007).

1.3.5. Organizational stakeholders' care on customers. Employees' perceptions toward their organization will be affected by the level of commitment their organization has toward its customers (Turker, 2009). If an organization pays attention to its customers by providing high quality products or accurate information about its activities, employees may also be proud of being a member of this organization (Ebeid, 2010). Since members of a social category can share their success or failure and the positive feedback received from satisfied customers, it would be one of the most effective ways of measuring organizational success.

2. Theoretical framework and hypotheses development

As presented in the theoretical framework shown in Figure 1, this study seeks to identify the types of organizational stakeholders' care that is provided by an organization and also its relationship toward employees' organizational commitment.

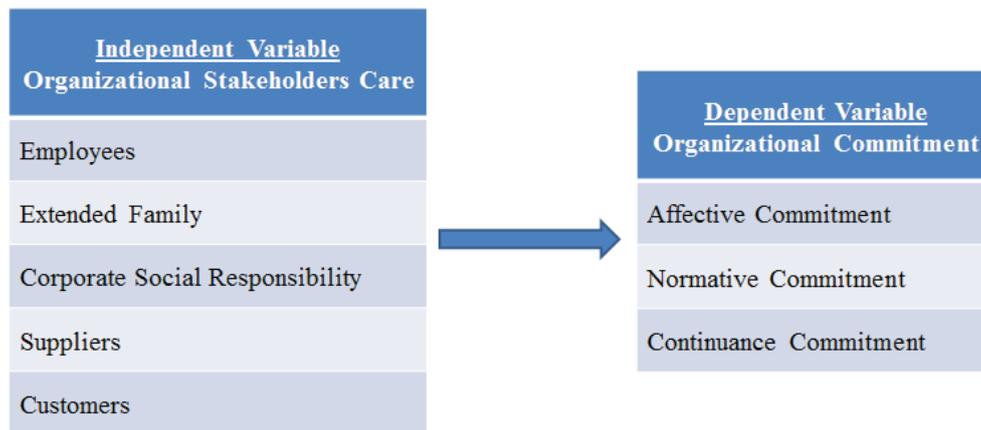


Fig. 1. Theoretical framework

Previous studies support the social exchange view that employees' commitment to the organization is strongly influenced by their perceptions about the organization's support or commitment to them (Eisenberger et al., 1986; Al-bdour et al., 2010). When employees perceive their organizations have invested in employees' personal development, they will demonstrate higher job satisfaction, more commitment and less intention to leave the organization (Lee & Bruvold, 2003). Therefore, it is hypothesized:

H₁: Organizational commitment is positively and significantly influenced by organizational stakeholders' care provided to employees, extended family, societal & environmental, suppliers and customers.

H_{1a}: Organizational commitment is positively and significantly influenced by organizational stakeholders' care provided to employees.

H_{1b}: Organizational commitment is positively and significantly influenced by organizational stakeholders' care provided to extended family.

H_{1c}: Organizational commitment is positively and significantly influenced by organizational stakeholders' care provided to societal & environmental.

H_{1d}: Organizational commitment is positively and significantly influenced by organizational stakeholders' care provided to suppliers.

H_{1e}: Organizational commitment is positively and significantly influenced by organizational stakeholders' care provided to customers.

3. Research methodology and data analysis

Quantitative research design was employed to validate the theoretical framework and the proposed hypotheses as recommended by Creswell (2002). The setting of this research is non-contrived and individual characteristics are the basis of this research description; therefore, considering individuals as the

unit of analysis is found to be more suitable than group or organization (Babbie, 2007). Convenience sampling technique was first used to select the respondents who work in the state of Penang, followed by the networking sampling (snowball technique) to identify respondents from different industries within the state of Penang to participate in the survey questionnaire.

Pilot study was carried out similar to main study data collection process on a small group of 30 people to test for biased items and the reliability of the questionnaires. The result of pilot study showed that the stability and consistency of the variables in the study could measure the concept quite well with reliability Cronbach's alpha value more than 0.60. Minor changes were made to the questionnaire before the final set of questionnaires was distributed for the main study data collection. A total of 400 survey questionnaires were distributed and used for research analysis.

The questionnaire contains a total of 67 questions: Section A consists of 21 questions on organizational commitment, Section B consists of 35 questions on organizational stakeholders' care and Section C consists of 11 questions on demographic data. All responses were reported on a five-point Likert-type scale ranging from 1 to 5 where "1" stands for strongly disagree to "5" which means strongly agree used to indicate respondents' level of agreement to each survey item. Five-point Likert scale was chosen in this study because the survey questionnaires are easy to understand, very straightforward and not too technical for the respondents to answer. The same measurement scale was also employed by Turker (2009) in survey questionnaires on organizational commitment.

Items on organizational stakeholders' care provided to employees were adapted from Eisenberger's 36-item measure of perceived organizational support (Eisenberger et al., 1986) and were rephrased to

capture other benefits to align with the purpose of this study. Whereas items on organizational stakeholders' care provided to employees' extended family were adapted from multiple studies such as Eisenberger's 36-item measure of perceived organizational support (Eisenberger et al., 1986), Kossek and Nichol (1992), items measured employees' perceptions toward their organization's action taken to care and protect the society and environment, suppliers and customers were adapted and modified from the research done by Ali et al., (2010) and Turker (2008) to suit it with the local context and the purpose of this research. Lastly, the three dimensions of commitment (affective, normative and continuance) were adopted from Meyer & Allen's (1990) Organizational Commitment Questionnaire (OCQ).

3.1. Respondents profile. A total of 400 questionnaires were distributed to the targeted sample population, of which 291 questionnaires were collected for a response rate of 72.75 percent. However, only 287 of the survey questionnaires or 71.75% were usable to run the analysis. This is in line with the statement made by Sekaran (2009) that sample size in between 30 to 500 would be sufficient for most of the studies. Among the 287 working adults who responded to this questionnaire, 55.7% were male and 44.3% were female. Majority of them were within the age group of 26 to 40 years. Besides, 54.4% of them were married while 44.3% were single. Majority of them were from the department of information technology and opera-

tions which constitute of 20.6% respectively. Moreover, 80.8% of the respondents worked in multinational companies and 10.8% of them were employed in the local organizations.

3.2. Factor analysis. *3.2.1. Organizational stakeholders' care (IVs).* By using SPSS version 16.0, principal components analysis with Varimax rotation was used to assess the dimensionality and uniqueness of the variable. Stopping rule was performed based on the rotated component matrix rather than using anti-image correlation matrix. As all diagonal values on the anti-image correlation matrix were above 0.5, no items were dropped from using this matrix. In the first four rounds of factor analysis output, items that had first loading of less than 0.5 and the cross-loading of values more than 0.35 were dropped. Items which had cross-loading of more than 0.35 were dropped from the subsequent factor analysis since they caused ambiguity and could not properly measure the original construct. At the end of the factor analysis, there were total of eight items which were dropped from this study. The final results found on the factor analysis for organizational stakeholders' care dimension show that the distribution of the values in this study is good for conducting a satisfactory factor analysis with the KMO value of 0.86 which exceeds the rule of thumb value of 0.5. As shown in Table 1, the significance level of Bartlett's test of Sphericity value is less than 0.05 indicating the fitness of the model.

Table 1. KMO & Bartlett's test on organizational stakeholder care dimension

Independent variables	Before items deleted			After items deleted		
	KMO	Barlett's test of sphericity		KMO	Barlett's test of sphericity	
		Chi-square	Sig.		Chi-square	Sig.
Employees	0.79	588.460	0.00	0.81	521.410	0.00
Extended family	0.83	1095.86	0.00	0.84	1036.17	0.00
CSR	0.86	710.79	0.00	0.84	621.73	0.00
Suppliers	0.88	763.1	0.00	0.87	705.48	0.00
Customers	0.84	727.61	0.00	0.83	540.75	0.00

All the remaining items on the anti-image correlation matrix have the diagonal values ranging from 0.77 to 0.93 which meet the minimum requirement of value above 0.5. Five common components with Eigen values above one were extracted that have cumulative percentage of variance explained by all the components of 62.2%. Investigation of the loaded items revealed that the first factor is suppliers, second is extended family, third is CSR, fourth is customers and fifth is employees.

3.2.2. Organizational commitment (DV). Exploratory factor analysis was performed on the items of the dependent variable (OC). At the end of the fourth round of factor analysis, a total of 4 items were

dropped one at the time from this analysis. The dropping rule is also based on the rotated component matrix whereby items with higher cross-loading over 0.35 were dropped as these items could not measure the original construct in this study. Stopping rule was not based on the anti-image correlation matrix because all diagonal values on the anti-image correlation matrix were above 0.5; therefore, no items were dropped from using this matrix. The final set of factor analysis result shows that the survey data were good for factor analysis and the fitness of the model with the KMO value of 0.85 and Bartlett's test of Sphericity value shows significance level with less than 0.05 respectively as per Table 2.

Table 2. KMO & Bartlett’s test on organizational commitment

Independent variables	Before items deleted			After items deleted		
	KMO	Barlett’s test of sphericity		KMO	Barlett’s test of sphericity	
		Chi-square	Sig.		Chi-square	Sig.
Organizational commitment	0.87	2187.630	0.00	0.85	1602.680	0.00

All the remaining items on the anti-image correlation matrix have the diagonal values ranging from 0.71 to 0.92 which meet the minimum requirement of value above 0.5. Three common components with Eigen values above one were extracted that have cumulative percentage of variance explained by all the components of 52.46%. Investigation of the loaded items revealed that the first factor is affective commitment, second one is normative commitment and the third is continuance commitment.

3.2. Reliability analysis. Reliability analysis is used to measure the consistency and stability of the data. Cronbach’s alpha coefficient was the measure used to test the reliability coefficient of each construct in this study. As suggested by Sekaran (2009), value in the range of 0.70 is considered acceptable and values above 0.80 are considered good. Table 3 shows the improvement of Cronbach’s alpha coefficient values for all the variables before and after items were dropped. Data collected from this survey are considered good and consistent as the values are all above 0.7. This also could explain that the survey questionnaires were well-framed and the respondents were able to understand the questions properly and answer them in a meaningful way.

Table 3. Reliability of scales and Cronbach’s alpha variables

Independent variables	Before items deleted		After items deleted	
	No. of item	Cronbach’s Alpha	No. of item	Cronbach’s Alpha
Employees	7	0.74	5	0.83
Extended family	7	0.76	5	0.89
CSR	7	0.69	6	0.84

Suppliers	7	0.84	6	0.85
Customers	7	0.83	5	0.84
Affective commitment	7	0.86	6	0.83
Continuance commitment	7	0.55	5	0.73
Normative commitment	7	0.83	6	0.79

3.3. Descriptive statistics. The mean values of each variable were computed using SPSS version 16.0 and then further categorized into three levels of responses: mean values less than 2.0 were categorized as “low”; mean values in between 2.0 and 3.5 were categorized as “moderate” and mean values above 3.5 were categorized as “high”. Table 4 shows that respondents from the state of Penang focus more on the organizations’ care provided to their customers (mean = 3.97, S.D. = 0.59), followed by CSR (mean = 3.74, S.D. = 0.55) and the employees themselves (mean = 3.64, S.D. = 0.68). Moderate attention was paid to suppliers (mean = 3.50, S.D. = 0.62) and low attention to their extended family (mean = 2.00, S.D. = 0.61). Whereas the respondents associate higher level of organizational commitment with the cost of leaving the company with highest continuance commitment (mean = 3.37, S.D. = 0.71), this was followed by those with emotional attachment to their organization with affective commitment (mean = 3.21, S.D. = 0.71) and lastly, normative commitment (mean = 2.80, S.D. = 0.68), feeling obligated to remain with the organization. In summary, respondents in this study demonstrated moderate commitment (mean = 3.13, S.D. = 0.53) toward the organizations they are working in the state of Penang.

Table 4. Descriptive statistics

Items (N = 287)	Minimum	Maximum	Mean	Std. deviation	Level of response
Employees	1.80	5.00	3.64	0.68	High
Extended family	1.00	3.60	2.00	0.61	Low
Corporate social responsibility	2.17	5.00	3.74	0.54	High
Suppliers	1.67	5.00	3.50	0.62	Moderate
Customer	1.40	5.00	3.97	0.59	High
Affective commitment	1.33	5.00	3.21	0.71	Moderate
Normative commitment	1.33	4.50	2.80	0.68	Moderate
Continuance commitment	1.00	5.00	3.37	0.71	Moderate
Organizational commitment	1.94	4.50	3.13	0.53	Moderate

3.4. Correlation analysis. Table 5 shows the correlations among organizational stakeholders’ care dimensions ranging from 0.025 to 0.501 and organizational commitment dimensions ranging from

0.046 to 0.483. The results indicate there is a relatively high independence between each study variable as none of the variables is ranged higher than 0.50 and no multicollinearity exists among the study variables in

this research. All five dimensions of organizational stakeholders' care have positive correlation with the three dimensions of organizational commitment except

the negative correlation which exists between organizational stakeholders' care provided to the extended family and continuance commitment.

Table 5. Pearson correlation between variables

	Employee	Extended family	CSR	Supplier	Customer	Affective commitment	Normative commitment	Continuance commitment	Organizational commitment
Employee	1.000								
Extended family	0.041	1.000							
CSR	0.380**	-0.180**	1.000						
Supplier	0.468**	-0.025	0.429**	1.000					
Customer	0.311**	-0.076	0.392**	0.501**	1.000				
Affective commitment	0.480**	0.074	0.243**	0.432**	0.310**	1.000			
Normative commitment	0.232**	0.118	0.046	0.198**	0.053	0.483**	1.000		
Continuance commitment	0.147*	-0.124*	0.063	0.201**	0.130*	0.317**	0.228**	1.000	

Notes: ** – correlation is significant at the 0.01 level (2-tailed); * – correlation is significant at the 0.05 level (2-tailed); N = 287.

3.5. Multiple regression analysis. This study ensures that the five common assumptions (outliers, normality of error term, independence of error term, multicollinearity and linearity) were examined when multiple regression analysis (MRA) was conducted to test the four proposed hypotheses.

The result in Table 6 clearly illustrates that all dimensions of organizational stakeholders' care are positively correlated to organizational commitment ($F = 28.996, p < 0.01$); hence, hypothesis 1 is supported. This result shows that the model fits well with the significant value of F statistic of 28.996 with the R square of 0.378. In other words, the variables employees, extended family, CSR, suppliers and customers could explain 37.8% of the variance in organizational commitment. Among the five dimensions, only employees ($\beta = 0.421, p < 0.01$) and suppliers ($\beta = 0.263, p < 0.01$) are significantly associated with organizational commitment. Therefore, hypotheses 1a and 1d are supported in this model whereas hypotheses 1b, 1c and 1e are not supported.

Table 6. MRA of organizational stakeholder care and organizational commitment

Independent variable	Beta	t-value	Sig.
Employees**	0.421	6.717	0.000
Extended family	0.039	0.735	0.463
CSR	0.044	0.719	0.473
Suppliers**	0.263	3.858	0.000
Customers	0.059	0.969	0.333
R^2	0.378		
Adjusted R^2	0.365		
F	28.996		
Sig. F	0.000		

Note: * $p < 0.05$, ** $p < 0.01$.

4. Discussion

The findings of this study revealed that among the organizational stakeholders' care provided to emp-

loyees, extended family, CSR, suppliers and customers, employees and suppliers appeared to have a positive and significant relationship with the overall organizational commitment.

When employees perceive their organization to nurture and support employees' learning, they will develop a strong commitment toward it (Baek-kyoo, 2010). Pollitt (2012) found improvement in employees' organizational commitment when organizations provide better remuneration and compensation package for better employees' health and well-being. Organizations give their commitment to employees in terms of employees' well-being, financial support and job security that fulfil employees' basic requirements; in return employees show their commitment to their respective organizations (Mowday, 1998).

Organizational stakeholders' care provided to suppliers has positive and significant influence on organizational commitment ($\beta = 0.26, p = < 0.01$). Suppliers are one of the key stakeholders in supply chain and are very critical for MNCs to maintain good relationships with their stakeholders (Chiara & Spena, 2011). Among the 80% of the respondents who work in MNCs perceived their organizations treat their suppliers ethically, fairly and are committed to establish longer relationship with their suppliers. As supported by social identity theory, employees feel proud to be a member of a favorable and reputable organization; in return, employees develop higher organizational commitment as part of the social exchange processes (Turker, 2009).

Interestingly, this study did not find any significant relationship between organizational stakeholders' care provided to employees' extended family and organizational commitment. Organizational stakeholders' care provided to their extended family such as spouse and kids would not be applicable to 44.3%

of the respondents who are still single. Malaysian society has changed over the past few decades, there is a decrease in population growth rate in Malaysia as people have begun to marry at older ages, have children later in their marriages and also have fewer children per family (Phua, 2000). This could support the findings whereby 60.3% of the respondents are aged 35 years and below; even if they were married and still considered at the early marriage stage, stated that facilities provided by their organizations about childcare would not have any influence on their organizational commitment towards their organizations.

The insignificant relationship between organizational commitment and the organizational stakeholders' care provided to society and environment could be supported by the study by ACCA Malaysia (2004). Accordingly, Malaysian major companies lack awareness about corporate social responsibility; and the form of CSR commitment from the majority of Malaysian companies is in terms of charitable giving. Similar conclusion has been drawn by Lo and Yap (2011) that Malaysian companies are still far from the Organization for Economic Cooperation and Development (OECD) expectations in terms of CSR involvement.

Respondents in this study do not specifically fancy about the type of organizational stakeholders' care provided to its customer as it is considered a social norm that an organization must treat its customers with dignity, ethically and responsibly. Furthermore, respondents in this study do not have direct working relationship with customers as only 10% of them work in sales and marketing department and only 5% work as customers' support agents. Hence, the influence of social identity is not that strong compared to the suppliers.

5. Implications

The study findings bring insightful information to the organizations in Malaysia, especially for Human Resource managers to devise strategies around three stakeholders (employees, extended family and suppliers) to enhance employees' commitment towards their organizations. Priority should be given to the organizational stakeholders' care provided to employees and suppliers as both appeared to have the most influence on all three dimensions of organizational commitment. HR managers could look into providing employees with more comprehensive support in terms of education, revising employees' remuneration and compensation packages and also implementing flexible working hours. Besides, organizations should extend their organizational stakeholders' care to their suppliers. This is because employees' social identity is highly associated with

this group of people and different attention paid to these stakeholders would impact employees' perceptions towards their organization (Abraham et al., 2006). Perceived corporate reputation has found to help HR managers improve their employees' performance, job satisfaction and lower their turnover intentions (Alniacik et al., 2011). According to the social exchange theory, when employees receive social and economic benefits from their organizations, they will repay their organization with positive behaviour and develop higher organizational commitment toward their organization (Al-bdour et al., 2010; Lee & Bruvold, 2003; Lew, 2010). Highly committed employees will have low turnover intentions and absences which result in better organization's financial performance (Fisher et al., 2010; Nehmeh, 2009).

In addition, this research contributes to the area of study related to categories of extended care provided by the organizations that has the greatest impact on the organizational commitment which were found limited in research literature. Researchers may reference this study and further investigate other stakeholder groups that might have an impact on organizational commitment.

For policymakers, such as government bodies, this study suggests that the government should enforce Malaysian companies to disclose their CSR activities and to create CSR awareness among the employees. CSR awareness is important to ensure employees believe that participating in CSR activity is a responsibility of a good citizen, that could inspire them to work towards more harmonious working environment which is human and environmental friendly.

Conclusion

The findings of this study revealed that among all the organizational stakeholders' care provided to employees, extended family, CSR, suppliers and customers, employees and suppliers were found to be positively and significantly associated with organizational commitment and all its dimensions, namely affective, normative and continuance commitment. Whereas extended family was found to be positively and significantly associated with the normative commitment, on the other hand, it was found to be negatively and significantly associated with continuance commitment.

In conclusion, employees repay their organization in the form of commitment when they receive some form of economic or social benefits from their organizations. In addition, perceived corporate reputation was found to have a direct relationship with employees' social identity and organizational commitment; whereby employees feel proud to be a

member of a favorable and reputable organization and thus increase their commitment toward their organization. Organizational stakeholders' care pro-

vided to CSR and customers were found to have no significant impact on the organizational commitment in this context.

References

1. Abraham, C., Gershon, G., Jacob, W. (2006). Perceived External Prestige, Organizational Identification and Affective Commitment: A stakeholder approach, *Corporate Reputation Review*, 9 (1), pp. 92-104.
2. ACCA (2004). *The State of Corporate Environmental and Social Reporting in Malaysia*.
3. Ajay K.J., Sabir I.G., Cary L.C. (2009). Employee wellbeing, control and organizational commitment, *Leadership & Organization Development Journal*, 30 (3), pp. 256-273.
4. Al-bdour, A.A., Ellisha, N. and Soh, K.L. (2010). The Relationship between internal corporate social responsibility and organizational commitment within the banking sector in Jordan, *International Journal of Human and Social Sciences*, 5 (14), pp. 852-871.
5. Ali, I., Rehman, K.U., Ali, S.I., Yousaf, J. and Zia, M. (2010). Corporate social responsibility influences, employee commitment and organizational performance, *African Journal of Business Management*, 4 (12), pp. 2796-2801.
6. Alessandra D.C., Tiziana R.S. (2011). CSR strategy in multinational firms: focus on human resources, suppliers and community, *Journal of Global Responsibility*, 2 (1), pp. 60-74.
7. Alniacik, U., E. Cigerim et al. (2011). Independent and joint effects of perceived corporate reputation, affective commitment and job satisfaction on turnover intentions, *Procedia – Social and Behavioral Sciences*, 24 (0), pp. 1177-1189.
8. Babbie, E. (2007). *The Practice of Social Research*. 11th ed. Belmont, California: Thomson Wadsworth.
9. Baek-kyoo, B.J. (2010). Organizational Commitment for Knowledge Workers: The Roles of Perceived Organizational Learning Culture, Leader – Member Exchange Quality, and Turnover Intention, *Human Resource Development Quarterly*, 21 (1), pp. 69-85.
10. Balmforth, K and Gardner, K. (2006). Conflict and Facilitation between work and family: Realizing the outcomes for organizations, *New Zealand Journal of Psychology*, 35 (2), pp. 69-76.
11. Bashir, S. and Ramay M.I. (2008). *Determinants of Organizational Commitment: A Study of Information Technology Professionals in Pakistan*. Institute of Behavioral and Applied Management.
12. Bateman, T. and Strasser, S. (1984). A longitudinal analysis of the antecedents of organizational commitment, *Academy of Management Journal*, 21, pp. 95-112.
13. Blau, P. (1989). *Exchange and power in social life*. New Brunswick, NJ: Transaction Publishers.
14. Boyd, D.E., Spekman, R.E., Kamauff, J.W., Werhane, P. (2007). Corporate social responsibility in global supply chains: a procedural justice perspective, *Long Range Planning*, 40 (3), pp. 341-356.
15. Casper, W.J. and Buffardi, L.C. (2004). Work-life benefits and job pursuit intentions: The role of anticipated organizational support, *Journal of Vocational Behavior*, 65, pp. 391-410.
16. Chiara, A.D. & Spena, T.R. (2011). CSR strategy in multinational firms: focus on human resources, suppliers and community, *Journal of Global Responsibility*, 2 (1), pp. 60-74.
17. Collier, J. & Esteban, R. (2007). Corporate social responsibility and employee commitment, *Business Ethics: A European Review*, 16 (1), pp. 19-33.
18. Daniel, J.M. and Gregory, A.B. (2002). Work Context and the Definition of Self: How Organizational Care Influences Organization-Based Self-Esteem, 45 (5), pp. 894-904.
19. Ebeid, A.Y.H. (2010). Corporate social responsibility and its relation to organizational commitment, *Problems and Perspectives in Management*, 8 (2), pp. 76-93.
20. Eisenberger, R., Huntington, R., Hutchison, S. & Sowa, D. (1986). Perceived organizational support, *Journal of Applied Psychology*, 71, pp. 500-507.
21. Fisher, R., McPhail, R. and Menghetti, G. (2010). Linking employee attitudes and behaviors with business performance: A comparative analysis of hotels in Mexico and China, *International Journal of Hospitality Management*, 29 (3), pp. 397-404.
22. Hair, J.F., Black, W.C., Babin, B.J., Anderson, R.E. & Tatham, R.L. (2006). *Multivariate Data Analysis* (6th ed.). Upper Saddle River, NJ: Pearson Prentice Hall.
23. Hall, L. & Liddicoat, L. (2005). Challenges to developing effective family friendly work practices: Findings from New Zealand, *Research and Practice in Human Resource Management*, 13 (1), pp. 1-17.
24. Halpern, D.F. (2005). How timeflexible work policies can reduce stress, improve health, and save money, *Stress and Health*, 21 (3), pp. 157-168.
25. Harold, A. & John, H. (2007). *Growth-promoting social safety nets: 2020 vision briefs BB16 Special Edition*. International Food Policy Research Institute (IFPRI).
26. Hofferth, S.L. (1996). Child Care in the United States Today, *The Future of Children*, 6 (2), pp. 41-61.
27. Humborstad, S.I.W. and Perry, C. (2011). Employee empowerment, job satisfaction and organizational commitment: An in-depth empirical investigation, *Chinese Management Studies*, 5 (3), pp. 325-344.
28. Jain, A.K., Giga, S.I. and Cooper, C.L. (2009). Employee wellbeing, control and organizational commitment, *Leadership & Organization Development Journal*, 30 (3), pp. 256-273.

29. Jamaluddin, H.S. (2010). *Retention factors towards organization commitment among baby boomers, generation X and generation Y: a survey on executive in Tenaga Nasional Berhad.*
30. Kacmar, K.M., D.S. Carlson and R.A. Brymer (1999). Antecedents and Consequences of Organizational Commitment: A Comparison of Two Scales, *Educational and Psychological Measurement*, 59 (6), pp. 976-994.
31. Kazlauskaitė, R., Buciušienė, I. and Turauskas, L. (2006). Building employee commitment in the hospitality industry, *Baltic Journal of Management*, 1 (3), pp. 300-314.
32. Kenexa, J.M. (2010). *The Kenexa® Research Institute Finds that Corporate Responsibility and Environmentally Friendly Business Practices Return the Investment.* Research Institute, 2010.
33. Kimball, B. and Stanley, B. (2007). *Improving Supplier Relationships in a Weak Top Management Commitment Environment.* 92nd Annual International Supply Management Conference, May 2007.
34. Kossek, E.E. and Nichol, V. (1992). The effects of employer-sponsored child care on employee attitudes and performance, *Personnel Psychology*, 45, pp. 485-509.
35. Kossek, E.E. and Ozeki, C. (1998). Work-family conflict, policies, and the job-life satisfactions for organizational behavior human resources research, *Journal of Applied Psychology*, 83, pp. 139-149.
36. Krause, D.R. and Ellram, L.M. (1997). Success factors in supplier development, *International Journal of Physical Distribution & Logistics Management*, 27 (1), pp. 39-52.
37. Lee, C.H. and Bruvold, N.T. (2003). Creating value for employees: investment in employee development, *International Journal of Human Resource Management*, 14 (6), pp. 981-1000.
38. Lew, T.Y. (2010). Affective Organizational Commitment and Turnover Intention of academics in Malaysia, *International Conference on Business and Economics Research*, 1.1.
39. Lo, B.C.W and Yap, K.L (2011). Are Malaysian companies ready for corporate social responsibility? *Labuan e-Journal of Muamalat and Society*, 5, pp. 11-15.
40. Maignan, I., Ferrell, O.C. and Hult, G.T. (1999). Corporate Citizenship: Cultural Antecedents and Business Benefits, *Journal of the Academy of Marketing Science*, 5 (4), pp. 5-12.
41. Masuda, A.D., Poelmans, S., Spector, P., Allen, T. (2008). *National and organizational culture effects on work family conflict and job satisfaction: A multilevel approach.* National and Organizational Culture.
42. Mathieu, J.E.N and Zajac, D.M., (1990). A review and meta-analysis of the antecedents, correlates and consequences of organizational commitment, *Psychological Bulletin*, 108 (2), pp. 171-194.
43. McDonald, D.J. & Makin, P.J. (2000). The psychological contract, organisational commitment and job satisfaction of temporary staff, *Leadership and Organization Development Journal*, 21 (2), pp. 84-91.
44. Meyer, J.P., Allen, N.J. (1991). A Three-component Conceptualization of Organizational Commitment, *Human Resource Management Review*, 1 (1), pp. 61-89.
45. Meyer, J.P. & Allen, N.J. (1997). *Commitment in the workplace: Theory, research, and application.* Thousand Oaks, CA.: Sage Publishing, Inc.
46. Meyer, J.P., Allen, N.J. and Smith, C. (1993). Commitment to Organizations and Occupations: Extension and Test of a Three-component Conceptualization, *Journal of Applied Psychology*, 78, pp. 538-551.
47. Meyer, J.P., Stanley, D., Herscovitch, L. and Topolnysky, L. (2002). Affective, continuance, and normative commitment to the organization: a meta-analysis of antecedents, correlates and consequences, *Journal of Vocational Behavior*, 59, pp. 1-33.
48. Mowday, R.T., Porter, L.W. & Steers, R.M. (1982). Employee-organizational linkages: The psychology of commitment, absenteeism, and turnover. In P. Warr (Ed.), *Organizational and occupational psychology*, pp. 219-229.
49. Murray, L.P., Gregoire, M.B. & Downey, R.G. (1991). Organizational commitment of management employees in restaurant operations, *Hospitality Research Journal*, 14, pp. 339-348.
50. Muthueloo, R. & Che Rose, R. (2005). Typology of Organisational Commitment, *American Journal of Applied Sciences*, 2 (6), pp. 1078-1081.
51. Muthueloo, R. & Teoh, A.P. (2014). SWIM: Futuristic Framework for Strategic Management Process, *American Journal of Applied Sciences*, 11 (9), pp. 1703-1713.
52. Nehmeh, R. (2009). *What is Organizational commitment, why should managers want it in their workforce and is there any cost effective way to secure it?* Swiss Management Center.
53. Pedersen, E.R. and Neergaard, P. (2009). What matters to managers? The whats, whys, and hows of corporate social responsibility in a multinational corporation, *Management Decision*, 47 (8), pp. 1261-1280.
54. Perryer, C. and Jordan, C. (2008). *Differences in organisational commitment between baby boomer and generation x employees in an Australian public sector organisation.* AFBE 2008 Conference Papers, 1905-8055.
55. Pfeffer, J. (1998). Seven practices of successful organizations, *California Review*, 40 (2).
56. Phillips, R. (1997). NEW measures FOR business, *Measuring Business Excellence*, 1 (1), pp. 4-7.
57. Phua, K.L. (2000). *What's ahead for Malaysia? Current challenges and emerging trends.* Retrieved October 21, 2012, from <http://phuakl.tripod.com/eTHOUGHT/whats.html>.
58. Pollitt, D. (2012). Reward and benefit scheme transforms RS Components: Integrated program improves employee commitment, *Human Resource Management International Digest*, 20 (1), pp. 9-13.
59. Porter, L.W., Steers, R.M., Mowday, R.T. and Boulian, P.V. (1974). Organizational commitment, job satisfaction, and turnover among psychiatric technicians, *Journal of Applied Psychology*, 59 (5), pp. 603-609.

60. Rego, A., Leal, S., Cunha, M.P., Faria, J. (2007). *How the employees' perceptions of corporate citizenship predict their organizational commitment*. Working papers in Management.
61. Robert, E., Stinglhamber, F., Vandenberghe, C., Sucharski, I.L. & Rhoades, L. (2002). Perceived supervisor support: Contributions to perceived organizational support and employee retention, *Journal of Applied Psychology*, 87 (3), pp. 565-573.
62. Roehling, P.V., Roehling, M.V. & Moen, P. (2001). The relationship between work-life policies and practices and employee loyalty: A life course perspective, *Journal of Family and Economic Issues*, 21 (22), pp. 141-171.
63. Schoenberg, B. (2007). How Has Employee Morale Improved Due to Corporate Social Responsibility? *Journal of the Communication, Speech & Theatre Association of North Dakota*, 20, pp. 77-86.
64. Sekaran, U. (2009). *Research Methods for Business – A skill Building Approach*. (5th ed.). USA: John Wiley and Sons, Inc.
65. Siegel, P.A., Post, C., Brockner, J., Fishman, A.Y. and Garden, C. (2005). The Moderating Influence of Procedural Fairness on the Relationship Between Work-Life Conflict and Organizational Commitment, *Journal of Applied Psychology*, 90 (1), pp. 13-24.
66. Stawiski, S., Deal, J.J., Gentry, W. and Rweyongoza, S. (2011). *Employee Perceptions of Corporate Social Responsibility*. The Implication for your organization. Center for Creative Leadership.
67. Turker, D. (2009). How Corporate Social Responsibility Influences Organization Commitment, *Journal of Business Ethics*, 89, pp. 189-204.
68. Weng, Q., McElroy, J.C., Morrow, P.C. & Liu, R. (2010). The relationship between career growth and organizational commitment, *Journal of Vocational Behavior*, 77, pp. 391-400.
69. Zacher, H. and Winter, G. (2011). Eldercare demands, strain, and work engagement: The moderating role of perceived organizational support, *Journal of Vocational Behavior*, 79, pp. 667-680.
70. Zangaro, G.A. (2001). Organizational commitment: a concept analysis, *Nursing Forum*, 36, pp. 14-21.
71. Zientara, P., Kujawski, L. & Bohdanowicz, P. (2015). Corporate social responsibility and employee attitudes: evidence from a study of Polish hotel employees, *Journal of Sustainable Tourism*, 23 (6), pp. 859-880.
72. Zinta, B., Pitts, V., Chiaburu, D. and Steiner, Z. (2011). Managerial trustworthiness and social exchange with the organization, *Journal of Managerial Psychology*, 26 (2), pp. 108-122.