



## Impact of Organizational Commitment & Occupational Commitment upon Productivity: A Case of Taxation Professionals in General Departments of Taxation in Khozestan Province (Iran)

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**Abstract.** This study aims at examining impact of occupational commitment and organizational commitment upon productivity of taxation professionals in general departments of taxation in Khozestan Province (Iran) in 2014. In this descriptive and correlational study, the population consisted of taxation professionals in general departments of taxation in Khozestan Province, of which 278 participants were selected by using simple random sampling and Cochran's formula. We gathered the data by distribution of Organizational Commitment Questionnaire (Meyer & Allen, 1991), Occupational Commitment Questionnaire (Meyer & Allen, 1993), and Productivity Questionnaire (Hearsay & Goldsmith, 1980). For data analysis, we used correlational test, structural equation, and descriptive statistics. The findings revealed significant correlation between organizational commitment, occupational commitment, and productivity.

**Keywords:** Organizational commitment, occupational commitment, productivity.

### 1. INTRODUCTION

In the present competitive world, organizations attempt to explore new strategies for maximization of performance. Economic activities of humans put emphasis upon maximization of outcomes and reduction in costs. This tendency can be called enthusiasm for greater productivity. Organizational productivity is increased by fulfillment of requirements especially human resources [3]. Human resources are the most significant parameters for productivity. Their motivation is generated by their lifted spirit and their job satisfaction [2]. Productivity is an indicator for performance, which contains effectiveness and efficiency. Productive organization transforms inputs into output with low costs in order to accomplish its objectives. As a result, productivity is both related to effectiveness and to efficiency [5]. Hearsay and Goldsmith (1980) view productivity as improvement in work and more effective use of resources [1]. Productivity is an indication of one of crucial variables in economic activities [18]. For instance, Grossman (1993) in his discussion over productivity as one of fundamental competitive advantage suggests: ((companies should know that productivity is one of main means for gaining benefits from their quality and from competitive costs)) [19]. How can organizations improve productivity? Or by what parameters can they improve their productivity?

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A large number of parameters play role in productivity, including human resources [20]. Management scholars regard human resources as one of most valuable organizational capitals, which create direct impact upon organizational failure and success [7]. One of issues recently addressed in studies is employees' commitment to their organization and profession, which can produce valuable organizational outcomes [8]. Indeed, organizations need both organizational commitment and occupational commitment in order to achieve valuable outcomes and therefore they should make an attempt to create some degrees of both commitments in employees [9]. Meyer and Allen (1991) provide a description of three types of commitment, which are related to members' regular participation in organization. They are affective commitment, continuous commitment, and normative commitment. Affective commitment is described as employees' emotional attachment to their organization. For instance, they continue to work in their organization because they desire to do so. Continuous commitment is related with gains and losses of working in an organization. For example, people continue to work in their organization because they need to work in it. Normative commitment is defined as members' perceived commitment for survival in their organization. For instance, members continue to work in their organization since they feel they should work in it [13]. Organizational commitment encourages active participation of members. As a result, their tendency for continuing their activities is reinforced, and their job performance is improved [10]. Amed et al. (2011) evaluate impact of employees' commitment upon organizational performance. Their findings highlight significant impact of commitment [3]. Also, SharifiAsl et al. (2012) examine relationship between organizational commitment and productivity of human resources in a rehabilitation department and report similar findings i.e. significant impact of organizational commitment upon organizational environment [18].

The fourth type of commitment is occupational commitment, which is defined similar to organizational commitment. In its definition, the term *occupation* is used rather than *organization*. It is defined as acceptance of and belief in occupational aims and objectives, tendency towards greater attempts for accomplishment of these objectives, and a desire for acting as an organizational member [15]. Buff and Roberts (1994) suggest a supplementary relationship between occupational commitment and organizational commitment rather than a conflicting or compatible relationship. Their findings do not reveal any conflict between occupational commitment and organizational commitment. In other words, there is a two-fold commitment [14]. This classification was expanded by Meyer, Allen, and Smith (1993) [6]. Affective commitment is emotional attachment to organization, normative commitment is commitment for survival in organization, and continuous commitment is members' evaluation of losses of job leave [16]. For improvement in performance, organizations should take both organizational and occupational commitment into consideration. Higher degrees of organizational and occupational commitment make contribution to improvement in performance [4].

Consequently, managers should attempt to encourage commitment in employees. Committed members are very strictly complied with organizational values and objectives, participate in organizational performance more actively, do not tend to leave their job, and seek for new opportunities. A feeling of satisfaction with and attachment to organization make contribution to better job performance, financial success, greater effectiveness, and greater productivity. All

these outcomes result in accomplishment of organizational objectives and citizens can take advantage of better organizational performance [17].

As studies about relationship between organizational commitment, occupational commitment and productivity in Iran are small in number and as related findings help taxation departments and other departments accomplish their organizational objectives, this study attempts to examine this relationship in taxation departments of Khoozestan Province (Iran). Figure 1 shows conceptual model of this study.



**Figure 1.** Conceptual Model of Study.

On the basis of the above conceptual model, we discuss following hypotheses:

- 1- Organizational commitment and its components create significantly positive impact upon productivity of taxation professionals; and
- 2- Occupational commitment as well as its components bring about significantly positive effect on productivity of taxation professionals.

## 2. METHODOLOGY

This study is an applied research. As it examines relationship between the concerned variables, it is a correlational research. Additionally, it is considered a causal research which test a particular model designed by theoretical principles. The population consisted of all taxation professionals in general departments of taxation in Khozestan Province (Iran). For estimation of sample size, we used Cochran's formula (equation 1). In %95-level of confidence and error rate of 0.05, the sample size was 278 participants in number.

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$$n = \frac{\frac{p(1-p)Z_{1-\frac{\alpha}{2}}^2}{d^2}}{1 + \frac{p(1-p)Z_{1-\frac{\alpha}{2}}^2}{Nd^2}} \cong 278 \quad (1)$$

In this study, we used three questionnaires: Organizational Commitment Questionnaire, Occupational Commitment Questionnaire & Productivity questionnaire. The first was designed by Meyer and Allen (1991) and used by Cohen (1993). It has 24 items. We used 18-question version of this questionnaire. Similarly, the second was designed by Meyer and Allen (1993) and was used in study of Cohen (2007). It has 18 items. The third was prepared by Hearsay and Goldsmith (1998), having 24 items. Table 1 shows validity and reliability of questionnaires.

**Table 1.** Coefficients of Validity & Reliability.

	Coefficients of Reliability	
	Cronbach's Alpha	Bisection
Productivity	0.919	0.868
Organizational Commitment	0.903	0.782
Occupational Commitment	0.9156	0.868

## 2.1 Data Analysis

We analyzed gathered data by performing Pearson's correlation test. Findings showed a significantly positive relationship between organizational commitment, its components, and organizational productivity. Their correlation coefficients and degrees of freedom are shown in Table 2.

**Table 2.** Correlation between Organizational Commitment, its components & Productivity.

	Productivity of Taxation Professionals in General Departments of Taxation in Khozestan				
	Pearson's Correlation Coefficient	Degrees of Significance	Rate of Error	Number of Participants	Hypotheses
Organizational Commitment	0.757	**0.001	0.05	278	H0 is rejected
Organizational, Affective Commitment	0.711	**0.001	0.05	278	H0 is rejected
Organizational, Continuous Commitment	0.580	**0.001	0.05	278	H0 is rejected
Organizational normative commitment	0.610	**0.001	0.05	278	H0 is rejected

Similarly, there was significantly positive correlation between occupational commitment, its components, and productivity among taxation professionals.

**Table 3.** Correlation between Occupational Commitment, its components & Productivity.

	<b>Productivity of Taxation Professionals in General Departments of Taxation in Khozestan</b>				
	<b>Pearson's Correlation Coefficient</b>	<b>Degrees of Significance</b>	<b>Rate of Error</b>	<b>Number of Participants</b>	<b>Hypotheses</b>
Occupational Commitment	0.657	**0.001	0.05	278	H0 is rejected
Occupational, Affective Commitment	0.608	**0.001	0.05	278	H0 is rejected
Occupational, Continuous Commitment	0.527	**0.001	0.05	278	H0 is rejected
Occupational, normative commitment	0.499	**0.001	0.05	278	H0 is rejected

As Table 4 shows and due to regression analysis (method of enter), multivariate correlation coefficients for linear combination of organizational commitment and occupational commitment on productivity of taxation professionals were respectively 0.758 and 0.574, which are significant in error rate of 0.05. Therefore, organizational commitment and occupational commitment brought about significantly positive effect on productivity.

Due to coefficient of determination, %57 of productivity variance in case of taxation professionals in general departments of taxation could be predicted by organizational commitment and occupational commitment. Specifically, organizational commitment ( $t= 0.959$ ;  $P= 0.001$ ; rate of error= 0.05) is a more significant predictor as compared with occupational commitment. In other words, it can make more accurate prediction for productivity of taxation professionals in general departments of taxation.

With regard to T value (i.e. 0.959), degrees of significance ( $P= 0.61$ ), and rate of error (i.e. 0.05), occupational commitment cannot make a significantly accurate prediction about productivity of taxation professionals in general departments of taxation.

**Table 4.** Results of Regression Analysis

Method of Enter:	Multiple	Coefficient of	F	Regression
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Statistical Indices		Regression (MR)	Determination	& P	Coefficient (β)
Criterion Variable	Predictor Variables				
Productivity	Occupational Commitment	0.758	0.574	F= 185/32 P=0.001	B= 0.072 β= 0.042 t=0.510 p= 0.61
	Organizational Commitment				
Stepwise Method: Statistical Indices		Multiple Regression (MR)	Coefficient of Determination	F & P	Regression Coefficient (β)
Criterion Variable	Predictor Variables				
Productivity	Organizational Commitment	0.757	0.574	F= 371.37 P= 0.001	B= 1.12 β= 0.757 t=19 .27 p= 0.001

### 3. DISCUSSION & CONCLUSION

According to findings of this study and as indicated by regression analysis, organizational commitment and its components are significantly and positively related with organizational productivity. This finding is in agreement with [3], [5], [16], [17], and [19]. This correlation occurs because employees choose to maintain their membership in their organization, which is considered as commitment to organization (Meyer & Allen, 1997). Consequently, their performance is improved [2]. For gaining understanding about occupational commitment and organization commitment, managers' attention should focus on working, social, and psychological traits of employees. Improvement in these traits encourages higher organizational and occupational commitments [6].

Likewise, the findings reveal significantly positive correlation between occupational commitment and productivity as shown in regression analysis. Buff and Roberts(1994) believe that concurrence of high organizational commitment and occupational commitment can act as a mechanism of balancing. For instance, high occupational commitment can make modification to high organizational commitment (e.g. organizational man) in order to remedy its deficiency. On the other hand, high occupational commitment is not an effective parameter without organizational commitment. To put it differently, works may be done with a high quality but not in compliance with organizational requirements. As Buff and Roberts(1994) point out, interaction between organizational commitment and occupational commitment brings job satisfaction and causes better performance. Each of them alone cannot create this impact [5]. This finding confirms [2] and [11].

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