The Influence of Job Satisfaction and Organizational Commitment on Executive Withdrawal and Performance

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Abstract
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Keywords
job, research, performance, human resource, management, employee, work, satisfaction, leadership, commitment

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The Influence of Job Satisfaction and Organizational Commitment on Executive Withdrawal and Performance

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This paper has not undergone formal review or approval of the faculty of the ILR School. It is intended to make results of Center research available to others interested in preliminary form to encourage discussion and suggestions.
Abstract

This research examines the influence of job satisfaction and three dimensions of organizational commitment (i.e., affective, continuance, and normative) on the intention to leave, job search activity, performance, and leadership effectiveness of executives. Job satisfaction and the commitment dimensions were hypothesized to negatively predict the retention-related variables. Results generally supported the hypotheses. Job satisfaction had the strongest relationship, but both affective and continuance commitment showed an incremental effect even in the presence of job satisfaction. We also hypothesized that job satisfaction and affective commitment would positively and continuance commitment would negatively associate with general performance and leadership. As predicted, job satisfaction associated positively with performance, though not with leadership. Continuance commitment negatively associated with both performance and leadership.
The Influence of Job Satisfaction and Organizational Commitment on Executive Withdrawal and Performance

The ability of an organization to reach its goals depends in part on the talent and effort of its executive workforce. The work attitudes of executives can have considerable influence on their behavior in organizations and thus could have implications for organizational capabilities (Kotter, 1988; Mintzberg, 1973). Work attitudes are collections of feelings, beliefs, and thoughts about how to behave that people hold about their job and organization (George & Jones, 1999). Because attitudes include behavioral as well as affective and cognitive components (Fishbein & Ajzen, 1972), they are important antecedents of employee participation and role behavior in work environments. The present research examines the effects of work attitudes on behaviors of central importance to organizational effectiveness – executive retention and performance. Specifically, we investigate the influence of job satisfaction and three dimensions of organizational commitment on these important work outcomes using a sample of executives. We also argue that it is likely that executives’ level of responsibility and control over their job could lead to a greater influence of these work attitudes on performance than has been found with other employee populations.

Work Attitudes and Retention

Negative work attitudes play a central role in models of turnover. Job dissatisfaction prompts turnover cognitions and the desire to escape the job environment (Hulin, 1991; Mobley, 1977; Porter & Steers, 1973). However, commitment to company values and goals can reduce thoughts of withdrawal (Mowday, Porter, & Steers, 1982). Commitment scholars also contend that commitment should predict turnover more accurately than job satisfaction because resignation implies rejection of the company, rather than the job (Hom & Hulin, 1981). Considering these theoretical rationales, contemporary turnover models include both satisfaction and commitment as affective states initiating the turnover process. Indeed, recent models of turnover recognize the independent effects of job satisfaction and organizational commitment on turnover intentions (Hom & Griffeth, 1991).

Much research has examined the effects of employee attitudes on withdrawal behaviors such as absenteeism, turnover intentions, and turnover. Consistent evidence has been found linking job dissatisfaction to turnover (e.g. Hulin, Roznowski, & Hachiya, 1985) and a number of reviews find consistent negative relationships between organizational commitment and both intention to leave and actual turnover (Allen & Meyer, 1996; Mathieu & Zajac, 1990; Tett & Meyer, 1993). Other research has examined which attitude – job satisfaction or
organizational commitment – is the stronger predictor of employee retention. Some researchers contend that global attitudes toward the organization should be more strongly associated with organizational outcomes (e.g., turnover), and that more specific attitudes (e.g., job satisfaction) should be more closely linked to task-oriented outcomes (Porter, Steers, Mowday, & Boulin, 1974; Wiener & Vardi, 1980). Early work generally found organizational commitment to be the strongest attitudinal determinant of voluntary turnover (e.g., Mowday et al., 1982; Porter et al, 1974). For example, an early influential study by Porter et al. found that organizational commitment was a better predictor of absenteeism and turnover than job satisfaction among psychiatric technician trainees. However, since the seminal piece by Porter et al., relatively little research has examined the effects of both job satisfaction and organizational commitment on various components in the withdrawal and turnover process.

What research there is has produced equivocal results regarding the relative contributions of organizational commitment and job satisfaction in the turnover process. For example, commitment has been found to be a stronger predictor of intent to leave than job satisfaction for university employees (Shore, Newton, & Thornton, 1990) and accountants (Rahim & Afza, 1993). However, job satisfaction was found to be the stronger predictor of turnover intentions for dental hygienists (Mueller, Boyer, Price & Iverson, 1994) and to have stronger correlation with intention to quit for a population of women managers (Rosin & Korabik, 1991). A study by Shore and Martin (1989) compared the correlation of commitment and satisfaction to the prediction of turnover intention for professional and clerical employees, finding that commitment was more strongly correlated with intention to quit for clerical employees, but not for professionals. The conflicting results of these studies suggest that the relative contributions of these attitudes to turnover may depend on the employee population.

In response to these various empirical results and conceptual models, Tett and Meyer (1993) conducted a path analysis based on meta-analytic findings to investigate the relative contributions of job satisfaction and organizational commitment. Tett and Meyer’s test of competing models showed that job satisfaction and organizational commitment have independent effects on intention to leave, thus supporting Hom and Griffeth’s (1991) turnover model. In this integrative model, the two work attitudes are conceptualized as having reciprocal influence on each other, while also having direct, independent effects on intention to quit. Tett and Meyer’s meta-analysis also found that intention to leave was predicted more strongly by job satisfaction than organizational commitment and that intention to leave mediated the linkages between these attitudes and actual turnover.
Extending Research to Executive Samples

In addition to the conflicting results regarding the relative contribution of these work attitudes, research is limited by a lack of attention to highly positioned managers and executives. Prior research has investigated nurses (Hackett, Bycio, & Hausdorf, 1994; Meyer, Allen, & Smith, 1993; Somers, 1993, 1995), first line or low-level supervisors (Meyer et al., 1989), Navy personnel (Farkas & Tetrick, 1989), manufacturing and university employees (Allen & Meyer, 1990), and accountants (Arnold & Feldman, 1982). The existing evidence suggesting that these relationships vary by the type of employee argues for extending research to other employee samples.

Specifically, retention determinants may vary for employees with differing levels of organizational responsibility. Indeed, several studies that include managerial populations found that job satisfaction was more strongly correlated than commitment with intention to leave. (Rosin & Korabik, 1991; Shore & Martin, 1989). Abbott (1988) proposed that professionals feel a strong identification with the work itself, and thus may feel a stronger attachment to their profession than to the firm in which they are employed. This level of self-identification with work suggests that dissatisfaction with the job may be more likely to spur them to move elsewhere and is perhaps less likely to be neutralized by feelings of organizational commitment. These studies, however, did not extend to executives.

The present research focuses on executives, a relatively unexplored group, yet one of great importance as organizations attempt to retain these high-demand/high-impact employees (Chambers, Foulon, Handfield-Jones, Hankin, & Michaels III, 1998; Cliffe, 1998). Increasingly, such talent in organizations enjoys enhanced mobility, flexibility, and financial independence. These characteristics are already common among executives, so results for executives today may reflect an increasing proportion of the work force in the future. Moreover, the effects of job satisfaction and organizational commitment may be unique for executives, a group of highly placed professionals in positions of great amounts of organizational responsibility. Executives may hold different expectations about the employment relationship compared to lower-level employees, which may lead to differing influences of work attitudes on their intentions to leave an organization. For example, job security and career growth within the organization have been cited as factors that foster retention (Hom & Griffeth, 1995). Executives may enjoy a greater degree of economic independence, because of enhanced income security provisions (golden parachutes) and greater amassed personal wealth (Bryant, 1999; Rappaport, 1999). Executives may also have less reason for loyalty to an organization because of their enhanced
external mobility and control over their own career (Arthur & Rousseau, 1996; Anonymous, 2000). Finally, executives may face fewer upward mobility opportunities within their organization, having attained what are often one of a few top positions. Job satisfaction, more immediate and personal than organizational commitment, may therefore be a stronger predictor of job search activity and intention to leave for this employee group. Thus, extending research on commitment and job satisfaction to executives provides an opportunity to explore these differences through comparison with past research.

Extending the Commitment Construct

The influence of job satisfaction and organizational commitment on intention to leave has been theorized and tested primarily with only an affective conceptualization of organizational commitment. Previous research has traditionally relied on Porter and colleagues’ (1974) definition of organizational commitment as an individual’s identification and involvement with an organization. Porter et al. conceptualized commitment as having three interwoven attitudes and intentions: 1) belief and acceptance in an organization’s goals and values, 2) willingness to exert effort on behalf of the organization, and 3) a desire to remain a member of the organization. All three dimensions of this commitment construct reflect affective responses. However, Mobley, Griffeth, Hand, and Meglino (1979) argued that the Organizational Commitment Questionnaire (OCQ), which measures these three dimensions, includes items that measure both intention to leave as well as commitment. When variance associated with items related to intention to leave was statistically removed, correlations between organizational commitment and voluntary turnover were comparable to correlations between job satisfaction and voluntary turnover (Hom & Griffith, 1995; Hom & Hulin, 1981; Hom, Katerberg, and Hulin, 1979). This finding suggests the value of further research on the incremental predictive power of affective commitment for retention-related variables.

Tett and Meyer’s (1993) meta-analytic path analysis discussed above included only affective commitment (measured with the OCQ) citing the scarcity of studies involving multi-dimensional commitment scales. However, some researchers have found that OCQ items load on distinct factors, suggesting that the nine-item OCQ reflects value commitment, while the six intent-to-leave OCQ items reflect calculative commitment (Angle & Perry, 1981; Tetrick & Farkas, 1988). Tett and Meyer’s results showed that the 9 item OCQ had a weaker relationship with turnover compared to the 15 item OCQ. Moreover, while the 15 item OCQ predicted intention to quit over and above job satisfaction, the 9 item OCQ did not. If the full 15-item scale measures affective as well as a calculative dimension of commitment, this indicates that
different commitment dimensions may have independent additive effects on turnover (Tett & Meyer, 1993).

Recently, additional studies have investigated a three-component model of organizational commitment developed by Allen and Meyer (1990). In addition to affective commitment, as measured in the nine-item OCQ, Allen and Meyer proposed two additional commitment dimensions. Normative commitment reflects the desire to behave in ways believed morally right rather than in ways to fulfill personal goals. Normatively committed individuals are loyal to an organization because they believe they should be. Continuance commitment reflects the weighing of the costs and benefits of leaving an organization. Individuals high on continuance commitment feel attached to an organization not because of good feelings toward the company or a feeling of moral obligation, but because the perceived costs of leaving an employer are too high. Meyer and Allen (1991) suggested that an employee’s relationship with an organization could be better understood by simultaneously considering all three components: Affective, Normative, and Continuance.

Although some research has found support for different antecedents and outcomes for affective, normative, and continuance commitment (e.g., Allen & Meyer, 1990; Meyer, Allen, & Smith, 1993; Hackett et al., 1994), others contend that the construct and discriminant validity of the dimensions could use further examination (e.g., Ko, Price, & Mueller, 1997). Meyer and Allen (1991) predicted that all three dimensions should impact an employee’s intention to leave, but studies of the influence of the three commitment dimensions on intention to leave have produced equivocal results. For example, Meyer et al. (1993) found that affective and normative commitment had a significant negative effect on intention to leave, but that continuance commitment did not. Other research has found that only affective and continuance commitment have a significant negative relationship with intention to leave (Somers, 1995). One study found that all three dimensions of commitment predicted intention to leave (Hackett et al., 1994). Much of this research has relied on samples of nurses, supporting the need to extend the research to different occupations.

Another important gap in existing research is suggested by studies examining the possible different relationships between job satisfaction and the three commitment dimensions. Job satisfaction should be more closely related to affective commitment, in that both are primarily affective reactions to work. Job satisfaction should be relatively independent of normative commitment, which is based on a moral logic, not affect. Finally, job satisfaction may be moderately related to continuance commitment, in that satisfaction with work may be one of
several factors that make staying less costly than leaving (with the risk that the new job will not be as satisfying). Research examining the relationship between job satisfaction and the three dimensions of commitment has produced equivocal results. Mathieu and Zajac (1990) found that job satisfaction was positively related to both affective and continuance commitment, whereas other research has found that job satisfaction has a negative or null relationship with continuance commitment (Hackett et al., 1994; Konovsky & Cropanzano, 1991; Withey, 1988).

Because prior research suggests the possibility that satisfaction may differentially relate to the three commitment dimensions, it is important to examine satisfaction and the three commitment dimensions simultaneously to understand their relative effect on intention to leave. For example, it seems plausible that while affective commitment may add little to job satisfaction in predicting intention to leave, the other two commitment dimensions, which appear to diverge from satisfaction, may explain additional variance. One study that did examine all attitudinal variables tested whether the three dimensions of commitment mediated the relationship between job satisfaction and intention to leave (Clugston, 2000). Results found that a partially mediated model of multidimensional commitment fit the data better than a fully mediated or non-mediated model. The path coefficients showed that while affective commitment mediated the relationship between job satisfaction and intention to leave, normative and continuance commitment did not (Clugston, 2000). Further, continuance commitment had a significantly negative relationship with intention to leave that was not accounted for by job satisfaction, suggesting it has an independent influence on intention to leave. To date, little other research has incorporated the three dimensions of commitment and job satisfaction in a complete examination of their effects on intention to leave. The present study accomplishes this, investigating the independent and relative effects of satisfaction and the three dimensions of commitment. Moreover, we extend this research to a sample of high-level executives.

Intention to Quit as an Outcome of Satisfaction and Commitment

Some prior turnover models have conceptually distinguished intention to search, thoughts of quitting, and intention to leave (e.g. Mobley, Horner, & Hollingsworth, 1978), but empirical results have failed to support these distinctions (Hom, Kinicki, & Domm, 1989; Jaros et al., 1993). Thus the Hom and Griffeth (1991) integrative model represents these variables in the construct “withdrawal cognitions.” We also adopt this approach, treating intention to leave as a single construct. Drawing from Hom and Griffeth’s model and prior research, we hypothesize independent effects of job satisfaction and organizational commitment on
intention to leave. We expand Hom and Griffeth’s model and prior work, however, to incorporate Meyer and Allen’s (1991) three-component model of commitment and propose that each of these components will independently predict intention to leave. Consistent with the above discussion, we further expect that in our sample of executives, job satisfaction will relate more strongly to intention to leave than affective commitment.

Hypothesis 1: Job satisfaction and affective, normative, and continuance commitment will contribute independently to the prediction of intention to leave.

Hypothesis 2: Job satisfaction will be more highly related than affective commitment to intention to leave.

Job Search Activity as an Outcome of Satisfaction and Commitment

Although meta-analyses of turnover research have generally found intention to leave to be positively associated with actual turnover (e.g., Tett & Meyer, 1993), recent research suggests intention to leave is not a surrogate for actual turnover. The relationship between intentions and turnover is often moderate (Kopelman, Rovenpor & Milsap, 1992). Tett & Meyer (1993) report a corrected correlation of $r = .28$ in their meta-analysis. Recently, some researchers have argued that job search activity is theoretically more proximal to actual turnover (e.g., Kirschenbaum & Weisberg, 1994; Kopelman et al., 1992), contending that job search more closely captures the cost and effort required of leaving. Most turnover research does not include both job search activity and intention to leave, making their relative effects an unanswered empirical question (Blau, 1994).

In addition to the need to examine intention to leave and job search simultaneously, including job search may also provide unique insights into the role of the three commitment dimensions. If job search reflects a desire to leave, then affective commitment might be expected to have a negative association with job search, similar to job satisfaction (though perhaps a weaker relationship than job satisfaction because executives may be more affected by their work than their attachment to the organization). If search is used to gather information about alternative options, then normative commitment, which reflects beliefs about the moral obligation to stay, should likewise negatively associate with search activity. Similarly, continuance commitment should negatively relate to search activity, if the executive has determined that costs of leaving outweigh the benefits, making the search for alternatives unlikely to yield attractive options.
Consistent with our argument with regard to intention to leave, among executives we expect that job satisfaction will associate more strongly than affective commitment with job search activity. Thus, we propose two hypotheses related to job search:

Hypothesis 3: Job satisfaction and the three commitment dimensions will associate independently and negatively with job search activity.

Hypothesis 4: Job satisfaction will associate more strongly than affective commitment with search activity.

Work Attitudes and Performance

In addition to the effects of attitudes on turnover, there is also great interest in the relationships between work attitudes and employee performance (Petty, McGee, & Cavender, 1984). Although studies on the influence of these attitudes on employee performance have generally produced weak positive relationships (Iaffaldano & Muchinsky, 1985; Locke, 1976), there is reason to suggest that attitudes may be more important predictors of performance for executive populations. Recent research suggests that job satisfaction may be a better predictor of performance when the employee has greater control over the nature of his/her work (Judge, Thoresen, Bono, & Patton, 1998). Thus for executives who arguably have more job control, job satisfaction may have a stronger relationship with performance than for lower-level employees.

Similarly, research on the relationship between organizational commitment and performance has generally produced only weak positive relationships (Mathieu & Zajac, 1990); but the evidence is mixed, and has typically focused only on affective commitment. Affective commitment has been linked to managers’ self-reported compliance with decisions made at the corporate level (Kim & Mauborgne, 1993) and adherence to corporate financial goals by avoiding “budgetary slack” (Nouri, 1994). Affective commitment has also been positively associated with objective performance indicators such as higher sales (Bashaw & Grant, 1994) and lower operating costs (DeCotiis & Summers, 1987). Finally, affective commitment has been found to positively associate with supervisor ratings of performance among laboratory technicians (Konovsky & Cropanzano, 1991), first-level managers in food service (Meyer, Paunonen, Gellatly, Goffin, & Jackson, 1989), and employees from various levels and positions (Mayer & Schoorman, 1992; Moorman, Niehoff, & Organ, 1993). Similar to job satisfaction, it seems that the level of control an employee has over a particular outcome may determine the degree to which performance can be influenced by affective commitment (Meyer & Allen, 1997).
Executives provide a particularly interesting sample in which to examine job performance because their level of authority and power may enhance the impact of their performance on organizational outcomes. Indeed, behaviors stemming from value alignment may have a bigger impact on their overall effectiveness compared to lower level employees (Boswell, 2000). Because affective commitment reflects variations in whether employees’ values align with the organization and their tendency to strive to do what is best for the organization (Mowday et al., 1982), investigating the commitment-performance relationship among executives may add significant insights.

Extending the commitment construct to incorporate all three dimensions is also important to studying the commitment-performance relationship. Though affective commitment may affect leader behaviors and enhance executive performance, Meyer and Allen (1991) hypothesized that continuance commitment should be either unrelated or inversely related to performance. Individuals linked to an organization primarily because the costs of leaving are too high may have little desire to contribute beyond what is minimally required. Indeed, prior research has found negative correlations between continuance commitment and supervisor ratings of overall performance (Konovsky & Cropanzano, 1991; Meyer et al., 1989) and promotion potential (Meyer et al., 1989). This pattern may be particularly evident among executives because the scope and level of their responsibility may make “just getting by” particularly detrimental and visible.

Hypothesis 5: Job satisfaction and affective commitment will be positively related to executive performance.

Hypothesis 6: Continuance commitment will be negatively related to executive performance.

Work Attitudes and Leadership Effectiveness

Among executives, leadership behaviors such as problem solving and providing subordinates relevant information about decisions, plans, and activities are particularly important (Yukl, 1998). Other important leadership behaviors include motivating and inspiring; supporting subordinates through being friendly, considerate, and helpful; and developing, mentoring, and recognizing subordinate employees (Yukl, 1998).

These behaviors are similar to organizational citizenship behaviors (OCBs). Job satisfaction and organizational commitment have consistently been shown to have a positive relationship with OCB, or behavior that is above and beyond the call of duty (Organ, 1988). These types of behaviors include helping others, spreading goodwill, and making constructive
suggestions. Although these behaviors have been traditionally considered extra-role and may not be required of most organizational members, they may have a larger impact on performance of executives, whose roles specifically encompass leadership.

Results of a meta-analysis by Organ and Ryan (1995) found that job satisfaction and affective commitment significantly correlated with two types of OCB, altruism and compliance (Organ & Konovskiy, 1989). Further, helping behaviors may influence leadership effectiveness through the power perceptions of subordinates. Subordinates may perceive reward power through a manager’s verbal praise and feedback or expert power when a manager helps others solve problems or provides coaching and development (French & Raven, 1960). Leader behavior also influences subordinate satisfaction and commitment (e.g., Bycio, Hackett, & Allen, 1995). The development of a satisfied and committed work group who engage in OCBs will reflect well on the leader, perhaps enhancing others’ perceptions of his/her leadership effectiveness. Thus, we expect a relationship between affective attitudes (i.e., job satisfaction and affective commitment) and leadership effectiveness.

Continuance commitment can also be expected to influence behaviors associated with leadership effectiveness. Individuals who are attached to an organization because the costs of leaving are too high may have little desire to motivate and inspire others because they themselves are not likely to be so motivated. Such managers are also not likely to support and contribute to the development of their subordinates beyond what is minimally required. Thus continuance commitment is expected to be negatively related to leadership effectiveness.

Hypothesis 7: Job satisfaction and affective commitment will be positively related to managerial leadership effectiveness.

Hypothesis 8: Continuance commitment will be negatively related to managerial leadership effectiveness.

We know of no prior research or theory examining how normative commitment might associate with performance and leader effectiveness. Therefore, we include normative commitment in the analyses to address the lack of empirical evidence, but it is not possible to propose hypotheses.

Method

Sample

The data used in this study are from a survey sent to 10,000 executives in the database of the Ray & Berndtson executive search firm. A total of 1,341 executives (13.41%
response rate) responded to the survey. Of the executives who responded, 87% were male, 90% married, and 94% were white. The mean respondent was 46 years old.

On average, the managers had spent 2.6 years in their current position and had received 8 promotions in their career. The average respondent was 2.4 levels below the CEO and their total compensation (including bonuses) was $210,533 per year. The respondents came from companies averaging $3.85 billion in sales per year and 13,289 total employees.

There were no significant differences between the 1,341 managers who initially completed the survey and the non-respondents based on industry, base compensation, marital status, number of children, or director status. There were significant differences between respondents and non-respondents in amount of last bonus, age, and organizational tenure. Respondents had received lower bonuses (respondents $M = $49,469, non-respondents $M = $61,560, $p < .01), were slightly older (respondents $M = 46.7$, non-respondents $M = 45.2$, $p < .01$), and had shorter tenure with the organization (respondents $M = 5.2$, non-respondents $M = 6.2$, $p < .01$). Though these differences may indicate a response bias affecting the mean levels, it is not clear that this would bias results regarding correlations.

Procedure

Survey packets were sent to the executives in 1998 by Ray & Berndtson. Subjects were instructed to return the survey (business reply envelope included) directly to the researchers. Also included in the survey packets was a second survey (used to assess performance), which the respondents were instructed to give to their supervisor, or the person who could most accurately report on their performance. Supervisors were instructed to complete the performance ratings for the executive in question and return the performance survey (business reply envelope included) directly to the researchers. Supervisors were promised that these data were to be used for research purposes only and results would not be released to the executive they were rating. Executive surveys were linked to the performance survey via code numbers. A total of 882 performance surveys were returned and matched to executive surveys (66% secondary response rate).

Measures

Job satisfaction. Overall job satisfaction was measured with two items used by Judge, Boudreau, and Bretz (1994) – the non-graphic version of the G. M. Faces Scale (Scarpello & Campbell, 1983) and an adapted version of the Fordyce Percent Time Satisfied Item (Diener, 1984). Because the two items used different response formats, they were standardized and then averaged to produce the composite measure ($\alpha = .83$).
Organizational commitment. The three dimensions of commitment were measured using Allen and Meyer’s (1990) scale. Each dimension was measured with eight items. This measure asks respondents to rate items using a Likert scale (1=strong disagree, 5= strongly agree). Examples of items include “This organization has a great deal of personal meaning to me” (affective, \( \alpha = .85 \)), “I think that people these days move from company to company too often” (normative, \( \alpha = .53 \)), and “It would be very hard for me to leave my organization right now, even if I wanted to” (continuance, \( \alpha = .77 \)). Mean composite measures for each commitment dimension were created. Adjustments were made for the low reliability for normative commitment scale (explained further in the analysis strategy section below).

Intention to leave was assessed by a three-item measure. This measure asks respondents the following: “I often think about quitting my present job,” “I will probably look for a new job in the next year,” (1=strongly disagree, 5=strongly agree), and “How much longer do you intend to remain in your present position?” (reverse scored, 1=as soon as I find something better, 5=indefinitely). Items were summed to create one intention to leave composite (\( \alpha = .81 \)).

Job search activity was measured with 10 items from the Job Search Behavioral Index (JSBI; Kopelman, Rovenpor, & Millsap, 1992). This measure asks respondents if they had engaged in different search activities over the past year (1=yes, 0=no). Examples of items include: revised resume, gone on a job interview, and made telephone inquiries to prospective employers. Given the recent advent of the Internet as a job search tool, an eleventh item “searched the Internet for job opportunities” was added. Consistent with previous research using this measure (e.g., Bretz et al., 1994; Cavanaugh, Boswell, Roehling, & Boudreau, 2000), items were summed to create one job search index (\( \alpha = .83 \)). A high number on this index indicates more search activity.

Overall job performance was assessed through supervisory ratings of three items taken from Olson-Buchanan, Drasgow, Moberg, Mead, Keenan, and Donovan (1998). This measure asks respondents the following: “How would you describe this employee’s overall job performance?” (reverse scored, 1=very good, 7= very poor), “What is the employee’s value to the organization?” (1=very low, 5=very high), and “How effective is this employee in his/her job?” (reverse scored, 1=very strong, 5=very weak). Items were summed to create one overall performance index (\( \alpha = .79 \)).

Leadership effectiveness was measured with a supervisory rating of six items taken from Posner and Kouzes’ (1988) Leadership Effectiveness Scale. A sample item includes:
“This manager make his/her subordinates feel empowered” (1=strongly disagree, 5=strongly agree). Items were summed to create one leadership effectiveness scale ($\alpha = .87$).

**Analysis strategy**

Measurement error can strongly bias the estimates of parameters derived from regression analysis (James, Mulaik, & Brett, 1982; Kenny, 1979). Measurement error in two or more independent variables can either attenuate or inflate coefficient estimates or produce coefficients with the wrong sign (Kenny, 1979). In this study, we were particularly concerned with the measurement error in the normative commitment scale. To address this concern, we conducted our analysis by using single indicator latent variable models that incorporated measurement error.¹ This method was used in the current research following the analysis strategy outlined by Kenny (1979) and Williams and Hazer (1986). The single indicator model technique has been used by a number of researchers studying job attitudes (e.g., Clugston, 2000; Moorman, Neihoff, & Organ, 1993; Settoon, Bennett, & Liden, 1996; Williams & Hazer, 1986).

**Results**

Intercorrelations and descriptive statistics are shown in Table 1. As shown in Table 1, intention to leave negatively correlated with job satisfaction ($r = -.70, p < .01$) and affective commitment ($r = -.56, p < .01$). Job search negatively correlated with job satisfaction ($r = -.39, p < .01$), affective commitment ($r = -.35, p < .01$), and normative commitment ($r = -.07, p < .05$). Intention to leave and job search activity were also positively related ($r = .45, p < .01$), and there was a strong positive correlation between job satisfaction and affective commitment ($r = .61, p < .01$). These findings are consistent with prior research (e.g., Hackett et al., 1994).

The hypotheses were evaluated by: (1) assessing the direct effects of each attitudinal variable on each retention and performance variable using single indicator latent variable models, and (2) comparing the relative correlations of job satisfaction and affective commitment dimensions with intention to leave and job search.

Two separate single indicator models were conducted, one for the retention variables and a second for the performance variables. There were several reasons we chose to use two models. The primary reason for separate analyses stems from the distinctiveness of these two sets of dependent variables. Additionally, the sample for the analyses of performance outcome variables is considerably smaller than that containing the retention outcome variables. Further, our data on the retention variables is subject to common method effects, whereas a model containing only performance outcomes is not. For these reasons we ran two single indicator
models, one for each set of outcome variables. The results of the path models are contained in Figures 1 and 2.

Table 1

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</tr>
<tr>
<td>3 Normative commit</td>
<td>803</td>
<td>22.24</td>
<td>3.69</td>
<td>.11**</td>
<td>.19**</td>
<td>1.00</td>
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<tr>
<td>4 Continuance commit</td>
<td>803</td>
<td>21.37</td>
<td>4.84</td>
<td>.08**</td>
<td>.24**</td>
<td>-.00</td>
<td>1.00</td>
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<tr>
<td>5 Intention to leave</td>
<td>803</td>
<td>8.71</td>
<td>3.46</td>
<td>-.70**</td>
<td>-.56**</td>
<td>-.11**</td>
<td>-.18**</td>
<td>1.00</td>
<td></td>
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<tr>
<td>6 Job Search</td>
<td>803</td>
<td>5.72</td>
<td>3.08</td>
<td>-.39**</td>
<td>-.35**</td>
<td>-.07*</td>
<td>-.05</td>
<td>.45**</td>
<td>1.00</td>
<td></td>
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</tr>
<tr>
<td>7 Performance</td>
<td>803</td>
<td>19.10</td>
<td>2.01</td>
<td>.20**</td>
<td>.16**</td>
<td>.06*</td>
<td>-.07*</td>
<td>-.11**</td>
<td>-.10**</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>8 Leadership</td>
<td>803</td>
<td>25.61</td>
<td>3.55</td>
<td>.12**</td>
<td>.08*</td>
<td>.08**</td>
<td>-.12**</td>
<td>-.03</td>
<td>.62**</td>
<td>1.00</td>
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</table>

** Correlation significant at p < .01
* Correlation significant at p < .05

As shown in Figure 1, job satisfaction ($\beta = -.89$, $p<.01$) and continuance commitment ($\beta = -.17$, $p<.01$) were significant predictors of intention to leave, thus providing some support for Hypothesis 1. Affective and normative commitment were not significantly related to intention to leave. The standardized disturbance term in a path model represents the amount of unexplained variance (Kline, 1998), which suggested that these attitudes explain 84% of the variance in intention to leave. In order to investigate Hypothesis 2 and test whether job satisfaction had a stronger relationship with intention to leave than affective commitment, we tested whether the bivariate correlations were significantly different from each other. The significant difference between correlations was assessed with the formula given by Cohen and Cohen (1983, p. 56) for comparing the size of dependent correlations that have been calculated using the same sample. Results indicated that the correlation coefficients were
significantly different, with job satisfaction being the stronger predictor ($t=-6.34, p<.01$). Hypothesis 2 was, therefore, supported.

Hypothesis 3 proposed that job satisfaction and affective, normative, and continuance commitment would negatively predict job search. The single indicator model results shown in Figure 1 provided partial support for this hypothesis. Job satisfaction ($\beta = -0.37, p<.01$) and affective commitment ($\beta = -0.12, p<.05$) were significant predictors of job search. Continuance and normative commitment were not significantly related to search activity.
Figure 1. Effects of Executive Attitudes on Retention Outcomes

Note: Standardized path coefficients shown. Models are just identified, so no fit statistics are reported. *p<.05, ** p<.01.
In order to investigate Hypothesis 4 and test whether job satisfaction had a stronger relationship with search activity than affective commitment, we again tested whether the bivariate correlations were significantly different from each other using the formula given by Cohen and Cohen (1983) for comparing the size of dependent correlations. Results indicated that the correlation coefficients were not significantly different. Hypothesis 4 was, therefore, not supported.

In order to investigate Hypotheses 5-8 regarding the impact of attitudes on the performance variables, the direct effects of each attitudinal variable on supervisor ratings of overall job performance and leadership effectiveness were evaluated using a second single indicator latent variable model, in the subset of the sample with available performance and leadership data. As shown in Figure 2, job satisfaction (β = .21, p < .05) significantly predicted job performance but affective commitment did not. Hypothesis 5 was therefore only partially supported. Continuance commitment had a significant negative relationship with job performance (β = - .13, p < .05), supporting Hypothesis 6.

Neither job satisfaction nor affective commitment significantly predicted leadership effectiveness. Hypothesis 7 was therefore not supported. Continuance commitment also had a significant negative relationship with leadership effectiveness (β = - .17, p < .01) supporting Hypotheses 8. Normative commitment was not significant for either performance or leadership.
Figure 2. Effects of Executive Attitudes on Performance and Leadership Outcomes

Note: Standardized path coefficients shown. Models are just identified, so no fit statistics are reported.
*p<.05, **p<.01.
Discussion

This research investigated the independent contributions of job satisfaction and the three dimensions of organizational commitment on retention-related variables and two dimensions of performance in a sample of executives. Our findings suggest that job satisfaction, affective commitment, and continuance commitment may all be involved in the managerial turnover process. Interestingly, in the presence of job satisfaction, we found that affective commitment associated with job search but not intention to leave. Executives with low affective commitment appear to investigate alternatives, but do not necessarily intend to leave. We also found a negative relationship between continuance commitment and intention to leave, but not job search. This reinforces the suggestion that turnover and search should be addressed as separate, related phenomena (Bretz, et al., 1994; Boudreau, Boswell, Judge & Bretz, 1998). Moreover, job satisfaction was associated more strongly with intention to leave compared to affective commitment. This result is consistent with Tett and Meyer’s (1993) meta-analysis findings, and with the suggestion that executives may react more strongly to their attachment to the work than to the organization.

Our findings also support the incremental predictive value of multiple dimensions of organizational commitment, compared to affective commitment alone. Continuance commitment contributed to intention to leave after controlling for job satisfaction and affective commitment. Thus it appears that those in the highest ranks calculate costs and benefits which may impact their thoughts of leaving, and that this calculation influences their behavior over and above their affective reactions to the work or organization.

Yet, continuance commitment was not related to job search activity after controlling for job satisfaction and affective commitment. The relationship between continuance commitment and search activity may be more complex than initially hypothesized, warranting future research.

We also examined the impact of these work attitudes on performance. Interestingly, job satisfaction and affective commitment were positively related to supervisor rating of job performance, but not leader effectiveness. Thus it seems that effective leader behaviors, perhaps those of transformational leaders (Bass, 1985), are not associated with affective attachment to the organization or one’s job.

Continuance commitment, on the other hand, was found to negatively predict both overall performance and leader effectiveness. This provides additional support for the multi-dimensional concept of organizational commitment. It appears that commitment stemming from
economic and pragmatic considerations may actually lead to poor performance and leadership. Future research can benefit by incorporating not only affective commitment, but also continuance commitment, and examining both general and role-specific job performance ratings. Indeed, as found in prior work and supported in the present study, the various commitment dimensions may have very different (even opposite) relationships with important work outcomes (Meyer & Allen, 1997).

Limitations

Relying on the perception of a single respondent to measure both the independent and dependent variables raises the risk of common method variance. Though not an issue for the results involving the performance variables since performance was assessed on a separate survey and rated by a supervisor, common method variance may be a concern for the relationships involving intention to leave and search as outcome variables. However, the fact that the three commitment dimensions and job satisfaction were differentially related to intention to leave and job search suggest that they are capturing unique rather than only common method variance. Additionally, theoretical and empirical models of turnover suggest that person variables likely to cause method variance, such as personality traits, do not influence the relationship between these attitudes and employee retention (Hom & Griffeth, 1995). Finally, we examined both turnover intention to leave and job search activity. The job search measure is perhaps less influenced by common method bias because the items assess behaviors, and are thus arguably more objective than respondent attitudes (Kopelman et al., 1992).

Intention to leave and job search activity are only a few of the precursors to actual turnover. Variables such as an executive’s employability and the nature of the job market likely have a substantial influence on the link between intention to leave, search, and actual turnover (Hom & Griffeth, 1995; Lee & Mitchell, 1994; Mobley, 1977). Future research could include these other variables as well as actual turnover to better delineate the relationships between job satisfaction and commitment, turnover process variables, and actual turnover for this population. However, we believe that the findings of this study support the importance of these attitudes on retention-related variables and can help extend turnover models to executive populations.

Implications and Future Research

As noted earlier, key talent in organizations enjoys enhanced mobility, flexibility, and financial independence. These characteristics are already common among executives, so our
results may reflect trends that will soon affect a growing proportion of the work force. The most critical factors for retaining and motivating key employees may be changing in light of the current business environment that has spawned new organizational forms and employment relationships (Cappelli, Bassi, Katz, Knoke, Osterman, & Useem, 1997). One of the most dramatic changes in the employment relationship is the decline of long-term careers in a single company (Sims, 1994). Employees may have less reason for loyalty to an organization, so job satisfaction, more immediate and personal than organizational commitment, may more strongly predict job search and quit intentions among employees even beyond executives.

Our results are consistent with the notion that normative commitment may decline with the tradition of organizational careers. In our sample, normative commitment has a more restricted variance than the other dimensions of commitment, which may explain its lack of effect. Further, the mean and variance of normative commitment are lower in our sample than were found in prior samples. For example, studies of nurses (M= 27.06, SD= 7.16; Hackett et al., 1994) and mixed samples representing various jobs (M=27.52, SD=7.28; Meyer, Irving, & Allen, 1998) had higher means and variances for normative commitment. Thus, executives may be less influenced by this form of commitment than other types of employees because they have more uniform or lower levels of normative commitment.

As noted earlier, this executive sample may be particularly representative of talent pools in high demand, which may lead to norms supporting loose organizational connections and search as an accepted element of the employment relationship (Boswell, Moynihan, Roehling, & Cavanaugh, in press; Boudreau et al., 1998; Roehling, Cavanaugh, Moynihan, & Boswell, in press). Future research comparing the level and variance of normative commitment in diverse samples may provide useful clues to the development of these norms. It is possible that this investigation of the relationships of work attitudes to retention-related variables and performance with a sample of executives may arguably be considered to represent elements that will increasingly characterize employment relationships because of their enhance mobility, flexibility, and financial independence. A comparison of the results of this sample to other employee populations may possibly be enlightening as to how the relationship between work attitudes, turnover, and performance may be changing more generally.

Our results also support the argument that the relationship between work attitudes and retention and performance may depend on the type of employee. Studies of nurses have found that normative commitment has greater variance than in our sample and was positively related to intention to remain, while continuance commitment had no direct effect (Somers,
1995). Our results indicate the reverse for executives. Similarly, for first-level food service managers, attachment to the organization was predictive of overall performance, whereas job satisfaction was not (Meyer et al., 1989). In our sample, the opposite was again true.

Our results also reinforce the importance of addressing performance as a multidimensional construct. Among executives, leadership was a logical and particularly important role-specific performance facet. We found that job satisfaction and continuance commitment differentially predicted overall performance and leadership ratings. Future research, especially when focusing on other samples, could examine other performance facets, especially those related to extra-role behaviors. Recent research suggesting a role-based approach to performance (Welbourne, Johnson, & Erez, 1998) may offer useful ideas. Performance could also be examined at different levels of analysis. This may help clarify exactly how forms of commitment can lead to positive outcomes that ultimately increase group and firm performance.

Organizational performance is a multidimensional construct that should include end goal states as well as internal “means” of achieving such ends as important outcomes (Campbell, 1977; Steers, 1977). More precisely, retention of executive talent and enhancement of key work attitudes creates enhanced human capacity, while performance and leadership behaviors reflect the application of that capacity through “aligned actions” that support key business processes and strategic advantage (Boudreau, Ramstad & Dunford, 2000). Boswell (2000) noted the importance of a detailed understanding of the “line of sight” between individual actions and organizational goals. The development of a committed executive core may better enable a firm to achieve the means as well as end goals of organizational effectiveness and ultimately become a human resource based source of competitive advantage (Barney & Wright, 1998; Wright, McMahan, & McWilliams, 1994). The present research suggests that different elements of commitment and job satisfaction may differentially affect the strategic value of executives.
References


Bryant, A. (1999). They’re rich (and you’re not). Newsweek, 134, 36-44.


**Endnotes**

1 When analyzing a covariance matrix using this procedure, the factor loading for each one-item indicator variable is fixed to one. The error variance for each indicator variable is set to the product of the quantity of one minus the reliability of the scale times the variance of the scale.

2 This analysis was also run using multiple regression including job tenure, organizational tenure, salary, total income, and job level as control variables. Organizational tenure, theorized as an antecedent of affective commitment, was the only significant predictor ($\beta=.06$, $p<.01$). However, the presence of these variables in the model did not change the relative magnitudes of the standardized beta coefficients of the predictors of interest, so the simpler model is reported here.

3 This analysis was also run using multiple regression including job tenure, organizational tenure, salary, total income, and job level as control variables. Total income was the only significant predictor ($\beta=-.13$, $p<.01$). However, the presence of these variables in the model did not change the relative magnitudes of the standardized beta coefficients of the predictors of interest, so the simpler model is reported here.