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SURVEY ARTICLE

The Impacts of Continuance Commitment to Job Performance; A Theoretical Model for Employees in Developing Economies Like Tanzania

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ABSTRACT

Continuance commitment of employee and job performance are inevitably linked to each other, and it is well known that employee continuance commitment is affected by intrinsic motivation of individuals. This study aimed to assess the impacts of continuance commitment to job performance in developing economies like Tanzania. People in developing economies have low commitment due to internal factor such as a desire for earning high size of payment. I focused on the determination of continuance commitment impacts on job performance from a sample of 116 public and private sector employees of industrial and government corporations. In multiple linear regression analysis on the impacts of continuance commitment and job performance two predictors; social capital and human capital show the significant relationship between two variables while the size of payment shows a very little contribution to job performance.

Keywords: Continuance commitment, size of pay, human capital, social capital, job performance.

1 Introduction

Now days, firms know that employees are their inimitable assets and that they should be an endowment from the labor market to firm (Zaraket, 2018). The organizational commitment of employees is very crucial for the success and persistence of any organization or firm. A strong relationship among employees and organization needs the organization itself to build high level of employees' satisfaction and commitment (Khan *et al*, 2016). Culibrk *et al* (2018) state that, satisfied and motivated employees are imperative for contemporary business and a key factor that separates successful firms from the alternative. Satisfied personnel are stated as committed workers whereby commitment is an indication for organizational output and effectual operations. The organizational commitment is reported as partially the effect of intrinsic personal characteristics and partially the consequence of how employees understand the organization and their instant job function (Daneshfard and Ekvaniyan, 2012).

Many studies that investigated the relationships among organizational commitment, job satisfaction and performances have been done over more than four decades in private, public and non-profit organizations (Yousef, 2016). These studies have been very important in the field of organizational behavior. Based on multidimensional nature of organizational commitment there is increasing support for a three (affective, normative and continuance) factor model, which have implication for employee and organization (Meyer and Allen, 1991). Continuance commitment has negative correlation with desirable work behavior (Meyer *et al* 2002). It is the willingness of employee to remain in organization because of fear of losing the benefits employee is acquiring from the job. An employee may stay in an organization because he/she feels that the individual costs of leaving are also high. In developing economies, organizational commitment show the identification level of employees with their organizational willingness to leave them, where satisfaction is one of the premeditated matters in public, private and non-profit sector (Dragic *et al*, 2017), continuance commitment is facilitated with only one factor of size of payment. Developing economies are currently faced with more competitive global environment (Sokoya, 2000). Similarly, it has been postulated that the low pay, limit chances for up-gradation are qualities of government sectors which avert the most educated employees from residual government agencies.

Continuance commitment is the second component of Meyer and Allen's model of organizational commitment. It refers to the "awareness of the costs associated with leaving the organization" (Meyer and Allen, 1997). According to Kanter (1968) continuance commitment is the "profit associated with continued participation and cost associated with leaving the organization". It has an effect in nature because of employee's perception or weighing of costs and risks associated with leaving the current organization (Meyer and Allen 1997). Moreover, it is further stated by Meyer and Allen (1991) that individuals who primary link to organization is based on continuance commitment remain because they need to do so. Continuance commitment often develops when individuals perceive that there are no alternatives other than to remain in the organization. Beck and Wilson (2000) stipulate, continuance commitment can be considered as an instrument connected to the organization, where individual's associations with the organization is based on the assessment of the economic benefits gained. Accrued investments and poor employment alternatives tend to force individuals to maintain their line of action and are responsible to for those individuals being committed because they need to. Individuals stay in organization because of investments they accumulate due to the time spent in the organization, not because they want to (Meyer *et al* 1990).

1.1 Intrinsic Motivation and Continuance Commitment in Developing Economies

The review of relevant psychological theories offers important insights into employees' motivation in a developing economies context. Intrinsic (or internal) factors are seen to be more powerfully in motivating employees' effort, professional conduct in long run and performance. Employees in developing economies need supports that encourage their intrinsic motivation such as achievements, recognitions and career development (Chapman et al, 1993). Moreover, achievement in many employees in developing economies is taken into account by considering the size of payment. Employees want to earn reasonable salary and payment (Pines and Yanai, 2001). Money is taken as a fundamental inducement; no other incentive or motivational technique comes even close to it with respect to its influential value (Sara *et al*, 2004). Money has the supremacy of magnetizing, maintaining and motivating individuals towards performance. This argument is supported by Fredrick and Taylor and his scientific management associate who describes money as the most fundamental factor in motivating the industrial workers to attain great productivity (Salaho, 2015). Moreover, Amah *et al,* (2013) argue that individuals want to receive more than just a salary from their job. Other than the pay received, individuals expect other rewards for remaining in an organization. The extra rewards given could motivate and encourage them to perform their best. Many economists stress the fact that the size of the payment determines employees' commitment and satisfaction (Vroom, 1967). The size of the pay is an external motivational factor which mediates the internal motivation (intrinsic) as a result employee become with a desire to remain in an organization. The greater difference in pay between two people with the same occupational level in different organizations, the more dissatisfaction the low-paid person feels as the result no continuance commitment (Pergamit and Veum, 1999). Employees either stay in their organizations, or they may be promoted to positions with higher wages, status and power (Vroom, 1967).

H1: The size of pay positively affects continuance commitment in job performance.

1.2 Continuance Commitment and Job Performance

In the past, researches have discussed continuance commitment will lead to behavioural outcomes, lower turnover and high performance (Dixit and Bhat, 2012). Highly committed employees should have a weak intention to quit. The study conducted by Angle and Perry (1981) and Jenkins (1995) concluded a negative relationship between turnover intentions and continuance commitment. The argument was uncovered by Konovsky and Cropanzano (1991) and Meyer *et al* (1998) who revealed a positive relationship between continuance commitment and job performance. Committed employees are more likely not only to remain with the organization but also likely to extent more efforts on behalf of the organizational work towards its success and therefore are also likely to exhibit better performance than uncommitted individuals. Mowday, Steers and Porter, (1979) stipulate that committed employees can benefit organization in a number of ways as it can improve performance. According to Steers (1977) individuals with high level of organizational commitment provide a secure and stable workforce and thus providing competitive advantage to organization. Continuance commitment results to employees who are more creative; they are less likely to leave an organization than those who are uncommitted (Porter *et al,* 1974). Continuance commitment improves human capital by coming up with skilled and knowledgeable, and competent employees. Continuance commitment also improves social capital such as trust and confidence, communication and team work among employees (Arturo and Tolentino, 2004).

H2: Continuance commitment improves human capital (skilled, knowledgeable and competent individuals) for job performance.

H3: Continuance commitment improves social capital (Trust and confidence, communication and Team work) for job performance.

2 Research Methodology

2.1 Sample size

The sample size comprised of employees working in six private and public sector organizations in Tanzania. The selected sector organizations were Dimon Morogoro Tobacco Processors Ltd, 21st Century Textile Ltd, Mazava Fabrics and Production E.A. Ltd, National Health Insurance Fund (NHIF), National Social Security Fund (NSSF) and Parastatal Pensions Fund (PPF). A total of 116 Questionnaires were distributed and personally administered among employees from six sector organizations. Data were collected for two months, from August to September 2017.

2.2 Measures

Continuance commitment was measured with 8 items scale. This scale was one of the dimensions of instruments established by Allen and Meyer. Meyer and Allen (1991) established a three-component model to test commitment among employees. Meyer and Allen demonstrated that commitment is characterized by the three mindsets of desire, obligation and cost. The reliability test using Cronbach's alpha value was found about 0.920. According to Nunnaly (1978) and Grayson (2004) reliability coefficient of 0.7 or higher is considered acceptable in the most social science research situations. George and Mallery (2003) established the rule of thumb indicating that a Cronbach's alpha greater than 0.9 means excellent consistency, greater than 0.8 means good consistence, 0.7 means acceptable, 0.6 means questionable, greater than 0.5 means poor and less than 0.5 is unacceptable. Motivation was measured by using a "Work Extrinsic and Intrinsic Motivation Scale-WEIMS". Participants were needed to complete the WEIMS which was divided into three items. Participants were asked to indicate on Likert scale ranging from 1 (does not correspond at all) to 5 (corresponds exactly) the extent to which items represent the reasons they presently involved in the work. The reliability test of Cronbach's alpha value was found to be 0.889. Job performance in this paper was measured by using a job performance scale developed by Pearce and Porter (1986) and Black and Porter (1991). The scale responds to self-evaluation with five items measured on a seven-point scale (ranging from 1 = strongly disagree, to 7 = strongly agree) The scale consists of five dimensions as follows; overall performance, ability to get along with others, completing tasks on time, quality of performance, and achievement of work goals. Reliability of this construct illustrated from Cronbach's alpha value was found about 0.798. According to Dharmanegara *et al,* (2016), job performance is the ability of individuals in the execution of his/her duties with a motivation to get maximum work.

2.3 Data analysis

Data were analysed by using a statistical package for social sciences (SPSS) version 16 software. Multiple linear regression analysis has been used to see the impact of size of payment, human capital and social capital into job performance. Linearity between dependent and independent variables was checked. Gujarat and Porter, (2010) state that linear regression needs the relationship between the independent and dependent variables to be linear. If the two variables are non-linear, the results of regression analysis will underestimate the true relationship (Gujarat, 2010). The study also tested multi-collinearity on independent variables and Homoscedasticity. The linear regression model equation was specified as follows:

$$Y = \beta_o + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \mu_i$$

Y is for Dependent Variable (Job performance), Xs is for independent variables. Whereby, βo is for Y intercept where regression line crosses the Y axis, β_1 is for partial slope for X_1 on Y, X_1 is for size of payment, X_2 is for human capital and X_3 is for social capital. μ_i is for prediction error.

3 Results

3.1 Multi-collinearity Test on Independent Variables

Before running regression, multi-collinearity was done between variables. Presence of multi-collinearity inflates the variance of the parameter estimates making them individually statistically insignificance even though the overall model may be significant. The tolerance rate and Variance Inflating Factors (VIF) were used to detect multi-collinearity between explanatory variables. Table 1 indicates the tolerance is greater than 0.1 and the VIF does not exceed 5 to 10. This reveals that there was no problem of multi-collinearity among explanatory variables. Therefore, I concluded that the associated regression coefficients were clearly and reliable.

Table 1: *Results of multi-collinearity test between independent variables*

	Collinearity Statistics	
	Tolerance	VIF
Size of payment	.948	1.055
Human capital	.940	1.064
Social capital	.981	1.019

3.2 Checking Linearity between Independent and Dependent Variables

I decided to check the linearity between independent and dependent variables. Pearson Correlation Coefficients was used to establish whether there was linearity or non-linearity between the stated variables. Results in Table 2 show the probability with correlation coefficient between size of payment and human capital is 0.021 while the correlation coefficient is 0.221 smaller than the probability (r = 0.7).

Table 2: *Results of linearity checking between independent and dependent variables*

Correlations				
Size of payment	Pearson Correlation			
	Sig. (2-tailed)			
	N			
Human capital	Pearson Correlation	.221*		
	Sig. (2-tailed)	.021		
	N	109	116	
Job performance	Pearson Correlation	.268**	.636**	
	Sig. (2-tailed)	.006	.000	
	N	102	109	109
Social capital	Pearson Correlation	.078	-.246*	.285**
	Sig. (2-tailed)	.437	.010	.004
	N	101	108	101
*. Correlation is significant at the 0.05 level (2-tailed).				
**. Correlation is significant at the 0.01 level (2-tailed).				

It reveals that relationship between size of payment in job performance and human capital is non-linear. The same applies to the relationship between job performance and social capital whereby the correlation coefficient is 0.636 while the probability value is 0.000 indicating that there is no linear relationship between the two variables in the model, but the two variables are statistically significant. The findings also reveal the positive relationship between job performance and social capital to ascertain performance with the correlation coefficient of 0.285 at the probability value of 0.004 indicating there is no linear relationship between the two variables in the model but the two variables are statistically significant. However, the findings indicate negative relationship between job performance and social capital on one hand and social capital to ascertain job performance at the other hand with the correlation coefficient of -0.246 at the probability value of 0.010.

3.3 Homoscedasticity Assumption Test

Homoscedasticity and heteroscedasticity refer respectively to whether variances of the predictions determined by regression remain constant or differ (Carrol and Ruppert, 1988). Heteroscedasticity means presence of error of variance assumption and it can be diagnosed by using White Test (Gujarat and Porter, 2010). White Test is to be done by comparing the value of calculated and observed Chi-square value by using this equation: $X^2 = N \times R^2$ whereby X^2 is the calculated Chi-square, N is the number of observation and R^2 = R- Square or coefficient of determination. The rule of thumb is: When Chi-square calculated is less than Chi-square observed there is no heteroscedasticity problem in the model (Gujarat and Porter, 2010). From the data analysis in Table 3 (in appendences): $R^2 = 0.617$ and $N = 116$, therefore calculated value $X^2 = 0.617 \times 116 = 71.572$ whereby the Chi-square observed at 0.000 level of significance is 90.364. The results show that calculated Chi-square is less than observed Chi-square, this implies that the model does not exhibit heteroscedasticity problem.

Table 3: *Results test of independence observation*

Model Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.785[a]	.617	.605	1.68121	2.651
a. Predictors: (Constant), Social capital, Size of payment, Human capital					
b. Dependent Variable: Job performance					

3.4 Regression of Independent Variables Against Dependent Variable

Job performance was regressed against three independent variables of size of payment, human capital and social capital. The results are illustrated in Table 4a, 4b and 4c. Regarding the first research hypothesis on impact of size of pay to continuance commitment and job performance. The findings in Table 4c show that the Unstandardized Coefficient of size of payment was positive 0.053 with t-test of 1.074 and probability value (p-value) of 0.285. The findings also indicate the Standardized Coefficient of the size of payment was 0.070 with standard error of 0.049. The results imply that the size of payment which influences commitment contribute very little ($p = 0.285$ $p > 0.05$) to job performance. According to the results, size of pay to improve continuance commitment and job performance is not, from a statistical point of view. With respect to the hypothesis on the continuance commitment improves human capital for job performance the results obtained through multiple linear regression indicate that one cannot reject the hypothesis as it stands because; Unstandardized Coefficient of human capital was found to be 0.590 with the t-test value of 10.966. The findings show the probability value of 0.000. The standardized Coefficient of human capital was 0.734 with standard error of 0.054. The implication of the result is that there is a positive relationship between human capital and job performance ($p = 0.000$ $p < 0.05$), this supports hypothesis no.2. This paper sought to find out if social capital as influenced by continuance commitment has relationship with job performance. The results in Table 4c show that Unstandardized Coefficient of relationship between two variables was 0.190 while the t-test was 7.025 with probability value of 0.000. The

Standard Coefficient read 0.460 while the Standard Error was 0.027. The result supports hypothesis no.3 that there is a statistical significance ($p = 0.000$ $p < 0.05$) between continuance commitment and social capital which improves job performance.

Table 4: *Results of regression analysis on independent and dependent variables*

a) Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.785[a]	.617	.605	1.68121	2.651

a. Predictors: (Constant), Social capita, Size of payment, Human capital

b. Dependent Variable: Job performance

b) ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	441.343	3	147.114	52.049	.000[b]
	Residual	274.169	97	2.826		
	Total	715.511	100			

a. Predictors: (Constant), Social capital, Size of payment, Human capital

b. Dependent variable: Job performance

c) Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Variables	B	Std. Error	Beta		
(Constant)	-4.366	1.181		3.698	.000
Size of payment	.053	.049	.070	1.074	.285
Human capital	.590	.054	.734	10.966	.000
Social capital	.190	.027	.460	7.025	.000

a. Dependent Variable: job performance

4 Discussion

The purpose of this paper was to examine the impacts of continuance commitment on employee job performance in developing economies like Tanzania. Predictors for job performance were the effects which rise after continuance commitment i.e. human capital, social capital and size of payment which sometimes seen as the motivational factor for employees' internal factor to remain with an organization. Size of payment emerged as determinant for continuance commitment with little contribution to job performance. However, the findings oppose with the view of Pine and Yanai (2001) who stipulate that employees' continuance commitment in developing economy is influenced by earning reasonable salary and payment, size of payment has the supremacy to magnetize, maintain and motivate individuals towards higher performance. Human capital has been proved to have a positive relationship with continuance commitment for job performance hence hypothesis 2 is accepted. Continuance commitment creates organizations' human capital with skills, knowledge, competencies and attitudes that reside in individual employee of organization. Besides that, human capital management practices can improve the perceived organizational performance (Silvestre *et al,* 2018). Human capital in organization often is seen as an asset of improving and sustaining high organizational performance. Jobbins (2007) believes in workers that could use their skills and knowledge effectively would be satisfied with their job output. What have been proved and given conclusion that motivation would led to continuance commitment which improves human capital for job performance. This shows that the higher the motivational factors lead to higher continuance commitment which results to human capital with experiences and high performance.

Social capital is proved to be influenced by continuance commitment and led to high performance of employees in developing economies like Tanzania. Continuance commitment improves social capital which produces trust and confidence, communication, cooperative working dynamics and interaction, and team work among employees. The established hypothesis 3 has proved that the high the social capital improves job performance.

5 Conclusion

This paper examined the impacts of continuance commitment to job performance in developing economies like Tanzania. Based on the results, continuance commitment is directly related to size of payment, human capital, social capital and job performance. Continuance commitment is associated with intrinsic motivation which is influenced by extrinsic motivation. In developing economies, the size of payment encourages or discourages individuals' internal factors for job performance. If the employees earn the desired size of payment, they can remain in organization for long time hence create human capital and social capital which improves performance in an organization. The findings of this research paper conclude that impact of continuance commitment on job performance is undeniable. However, employees' motivation is a continuous process for encouraging continuance commitment of individuals.

6 Competing Interest

Author(s) declared no conflict of interest exist in this study.

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