Abstract. This paper proposes the model of Exit, Voice, Loyalty, and Neglect (EVLN) as manifestation of employees’ organizational commitment (EOC) in responding to organizational cultures within Malaysian setting. Structural equation modelling is used to fit the data provided by 150 offices employees of manufacturing companies. The best predictions are proposed for loyalty and neglect. Loyalty is expected to be found in organizations that value the organizational culture dimensions of team work, respect for people, stability, attention to details and outcome orientation. The findings have important implications for practitioners attempting to improve the level of EOC of their employees which in turns to enhance the level of loyalty contributing to improvements in productivity and growth in the Malaysian manufacturing industry.

KEYWORDS: Loyalty, Neglect, employee organizational commitment (EOC), Organizational Culture, Manufacturing Industry

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Introduction

Research on organizational commitment conducted in separate Asian national cultures has shown that the meaning of commitment and predictors of commitment differ. For example, in a study of Malaysian nurses, Pearson and Chong (1997) noted that ‘harmony, non-aggressiveness, and a strong preference for a relationship-based orientation’ were key to Malaysian values and that these values predicted AC. Similarly, in a sample of Korean workers, a warm, supportive climate positively predicted (affective) commitment (Sommer et al., 1996). Later, Bae and Chung (1997) asserted that among Korean workers, commitment means loyalty and devotion. Chang’s (1999) study showed that Korean subjects were unable to operationalize continuance commitment. Near (1989) found that freedom positively correlated with commitment for Americans, but not Japanese. For Japanese, seniority positively related to commitment. This indicates that idiocentric values, such as freedom and achievement might be important predictors of commitment in individualistic societies, whereas allocentric values, such as respect, tradition, and seniority might be important predictors of commitment in communal societies i.e. emphasizing relationships with others. In another psychoanalytical study on organizational commitment among Japanese employees, entitled ‘Spurious Loyalty of Japanese Workers’, Watanabe and Takahashi (2002) show that the Japanese style of management strongly promotes the employees’ continuance commitment, rather than an affective commitment. Under such a system, it is very costly for workers to quit the organization they have worked for, since they have almost no alternative organization to employ them in better, or at least the same, conditions. So they must remain in the company even if they no longer have any emotional attachment to it.

Cross-cultural studies of organizational commitment have been conducted in many countries such as Canada, Great Britain, Belgium, Australia, Russia, South Korea, Japan, Singapore (e.g., Ko, Price, & Mueller, 1997; Lee, Allen, Meyer, & Rhee, 2001; Vandenberghe, 2003, Sue et. al, 2009). With increasing globalization and awareness of cultural issues that bear on social, cognitive, and attitudinal issues in the workplace (e.g., Hofstede, 1980), extending research on organizational commitment to other borders is important. Organizations in Malaysia are structured and run differently from their U.S. counterparts, in terms of recruitment, promotion, work environment, and political expectations. As such, public employees in Malaysia may have different views and motivations toward their job. In addition, the cultural orientations of the two countries are quite dissimilar. Given these differences, it is possible that the factors that influence organizational commitment of employees would be different in Malaysia.

Since the crucial test of commitment should really be the readiness to stay as long as possible and contribute as energetically as possible, the approach derived from Hirschman -exit, voice, loyalty, and neglect (EVLN)- is a useful conceptual framework for analyzing the relationships among responses to organizational commitment (Bar-Haim, 2007).
Hirschman's model, which was developed to explain varieties of consumer (customer) behaviour, has broad appeal to a variety of disciplines, including marketing and political science (Boroff & Lewin, 1997). The theory of exit, voice, and loyalty suggests at least three possible options as responses to dissatisfaction.

Given the importance of Employees’ Organizational Commitment, the overall objective of this study is to provide practitioners with an insight on how they can enhance the level of EOC within their organization. The study aims at achieving this objective by extending the literature examining the contextual factors influencing EOC. This way, the study’s overall objective is to examine the association between cultural factors and level of EOC among Malaysian employees studying in MBA program at University Technical Malaysia Malacca reflected in Loyalty and Neglect behaviour. Specifically, the study will explore the association between EOC with the six dimensions of culture attributed to O’Reilly, Chatman and Caldwell’s (1991) Organizational Culture Profile (OCP) measure: team work; respect for people; outcome orientation; innovation; stability and attention to details.

**Employees Organizational Commitment (EOC)**

There are many definitions of commitment, such as: an attitude that reflects feelings such as attachment, identification or loyalty to the object of the commitment (Morrow, 1993). Porter, Steers, Mowday, and their associates (e.g., Mowday, Steers & Porter, 1979; Porter et al., 1974) clarify that organizational commitment represents an employee’s (a) strong belief in and acceptance of the organization’s goal and values; (b) a willingness to exert considerable effort on behalf of the organization; and (c) a strong desire to maintain membership. Although this definition has been refined by more recent researchers (e.g., Meyer, Allen, & Smith, 1993), its basic concepts of the employee’s identification with and attachment to the organization’s values and practices have been accepted by most researchers.

Meyer and Allen (1991) identified three dimensions of organizational commitment which allow researchers and practitioners to examine why employees form greater commitment towards their organizations. These dimensions are “affective commitment” (i.e., commitment as an affective attachment to the organization), “continuance commitment” (i.e., commitment as a perceived cost associated with leaving the organization), and “normative commitment” (i.e., commitment as an obligation to remain in the organization). Since continuance and normative commitment is beyond the control of management (Su, et al., 2009), this study assesses the level of affective commitment. Besides, Ko et al., (1997) consider normative commitment as an extension of affective commitment as these two types of commitment statistically in high correlation and a lack of discriminating validity.
Exit, Voice, Loyalty, and Neglect (EVLN) Responses

Hirschman (1970) proposed the theory of exit, voice, and loyalty to outline how people respond to decline in firms, organizations, and nation states. Hirschman initially described exit as ‘some customers stop buying the firm’s products or some members leave the organization: this is the exit option’ (1970: 4). A conceptual broadening of the exit option was suggested by Rusbult et al. (1988), who conceived of the exit option not only as actually quitting the job or leaving the organization voluntarily, but also as searching for a different job and thinking about quitting.

Voice was defined by Hirschman as ‘any attempt at all to change an objectionable state of affairs, not only by petitioning to management or higher authorities, but also through protests including the mobilization of the public opinion’ (1970: 30). However, when the model is employed to describe the employment relationship, voice necessarily takes on a different meaning, defined by Rusbult et al. (1988) as ‘actively and constructively trying to improve conditions’, a form of voice also referred to as pro-social voice (Van Dyne et al., 2003). In the present study, voice is operationalized as pro-social voice.

As Hirschman set out to develop a theory of loyalty, he first somewhat loosely referred to it as ‘... that special attachment to an organization known as loyalty’ (1970: 77). In the organizational literature, loyalty was defined by Rusbult and colleagues as passively but optimistically waiting for conditions to improve, by giving public and private support to the organization, waiting and hoping for improvement, or practicing good citizenship (Rusbult et al., 1988).

As organizations and employees had already been conceived of as partners in exchange relationships long before the work of Rusbult and her colleagues (Levinson, 1965), the assumption that neglect behavior would also occur in the work environment appeared to be a logical step. Here, neglect was described as lax and disregardful behavior, exemplified by lateness, absenteeism, error rates and using company time for personal business (Rusbult et al., 1988). According to Rusbult et al. (1988), exit is active and destructive, whereas voice is active and constructive; neglect is passive and destructive, and loyalty is passive and constructive.

While Rusbult et al. (1988) demonstrated that different behavioral responses to imbalance in the exchange relationship can be predicted based on exchange variables such as job satisfaction and quality of job alternatives, they did not consider the societal or cultural context in which the exchange was embedded (Thomas & Au, 2002). Exit is an active response and, as such, might also be favored by individualists. For individualists the alternative active behaviour of voice is a more acceptable option than it is for collectivists. Therefore, an exit script is not likely to be a more dominant active response option for collectivists. Voice is assertive and non-conformist in that it is change oriented (LePine and Van Dyne, 1998). Organizations often interpret speaking up as negative because it can
threaten cohesiveness. Because social behaviour of collectivists is highly influenced by norms, perceived duties or obligations they are less likely to exhibit non-conforming behaviour. Loyalty has been conceptualized as both an attitude that deters exit and promotes voice and as a distinct behavioral response (Leck and Saunders, 1992). As a passive and non-confrontational response, it is consistent with the vertical collectivist cultural orientation described above. Maintenance of harmony and conflict avoidance norms associated with this cultural orientation are indicative of a dominant loyalty script. Neglect, like loyalty is a passive response. Therefore, it seems inconsistent with active pursuit of conflict resolution characteristic of horizontal individualists (Leung, 1997). Neglect and loyalty, are vague as to the target of behavior, and thus are more subtle means of responding to a dissatisfying situation that avoids confrontation with organization members. These subtle responses allow higher status members in the exchange relationship to maintain face while still satisfying the lower status individual’s need to respond. Both loyalty and neglect will be more prevalent scripts for vertical collectivists than for horizontal individualists. (Thomas and Au, 2002). Consequently, being vertical collectivist Malayan employees will engage in passive exchange behaviour; neglect and loyalty which is consistent with the conflict avoidance norm observed in Malay values; bertolak-ansur (or tolerance), a characteristic of many Malayan relationships practiced in part to minimize risk among individuals.

Organizational Cultures

Organizational culture refers to ‘a system of shared values and norms that define appropriate attitudes and behaviours for organizational members’ (O’Reilly and Chatman 1996). It is one of the fundamental factors in developing and maintaining a high level of organizational commitment among employees (O’Reilly 1989). However, few studies have investigated the effect of organizational culture on the level of EOC (Nystrom 1993; Lok and Crawford, 2001; McKinnon et al. 2003; McMurray et al., 2004, Su et al., 2009).

O’Reilly et al.’s (1991) Organizational Culture Profile (OCP) instrument is used as the measure of organizational culture in the present study. This measure consists of 26 items and has been used extensively (Sheridan 1992; Windsor and Ashkanasy 1996; McKinnon et al. 2003; Baird, Harrison and Reeve 2007, Su et al., 2009) with similar findings in regard to the dimensions of culture: team work; respect for people; outcome orientation; innovation; stability; and attention to detail.

Team work refers to the extent to which employees within a firm cooperate with each other and work in unison towards overall organizational goals. The importance of teams has been emphasized in the modern economy as they can increase employees’ flexibility and productivity which are both essential components for organizational success (Cohen and Bailey 1997; Bishop, Scott and Burroughs 2000). Gil, Alcover and Peiro (2005)
suggested that teams empower greater responsibility to team members thereby increasing their involvement and commitment to work. A positive association between team work and the level of EOC was found by both Becker (1992) and Hayes (1997) and hence, the level of EOC is expected to be higher in organizations where team work is more prevalent.

Respect for people refers to the extent to which business units focus on fairness, respect for the rights of the individual, and tolerance (Windsor and Ashkanasy 1996). Being respected by the organization can increase employees’ commitment to their organization (Tyler 1999). Specifically, employees who are treated with genuine respect and fairness are more likely to behave with loyalty and hard work. McKinnon et al. (2003) found a positive association between respect for people and the level of EOC in a Taiwan organization. It is expected that a similar result will be found in Malaysia as the importance of value and respect is universal (Bond 1991).

Outcome orientation refers to the extent to which business units emphasize action and results, have high expectations for performance, and are competitive (O’Reilly et al. 1991). Nystrom (1993) argued that employees feel more committed in organizations that focus on pragmatic values where results are more important than processes. Hofstede (1998) also suggested that employees in organizations with a process-oriented culture perceive themselves as risk-averse and only exert the minimum amount of effort on their work, while in outcome oriented organizations, employees perceive that everyday can bring new challenges and exert maximum effort into their work. McKinnon et al. (2003) treated the link between outcome orientation and the level of EOC as an empirical question with the results demonstrating a positive relationship. Similar findings are expected in the current study. Innovation represents a business unit’s receptivity and adaptability to change, and its willingness to experiment (O’Reilly et al. 1991). Innovative organizations are more likely to experiment with new practices and their employees are more likely to respond positively to new techniques (Baird et al. 2007).

Drucker (1998) argues that innovation requires focused and hard work everyday rather than just genius, and therefore employees in innovative organizations will exhibit higher levels of EOC. A strong positive relationship between the culture dimension ‘innovation’ and the level of EOC was found in McKinnon et al. (2003). However, organization in Malaysia is in paternalistic environment. The well-defined hierarchy, with its explicit roles for each member (Hofstede, 1980), inhibits creativity and innovation (Ang and Hong, 2000). Further, face—a measure of social value—is an important concept to the Malays. The potential loss of face from failure may discourage innovativeness. Therefore, in a culture where innovativeness is not encouraged, it becomes a differentiating cue that discriminates more from innovative and less innovative organizational culture. As such in this research, innovation is not expected to relate to EOC.
Stability refers to security of employment (Windsor and Ashkanasy 1996). It represents the extent to which an organization provides stable employment for employees (Windsor and Ashkanasy 1996) and employees’ perceptions that the employment will continue as long as they exert the appropriate effort in their job (Valletta 1999). In terms of Armknecht and Early’s (1972) study, employees’ attitudes to job security are contingent on the behaviour of the labour market. Morris, Lydka and O’Creevy (1993) argue that job security will only exhibit a strong positive relationship with employees’ commitment to organizations during recessionary economic conditions. Hence, given the study was conducted after the global financial crisis, economic conditions in Malaysia is under recovery job security is expected to be related to the level of EOC.

Attention to detail is defined as a strict compliance with detailed rules and procedures in terms of precision and accuracy (O’Reilly et al. 1991). The phrase ‘initiation of structure’ refers to the degree to which managers define the roles of their subordinates in job-related activities, specify procedures, and assign tasks (Kohli 1989). Hence, organizations with a high degree of initiation of structure are indicative of a culture which emphasizes ‘attention to detail’. Agarwal, Decarlo and Vyas (1999) and Lok and Crawford (2001) suggest that there is no direct relationship between initiation of structure and the level of EOC.

The above discussion leads to the development of the following theoretical model:

**Theoretical Model**

![Theoretical Model Diagram](image-url)
Johnston, Parasuraman, Futrell and Black (1990) found that the extent of specific information given by supervisors has no direct impact on employees’ commitment to their organization. As a result, attention to detail is not expected to be associated with the level of EOC. Given these mixed findings, the hypothesis concerning the relationship between organizational culture and the level of EOC within Malaysian manufacturing organization is stated in the following hypothesis:

Hypothesis 1: Organizations that value the organizational culture dimensions of team work, respect for people, stability, and attention to details and outcome orientation to a greater extent are more likely to exhibit higher levels of EOC reflected in loyalty behaviour.

Hypothesis 2: Organizations that less values the organizational culture dimensions of team work, respect for people, stability, attention to details and outcome orientation to a greater extent are more likely to exhibit lower levels of EOC reflected in neglect behaviour.

Method

A survey questionnaire was mailed to the employees from a non random sample of 253 Malayan working in various manufacturing organizations. Under SEM assumption, the general rule as outlined by Hair et al (1998), the minimum sample is to have at least five times as many observations as there are variables to be analyzed and a more acceptable range would be ten-to-one ratio. Since there thirty seven (37) indicators to be tested, a sample of 253 falls within an acceptable sample range. This study applies Cook and Wall’s (1980) nine-item scale to measure the level of EOC. It has been shown to be a reliable measure of EOC in prior studies (Jaramillo et al. 2005; Karami, Boojke and Sainfort 2005; Varona 1996, Su, et al, 2009). The scale consists of three components (organizational identification, organizational involvement, and organizational loyalty) with respondents required to indicate the extent to which they agree with each of the statements using a five-point scale with anchors of ‘strongly disagree’ and ‘strongly agree’ (see Appendix). The level of EOC was measured as them combined score for the nine items (ranging from 9 to 45), with higher (lower) scores representing a greater (lower) level of EOC. Reverse scoring was applied for the three items that were negatively stated.

There are two main perspectives in relation to the measurement of organizational culture, the quantitative and qualitative approaches. The quantitative approach maintains that ‘culture can be objectively determined and measured’ (Goddard 1997). The qualitative approach assesses organizational culture through observation thereby facilitating a more detailed insight into the prevailing culture. Hence, given the objective of the study was to determine how differences in culture may affect the level of EOC, a quantitative approach was considered appropriate. Accordingly, organizational culture was measured using O’Reilly et al.’s (1991) Organizational Culture Profile (OCP) instrument. This instrument was chosen as it has been widely used in many prior studies including Windsor

The OCP measure required respondents to indicate the extent to which each item was valued within their organization on a seven-point Likert scale with anchors of ‘not at all’ and ‘to a great extent’. Scores for each of these dimensions were calculated as the sum of the cultural value items which loaded on those dimensions with higher (lower) scores indicating that the cultural dimension was valued to a greater (lesser) extent.

Items used to measure neglect and loyalty use questionnaires developed by Naus and Iterson (2007). Items measuring neglect consists of reporting sick because do not feel like working, coming in late because do not feel like working, putting less effort into work than may be expected, not putting enough effort into work and missing out on meetings because do not feel like attending them.

Items measuring loyalty consists of trusting the decision-making process of the organization, trusting the organization to solve the problem, remaining confident that the situation will be taken care, assuming that in the end everything will work out fine and optimistically waiting for better times.

ACKNOWLEDGMENT

The authors thank Universiti Teknikal Malaysia Melaka for funding this research.

REFERENCES


**Appendix**

**The level of EOC**

Please indicate the extent to which you agree with the following statements:

(a) I am quite proud to be able to tell people who it is I work for.
(b) I sometimes feel like leaving this employment for good.
(c) I am not willing to put myself out just to help the organization.
(d) Even if my organization was not doing well financially, I would be reluctant to change to another employer.
(e) I feel that I am a part of the organization.
(f) In my work I like to feel I am applying some effort not just for myself but for the organization as well.
(g) The offer of a small increase in remuneration by another employer would not seriously make me think of changing my job.
(h) I would not advise a close friend to join my organization.
(i) I am determined to make a contribution for the good of my organization.

**Organizational culture**

For each item please indicate by giving the score from 1 (less favourable) – to 7 (very favourable) the extent to which it is valued in your organization.

*Team work*

Tolerance
Being socially responsible
Being team oriented
Working in collaboration with others

*Respect for people*

Fairness
Respect for the rights of the individual
Being people oriented

*Stability*

Security of employment
Stability
Predictability

*Attention to detail*

Being careful
Paying attention to detail
Being precise

*Outcome orientation*
Being competitive
Being achievement oriented
Having high expectation for performance
Being results oriented
Being action oriented

**Loyalty**

Trust the decision making process
Trust the organization
Remain confident
Happy ending
Hoping for improvement

**Neglect**

Reporting sick
Coming late
Putting less effort
Not enough effort
Missing out meeting