

Impact of organizational agility dimensions on employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank, Iran

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Abstract

The objective of this study is to determine the impact of organizational agility dimensions on employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank. This study is a descriptive-correlation research that has been conducted through the survey method. The study population has been consisted of all employees in Foreign Exchange Offices of Tejarat Bank and 123 subjects have been selected as sample according to Morgan's table. To analyze data descriptive and inferential statistics including correlation tests of Pearson, Partial, and stepwise multiple regression have been used. The organizational agility and organizational commitment questionnaires have been used to collect the required data. The findings indicated that there is a significant relationship between organizational agility and its sub variables as responsiveness, competence, flexibility, and speed with employee's organizational commitment and also dimensions of responsiveness, competence, flexibility, and speed can forecast employee's organizational commitment. Another finding of the study indicated that there is a relationship between organizational agility and employee's organizational commitment regarding to demographic variables.

Keywords: Human resource, Dimensions of organizational agility, Organizational commitment, Demographic variables.

Introduction

Today's organizations operate in an environment that rapid changes, make them have adaptive strategies. In fact, organizations problem about being successful in a dynamic and unpredictable environment is known as the most important challenge of today's organizations. Although several mechanisms such as timely production, reengineering, virtual organizations and virtual networks have been introduced, agility is one the most popular. In such an environment, agility has become an important feature that has significant impact on employees' behavior and firm performance. The agility approach that has been introduced and developed since 2 decades ago is a conscious and comprehensive response to changing needs in competitive environment and obtaining success from the available opportunities.

Agility, as a business concept, was coined in a manufacturing context (particularly in relation to flexible manufacturing systems). Later, the idea of manufacturing flexibility was extended into a wider business context, and the concept of agility as an organizational trait was born (Holsapple, and Li, 2008).

Organizational agility is the organization's ability to survive and development in an unpredictable business environment that changes constantly. Agility represents management's ability and implement of effective knowledge, so that the organization is able to prosper and flourish in changing and unpredictable business environment. In other word, not only is agility ability to respond to unpredictable changes but also is conscious action based on knowledge management (Dove, 1999). Organizational agility is using of knowledge and virtual structure to exploit opportunities in a changing market environment (Naylor et al., 1999). Organizational agility is ability to respond to unpredictable changes with quick response and profitability (Erandena nd Verma, 2008). Organizational agility is the result of integrating alertness to changes (recognizing opportunities/challenges) - both internal and environmental - with a capability to use resources in responding (proactive/reactive) to such changes, all in a timely, flexible, affordable, relevant manner (Holsapple, and, 2008).

Agile organizations think beyond mere adaptation to changes, so that they tend to use potential opportunities in a turbulent environment and acquire a particular niche due to their competence and innovations (Armstrong, 2000).

An agile organizational culture is reflected in (Holbeche, 2011):

- Intense customer and market focus with internal systems, structures and processes facilitating this;

- Anticipation of need, risk and opportunity;
- Speed of decision making and implementation;
- Flexibility;
- Climate conducive to experimentation, innovation and shared learning;
- Employee's empowerment and participation;
- Team/partnership working across boundaries;
- Continuous improvement and risk management;
- Efficiency and effectiveness.

There are many models for agility, one of them is model of Sharifi and Zhang. They proposed 4 dimensions for organizational agility that are (Sharifi and Zhang, 1999):

1- Responsiveness: refers to ability of recognizing changes and quick reflection, and benefiting from them.

2- Competency: refers to ability of meeting organizations' goals and intentions.

3- Flexibility: refers to ability of compatibility which is ability to trigger different processes and to meet various goals using the same equipment and facilities.

4- Speed: refers to ability of performing tasks as soon as possible.

On the other hand, organizational commitment has become one of the most fashionable variables studied in the last three or four decades. Like every other psychological construct it is quite hard to have a universally accepted definition (Suma and Lesha, 2013).

Organizational commitment is defined as the extent that an employee accepts, internalizes, and perceives one's role based on organizational values and goals (Jans, 1989). Organizational commitment is considered as emotional and psychological attachment to the organization that based on it, a person who is strongly committed, determines his identity to organizations also participates, involves and enjoys of his membership init (Mowdey et al., 1981). Organizational commitment is defined to give the identity to the people by involving and sharing them in the specific organization (Gunluet al., 2010).

Organizational commitment includes emotional commitment, continuum commitment, normative commitment (Meyer and Hersovite, 2001).

1- Emotional commitment: represents an employee’s emotional continuity and identification his entity with the values and goals of the organization and the extent of his involvement with the organization .the employees who have strong emotional commitment maintain their membership in the organization and continue to work in it because they are willing to do such works at heart.

2- Continuous commitment: represents the cost of resulting from leaving the organization. The staffs that their primary relationship with the organization is based on continuum commitment will remain in the organization because to remain in the organization is necessary for them and they need for it.

3- Normative commitment: represents the sense of task and obligation to remain in the organization and the people who have this kind of commitment think that continue to work in the organization is a task and an obligation for them.

the results of researches in the field of organizational agility show that organizational agility has a significant relationship with organizational behavior variables such as job satisfaction and organizational commitment (Fathian and Salehi-moghadam, 2005; Mohammadi, 2012; Nazarpoori et al, 2013; Nabatchian et al, 2014; Momeni and Poursadi, 2015).

Regard to what was discussed, objectives of this study are:

Main objective determining the impact of organizational agility dimensions on employee’s organizational commitment in Foreign Exchange Offices of Tejarat Bank.

Secondary objectives

1- determining the relationship between responsiveness and employee’s organizational commitment in Foreign Exchange Offices of Tejarat Bank.

2- determining the relationship between competence and employee’s organizational commitment in Foreign Exchange Offices of Tejarat Bank.

3- determining the relationship between flexibility and employee’s organizational commitment in Foreign Exchange Offices of Tejarat Bank.

4- determining the relationship between speed and employee’s organizational commitment in Foreign Exchange Offices of Tejarat Bank.

5- determining the relationship between organizational agility and employee’s organizational commitment in Foreign Exchange Offices of Tejarat Bank.

6- determining the relationship between organizational agility and employee’s organizational commitment according to demographic variables in Foreign Exchange Offices of Tejarat Bank.

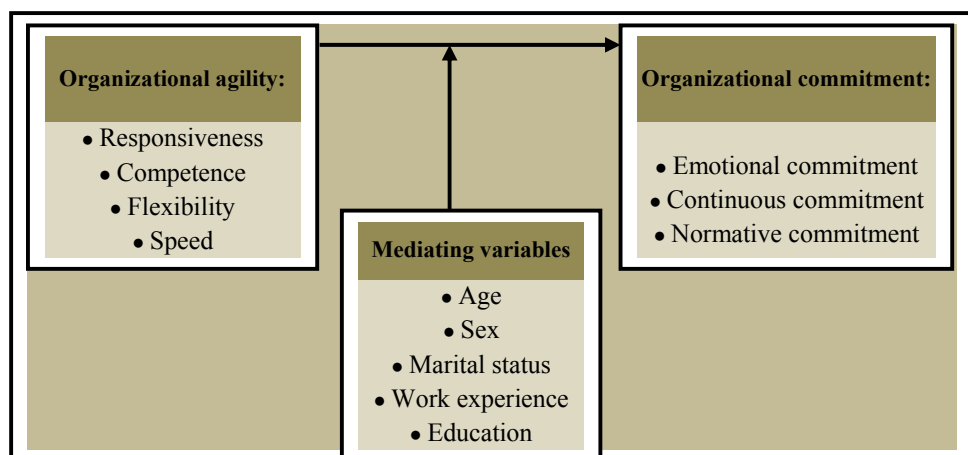


Figure 1: Conceptual model of research

Research hypotheses

H₁: There is a relationship between responsiveness and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank.

H₂: There is a relationship between competence and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank.

H₃: There is a relationship between flexibility and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank.

H₄: There is a relationship between speed and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank.

H₅: There is a relationship between organizational agility and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank.

H₆: Dimensions of organizational agility have impact on employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank.

H₇: There is a relationship between organizational agility and employee's organizational commitment according to demographic variables in Foreign Exchange Offices of Tejarat Bank.

Research methodology

This research is descriptive and correlative, and Pearson, Partial and stepwise multiple regression tests have been used to identify correlation coefficient. It is a field research that has been conducted through the survey method. Population of research is all employees in Foreign Exchange Offices of Tejarat Bank. The numbers of employees during the research were 180 and by using tables Morgan, 123 people were selected as volume of sample (of these total numbers 70% are female, 80% are married, 80% of them have BA and MA, 70% of them have 10-20 years work experience, and more than 60% of them have over 40 years old). Because it was likely some questionnaires were not going to be returned or answered completely, 140 questionnaires were distributed among the study population.

To collect data have been used the organizational agility and organizational commitment questionnaires that have been adjusted based on the range 5 scales of Likert. The first questionnaire has been designed by the researcher and is to evaluate organizational agility and includes 16 questions. The second questionnaire has been standard and is to evaluate organizational commitment of employees and includes 24 questions. Table 1 shows questions related to different aspects of two variables, the organizational agility and employee's organizational commitment:

Table 1: Dimensions of organizational agility and organizational commitment and how to evaluate

Row	Dimensions of organizational agility	Question's number	Dimensions of organizational commitment	Question's number
1	Responsiveness	1-2-3-4-	Emotional commitment	1-2-3-4-5-6-7-8
2	Competence	5-6-7-8	Continuous commitment	9-10-11-12-13-14-15-16
3	Flexibility	9-10-11-12	Normative commitment	17-18-19-20-21-22-23-24
4	Speed	13-14-15-16		

Validity: to determine the validity of the organizational agility questionnaire has been used of content validity (experts' opinion), validity of organizational agility questionnaire has been calculated 0.92. the organizational commitment questionnaire is standard and has ever been used in the other studies including Meyer and Herscovitc (2001).

Reliability: reliability of these questionnaires have been calculated with using of Cronbach's alpha respectively 0.872 and 0.92, considering that the Cronbach's alpha coefficient obtained for each of the questionnaires is more than 0.75, hence the questionnaires are validated.

To analyze data have been used descriptive and inferential statistics. Data has been analyzed with SPSS software after inputting to the computer. In the data analysis, initially all variables were tested for normality and after fulfillment of Kolmogorov-Smirnov statistical test, and confirmed the normality of the variables, inferential statistical techniques (correlation tests) have been used.

Results

Table 2: Assessment of correlation between the predictor variable (organizational agility) and response variable (organizational commitment)

Predictor variable	Response variable	Frequency	Pearson	
			Correlation coefficient	Significance level
Responsiveness	Employee's organizational commitment	123	0.409	Less than 0.0001
Competence	Employee's organizational commitment	123	0.416	Less than 0.0001
Flexibility	Employee's organizational commitment	123	0.392	Less than 0.0001
Speed	Employee's organizational commitment	123	0.518	Less than 0.0001
Organizational agility	Employee's organizational commitment	123	0.463	Less than 0.0001

Research hypotheses survey:

H₁: There is a relationship between responsiveness and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank.

According to table 2, Pearson's correlation is 0.409 and correlation in significant level is 0.01, it means that there is a relationship between responsiveness and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank and as Pearson's correlation is positive, so there is a positive relationship between responsiveness and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank.

H₂: There is a relationship between competence and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank.

According to table 2, Pearson's correlation is 0.416 and correlation in significant level 0.01, It means that there is a relationship between competence and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank and as Pearson's correlation is positive so there is a positive relationship between competence and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank.

H₃: There is a relationship between flexibility and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank.

According to table 2, Pearson's correlation is 0.392 and correlation in significant level is 0.01, it means that there is a relationship between flexibility and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank and as Pearson's correlation is positive so there is a positive relationship between flexibility and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank.

H₄: There is a relationship between speed and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank.

According to table 2, Pearson's correlation is 0.518 and correlation in significant level is 0.01, it means that there is a relationship between speed and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank and as Pearson's correlation is positive so there is a positive relationship between speed and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank.

H₅: There is a relationship between organizational agility and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank.

According to table 2, Pearson's correlation is 0.463 and correlation in significance level is 0.01, it means that there is a relationship between organizational agility and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank and as Pearson's correlation is positive so there is a positive relationship between organizational agility and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank.

In hypotheses of 1, 2, 3, 4, the relationship between dimensions of organizational agility and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank has been expressed and it seems there is a significant relationship between dimensions of organizational agility and employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank. In this hypothesis, we want to see if dimensions of organizational agility (responsiveness, competence, flexibility, and speed) can predict the employee's organizational commitment variable in Foreign Exchange Offices of Tejarat Bank. To examine the linear relationship between the predictor variables (responsiveness, competence, flexibility, and speed) and the response variable (employee's organizational commitment) in Foreign Exchange Offices of Tejarat Bank has been used of multiple regression with stepwise method. Before implementing regression, correlation between the predictor and response variables has been obtained in the previous hypotheses by Pearson correlation, so that in the next stage has been tested regression significant.

To examine the kind of relationship between dimensions of organizational agility (responsiveness, competence, flexibility, and speed) and employee's organizational commitment also the study of possibility of predict of employee's organizational commitment by dimensions of organizational agility in Foreign Exchange Offices of Tejarat Bank from multiple regression of organizational agility (responsiveness, competence, flexibility, and speed) has been used on employee's organizational commitment and its results are presented in the tables 3 and 4:

Table 3: Analysis of ANOVA to examine the relationship between predictor variables and response variable

Model	Sum of squares	df	Mean square	F	Sig
Regression	72.058	4	18.014	22.573	Less than 0.0001
Residual	94.172	118	0.798		
Total	166.23	122			

The results of the analysis of ANOVA table shows that the regression model is significant ($p < 0.01$).

Table 4: The results of multiple regression of organizational agility on organizational commitment

Model	Unstandardized coefficients		Standardized coefficients	T	Sig	R	R ²	R ² _(adj)
	Beta	Std. Error	Beta					
Stable	0.736	0.173	-	4.254	Less than 0.0001	0.958	0.917	0.913
Responsiveness	0.47	0.066	0.461	7.121	Less than 0.0001			
Competence	0.95	0.047	0.99	20.212	Less than 0.0001			
Flexibility	0.184	0.061	0.193	3.016	Less than 0.0001			
Speed	0.381	0.052	0.365	7.326	Less than 0.0001			

Response variable: organizational commitment

Based on the results of multiple regression of organizational agility on employee's organizational commitment, the responsiveness dimension of the organizational agility variable predicts the organizational commitment variable as positive and has an additive effect ($B=0.47$ & $p < 0.01$). Also, the competence dimension of the organizational agility variable predicts the organizational commitment variable as positive and has an additive effect ($B=0.95$ & $p < 0.01$). Also, the flexibility dimension of the organizational agility variable predicts the organizational commitment variable as positive and has an additive effect ($B=0.184$ & $p < 0.01$). Also, the speed dimension of the organizational agility variable predicts the organizational commitment variable as positive and has an additive effect ($B=0.381$ & $p < 0.01$). Based on the amount of R^2 , 91% of the changes of employee's organizational commitment is explained by organizational agility. The regression model is as follows:

Organizational commitment = $0.736 + 0.47 \times \text{responsiveness} + 0.95 \times \text{competence} + 0.184 \times \text{flexibility} + 0.381 \times \text{speed}$

Table 5: Assessment of correlation between the organizational agility and employee's organizational commitment regarding to demographic variables

Moderating variables	Partial correlation coefficient	Significance level	Number	Relation	Kind of relation
Age	0.738	Less than 0.0001	123	Yes	Positive
Sex	0.654	Less than 0.0001	123	Yes	Positive
Marital status	0.706	Less than 0.0001	123	Yes	Positive
Work experience	0.625	Less than 0.0001	123	Yes	Positive
Education	0.639	Less than 0.0001	123	Yes	Positive
With attendance of all moderating variables	0.66	Less than 0.0001	123	Yes	Positive
Without attendance of all moderating variables	0.682	Less than 0.0001	123	yes	positive

Findings of partial correlation coefficient show that if effect of age, sex, marital status, work experience, and education is stable, there is a significant relationship between organizational agility and employee's organizational commitment separately ($p < 0.01$). Also if all moderating variables (age, sex, marital status, work experience, and education) are stable, there is a significant

relationship between these two variables simultaneously ($p < 0.01$). These findings show that these variables don't have moderating role in a relationship between organizational agility and employee's organizational commitment, because there isn't any notable variation among correlation of organizational agility and employee's organizational commitment with attendance of each of these moderating variable separately or simultaneously. As it is shown, correlation with or without moderating variables is equal. Also relationship between organizational agility and employee's organizational commitment is direct separately or simultaneously, if moderating variables are stable.

Conclusion

Study findings have confirmed that there is a significant and positive relationship between organizational agility and its sub variables as responsiveness, competence, flexibility, and speed with employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank. Also, dimensions of responsiveness, competence, flexibility, and speed have a significant and positive impact on employee's organizational commitment in Foreign Exchange Offices of Tejarat Bank. This findings are consistent with research findings of Fathian and Salehi-moghadam (2005), Mohammadi (2012), Nazarpouri et al. (2013), Nabatchian et al. (2014), and Momeni and Pourasadi (2015).

Fathian and Salehi-moghadam (2005) in their studies concluded that increasing employee's commitment and loyalty is one of the advantages of increasing and improving agility level.

Nazarpouri et al. (2013) in their studies concluded that organizational agility has significant impact on employee's organizational commitment.

Mohammadi (2012), Nabatchian et al. (2014), and Momeni and PourAsadi (2015) in their studies concluded that there is a significant and positive relationship between organizational agility and employee's job satisfaction. On the other hand, researches have shown that employees' job satisfaction has a significant and positive impact on their organizational commitment (Azeem, 2010; Malik et al, 2010; Lumley et al, 2011; Samad, 2011; Iqbal, 2012; Rehman et al, 2013).

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