

The Influence of the Three-Component Commitment Model on the Intention to Leave of Employees Working in Insurance Enterprises



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ABSTRACT: Using appropriate research methods and adhering to the research objectives helped us complete the article and clarify the necessary content. The document research method helped us build a theoretical basis for the article. The content of the theoretical basis presented in the article includes Organizational Commitment and the three-component commitment model (affective commitment, continuance commitment and normative commitment) which is the basis and foundation for the analysis and proposed solutions. Using the random sampling method to ensure objectivity, 240 valid surveys were used to analyze and evaluate the commitment of employees working at Vietnamese insurance enterprises. Data analysis results show that the commitment factor is rated at a low average level. The surveyed employees stated that their commitment to their organization is not high, which means that the possibility of leaving the job is very high. To increase attachment and commitment to the business, we have proposed a number of solutions such as building corporate culture, developing serious recruitment regulations and always having supportive interactions between employees in the work environment.

KEYWORDS: Employees; Intention to leave; Insurance companies; Organizational commitment; Vietnam

1. INTRODUCTION

A high employee turnover rate will cost businesses training costs, revenue losses and recruitment costs. At the same time, employees quitting their jobs causes businesses to lack organizational stability, affecting production costs and affecting productivity and quality. Intention to leave an organization is an employee's intention to quit due to hindering reasons such as commitment to the organization, fairness, pressure, work, working environment and satisfaction. Therefore, human resource managers need to control employee retention problems and develop policies to minimize and prevent them before employees decide to leave. Organizational commitment comes from psychology and is the accompanying emotional connection between an individual and an organization. Organizational commitment affects many business activities such as job performance, revenue and employee behavior within the organization. In addition, the sense of organizational commitment also affects role stress, lack of focus at work, recruitment ability as well and the allocation of organizational management rights. The authors Meyer & Allen (1991) proposed a three-component commitment model that has received much agreement from scholars. These two authors' three-component model of commitment builds on the definitions and integration of previous authors' research. The three issues we raise are closely related to each other. Low commitment to the organization will lead to intention to quit and affect the development of the business. Therefore, evaluating and providing solutions to promote the commitment factor in employees will solve difficulties for businesses. The purpose of this study is to evaluate the impact of the three-component model of organizational commitment on the intention to leave employees working in insurance enterprises. Assess the level of commitment of the employees. What is the solution to improve commitment for employees working in insurance businesses?

2. THEORETICAL BASIS

2.1. Commitment to the organization

Organizational commitment is a topic of interest to many researchers. In terms of organizational behavior, commitment to the organization comes from the individual's psychology toward the organization. Author Becker (1960) said that "Commitment forms when an individual, by placing a bet on the organization, connects all unrelated interests with a sequence of appropriate actions" (p.32). In his research on commitment and social organization, author Kanter (1968) identified Commitment as "the accompanying

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emotional connection between an individual and an organization" (p.507). The two authors Hrebiniak & Alutto (1972) said that Commitment is "a structural phenomenon that emerges as a result of transactions between organizations and individuals and the process of change between parties or investments over time" (p.556). Organizational commitment has an impact on many business activities such as work performance, revenue, and employee behavior in the organization. In addition, the sense of organizational commitment also affects role stress, lack of focus at work, recruitment ability as well and the allocation of organizational management rights. Researchers have made many different observations about organizational commitment and models to measure it. One of the typical models proposed by the authors Meyer & Allen (1991) has received the most agreement. These two authors' three-component model of commitment builds on the definitions and integration of previous authors' research. According to the authors, the purpose of this model is to argue the compatibility between three human psychological states and three commitment components: "affective commitment", "continuance commitment" and "normative commitment" (Meyer & Allen, 1991, pp.61-89). While the research of Meyer & Allen (1991) shows that there are three "mindsets" used to describe employee commitment to the organization, author Mercurio (2015) expanded this model by how to "review empirical and theoretical research on organizational commitment". Author Mercurio has posited that "affective commitment" or affection is "the core essence of organizational commitment" (Mercurio, 2015, pp.389-414). In this study, we also use the three-component commitment model to evaluate the intention to leave the job of employees working at Vietnamese insurance enterprises. Therefore, we will present the elements of Meyer & Allen's (1991) commitment model one by one as a basis for the article's analysis.

Affective commitment

Meyer & Allen (1991) defined "Emotional commitment" as a positive, strong emotional attachment between employees and the organization. The two authors consider affective commitment to be the "desire" component of organizational commitment. They reasoned that "An employee with emotional commitment clearly identifies with the organization's goals and wishes to continue to be a part of the organization" and this employee makes a commitment to the organization because he or she wants to do so (pp.61-89). According to these authors, emotional commitment is also influenced by demographic characteristics such as gender, age, education level, and length of time with the unit, but the level of influence can increase or decrease in many ways. Factors such as economic and social. The influence of demographic factors can be seen but there is no precise and clear way to determine it. Meyer & Allen (1991) provided an example to demonstrate that "the positive relationship between tenure and commitment may be due to tenure-related differences in job status and quality" (pp. .61-89). Some other researchers believe that the emotional commitment factor developed by Meyer & Allen is mainly based on Mowday et al. (1982) and the concept of commitment, based on earlier work by Kanter (1968) (Mercurio, 2015, pp.389-414). Mercurio (2015) also states that "affective commitment is considered an enduring, indispensable, and central characteristic of organizational commitment" (pp.389-414).

Continuance commitment

Continuity commitment is a "need" component that is either gained or lost when working in an organization. "Side bets" or investments are uncertain risks. An individual's decision to leave or stay with the organization can be a potential gain or loss. An employee may be committed to the organization because he or she perceives the incentives to be lost by losing organizational membership to be very high as outlined in the "side bet theory" (Becker, 1960, pp.32- 40). When deciding to leave an organization, they need to determine that they will lose their status as a member of that organization and "costs such as economic costs", pension accumulation, and social costs. It includes friendly relationships with co-workers that also act as costs when employees are not committed to continuing with the organization. However, when an employee perceives positive costs as insufficient reasons for them to stay with an organization. The employee must then use alternatives, such as another organization. They will disrupt collegial relationships and other "side bets" that will arise when leaving the organization. An important issue is that these "side bets" do not appear immediately but rather "accumulate with age and tenure" (Meyer & Allen, 1991, pp.61-89).

Normative commitment

When employees commit to sticking with and staying with the organization based on a sense of obligation, it is "Normative Commitment", this is the third component in the organizational commitment model. These feelings of "obligation" can develop from an employee's compliance and stress before and after joining the organization. Let's look at an example to understand this tension. For example, an organization makes an investment in training an employee, who then feels a "moral obligation" and "must put in the effort at work and stay with the organization to pay". "Normative commitment" can also reflect an "internalized" norm. It develops before an employee joins an organization through relatives or other connections, that one "must be loyal to his or her organization." Employees stay with the organization because they "have to." However, if an investing individual bets heavily on the organization they work for, they may receive an "enhanced bonus". In organizations that promote employee loyalty and engagement, the normative commitment component is given even more importance. These organizations will, through rewards,

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incentives, or other forms of support, raise the standard commitment of their employees. When rewards and incentives are given to many employees the commitment to providing regular benefits will cause standard commitment among employees to increase. Wiener (1982) stated that an employee with increasing commitment to the organization will contribute more at work and will have the opportunity to contribute more to the development and success of the organization. These employees will also have higher levels of job satisfaction. Conversely, "high levels of job satisfaction reduce employee turnover and increase an organization's ability to recruit and retain talent" (pp.418–428).

2.2. Intention to leave

According to author Dung (2015), "A worker's intention to change jobs (quit) is the intention to leave the current working environment to move to another working environment. The intention here means that before actually leaving the current work environment, these people had the consciousness to do this. According to Diem & Quan (2007), "The conscious act of quitting a job by employees is a manifestation of a transformation process in their awareness. This awareness comes from their sense of self and their awareness of their organization and profession." Intention to change jobs measures the employee's attachment to the organization and job, expressed at three levels. At the first level, employees are preparing to move to a new organization and are currently in the process of preparing to hand over work. The employee's level of attachment to the organization in this case is very low. The second level is for employees who are looking for a new job in the future to transfer. The employee's level of attachment to the organization in this case is at an average level. At the third level, employees are looking for a new job. The level of attachment to the organization in this case is high. According to Masdi (2009), intention to quit is the awareness of people's behavior of wanting to quit their current job to switch to another job. Individuals intend to leave when they perceive that they will "continue to stay or leave" the organization where they are working. Intention to leave a job stems from reasons such as low levels of personal satisfaction with some aspects of the work environment, relationships with colleagues or the organization, and boredom in the level of work engagement of employees leading to poor performance.

According to Mehrasa & Soroosh (2011), intention to leave an organization is defined as an employee's intention to quit due to hindering reasons such as commitment to the organization, fairness, pressure, work, and environment work and satisfaction. This is only an intention, not a decision. Therefore, the main concern of human resource managers is to anticipate necessary employee retention problems and develop policies to minimize and prevent them before employees decide to leave. Employee turnover not only affects training costs, recruitment costs and organizational instability but also affects production costs but also affects productivity and quality.

Another concept by Muhammad et al. (2013) on "intention to quit" in a study focusing on the causes of employees' intention to quit. The author explained the intention to quit as follows: Intention to quit is an employee's thoughts about another job at the same time. You may still be in your current job, but you could do something different in terms of the aspects that are important to you. Those important aspects are specifically interpersonal relationships, workplace communication, work environment, or salary and benefits at the new job. "I hope my job will be more stable." Here's an idea that involves taking some risks in a new job if you don't like your current job, feel bored, or are under pressure. Therefore, what are the important issues that need to be done so that employees can work with peace of mind, and what issues need to be improved so that employees can give up the idea of quitting their job?

3. METHODS

The research uses document research methods and data investigation methods. Document research method: We searched for published documents on commitment to the organization. Appropriate and clearly sourced documents are classified, and the author's important comments are used in the article to build a theoretical basis for the research. Data investigation method: We built a questionnaire with content corresponding to the three components of the commitment model. The subjects selected as the survey sample included employees working at insurance enterprises. A random sampling method is used. We conduct interviews with any employees we meet at insurance businesses with their consent. With the collected data, we will eliminate invalid surveys. After cleaning the data, there were 240 surveys that were eligible for analysis.

4. RESULTS

4.1. The current situation of employee turnover in the insurance industry

Insurance is an important business sector in the Vietnamese economy. Insurance companies' products support and ensure social security and are the main capital channel for investment activities. In developed insurance markets like Europe, employees working in the insurance and finance fields are job that brings high income and is desired by many people who can apply to participate in

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this labor market. However, in late insurance development markets such as Asia, especially Vietnam, the insurance industry is not highly appreciated, and many employees choose to do this job as a part-time job and not fully focused on the task. Personnel working in insurance businesses are not professionally qualified and mainly want to work temporarily for a period of time and move on to another job. This situation has caused Vietnam's insurance businesses to develop unsustainably. Insurance businesses often waste a large amount of training and recruitment costs every year and lose revenue when employees leave their jobs.

4.2. Survey results of the three-component commitment model

With 240 surveys on the three components of "Emotional Commitment", "Continuing Commitment" and "Standard Commitment" from employees working in insurance businesses in Vietnam, we compiled and analyzed the results in Table 1.

Table 1: Results of surveying the three elements of the Commitment model

Criteria	Affective commitment	Continuance commitment	Normative commitment
Totally disagree	14	16	12
Disagree	61	47	44
Normal	68	82	45
Agree	65	52	80
Totally agree	32	43	59
Total	240	240	240

Source: Compiled and analyzed from survey data by the research team

From the table of results of the commitment model survey, we can see that the three variables of the commitment model are evaluated by employees at an average value. Of the 240 valid answer sheets selected for analysis data, 42 employees participating in the survey responded strongly disagree, accounting for 17.5%, and 152 employees responded by choosing no. Agree accounts for 63.3%, 195 times of employees polled say Normal accounts for 81.3%, accounting for a pretty good rate of 81.3% of employees who are asked to agree 197 times choose from staff but Comments: Totally agree, only 134 employees gave this answer, accounting for 55.8%. So the majority of employees surveyed do not fully believe that they really feel a "part of the family" attachment to the company. They also did not agree that staying and working with the company was necessary as I wanted. Many opinions, said that, even though there are favorable conditions, they still feel that leaving the company at this time is not right because the total number of options from normal to completely disagree is more than 60 % of total choices. Thus, the elements of the commitment model need to be noted in the causes section and appropriate solutions should be provided.

4.3. Solutions to reduce the unemployment rate at Vietnamese insurance companies

First, build a corporate culture

Corporate culture is a factor that creates a strong, long-term bond between members of the company. In a context where it is impossible to apply extreme regulations to address unfair recruitment practices, insurance companies need to calculate and devise their own strategies to attract and retain employees talent. Strong insurance companies can retain employees in many ways such as building a working culture at the business. Although income is important, it is only a part of creating attachment. Besides the fact that businesses must have good products and services so that employees can easily sell them to customers, another very important factor is the company culture. Because each individual, in addition to the company's general goals, has their own goals and motivations. Therefore, to reconcile individual and collective interests, insurance businesses need to have a systematic process of building links between employees and the company.

Second, focus on building and implementing serious recruitment policies

At some large insurance companies, recruitment is too massive, increasing training costs but the quality of employees is still not high and businesses have to pay the price for this. Even at most insurance businesses, entry requirements only require a high school degree, without having gone through any professional environment, negatively affecting the business operations of the business. Among the employees, there are many new insurance graduates with a low level of attachment to the company. Many young employees are willing to leave to receive a higher salary and are less interested in other benefits such as employee benefits. Learning and development opportunities, remuneration regime. There are insurance students who choose insurance jobs to solve their immediate need for a job. To manage employee activities well and prevent and handle violations, insurance businesses must do a good job of selecting employees. Because the quality of employee selection will directly affect the quality of employee training and the quality of future exploitation of employees. Regarding the recruitment stage, insurance businesses have a lot of experience and lessons in the past, so not only do they aim to develop scale, but the quality of recruitment is always given top priority.

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Businesses need to have a strictly implemented recruitment process, with standards that ensure the provisions of the law as well as the business's orientation and regulations, to ensure compliance by branches.

Third, create a working environment of mutuality and support

As a result of discussions with employees participating in the survey, we found that there is a difference in intention to quit work between men and women. Women are bound by housework and caring for their children more than men. The time and dedication devoted to work are affected, causing women to not be valued in many businesses. This is also an important suggestion in our solution proposal to bring high feasibility. To reduce this difference, insurance businesses need to have policies to support and motivate individual female employees for women. There are many reasons for low levels of company engagement, but an important one is the growing gap between the desires of employees and those of insurance businesses. General information from the 2011 Asia-Pacific Human Resources Performance Survey by Pricewaterhouse Coopers Saratoga (PwC) shows that the salary philosophy and compensation structure to retain talent is increasingly changing. A high base salary may attract new employees, but it may not retain them and may not be in the best interest. The high basic salary only stops attracting talent. The deciding factor for whether or not talented people will stay long-term with a business depends largely on the increased benefits for employees. According to some surveys on human resources in the Vietnamese market, Vietnamese businesses are facing similar problems in human resource management. The survey shows that 75% of companies in Vietnam want to develop their workforce by 20% in the coming years, but face frequent changes in personnel, especially the workforce of The young generation accounts for over 50% of the Vietnamese workforce. Many insurance businesses still lack long-term strategies in employee management, including appropriate additional compensation policies such as health care and accident insurance for employees and their family members they have a particularly important role.

5. CONCLUSION

Using appropriate analysis methods and a sample size that ensures the research goal of 240 samples, we have collected opinions on three commitment factors from employees working in Vietnamese insurance enterprises. Through analysis and evaluation, we see that the factor of commitment to the organization is not highly appreciated. Employees working in insurance businesses have a high turnover rate. Employees choose to work at insurance companies as a temporary job when there are no other opportunities. This reason has caused Vietnam's insurance businesses to develop unsustainably, losing training and recruitment costs every year and losing revenue when employees leave their jobs. From these situations, we have come up with a number of solutions to retain employees and increase commitment to the organization.

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