

WELLNESS PROGRAMS AND EMPLOYEES' ORGANIZATIONAL COMMITMENT – EMPIRICAL EVIDENCE FROM PHARMACEUTICAL SETTING

Syed Sikander Wali¹, Muhammad Mohsin Zahid²

COMSATS Institute of Information Technology, Wah Campus,
PAKISTAN.

¹ sikanderchistee@yahoo.com

ABSTRACT

Wellness programs have assumed great importance in the human resource management literature. The recognition of wellness programs as the key to organizational commitment has raised the importance of diverse empirical testing of the relationship between wellness programs and organizational commitment. This empirical study is conducted in pharmaceutical setting to find out the relationship of different components of wellness programs on employee commitment. Data analysis suggested significant relationship of wellness programs and the organizational commitment, with the exception of two components. Study indicates the varied preferences within the wellness programs which would support the efficient decision making while designing the wellness programs.

Keywords: Wellness programs, organization commitment, Human Resource Management, pharmaceutical industry

INTRODUCTION

Wellness programs have the great importance in corporate world to attract, and retain the valuable employees and to build a strong image of the organization in the society. Thus it plays a role of preventive measure to the organization. Wellness programs encourage self-directed life style changes. Early wellness programs were aimed primarily at reducing the cost and risk of disease. Newer programs add to it and emphasize healthy lifestyles and environment including reducing cholesterol and heart disease risks and individualized exercise programs and follow up. Employer-sponsored support groups have been established for individuals dealing with health issues such as weight loss, nutrition, or smoking cessation.

Wellness programs are designed to maintain or improve employee health for sustainable productivity and efficiency. Employers desire to improve productivity, decrease absence and manage health care cost have come together in the wellness movement (Chapman, 2003). Employers as a combination of educational and organizational offer, present the workplace wellness program and environmental activities designed to support behavior conducive to the health of employees in a business and their families as well. It consists of health education, screening, and interventions designed to change employees' behavior in order to achieve better health and reduce the associated health risks. Mathis and Jackson (2011) suggested that one method organization use as a wide way reply to health issues is the employee assistance program, one that provides counseling and other help to employees having physical or other personal problems. In such a program, an employee contracts with an agency, and employees who have problems contact agency either freely or by recommendation.

LITERATURE REVIEW

"Worksite wellness" refers to various initiatives implemented in a workplace environment to produce a healthier workforce. By systematically addressing the issues surrounding employee

wellness, an organization can realize long-term benefits to the real health of individual workers and to its own economic health. Occasionally the wellness concept is confused with fitness one of the wellness components. The wellness concept however embodies a great deal more (Shillingford & Mackin, 1991).

According to Mathis and Jackson (2011) evidence have shown that employees want to work for companies that recognized the importance of the home, family, and personal time because the difficulties of balancing work and family responsibilities often results in increased work stress. Many working parents, for example, have had to leave their job for varying periods of time when they had no organizational support. However when employees were provided with employee services such as wellness programs, employee assistance programs, childcare and elder care; they managed their work and family responsibilities better and had more positive work attitude. Promoting health within the workplace is an "investment in human capital" and fiscal health that positively impacts employee productivity. In addition to increasing productivity, this investment in employee well being pays off by helping businesses attract and retain valuable employees.

González and Guillén (2008) suggested that Interest in organizational commitment is not new. Several decades of research have been devoted to this field. Among the reasons that may explain this fact are the characteristics of today's markets and organizations. The involvement of people in organizations becomes crucial when innovation, continuous improvement, high quality standards, and competitive prices are demanded of companies, and employee discretionary effort comes to be an essential resource. The aim of this research is to clarify some of the confusion existing in the organizational commitment literature with regard to its very nature. This study will try to offer some guides to solve the problems described in previous research.

It is now well recognized and widely accepted that commitment itself is a 'multidimensional construct' (Meyer & Herscovitch, 2001). First to be presented in this work is a brief discussion of questions already studied in the literature such as: what commitment is what the objective of commitment is, what the antecedents of commitment are, what the consequences of commitment are, and what makes commitment different from motivation. The second part of this work starts with a brief description of the three dimensions ('continuance', 'affective' and 'normative') proposed by (Meyer & Allen, 1991). These authors propose a model based upon a synthesis that is "derived from an effort to identify themes or commonalities in existing definitions of commitment" (Meyer & Allen, 1997) but lacking sound philosophical rationale able to explain its very nature.

According to Meyer and Allen (1991) three-component model of commitment, prior research indicated that there are three "mind sets" which can characterize an employee's commitment to the organization: Affective Commitment: AC is defined as the employee's positive emotional attachment to the organization. An employee who is affectively committed strongly identifies with the goals of the organization and desires to remain a part of the organization. This employee commits to the organization because he/she "wants to". In developing this concept, Meyer and Allen drew largely on (Mowday, Porter, & Steers, 1982) concept of commitment, which in turn drew on earlier work by Kanter (1968). Continuance Commitment: The individual commits to the organization because he/she perceives high costs of losing organizational membership (Becker, 1960), including economic costs (such as pension accruals) and social costs (friendship ties with co-workers) that would be incurred. The employee remains a member of the organization because he/she "has to". Normative Commitment: The individual commits to and remains with an organization because of feelings of obligation. These feelings may derive from many sources. For example, the

organization may have invested resources in training an employee who then feels a 'moral' obligation to put forth effort on the job and stay with the organization to 'repay the debt.' It may also reflect an internalized norm, developed before the person joins the organization through family or other socialization processes, that one should be loyal to one's organization. The employee stays with the organization because he/she "ought to".

'Organizational commitment': concept, antecedents and consequences. After a review of the literature and a descriptive listing of definitions proposed from different approaches, Meyer and Herscovitch (2001) present a definition of commitment in the workplace that seems to be consistent with many of the previous descriptions of this concept in general. Commitment is described as: "a force that binds an individual to a course of action of relevance to one or more aims". Other expressions that also define this concept in the specialized literature are: 'psychological state' (Allen & Meyer, 1990), 'psychological attachment' (O'Reilly & Chatman, 1986), or 'psychological bound' (Mathieu & Zajac, 1990).

Once we know the focus of commitment, it makes sense to ask what the antecedents of organizational commitment are. Following Meyer and Allen (1997), three main antecedent groups could be distinguished: (1) Organizational variables, such as the nature of a job, job design, human resource policies, communication and participation policies, or manager behaviours; (2) Personal variables, such as age, gender, tenure, job expectations, job values, kinship responsibilities, affectivity and motivation toward work; and (3) environmental variables like job opportunities. However, empirical evidence shows mixed results that are sometimes inconclusive or weak, as is the case with personal variables like age, gender or tenure (Mathieu & Zajac, 1990; Meyer, Allen, & Smith, 1993).

González and Guillén (2008) could be of transactional or relational nature. Like these authors emphasize, transactional contracts are the antecedent of continuance commitment, while relational contracts explain normative commitment. This idea is developed and extended by Viala et al. (2004) who proposes 'exchange relationships' as the antecedent of organizational commitment. These authors add a third class of 'exchange relationships' labeled as work exchange relationships that reflect the individual's level of fulfillment while performing his job.

Outstanding conceptual advances in the explanation of commitment antecedents, targets and outcomes should be acknowledged, but nevertheless, it seems that a more articulated explanation of the construct and its three-dimensionality is necessary. New theoretical efforts are required to expound the three widely recognized 'bases of commitment' to delineate their content. Such contributions should also be able to explain the current statistical overlapping of the 'affective' and 'normative' dimensions of commitment (Meyer & Allen, 1997).

Dimensions of Organizational Commitment

While there are differences among authors concerning the concept and nature of organizational commitment, important similarities can be found as well. Most thinkers in this field include a 'cost-based dimension', which acknowledges that individuals can become committed to a course of action in an organization because of the perceived cost of failing to do so, or because they don't have any other job alternative. This dimension has been labeled as 'continuance commitment' or 'alienative commitment'. Later 'continuance commitment' has been spread out in two dimensions: 'high sacrifice' – the personal cost of abandoning and losing an investment in an organization – and 'low alternatives' – where there are few existing employment alternatives feasible for the individual – (Allen & Meyer, 1990). 'Continuance commitment' is a well developed dimension of organizational commitment, and empirical works show a well founded and strong chain of causality. But is 'continuance

commitment' really a commitment dimension? (Meyer & Allen, 1997). Some authors defend that 'continuance commitment' explains why people remain in an organization, but that it is not a real commitment. Evidence of such is that 'continuance commitment', based on the evaluation of the 'economic exchange relationship', does not correlate with OCB behaviours.

A second dimension commonly agreed upon for commitment is the 'affective dimension' which explains the bond to an organization as an affective attachment which includes feelings like: "affection, warmth, belongingness, loyalty, fondness, pleasure, and so on" (Meyer & Allen, 1997). This concept is labeled as 'affective commitment'. While the first dimension explains the bond of employees to the organization because they need to stay, the second dimension could be explained in that employees want – in terms of desire – to stay. Although, the core of this dimension is an affective tendency (including: desires, wishes, feelings, we have to emphasize that, in fact, it has been defined in a broad way. Authors also include concepts such as 'identification with', or 'congruence of', organization and individual goals and values. The former aspects are mostly related to previous rational judgments, and not so much to affective tendencies and feelings, as will be discussed in the next section. On the other hand, while authors include loyalty in the 'affective dimension', (Meyer & Allen, 1997). Meyer et al. (1993) make a distinction between the desire to be loyal and the obligation to be loyal. As a result, a third dimension of commitment is identified: the 'obligation dimension' – the perceived obligation to pursue a course of action, labeled by these authors as 'normative commitment'. The concept of 'normative commitment' is widened, first by Penley and Gould (1988) who talk of 'moral commitment' as "acceptance of and identification with organizational goals". Later, Jaros, Jermier, Koehler, and Sincich (1993) used the same term to describe "the degree to which an individual is psychologically attached to an employing organization through internalization of its goals, values and missions". This dimension differs from affective commitment because it is not necessarily an emotional attachment, but reflects a sense of moral duty (Meyer & Herscovitch, 2001). Nevertheless, there is no explicit reference to a moral internal judgment and behavior. This reflects an important distinction between the two dimensions, but it gives a narrow conception of morality as just reduced to a set of social accepted norms. As it will be discussed later, this conception could be widened.

According to Meyer and Herscovitch (2001), they conducted meta-analyses to assess (a) relations among affective, continuance, and normative commitment to the organization and (b) relations between the three forms of commitment and variables identified as their antecedents, correlates, and consequences in Meyer and Allen (1991) Three-Component Model. They found that the three forms of commitment are related yet distinguishable from one another as well as from job satisfaction, job involvement, and occupational commitment. Affective and continuance commitment generally correlated as expected with their hypothesized antecedent variables; no unique antecedents of normative commitment were identified. Also, as expected, all three forms of commitment related negatively to withdrawal cognition and turnover, and affective commitment had the strongest and most favorable correlations with organization-relevant (attendance, performance, and organizational citizenship behavior) and employee-relevant outcomes. Normative commitment was also associated with desirable outcomes, albeit not as strongly. Continuance commitment was unrelated or related negatively, to these outcomes. The Allen and Meyer's three component model with its antecedents, precedents and correlations has been tested in Pakistan on government sector employees (Tayyab, 2006). It was suggested that this model is valid and applicable in Pakistani environment. It was also suggested that this commitment model can be tested on other human resource practices.

Shahnawaz and Juyal (2006) suggested that the world economic order is changing rapidly. Evolutionary changes are taking place at revolutionary speed, largely pushed by strong external forces, arising out of a desire to increasing competitiveness and efficiency (Geringer, Frayne, & Milliman, 2002). The recent liberalization and bold economic has thrown up many challenges and opportunities to the industry with the explosion in the information technology, increased global competition, rapidly changing market deregulation etc. Not surprising, therefore, the HRM concepts and practices being created and carried out today are also increasingly different from those of the past. Like many other themes HRM is also American concept but is no longer confined to the American society. HRM involves all management decision and practices that directly affects or influence the people, or human resources, who work for the organization. Human resources are significant strategic levers and the sources of sustained competitive advantage (Dessler, 2009).

The new look HRM focuses more on commitment than on mere compliance. With the high costs involved in employee selection and recruitment, companies are increasingly concerned with retaining employees. Generating employee commitment is an important consideration for large and small organizations. Commitment is one of the factors of HRM policy for an effective organization. Each type of commitment ties the individual to the organization in different ways and will differently affect the manner in which the employee conducts him/herself in the workplace (Meyer & Herscovitch, 2001).

There is a need to explore different emerging human resource practices like wellness programs, work life balance, return on investment, employer branding and employee retention. In the same context, the effect of these modern HR practices may be observed and measured on the organization performance, employee satisfaction and employee's organization commitment. Due to growing importance of wellness programs (preventive measure and positive perception of employee), it was decided to analyze the impact of wellness programs on employees' organization commitment.

PHARMACEUTICAL INDUSTRY IN PAKISTAN

There are about four hundred licensed drug manufacturers in Pakistan which includes about twenty eight multinationals. There are currently 316 pharmaceutical manufacturing units registered in Pakistan. Out of the 316 units 90% are local pharmaceutical units whereas the remaining 10% are multinational owned. Most of the multinational units are concentrated in the province of Sindh coming to 23 out of total 30. Second and third highest provinces with MNC dominance are Punjab and Baluchistan with 5 and 2 units respectively. Punjab is having a major share in context to local companies' presence in the country with 165 units of the total 286 units preceded by Sindh (76), North West Frontier Province [NWFP] (37), Baluchistan (5) and Azad Jammu and Kashmir (3).

According to some estimates the value-wise share of the national pharmaceutical industry in Pakistan's total drug market is between 55-60% whereas unit-wise its share has increased to between 70-75% which is no mean achievement. Not only that some of these national pharmaceutical companies were now engaged in contract manufacturing as well as third party manufacturing on behalf of some multinational companies which itself is a proof of the high quality control standard maintained by these manufacturers.

Utilizing the government incentives, Pakistani pharmaceutical industry has also made inroads in many countries in Middle East, Far East, Africa, Ceylon and Latin American countries where Pakistani drugs are now being exported during the last couple of years.

The year 1972 saw the introduction of Drug Generic Act, which implied discriminatory and restrictive registration policy hampering the growth of national manufacturers who suffered a lot and gradually lost their export market. Importation of formulated drugs was allowed by the government, which resulted in flooding of domestic market with imported drugs. The competitive edge of the pharmaceutical industry was shattered during this period making it hard to survive for players in the market.

In recent years government has brought into effect the deregulation of prices permitting free play resulting in national companies fixing the prices on par with multinationals. Due to this move the market share of local players has increased in comparison to multinationals present in the country. First time in the history of Pakistan, the government formed a policy wherein many companies entered the market and initiated producing raw materials locally.

Ferozsons Laboratories Limited

Incorporated as a Private Limited Company in 1954, Ferozsons Laboratories Limited became Pakistan's first local pharmaceutical company to be listed on the country's stock exchanges (1960). Commencing production in 1956, it made our beginnings primarily as manufacturers of fine chemicals and galenicals, and as toll-manufacturers for multinational pharmaceutical corporations like Boots (now a part of Knoll), Lakeside Laboratories Inc. of the USA (now a division of HMR/Aventis), Chemie Grunenthal of Germany, and more recently, Procter & Gamble of the United States, Curatis Pharma GmbH, Germany, and the Bago Group, the largest pharmaceutical group in Latin America.

Today, their core strength lies in our own range of branded generics, which cover products in the following segments: Anti-infective, Gastrointestinal Cardiovascular and Dermatology. Marketing force consists of over 230 representatives and managers covering the territories of Pakistan. With a consistent prescription growth rate of over 20% per annum in promoted products, it provided a solid platform for creating and establishing brands in the Pakistani market. Considering the Ferozsons, as the pioneer and one of the leading firms in the pharmaceutical industry of Pakistan, it presents a good firm to be considered for this study related to wellness programs and organizational commitment.

FRAMEWORK

An analysis and review of the relevant literature on the subject and the various factors highlighted by key industry personnel in the preliminary interviews, it is evident that a single model may not throw light on the multiple wellness practices influencing the commitment as identified in various studies.

Therefore for ease of comprehension and measurement the following conceptual framework has been developed for the purpose of this study (Figure 1).

Wellness programs are classified into five main constructs (Wyoming Department of Health, 2006);

1. Health Awareness and promotion
2. Fitness facilities and promotion
3. Health screenings and control (health risk assessments)
4. Employee assistance programs
5. Organization Policy

The above five constructs are the independent variables and organization commitment with its three components of affective commitment, continuance commitment and normative commitment is considered as the dependant variable.

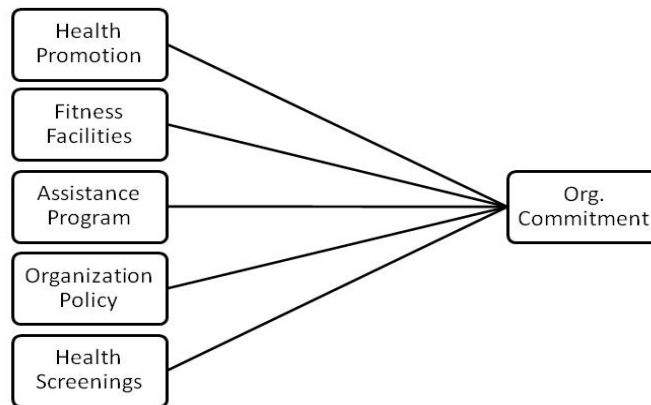


Figure 1. Framework

Based on the framework in Figure 1 following hypotheses are generated.

- H1: Health promotion positively predicts the organizational commitment.
- H2: Fitness facilities are positively associated with the organizational commitment.
- H3: Assistance program positively correlates with the organizational commitment.
- H4: Organization policy positively predicts the organizational commitment.
- H5: Health screenings are positively correlated with the organizational commitment.

Survey for this study was conducted among the 140 employees of Ferozsons Laboratory Ltd, Amamgarg, Nowshera, NWFP, Pakistan. Questionnaires were distributed with snowball sampling technique, and of all the distributed questionnaires 120 were received with usable information. Two tested scales were used for this research. First one is the Meyer and Allen (1997) that consists of 22 questions and the second is worksite wellness (Wyoming Department of Health, 2006). All variables have been scaled on 1 to 5 scale where 1 = strongly disagree and 5 = strongly agree.

ANALYSIS AND DISCUSSION

Table 1. Descriptive Statistics

	<i>Mean</i>	<i>SD</i>
Organizational Commitment	3.1083	.70765
Health Program	3.2750	.83979
Fitness Facilities	3.4583	.72060
Health Screening	3.5833	.79477
Employee Assistance Program	3.4583	.76582
Organization Policy	3.3750	.86055

Table 2. Correlations

	<i>OC</i>	<i>HP</i>	<i>FF</i>	<i>HS</i>	<i>EAP</i>	<i>OP</i>
OC	1					
HP	.388**	1				
FF	.363**	.429**	1			
HS	.410**	.349**	.542**	1		
EAP	.388**	.351**	.484**	.482**	1	
OP	.319**	.321**	.425**	.488**	.489**	1

** Correlation is significant (2-tailed).

Table 3. Coefficients

<i>Variables^a</i>	<i>Beta</i>
Health program	.220*
Fitness facilities	.064
Health screening	.198*
Employee assistance program	.163*
Organization policy	.045

a Dependent Variable: Organizational Commitment Questionnaire

** Correlation is significant (2-tailed).

Results presented in Table 2: Correlations suggest that there are overall significant relationships between dependent and independent variables. Hence, there is a statistical evidence to claim that there is a positive relationship between all the independent variable. Moreover, it has also important relationship with the health facilities provided to the organizational employees. Health screening facilities has also shown a significant result as far as the relationship with the organizational commitment is concerned. Organizational commitment is attributed with a strong positive relationship with the employee assistance program. Organization policies have also depicted a positive significant relationship with the organizational commitment.

Multivariate analysis evaluates the simultaneous effects of all the independent variables on dependent variable. The results of regression analysis the five independent variables against the dependent variable of affective commitment are shown in the below tables. Adjusted R square value of .24 showed the explanation of dependent variable through the independent variables. Explanation value of 24% is not among the best of values, but considering the social phenomena and the number of sample it falls under the acceptable values.

The influence of each independent variable is shown in Table 3: Coefficients. According to the table, health program has the positive and significant effect on organizational commitment. Moreover the beta of the health program is the largest among all the influencing

variables. This shows the importance and weight-age of the programs over the organizational commitment. This phenomenon may be an indication of the general concerns of the employees towards their families and their selves' health, while it is also argued that this thinking may be enforced by the consideration that the employees are in the pharmaceutical industry which especially puts more emphasis on the general health and fitness concerns of the public and employees. Health screening and employee assistance programs have also positive and significant relationship with the organizational commitment.

It is interesting to note that the fitness facilities and organizational policy are not significant in these results. Fitness facilities, it seems, are not really appreciated in the work settings by the employees which may be an indication of the fact they employees are more concerned with the financial and tangible benefits from the job rather than the job and work environment. Organizational policy is also insignificant which may be an indication of the lack of trust of employees on the organization or the lack of awareness the application of organizational policies on their jobs and roles in the organization.

Limitation of the research include the cross sectional data. Thus, the future research may improve the study analyzing the longitudinal data, with ideally comparing the results in pre-implementation and post-implementation stages of wellness programs. There may be some moderating factors which would influence the relationship of wellness programs and organizational commitments which are proposed to be the employees' financial and non-financial compensation and employees' family size.

REFERENCES

- [1] Allen, N. J. & Meyer, J. P. (1990). The measurement and antecedents of affective, continuance and normative commitment to the organization. *Journal of occupational psychology*, 63(1), 1-18.
- [2] Becker, H. S. (1960). Notes on the concept of commitment. *American journal of Sociology*, 66(1), 32-40.
- [3] Chapman, L. (2003). Meta-evaluation of worksite health promotion economic return studies. *Journal of Health Promotion at*, 248, 682-0707.
- [4] Dessler, G. (2009). *A framework for human resource management*: Pearson Education India.
- [5] Geringer, J. M., Frayne, C. A. & Milliman, J. F. (2002). In search of "best practices" in international human resource management: Research design and methodology. *Human Resource Management*, 41(1), 5-30.
- [6] González, T. F. & Guillén, M. (2008). Organizational commitment: a proposal for a wider ethical conceptualization of 'normative commitment'. *Journal of business ethics*, 78(3), 401-414.
- [7] Jaros, S. J., Jermier, J. M., Koehler, J. W. & Sincich, T. (1993). Effects of continuance, affective, and moral commitment on the withdrawal process: An evaluation of eight structural equation models. *Academy of Management Journal*, 36(5), 951-995.
- [8] Kanter, R. M. (1968). Commitment and social organization: A study of commitment mechanisms in utopian communities. *American sociological review*, 499-517.
- [9] Mathieu, J. E. & Zajac, D. M. (1990). A review and meta-analysis of the antecedents, correlates, and consequences of organizational commitment. *Psychological bulletin*, 108(2), 171.

- [10] Mathis, R. L. & Jackson, J. H. (2011). *Human resource management: Essential perspectives*: Cengage Learning.
- [11] Meyer, J. P. & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human resource management review*, 1(1), 61-89.
- [12] Meyer, J. P. & Allen, N. J. (1997). *Commitment in the workplace: Theory, research, and application*. London: Sage.
- [13] Meyer, J. P. Allen, N. J., & Smith, C. A. (1993). Commitment to organizations and occupations: Extension and test of a three-component conceptualization. *Journal of applied psychology*, 78(4), 538.
- [14] Meyer, J. P. & Herscovitch, L. (2001). Commitment in the workplace: Toward a general model. *Human resource management review*, 11(3), 299-326.
- [15] Mowday, R. T., Porter, L. W. & Steers, R. M. (1982). *Employee-organization linkages: The psychology of commitment, absenteeism, and turnover* (Vol. 153). New York: Academic Press.
- [16] O'Reilly, C. A. & Chatman, J. (1986). Organizational commitment and psychological attachment: The effects of compliance, identification, and internalization on prosocial behavior. *Journal of applied psychology*, 71(3), 492.
- [17] Penley, L. E. & Gould, S. (1988). Etzioni's model of organizational involvement: A perspective for understanding commitment to organizations. *Journal of Organizational Behavior*, 9(1), 43-59.
- [18] Shahnawaz, M. G. & Juyal, R. C. (2006). Human resource management practices and organizational commitment in different organizations. *Journal of the Indian Academy of Applied Psychology*, 32(3), 171-178.
- [19] Shillingford, J. P. & Mackin, A. S. (1991). Enhancing self-esteem through wellness programs. *The Elementary School Journal*, 91(5), 457-466.
- [20] Viala, J., Chaput, C., Boneca, I. G., Cardona, A., Girardin, S. E., Moran, A. P. & Coyle, A. J. (2004). Nod1 responds to peptidoglycan delivered by the *Helicobacter pylori* cag pathogenicity island. *Nature immunology*, 5(11), 1166-1174.
- [21] Wyoming Department of Health, W. (2006). Worksite Wellness, Wyoming Best Practices 2006. *Worksite Wellness in Wyoming, From WYSAC Technical Report No. SRC-610, August, 2006*. Online Available at: www.health.wyo.gov/Media.aspx?mediaId=884