

A Study of Organizational Commitment and Moonlighting Practices of SME Employees in Delhi-NCR

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Abstract

The environment in which today's organizations operate has undergone serious transformations owing to the advent of globalization. MNCs which offer huge employee benefits and possess every required resource withstand this dynamism but the Small and Medium Enterprises find themselves unable to face this fierce competition. SMEs act as the backbone of every developed and developing nation. In India, their role is indispensable as they utilize in-house resources and generate employment. Despite of many contributions, this sector faces serious issues like, high turnover rate, less access to market information, credit issues, job insecurity amongst employees etc. The employees working in SMEs are getting employment but their cue for professional growth is not satisfied. With so many other options, such employees join other firms which depicts that their commitment towards the organization has declined. Employees, when committed towards their organization are more productive and bring better results for the firm. With introduction of the concept of 'Moonlighting' i.e. holding more than one job at hand, the organizational commitment has further reduced. Employees working in event management companies of this sector have to travel, receive less remuneration as compared to their counterparts in MNCs and get fewer opportunities for professional growth.

The present study seeks to understand the perception of employees pertaining to the importance of organizational commitment and moonlighting practices. The study was conducted in Delhi-NCR region wherein the respondents were selected through multistage sampling (N=100). Data was collected through self constructed questionnaire (cronbach alpha =.83).

Contrasting results were also seen between male and female respondents regarding perceptions of commitment towards their organization and moonlighting practices. The paper seeks to provide an insight to managers and corporate practitioners of SMEs to manage the perils of employee turnover and decreasing job security.

Keywords: Organizational commitment, Moonlighting, Attrition in SMEs, SMEs in India.

1. Introduction

There is a huge consensus over the significance of SMEs in developed as well as developing countries as they promote economic growth and generate employment [1]. SMEs are active in variety of business activities ranging from handlooms, engineering and software firms, event management companies, manufacturing products for big enterprises, automobiles etc. In India, the role played by SMEs in National development is significant as they contribute towards domestic production, export earnings, developing indigenous technology, defense production and rendering various services as well. Though their contribution in Indian economy is commendable as they contribute 22% to GDP, SME sector faces numerous challenges like financial crunch, limited access to knowledge, ineffective marketing strategy, non availability of skilled workforce etc. [2]. Out of all the constraints, high employee turnover rate is the most considerable one. Human capital is supposed to be the most precious asset of any organization, especially, for the forms which operate in complex and dynamic competitive environment [3]. There is no doubt that SME provides employment to masses but because of structural issues, employees leave the companies. The flat organizational structure and centralization of decision making make employees highly de-motivated as they are unable to meet their personal career goals. This remains the reason that SMEs are not in a position to recruit high calibre staff and retain them for long [4]. These issues arise in absence of concrete HRD programs which this sector lacks. The present study would try to investigate the perceptions of employees of event management companies in SME segment regarding their commitment level towards their organization and moonlighting practices. Gender differences will be probed for both the constructs.

2. Literature Review

Organizational commitment, is defined as “*the relative strength of an individual’s identification with and involvement in a particular organization*” [5]. Higher the organizational commitment higher the performance & productivity and lower the employee turnover [6]. The intentions to leave the organization are affected by certain factors like loyalty towards organization and prospects of growth. The employees of small scale enterprises are not motivated to enhance performance and thus, the

enthusiasm to work diminishes gradually. Such employees in absence of significant HR programs find it too difficult to sustain their basic lives [7]. SMEs face many major HR related issues like, non availability of skilled man power, lack of concrete HRD programs, remuneration, job security, absenteeism and high employee turnover rate [8]. With the advent of MNC culture in India, these organizations are facing a serious issue of employee turnover and it has become imperative for such organizations to minimize this attrition rate by developing high levels of organizational commitment [9]. In previous studies, it has been shown empirically that SME employees have lower level of engagement and perceived empowerment level at their organizations and there exist gender differences in various elements of these constructs [10,11]. Gender differences as regards the level of organizational commitment are still to be probed in this sector. In business organizations, the concept of 'Moonlighting' is getting popular. 'Moonlighting' means, holding more than one job at hand. Employees moonlight because of certain reasons like, gaining experience in new field, pursue some hobby, job satisfaction which may be absent in primary job, ensure job security or monetary purposes [12]. In a study conducted on the sample of school teachers, it was observed that male employees tend to moonlight more than the females. Gender differences have been observed in pursuing moonlighting practices [13]. It has been noticed that employees working in business organizations are increasingly getting involved in such practices whether on partly or completely basis depending on the nature of their primary jobs and help employees in gaining skills [14]. Employees working in SME sector are expected to remain flexible and accept a complete variety of unmentioned tasks [15].

Event management is a growing sector and covers many events and festivals like, sports, meetings, fun raising shows, concerts, wedding etc. [16]. Event management companies in India are largely a part of unorganized sector yet and gradually becoming an organized one. Most of the event management companies are multinational one, small scale business in this sector is still growing and faces gigantic challenges. Also, entrepreneurs who think of setting up such companies on small scale have to face issues like, cumbersome process of obtaining equipments and heavy entertainment taxes levied by Govt.[17]. The literature on event management companies is in its infancy stage and needs to be discovered [18]. Very less literature is available on this area in Indian context. This study would serve a good source for researchers pursuing research in this domain and corporate practitioners to gain insight in one of the most booming sectors to come up.

3. Objectives

- To understand the concept of organizational commitment of working professionals of SME in Delhi-NCR.
- To understand the concept of moonlighting practices of working professionals of SME in Delhi-NCR.

- To understand the factors that lead to a difference between male and female employees as regards their level of organizational commitment.
- To understand the factors that lead to a difference between male and female employees as regards the perceptions towards following moonlighting practices.

4. Hypotheses

- H1:** There exists no difference between male and female employees as regards their level of commitment with the organization.
- H2:** There exists a significant difference between male and female employees as regards their perception towards moonlighting practices.

5. Research Methodology

This research initiative studies the perception of working executives of SME sector in the NCR region regarding, their level of commitment towards their organization and moonlighting practices. The research has been carried out with a self constructed questionnaire. The questionnaire had two parts, part A was purely focused on collecting demographic details. Part B mapped the perception of respondents as regards different variables related to organizational commitment and moonlighting practices. The questionnaire was constructed on a five point Likert agreement scale to measure the responses on the decided variables. The questionnaire was subjected to review by experts and their inputs have been incorporated accordingly. Reliability of the same was computed to be Cronbach Alpha .83. According to Nunnally (1978, p. 245) the instruments used in basic research have reliability of about .70 or better.

The sampling was multistage. In the first place it was purposive wherein the researchers drew out a list of 66 event management companies in the SME category with offices in the Delhi-NCR. The list was generated through the web link ([http://www.fundoodata.com/advance_search_results.php?&new_industry_id\[\]=34&new_industry_id\[\]=1&level_id=1§or_id\[\]=1&city_id=0&criteria=1&search_type=1](http://www.fundoodata.com/advance_search_results.php?&new_industry_id[]=34&new_industry_id[]=1&level_id=1§or_id[]=1&city_id=0&criteria=1&search_type=1)). Eight companies were shortlisted from the list such that one company each was selected from the east, west, north, south, central, Gurgaon, Faridabad and Noida region. Questionnaires were administered to about 20 managerial level employees from each of these companies. About 100 completed questionnaires (out of 160) were taken for the study. The data was subjected to inferential and descriptive analysis.

6. Data Analysis

For the purpose of testing hypothesis H1 that there exists no difference between male and female employees as regards their level of commitment with the organization, Levene's t-test for equality of variances has been applied (Table 1). It has been observed that there exists no difference between male and female working executives

about belongingness ($t=-0.73$, $p<0.05$) and emotional attachment ($t= 0.621$, $p<0.05$) towards the organization. This is because event management is a sector which attracts young talent bearing interest in this field; female employees feel themselves a part of the organization as much as their male counterparts do. With more and more female entrepreneurs coming up in this sector, the confidence and sense of identification with the organization has been enhanced. For women, SME sector is a boon as they get employment which helps them to showcase their skills and they can learn the techniques of this creative business. This may be the reason that there is no difference between male and female employees as regards their level of loyalty ($t=0.05$, $p<0.05$) and sense of obligation ($t=0.46$, $p<0.05$) towards the organization. Taking all elements of the definition of organizational commitment together, it has been seen that there is no difference between male and female employees as regards their level of commitment with the organization ($t=-0.65$, $p<0.05$). Hence, H1 stands accepted.

Table 1: Difference in the level of commitment of male and female working executives (t-test)

Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Belongingness to the organization	Equal variances assumed	1.4	0.24	-0.73	98	0.466	-0.15322	0.2095
	Equal variances not assumed			-0.74	47.92	0.461	-0.15322	0.20628
Emotional attachment towards organization	Equal variances assumed	1.68	0.198	0.621	97	0.536	0.12963	0.2087
	Equal variances not assumed			0.678	56.36	0.5	0.12963	0.19112
Loyalty towards organization	Equal variances assumed	0.46	0.498	0.05	98	0.96	0.00863	0.17116
	Equal variances not assumed			0.046	39.81	0.963	0.00863	0.18707

Obligation towards organization	Equal variances assumed	0.64	0.427	0.46	98	0.647	0.0761	0.16547
	Equal variances not assumed			0.435	42.01	0.666	0.0761	0.17502
Organizational Commitment (Composite)	Equal variances assumed	0.2	0.656	-0.65	97	0.516	-0.05773	0.0886
	Equal variances not assumed			-0.62	42	0.542	-0.05773	0.09394

Table 2: Group Statistics- Organizational Commitment (Male & Female working executives)

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Belongingness to the organization	M	73	2.70	0.94	0.11
	F	27	2.85	0.91	0.17
Emotional attachment towards organization	M	72	2.72	0.97	0.11
	F	27	2.59	0.80	0.15
Loyalty towards organization	M	73	3.71	0.72	0.08
	F	27	3.70	0.87	0.17
Obligation towards organization	M	73	3.52	0.71	0.08
	F	27	3.44	0.80	0.15
Organizational commitment (composite)	M	73	3.19	0.38	0.04
	F	27	3.24	0.43	0.08

Table 3 explains the difference between male and female employees as regards their perception towards moonlighting practices with respect to different variables. It has been seen that there exist no difference Loyalty towards organization towards utilization of one's capabilities ($t=-0.42$, $p<0.05$) and professional and personal growth ($t=-2.67$, $p<0.05$) by holding two jobs at hand. This is because employees working in SME sector are aware of the trends followed by corporate where employees earn money by other means as well like consultancy, conducting workshops, pursuing some personal interest etc in order to remain job secured. Event management sector where employees both male and female, need to travel a lot and gain exposure to certain practices followed by big MNCs find this culture best for boosting one's potential and making contacts. Networking is the key to professional and personal success these

days and it has been well understood by both male and female working executives of this sector as there found to be no difference on the variable of enhanced networking ($t=-0.65, p<0.05$) by following moonlighting practices. With more and more female employees becoming the part of creative teams, the differences diminish. But being a part of SME segment, employees feel that they receive less remuneration from their primary jobs and both male and female employees do part time jobs to fulfill their monetary requirements ($t=-1.2, p<0.05$). Women are becoming the breadwinners for their families now. There found to be no gender differences about perceptions regarding moonlighting practices ($t=-1.38, p<0.05$). Hence, H2 is refuted.

Table 3: Difference in the perception regarding moonlighting practices between male and female employees (t-test)

Independent Samples Test								
		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
Utilization of capabilities	Equal variances assumed	0.01	0.942	-0.42	98	0.677	-0.10857	0.25995
	Equal variances not assumed			-0.42	46.05	0.68	-0.10857	0.26127
Monetary benefits from second job	Equal variances assumed	0.01	0.929	-1.2	98	0.232	-0.2826	0.23494
	Equal variances not assumed			-1.21	47.16	0.232	-0.2826	0.23321
Professional and Personal growth	Equal variances assumed	0	0.954		98	0.009	-0.60223	0.22552
	Equal variances not assumed			-2.73	48.54	0.009	-0.60223	0.22063
Enhanced networking	Equal variances assumed	0.01	0.946	-0.65	98	0.519	-0.13699	0.21178

	Equal variances not assumed			-0.64	45.3	0.527	-0.13699	0.21472
Moonlighting Practices (composite)	Equal variances assumed	1.41	0.238	-1.38	98	0.172	-0.11857	0.08625
	Equal variances not assumed			-1.45	51.48	0.154	-0.11857	0.08201

Table 4: Group Statistics- Moonlighting Practices
(Male & Female working executives)

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Utilization of capabilities	M	73	3.15	1.15	0.13
	F	27	3.26	1.16	0.22
Monetary benefits from second job	M	73	3.01	1.05	0.12
	F	27	3.30	1.03	0.20
Professional and Personal growth	M	73	3.03	1.01	0.12
	F	27	3.63	0.97	0.19
Enhanced networking	M	73	3.86	0.93	0.11
	F	27	4.00	0.96	0.18
Moonlighting Practices (composite)	M	73	3.15	0.39	0.05
	F	27	3.26	0.35	0.07

7. Conclusion and Implications

SME faces unique challenges in this globalized environment owing to their size and capital structure. They lack many features which MNCs possess like access to market information, technology, finance and most importantly concrete HRD programs. Such programs make employees aware of their rights and boost up loyalty. Enhanced level of commitment will bring many organizational outcomes like enhanced performance and productivity & reduced attrition. Employees are less committed towards their organization and are pursuing secondary jobs along with the primary ones. The cue of employees for personal and professional growth as well as monetary benefits is getting fulfilled. The owners or entrepreneurs must address these professional and money related issues of employees as they affect the commitment of employees with their organization. Employees working in SME sector are aware of the ongoing trends and benefits extended by the Govt. of India towards them. SMEs have come a long way that they recognize and encourage the efforts of women employees and treat them with no differences. Govt. is not behind in promoting this sector on economic level. This

sector receives numerous funds and rebates so that employment can be raised along with promoting entrepreneurship. It should not be forgotten that technology in event management sector can bring revolutionary changes. A developing country like India must harness the advantages of information technology and other infrastructure to make the management of grand events successful [18]. MNCs have understood this phenomenon. SMEs must learn these techniques and Govt. & NGOs must help this sector financially.

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