An investigation into the relationship between the commitment of employees and their performance

A study within the Information and Communications Technology industry

Supervisor

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Abstract

Employee commitment has been in the center of growing interests and studies for several decades. During this time different approaches and theories have been developed regarding this concept. In the same way the concept of employee performance related to the latter’s work has been the focus of attention due to a potential improvement that this term offers to an organization.

A review of scientific literature explores how important it is to have committed employees and describes its impact on a company’s competitive advantage expressed through customer satisfaction, productivity, low employee turnover, tolerance to changes, low absenteeism, etc. Moreover, managing employees’ performance is also crucial related to the motivational theory with positive outcomes, such as employees’ relations, productivity, quality of the service or product, as well as financial performance of an organization. Besides, a number of authors have drawn attention to the need of exploring conceptually and empirically the relationship between employee commitment and performance. Even though, research has identified both positive and negative relationships between these two concepts, there still remain confusing points. In this thesis the relationship between employees’ commitment and performance in Information and Communications Technology industry in Armenia has been investigated. To note, no research related to this subject has been carried out in Armenia before. The critical review is followed by a field study in three ICT companies with an email-based interview conducted among 14 employees.

As mentioned in the findings not only the importance of employee commitment to the firm but also the relationship and effects it has on employees’ performance as a key outcome have been identified.

The findings are analyzed and discussed and conclusions are drawn at the end of the report.

Key Words: employee, commitment, performance, competitive advantage, customer, turnover, absenteeism, service, product, relationship, Information and Communications Technology.

Abbreviations

CEO    Chief Executive Officer
CS     Computer Science
HR     Human Resources
HRM    Human Resource Management
ICT    Information and Communications Technology
IT     Information Technology
MBA    Master of Business Administration
OOP    Object Oriented Programming
PhD    Doctor of Philosophy
QA     Quality Assurance
RQ     Research Question
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1. **INTRODUCTION**

1.1 **Background**

Increasingly, firms of all types find that an effective way to differentiate themselves from their competitors is to provide a higher level of service quality, and that their employees dictate that dependence (Johlke & Duhan 2000). Since people are the most important resource in a company service (Schmidt, Adler & Weering 2003), a regular interaction with all service personnel is essential in order to monitor how satisfied they are with their position, because satisfied employees are more likely to satisfy customers, thus helping the organization to move forward (Lee & Chen 2013). The effectiveness of any service company is mostly dependent on the performance of its human capital (Imran et al. 2014).

Nowadays, Information and Communications Technology (ICT), often used as an extended synonym for Information Technology (IT), attracts worldwide investments of $3.5 trillion which are currently growing at 5% p.a. – doubling every 15 years (Wikipedia 2013). In the ICT sphere the personnel that communicates both with the internal and external customers plays a significant role in an organization’s business. Thus, according to Bilbao-Osorio, Dutta and Lanvin (2013), ICTs offer higher benefit-to-cost ratios in all sectors of production, while simultaneously offering new ways to create a value by better and more efficiently organizing the use of natural, financial and human resources. In an ICT industry, where almost all companies are actually service providers, the greater part of success will be owed to employees. In this regard, Melville, Kraemer and Gurbaxani (2004) state that the value impact of IT investments depends on the level of IT human resources, the latter yielding competitive advantage. Moreover, in ICT, as a service sector gaining more importance in the world economy (June & Mahmood 2011), employees who are treated as valuable assets tend to treat customers as valuables (Chuang & Liao 2010). Particularly, with reference to ICT, Paré and Tremblay (2000) argue that IT professionals will willingly stay with the organization where work is stimulating and challenging, chances for advancement are high and they are paid well. Besides, engaging employees at an emotional level in order to gain greater commitment for generating greater involvement in a service quality and increasing labor stability is not limited solely to the organizations that run service sector businesses (Ibid).

The concept of commitment gained more and more popularity in the last three decades, during which researchers have turned their attention to multiple commitments (Khan, Ziauddin, & Ramay 2010; Lumley et al. 2011; Guntur, Haerani & Hasan 2012). Specifically, the concept of commitment has multiple foci, e.g. commitment to the job, to the organization, to the career, to the workgroup (Somers & Birnbaum 2000). Moreover, the concept of organizational commitment is defined as the psychological attachment of the workers to the organization (Guntur, Haerani & Hasan 2012).

Most of the studies have treated commitment as an independent variable influencing many work outcomes (Suliman 2002), such as lowering turnover and improving job performance (Jaramilloa, Mulk & Marshall 2005; Al Ahmadi 2009; Khan, Ziauddin, & Ramay 2010). On the other hand, the main reason why commitment has been a centre of study in the last 30 years is its assumed impact on performance, even when several researchers revealed zero or relatively little influence of commitment on performance (Suliman 2012), mainly because of the failure in trying to demonstrate the significant relationship between these concepts.

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1 Throughout the whole thesis the terms ICT and IT will be used interchangeably.
(Meyer et al. 1989). However, researchers suggest that the understanding of this relationship will be enriched by the identification and investigation of potential moderators (Mathieu & Zajac 1990).

The fact is that if a company wants to survive and even to grow, it has no choice but to constantly improve its employees’ performance as the only way of creating a competitive advantage that is difficult if not impossible to duplicate (Lawler 2010). Performance is a fairly broad term in and of itself related to job, yet, it is as simply described as an action or a set of actions that can be observed and measured (McConnell 2003). Additionally, Baker (2013) argues that employee performance constitutes the service of customers. Therefore, performance-focused employees, who look outward toward their customers, are the key to a robust commercial future (Ibid). Thus, it can be assumed that having committed IT employees is not enough; it is their effective performance, especially form the customer’s point of view (both internal and external) that makes sense and the difference. Yet, great performance is not accidental, and is said to evolve from a carefully managed process of training, coaching, supervising and empowering employees to constantly improving the quality of the products and the services (Pankhana & Modi 2013). In his turn, Hultman (1988) suggests that the performance of an individual is a function of at least four inputs: commitment, confidence, competence and contingency. Therefore performance outputs are expressed as feelings and behaviors that vary for each input and either encourage or discourage the individual’s behavior (Ibid). Hence, recognizing that an organization’s employees are the key to its success and the people performance is the key to the organization’s effectiveness (Michie & West 2004), many organizations are re-evaluating their methods of appraising and motivating employees (Woodford & Maes 2002).

Nevertheless, due to a limited number of researches on human resource management in IT, it is found that the issue of the relationship between employees committed to the organization and their performance is still ambiguous, disputed and weak in the ICT industry, even taking into consideration every value and benefits that each concept has on its own. And, the different points of view from researchers indicate that further study on this subject is needed.

1.2 Topic of choice and justification

The concept of employees’ commitment to the organization got an increased popularity due to the impact it has on the firm (Armstrong 2000). Even when an improvement of the job performance of an employee can lead to success of the organization, it can be assumed that what is expected from the employees is not always clear (Morris et al. 1990). Moreover, the lack of necessary skills to perform the job may represent a problem for both the employee and the employer (McConnell 2003). Therefore, this study investigates which are benefits and challenges that companies may face while improving the concepts mentioned above.

The personal characteristics of employees (Taormina 1999) in addition to organizational characteristics, such as job or role related characteristics and the design of the organization (Steers & Porter 1997) may have direct influences on job performance outcomes, such as turnover, absences, quality and quantity of work and other financial performance aspects.

In the ICT sphere, the personnel, that communicates both with the internal and external customers, plays a significant role in an organization’s business. All companies tend to have the most up-to-date innovational service platforms of handling and recording their processes and to use new technologies and products. This is the guarantee of their competitiveness and survival on the market. To properly support and administer
complicated systems highly qualified IT professionals are needed. The demand for such specialists is very high everywhere, and companies are concerned with finding and retaining them at any price. Yet, employee turnover is a critical issue within ICT industry globally (Alias, Noor & Hassan 2014). Under such circumstances it is crucial to motivate high-quality personnel accordingly, so that it will be retained. A regular interaction with these employees is essential in order to monitor how satisfied they are with their position and therefore are able and willing to participate in business growth, idea development, customer service and organizational transformation (Suliman 2012). Consequently, it is believed that exploring the process that ICT firms experience in improving job performance through commitment to the organization deserves attention, because of the benefits and challenges that this relationship may have.

The main reason for choosing the given topic comes from an observation of the problems connected with the motivation of IT staff in an ICT company in Armenia which consequently resulted in a considerable brain drain. The intention to conduct research on the relationship between employees’ commitment and performance has been strengthened by the requests from a number of managers within this company to carry out the investigation, the results of which could provide solution to the issue. Further, a similar interest towards the investigation into the above mentioned topic has been expressed by two more ICT companies. Their concerns are justified by the fact that the demand for the Armenian IT specialists in the majority of European countries and in the USA is rather strong. They are paid higher salaries abroad than in Armenia. Also, very often qualified IT specialists, who are constantly improving their professional level, gaining new knowledge and skills become, per se, irreplaceable in their companies. It is rather difficult to manage such employees. They can leave the company at any time, and, very often, managers and HR specialists cannot find the right means and ways of adequately motivating such employees.

Further, in the process of doing literature review, it has been found out that although many researchers have pointed out the importance and developed a considerable amount of knowledge about employees’ commitment and performance (Benkhoff 1997; Torrington, Hall & Taylor 1998; Rashid, Sambasivan & Johari 2003; Khan, Ziauddin, & Ramay 2010; Lee & Chen 2013; Imran et al. 2014); nevertheless, the relationship between these concepts hasn’t been clearly explained for IT personnel so far. In addition, no studies on the relationship between employees’ commitment and performance have been carried out in the Information and Communications Technology industry in Armenia. Thus, it has been decided to undertake a target research aimed at revealing the factors that determine the commitment and performance of IT specialists as specific respondents.

Moreover, the interest towards the given phenomenon is enhanced by the fact that it is studied in a post-soviet union country with deregulated economy, poorly managed HR, but constantly increasing rivalry in the sphere of ICT and significant brain drain in the given industry (Enterprise Incubator Foundation 2012).

Therefore, this paper may also serve as a general guide for the ICT sector managers in Armenia in understanding the importance of a relevant human management process in frames of employees’ commitment and performance for reaching the business objectives of their organizations. It can, as well, fill in a somewhat scientific gap in this field and present a new perspective for the researchers who are interested in human resources management in ICT industry in Armenia.

1.3 Research objective
The given research aims at investigating the possible relationship between employees committed to the company, including the feelings and attitudes towards this concept, and their performance, taking into consideration the factors that influence this phenomenon. The investigation is primarily based on a case study in Information and Communications Technology industry in Armenia, examining the factors that are able to build the relationship between the commitment and the performance of IT employees. The research is qualitative and is grounded on an email-based interview of 14 IT employees working in 3 ICT companies in Armenia. All of the 3 companies primarily requested and expressed their interest towards conducting this research. Therefore, as stated above, this investigation is directed to getting results by analyzing specific respondents, which, as believed, will also help build knowledge framework about the relationship between commitment and performance of IT employees in general.

In order to achieve the purpose of the research, the following objective is addressed:

- **Explore and identify the key factors that influence IT employees’ commitment and performance.**

This would help to provide a guideline to be used by the case companies, as well as by those that are planning to increase and develop the commitment and performance of their IT personnel. The given objective is important for a better analysis and it will be achieved through the field study.

It is expected that the overall analysis of this investigation will provide a discussion that will contribute to the improvement of the situation regarding IT employees and consequently the companies.

### 1.4 Research question

Following the above mentioned arguments and based on the analysis of the literature, the below mentioned research question will be explored within the framework of this study:

**RQ: Which are the key issues that have an impact on the commitment of IT employees and the improvement of their performance?**

The mentioned research question will be answered through the data collected from an email based interview, in order to fulfill the objective of the study directed to investigating the possible relationship between organizational commitment and performance of IT personnel and identifying the personal and motivational peculiarities of such employees that cause this relationship.

### 1.5 Thesis’ structure

This thesis consists of five chapters: Introduction, Theory, Methodology, Findings and Conclusion. The first chapter gives a brief summary of the theoretical topic further expanded in chapter two. It also comprises a justification of the topic, research objective and research question defined.
The second chapter presents a review of the theoretical knowledge supporting the research. An overview of ICT industry is given, the challenges with ICT employees’ turnover are discussed, as well as deep and critical literature review of the themes on employee commitment and performance is done with a focus on different aspects of the mentioned concepts.

The third chapter is about the methodological approach taken and methods used. It also justifies the sample, as well as explains why and what kind of data has been collected and how it has been applied further in the research.

In the fourth chapter the description of the sample is presented, and the findings, refined from the collected primary data, are analyzed and discussed. This chapter aims at answering the research question set forth in chapter one with reference to the theory studied.

Finally, chapter five summarizes the link between the theoretical framework and the empirical research. It resumes the findings against the research question and the original objective defined. Further, areas of future research are suggested, as well as the limitations of the investigation revealed.
2. THEORY

The given chapter provides an overview of the research undertaken into the area of employee commitment and performance with a reference to different thoughts. A number of common themes can be drawn from the literature review to be further used to form the framework of the thesis. This chapter is divided in four main sections. Firstly, an overview of the ICT/IT industry is given, in which IT employees’ turnover as a challenge is set forth, and strengthening of commitment and improving performance via the latter as a remedy to this challenge is highlighted. Further, it explains what employee commitment means and covers different aspects and factors connected with this phenomenon. The chapter goes on discussing the concept of employee performance with its definitions and various aspects related to it. It concludes with the discussion of theoretical positions that link both concepts and, thereby, provide an answer to the research question.

2.1 Information and communications technology industry overview

The term ICT, an extended synonym for IT (Wikipedia 2013), is commonly used to cover a wide spectrum of industrial and business services such as computer science, information systems, information technology, software engineering and e-business with both hard skills, such as system and programming development and soft skills, as well as communication and interpersonal skills (Litecky, Arnett & Prabhakar 2004). This sector comprises manufacturing of information technology and telecommunication products, communication system installation and maintenance, distribution of information technology and telecommunication products, as well as telecommunication and information technology services (Tong, Tak & Wong 2013).

The rapid technological advance, especially in the ICT sector that began in the early 1980s and the coincident adoption of new technologies brought to light new growth opportunities and favored de “novo” entry (Hyytinen & Pajarinen 2002). It has been increasingly dispersed across countries over the last decade as indicated by the high and growing exports of ICT parts and components during the 1990s, and, as a result, in 2001 they accounted for the vast majority of the total trade in ICT products: 93% for office machines, 74% for semiconductors, 42% for IT products and 37% for telecom equipment (Amighini 2005). Nowadays, ICTs are widely used by organizations to enhance enterprise competitiveness (Oladimeji, Babatunde & Rasheed 2014).

In Armenia ICT industry began to develop rapidly in the late 1990s from the country’s considerable existing potential accumulated during the Soviet period, when Armenia was the leading centre for R&D and production in the areas of computer science and electronics (Arzumanyan 2008). Later on, ICT industry became one of the most dynamic and promising sectors of the economy with around $84 million in total revenues in 2006, representing 1.3% of Armenia’s GDP, which was comparable to that of India (1.4%) and Germany (1.3%) (Arzumanyan 2008). In the recent years the sector has witnessed major inflows of foreign direct investments, and around 63% of the industry’s output has been exported to over 20 countries, but mainly to the USA and EU (Arzumanyan 2008). As of 2013, already 380 local and foreign ICT companies were operating in Armenia, of which 33 belonged to the telecommunication sector (EIF 2013).

Thus, it is fair to say that the ICT sector is one of the most dynamic areas of the European economy, a key source of growth and employment, where IT skills and labor are, however, in short supply, and this problem is
becoming progressively more serious, with an increasing deficit between labor supply and demand. There is also a growing demand for ‘soft’ kills in ICT work; these are increasingly emphasized in recruitment and selection process (Webster 2007).

2.1.1 Challenges with employees’ turnover in ICT Industry

In the ICT Industry practitioners refer to the professionals that involve in process, deliver, display information and communicate by electronic means that enable those activities in production of goods and services of ICT or related industries (Poulin & Tran 2010). These practitioners being of increasing importance and in demand, there is a need for further study of the impact of knowledge sharing on the relationship between organization culture and job satisfaction of ICT practitioners (Oladimeji, Babatunde & Rasheed 2014). In this regard, Stockholm and Bangalore are considered the most popular clusters in the ICT industry not only in their specific country, but also globally since these regions count also on strong organizational, institutional and infrastructural support in that Industry (Hansen & Serin 2010), which focuses towards the decomposition of legacy complex processes into atomic and simpler components to handle ever-increasing complexity of current information systems (Huhns & Singh 2005).

In the modern knowledge of intensive economy human resources is the most critical factor behind the success of corporations, where ICT sector is one of the most knowledge intensive branches of the economy (Leppimaki, Tammi & Meristo 2004). The overall importance of ICT having greatly increased, yet the rate of turnover of ICT professionals is more than twice the average for business managers and professionals (SamGnanakkan 2010) and imposes a big challenge for HR managers (Chui, Tong & Mula 2007). Particularly in Armenia management of 40% of ICT companies, both with local and foreign ownership, stated that the lack of qualified IT workforce and brain drain of IT leading specialists are the main barriers and threats for the growth of the given sector (USAID 2012/2013).

In this situation, managing personnel turnover is an increasing challenge especially for companies employing high technology professionals (Dockel, Basson & Coetzee 2006), where managers have to bolster IT professionals’ sense of self-worth by treating them as intellectual assets, not operating expenses and by helping them shape and direct their careers, so they can gain experience within the enterprise rather than outside (Paré & Tremblay 2000). Consequently motivation becomes an opportunity for providing them with opportunities for career development (Chui, Tong & Mula 2007). For this reason, Glen (2006) argues that organizations are increasingly stating that employees are their most important asset, so they are constantly trying to create an employment brand that is attractive to both already employed staff and potential talents. Moreover, Tham et al. (cited in Alias, Noor & Hassan 2014) mention that the loss of employees is expensive and may, thus, be detrimental to IT companies. This has led researchers to emphasize the importance of reviewing the factors that impact employees’ job satisfaction and commitment within the IT environment (Lumley 2010). Particularly, Lumley (Ibid) states that IT employee commitment is of considerable interest, since attempts have been made to better understand the intensity and stability of an employee’s dedication to the organization. Additionally, Lumley et al. (2011) argue that, in general, committed employees are more likely to perform well and engage in behaviors helpful to the organization, thus strengthening their intention to stay with it. Therefore, in the view of a possible relationship between IT employees’ commitment and performance, the following sections in the given chapter will be dedicated to the study of the theoretical statements, propositions and arguments about the concepts of employee commitment and performance, as well as factors influencing these concepts and building a relationship between them. The theoretical framework created will be further applied in the analysis of the empirical findings in order to reach the objective of this research defined in 1.3.
2.2 Employee commitment

2.2.1 What does commitment mean?

The modern concept of commitment was developed by Fayol (1949), considering that the organization’s interests must always prevail over the interests of individuals or groups of employment. But, it was in the 1980s, when employee participation in the workplace was a point of substance discussion and a burning issue (Payne et al. 2003). The importance of this involvement lies in the relation of that employee’s participation in many activities such as improving cost, competitiveness or co-operation with the introduction of new technology and so on, where the support of the employees is a key issue; in order to increase this participation it is necessary to consider the concepts of loyalty, commitment and also performance (Towers 1992).

There is not a common definition of commitment (Meyer & Allen 1991), and even when many authors have similar approaches, most of them differ slightly from one another (Rothwell 1995), consequently the term ‘commitment’ is employee commitment and is larger than the meaning of organizational commitment and it means commitment owned by employees, although again each researcher has his own approach (Sutanto 1999). Nowadays, the flow policies in the commitment stem are evolving and their eventual form is more difficult to anticipate (Walton & Lawrence 1985).

According to Morgan and Hunt (1994), commitment is followed by trust and is defined as an exchange partner believing that an ongoing relationship with another is so important as to warrant maximum effort at maintaining it. Also another approach (Hoccut 1998) points out that commitment may be regarded as a function of satisfaction with the service provider, quality of alternative providers and investment in the relationship. The concept of commitment is also linked to the psychological contract (Rothwell 1995), which is nurtured through individualistic involvement practices and is based on shared values, which incorporate the internationalization of organizational objectives (Corbridge & Pilbeam 1998).

In contrast, the concept of commitment assumes unrealistically that an organization consists of people with shared interests (Armstrong 2000). A number of researchers, such as Cyert and March (1963) point out that an organization is really a coalition of interest groups where political processes are an inevitable part of everyday life, recognizing the different interests and values. Moreover, Argyris (1964) sees commitment as an aspect of self-stem and associates it with the nature of goal seeking behavior, which individuals manifest towards their work. Commitment is increased when the employee defines his/her goals, can relate his/her goals to their central needs and values, he/she is able to define the paths to these goals, and those goals represent a realistic level of aspiration involving challenges and an element of risk (Lewin 1952). Summing up it can be said that committed employees have a strong belief in and acceptance of the organization’s goals, show a willingness to put an effort on behalf of the organization and have a strong desire to maintain a membership with the latter (Marthis & Jackson 2000; Sopiah 2008; Baptiste 2008).
As mentioned by Vance (2006), some experts define commitment both as a willingness to persist in a course of action and reluctance to change plans, often owing to a sense of obligation to stay the course.

Also, if human resources are said to be an organization’s greatest assets, then committed human resources should be regarded as an organization’s competitive advantage (Ramshida & Manikandan, 2013).

And, finally, based on the above mentioned various definitions of commitment and undergoing a thorough literature review it became clear that the investigation of this phenomenon has advanced in many different directions. Yet, according to Owoyemi et al. 2011, there is no general agreement as to what can increase employees’ commitment to the organization. This statement prompts to assume that commitment is a complex and continuous phenomenon, and as such, requires a consistent and comprehensive approach to study it. Therefore to meet the objective of this thesis, within the latter’s context employee commitment will be studied as a multi-dimensional construct, requiring identification of the premises, i.e. factors, influencing it, stages of its development and the strategies applied for creating it. Further, as far as creation of commitment is concerned, the issue of shared values will also be taken into account, since some researchers argue that in order to ensure commitment employees’ values should be congruent with those of the employer (Westerman & Cyr 2004; Zimmerman & Johnson 2005; Edwards 2008). Outcomes of commitment will also be discussed so that to establish possible links with performance being another concept, on which the given research is focused. Lastly, existing and potential threats hindering the creation of commitment will be considered so that to have an understanding of proactive and reactive measures in order to prevent or effectively solve these difficulties. As well as, theoretical statements and arguments about whether commitment is a measureable concept will be studied in order to reveal if and how it can be measured in practice for the organizations that face the problem of employee commitment.

2.2.2 The modern approach: The Multi-Dimensional Scale

The concept of commitment in the workplace is still one of the most challenging and researched concepts in the field of management and HRM (Cohen 2007). Suliman and Isles (2000) suggest four main approaches to conceptualizing and exploring employee commitment: attitudinal approach, behavioral approach, normative approach and multidimensional approach. However, nowadays, it is widely recognized that multidimensional construct, offered by Meyer and his colleagues, is the most popular approach to employee commitment (SamGnanakkan 2010).

Affective commitment: also referred to as attitudinal commitment (Swailes 2002; Torrington, Hall & Taylor 2005) considers the employee’s emotional attachment (Sahoo, Behera & Tripathy 2010) as a person to the organization (Lumley et al. 2011), and is concerned with the extent, to which the employees enjoy their membership and identify themselves with the organization (Culpepper, Gamble & Blubaugh 2004). Affective commitment, according to Meyer and Allen (1991), is influenced by the individual’s needs and expectations about the organization and whether those match or not, according to their actual experience, establishing evident links to the psychological contract. In the same way, it has been shown to be associated with higher productivity and with positive work attitudes (Meyer et al. 1989).
**Continuance commitment**: also called a calculative commitment (Hansen, Sandvik & Selnes 2003) refers to the commitment based on the costs the employees associate with leaving the organization and so being more calculative and concerned with the individual’s need to continue working for the organization (Meyer & Allen 1997). As stated by Stebbins (1970), continuance commitment is “...the awareness of the impossibility of choosing a different social identity...because of the immense penalties involved in making the switch....” In this kind of commitment, aspects such as “investment” constitute an important determinant. Moreover, some authors (McGee & Ford 1987; Somers 1995) suggest that this concept is constituted by the “personal sacrifice” of the employee associated with leaving and “limited opportunities” for another employment, forcing employees to stay with the organization (Culpepper, Gamble & Blubaugh 2004.).

**Normative commitment**: this term, introduced by Weiner and Vardi (1980) refers to the employee’s feeling of obligation to remain with the organization (Culpepper, Gamble & Blubaugh 2004) and focuses on “the right or moral things to do” (Meyer et al. 2002). The term is similar in some aspects to affective commitment but it is influenced by society’s norms about the extent to which people ought to be committed to the organization. This is based on the “social exchange theory”, which suggests that an employee receiving a benefit under a strong “normative”, has the obligation to repay it in some way (Makim, Cooper & Cox 1996).

In other words, as far as commitment is concerned, it can be said that the employees stay in the organization because they want (affective commitment), because they need (continuance commitment) or because they ought to (normative commitment) (Meyer & Allen 1991; Makim, Cooper & Cox 1996, Lumley et al. 2011). Meanwhile, these three kinds of commitment are not exclusive and can perfectly coexist all together (Meyer & Allen 1984). Furthermore, Meyer and Allen (1991) propose a three-component Model of Organizational Commitment (Figure 1), where the major variables associated with the three aspects of commitment are shown. However, an extension of this model (Meyer, Allen & Smith 1993) also considers the terms occupations, profession and career commitment applied to the individual and the organization.
Later, in order to avoid an overlap with predictive intentions and outcome variable in behavior, Cohen (2007) puts forth a two-dimensional model of organizational commitment: instrumental and affective. He (Ibid) presents a conceptual model of organizational commitment with timing and bases of commitment. The timing of commitment distinguishes between commitment propensity, which develops before entering the organization and organizational commitment, which develops after entering the organization. The second dimension (bases of commitment) makes a distinction between commitment based on instrumental considerations and commitment based on psychological attachment.

According to the explanation (WeiBo, Kaur & Jun 2009), instrumental commitment propensity is derived from one’s general expectations about the quality of the exchange with the organization in terms of expected benefits and rewards, and normative commitment propensity which is a general moral obligation towards the organization. Instrumental commitment results from employee’s perception of the quality of the exchange between one's contributions and the rewards one receives. Affective, also defined as psychological attachment to the organization is demonstrated by identification with it, emotional involvement and a sense of belonging. WeiBo, Kaur and Jun (Ibid) argue that being conceptually separate from one another; these forms are interconnected, since pre-entry forms of commitment determine the two post-entry ones.
2.2.3 Antecedents of commitment

Organizational commitment is said to be linked to various antecedents ranging from personal variables and organizational characteristics (Camilleri 2002; Sojoudi & Farahbod 2012).

Mathieu and Zajac (1990) distinguish between the following antecedents: personal characteristics, job characteristics, group-leader relations, organizational characteristics and role states. Steers and Porter (1997) suggest that the antecedents of organizational commitment can be grouped into three categories: personal characteristics, job or role-related characteristics and other characteristics derived from the design of the organization. This approach is very similar to the one suggested by Angle and Lawson (1993) where they speak about the same antecedents, just naming the last two as organizational characteristics.

A) Personal characteristics

Different personal characteristics have different approaches to organizational commitment (Tseng & Lee 2011), moreover, throughout numerous researches various factors have been found out to influence commitment: e.g. age, tenure, achievements motivation, education, etc. Kirchmeyer (1995) suggests that demographic variables (such as age or gender) may play an important role in determining employees’ commitment (Angle & Lawson 1993). However, many researchers (Fogarty 1994; Shadur, Rodwell & Bamber 1995) contradict one another, creating an ambiguous position about the effects of the demographics variables on employee’s commitment (Meyer & Allen 1991).

B) Organizational characteristics
**Job or role-related characteristics:** It has been found out that job or role-related characteristics also influence commitment. Many studies have shown that an enriched job generally leads to increased commitment (Steers & Porter 1997). Moreover, it includes perceptions about fairness, meeting expectations and the opportunity to exercise responsibility (Coetzee, Schreuder & Tladinyane 2007; Spector 2008), as well as interaction and identification with other members of the organization (Sheldon 1971). Group cohesion, which is an indicator of frequent interactions and perceptions of an open interaction process, also predicts organizational commitment (Ghazzawi 2008).

**Design of the organization:** This antecedent is positively related to the degree of formalization, functional dependence and decentralization (Morris & Steers 1980). In addition policies and practices of the organization can have a positive or adverse effect on employees (Thomson & Mabey 1994; Bratton & Gold 2003). Meanwhile, it is also related to the degree of participation in decision-making and to the worker’s ownership and control of the organization (Rhodes & Steers 1981) and it seems to be influenced by the nature and quality of work experiences, that occur during an employee’s tenure in the organization (Angle & Lawson 1993).

Moreover, according to Meyer and Allen (1991), there has been a considerable amount of research examining the links between work experience variables and affective commitment. In regards to continuance commitment, Wiener (1982) argues that anything that increases perceived costs can be considered an antecedent, and as for normative commitment, the feeling to remain in the organization may result from the internalization of normative pressures exerted on an individual prior to his entry into the organization. However, the organization can also provide the employee with “investments” creating an imbalance in the employee/organization relationship.

### 2.2.4 Development of commitment

According to Mowday, Porter and Steers (1982), the process of developing commitment is a series of “…self reinforcing cycles of attitudes and behaviors that evolve in the job and over the time strengthen employee commitment to the organization…”. Later, O’Reilly (1989) outlined three stages of commitment development as compliance stage, identification stage and internalization stage. Morgan and Hunt (1994) added the mentioned three stages to the growing lists of commitment antecedents. The first stage, namely compliance, refers to employees’ accepting the influence of others in order to benefit from them in the form of remuneration or promotion (O’Reilly 1989). The same opinion is shared by Lumley et al. (2011) who state that employees stay in the organization because of the money they, as employees, earn as a result of the time spent in the organization and not because they want to; hence, according to Vance (2006) people assume that in exchange of their commitment they will get something in return. Beck and Wilson (2000) associate it with the continuance dimension commitment. Identification stage (associated with the normative dimension) deals with employees’ identifying them with an organization through the sense of duty and loyalty (O’Reilly 1989). And finally, internalization stage (based on affective dimension) implies that the value of an employee is rewarding and congruent with those of an organization (Meyer & Allen 1991). However, according to Liu and Deng (2011), the concept of the development of organization commitment was mainly based on the principle of social exchanges. They (Ibid) argue that, in order to better understand this concept, it must be analyzed according to a concrete process and key factors of social exchanges.
2.2.5 Commitment strategy

At the moment of creating employee’s commitment, it is important to accept that the interests of the organization and of its employees do not necessarily match (Armstrong 2000). Walton (1985) described the term “commitment strategy”, where it involved high performance expectations, and, instead of defining minimum standards, emphasized continuous improvement and the expanded content of individual jobs and “equity”.

According to Goffin and Szwejczewski (1996) there are four aspects to consider when creating employee’s commitment: Investment in time and effort, clear goals and organizational structure, passion and enthusiasm for strategic alliance and strong focus on staff. In addition, Saunders and Thornhill (1999) recommend five areas, in which the organization can act in order to encourage commitment: planning a change program, appropriateness of line management styles and skills, the nature of communication, the commitment of senior management to the change and the clarity of the future direction.

According to Sahoo, Behera and Tripathy (2010), the degree of commitment towards the workplace is highly dependent on employee empowerment and involvement initiatives. Particularly with regards to ICT industry SamGnanakkan (2010) have highlighted the following HR practices that organizations may employ to increase commitment:

1) Communication and participation that include employee suggestion, participation in decision making and information sharing. It is argued that open, responsive, two-way communications are vital to employee retention. Further, employee suggestions, as one of the forms of involvement, are said to yield cost savings, productivity gains and higher overall profits, while rewarding participants with monetary compensation, recognition and the satisfaction of seeing their ideas adopted. Additionally, participation practices imply more involvement achieved through decision-making, two-sided communication, financial involvement, task-based participation and team working. All this is found to empower employees, which is beneficial not only for the latter, but also for the managers. And, finally, information sharing is believed to lead to goal alignment and trust between employees and management.

2) Trainings that are recognized as a source of competitive advantage impact on employees’ productivity and their contributions to business objectives. Moreover, IT professionals always tend to upgrade their skills in order to remain valuable assets for their organizations.

3) Career development. It is argued that successful career development programs enhance retention by helping organizations keep pace with rapid technological evolution and changing employee requirements. Furthermore, according to Kamil et al. (2011), career development programs not only support employees in developing careers but also use the initiatives to engage and retain them.

4) Performance management that consists of a formal process of goal setting, performance appraisal and feedback. According to Meyer, Opperman and Dyrbye (2003), performance management aligns the goals of individual members to those of the organization with which
they are associated. In this respect, goals should be clearly defined and well-communicated (Ibid). Moreover, effective performance management requires fair and trustful procedures.

5) Compensation and benefits. These include compensation, monetary and non-monetary rewards, benefits, performance based compensation, employee recognition, etc. Yet, Meyer, Opperman and Dyrbye (2003) state that employers, who relate their employees’ retention with compensation-based commitment are vulnerable to the possibility that their competitors will headhunt the personnel by offering higher wages. Therefore, more creative approaches must be applied to rewarding employees, such as various types of recognition.

In addition, such aspects as performance and expectations, emphasizing “stretch objectives”; organizational management, which promotes mutual respect and relies upon shared goals for control and lateral coordination where status is tried to be minimized; employment assurance that implies a spirit of mutual commitment trying also to avoid unemployment and assist re-employment; as well as labor management relations and management philosophy focused on claims of all stakeholders and the employee’s needs as a goal, emphasizing a joint problem solving and planning (Walton & Lawrence 1985) fill up the set of factors creating employee commitment.

According to Little and Marandi (2003), the advantage of these aspects is that they present more satisfying and humane working environment plus economic benefits, in addition to this, commitment becomes stronger when the satisfactions levels are high.

2.2.6 The outcomes of commitment

The importance of commitment was highlighted by Walton (1985), where he pointed that performance can be improved if the organization takes a commitment strategy rather than a control oriented approach. Employees come to work to make a contribution (Johnson 2004) and those employees who are committed to deliver customer satisfaction constitute a value asset in any organization (Payne et al. 2003). In addition to this, the opportunity of having committed employees will give the organization support in order to achieve the corporate goals, and so they can become a significant source of competitive advantage (Rashid, Sambasivan & Johari 2003) due to their greater capacity of innovation and flexibility (Walton 1999). And this is a must for the organization if they want to prosper or even to survive (Savery & Syme 1996). This is also evident in the quality movement with an emphasis on employee’s identification, excellence and the need for high individual levels (Corbridge & Pilbeam 1998). Luchak and Gellatly (2007) state, that the feeling of commitment stem from the employees’ firsthand experience with the organization when it supports its employees treats them fairly and enhances their sense of personal importance and competence by appearing to value their individual and collective negligible.

According to Meyer and Allen (1984) the outcomes of commitment are associated with the different factors motivating employees to remain in the organization. It is possible to assume that the employees give organizational commitment and continued membership to the organization in return for pleasant outcomes arising from their organizational membership (Arnold & Mackenzie Davey 1999). This is sometimes called a social exchange approach (Arnold 1990) or prospective rationality (O’Reilly & Caldwell 1981). Moreover, some studies confirm that improvements in employee
commitment increase retention and productivity (Prince 2002). According to Meyer et al. (2002), all three forms of commitment are negatively correlated with withdrawal cognition, turnover intention and intention itself. Affective commitment seems to be the commitment component that produces a desired outcome, such as lower turnover and higher acceptance for a change for right reasons, because of the emotional attachment, identification and involvement in the organization (Sahoo, Behera & Tripathy 2010). In this regard, Paré and Tremblay (2000) state that IT specialists who identify themselves and feel emotionally attached to their organization and/or work unit are less likely to leave. In contrast to the opinion expressed by Meyer et al. (2002), Hislop (2003) states that, continuance commitment has not been found to be related to attendance levels, and the limited amount of research on normative commitment means that conclusions in this area cannot be made. However, some research has found some positive correlations between increased tenure and increased commitment. But, what is not clear yet is which variable is influenced by the other one (Steers & Porter 1997). Other studies have also shown that commitment affects behaviors at work in relation to the workers’ “in role” effort and performance (DeCotiis & Summers 1987; Kim & Mauborgne 1998). Furthermore, considerable research has shown the relationship between commitment and absenteeism (Wasti 2002), where absenteeism predicts that highly committed employees would be more motivated to attend work, so they could help facilitate organizational commitment goal attainment (Steers and Porter 1997). In addition, a study conducted by Hanisch and Hulin (1991) theorized that absenteeism and other withdrawal behaviors such as lateness and turnover reflect invisible attitudes such as job dissatisfaction and a low level of organizational commitment. Low level commitment, in its turn, makes organizations less productive leading to a decline of product and service quality (Johns 2005).

It is expected that committed workers will be highly motivated and will go “beyond the contract” (Mabey, Salaman & Storey 1998). According to Meyer and Allen (1997), those companies that have committed employees benefit from having a permanent staff, and so those, who stay with the organization through thick and thin, attend work regularly, put in a full day, protect company’s assets, share its goals. In the same way, the employee is also willing to exert considerable effort on behalf of the organization and has the desire to attain membership in the organization, hence, not only the organization benefits from having committed employees but also the society, due to lower job movement and higher national productivity (Rashid, Sambasivan & Johari 2003). According to Furlonger (2005), other factors to consider are: Job Satisfaction, Management Style, Relationship and Trust, Values and Culture, Diversity, Change and Transformation, Leadership, HR Policies and Procedures, Training and Development, Communication, Rewards, Recognition and Performance Management.

2.2.7 Do shared values matter?

It is frequently the situation, when creative employees are highly committed to the task due to the opportunity to develop their expertise, however this does not mean that such commitment will be extended to the employing organization (Davis & Scase 2000). According to Dessler (1993) it is futile to try to create commitment unless people first value top management trust and respect for people. Moreover, the key issues in creating organizational commitment are the compatibility between the goals and values of the company and the employees, where if being compatible, high
commitment to each other is shown (Storey 1995). Nevertheless, trying to understand enough about organizational commitment can be a failure in changing it (Sparrow & Marchington 1998). Kim and Mauborgne (2002) propose that organizations should be fair, justifying that with the help of fairness even the most difficult goals can be reached, and, at the same time, trust and cooperation of the employees and also a significant impact on employee’s satisfaction can be gained (Schuler & Jackson 1999).

Morgan and Hunt (1994) define “trust” as “…the confidence that one partner has in the other’s reliability and integrity…”; where the “confidence” is associated with the partner’s consistency, competence, honesty, fairness, willingness to make sacrifices, responsibility, helpfulness and benevolence. Additionally, it has been found out that trust leads to higher levels of loyalty (Schurr & Ozanne 1985) and, subsequently, loyalty demands commitment even when an action or situations do not exactly serve for the employee’s self interest (Lurie & Frenkel 2002). Nonetheless, employers should not focus on demanding loyalty from their employees (considering it as being blindly and faithful a duty or an obligation), while, in contrast, asking for commitment requires an agreement to do something (Skoch 1994). This confusion between loyalty and commitment is due the fact that organizations tend to measure employee’s effort by turnover reduction. This, in turn, drives a set of policies geared towards retaining people in the job while ignoring the efforts to inspire discretionary efforts (Prince 2002).

As indicated by the Institute of Personnel and Development (Armstrong 2000), the basis, upon which commitment is created, can be only through a strategy of building trust. The difference between what in the real life is done compared with what is said generates among the employees cynicism and evidence of contradictions in the management thinking, the role of trust being essential in developing successful relationships (Moorman, Zaltman & Deshpande 1992; Gamesan 1994; Geyskens & Steenkamp 1995), where mistrust brings mistrust and it tends to decrease commitment in the relationship (McDonald 1981). Brewer and Lok (1995) identified that trust and identification with mid level managers correlated positively with organizational commitment, and consequently those employees who are committed to the aims of the organization and trust their managers and organization, are likely to be self-regulated rather than being controlled by sanctions and external pressures (Gratton et al. 1999). In this respect, Naqvi and Bashir (2012) argue that IT employees, who receive support and care from their supervisors and establish good relationships with the latter, become more attached to and involved in the organization.

2.2.8 **Difficulties in creating commitment**

Within the normative assumption about employees and employers, which suggests that employee commitment is natural to the employment relationship, the interests of employees and employers are, however, rarely congruent (Lashley 2001). Furthermore, Prince (2002), points out that employees usually confuse commitment with satisfaction, due to which a satisfaction-based approach to employee commitment may increase employees’ intention to continue the relationship with the organization, however it will produce a very little effect on the discretionary effort.

Some of the aspects that avoid building employee commitment are: low discretion job design, consisting in the way the companies try to standardize experience for customers limiting the amount
of discretion needed by the individual employee; labor turnover, referred to as the difficulty to establish the necessary investment if individuals rarely stay long enough, reduction of labor turnover represents a goal and a part of the process; numerical flexibility concerned with the fluctuating demand of the sector where the organization operates, where the companies tend to manage the staff not only in terms of a full time but also part time or temporarily, where the level of commitment by the employee tends to reflect the somewhat limited commitment to the employee from the organization (Lashley 2001) and also a strong status division between hourly paid manual workers, monthly paid staff, managers and executives, whereas the introduction of some form of single status employment across the organization helps facilitate greater commitment (Clark 1993). Additionally, financial constraints can possibly make the employees feel ignored when their input in their concerns is repeatedly ignored or denied (Schuler & Jackson 1999). Many organizations also believe that a competitive payment is the solution; however, there are many drivers to consider, such as equitable rewards, work resources and job security, furthermore, organizations usually assume that using the same motivational drivers will work for everyone, forgetting to understand the differences between the employees (Johnson 2004).

2.2.9 Is it possible to measure commitment?

The way commitment can be measured has been a subject of considerable discussions. However, Stevens, Beyer and Trice (1978) have suggested that there are basically two different approaches: a) the exchange approach, supported by authors such as: Becker and Carper (1956), where it is suggested that organizational commitment was created through such factors as pension plans and entitlements for long services. Other research such as Porter et al. (1974) have developed a physiological approach based on the suggestion of Porter and Smith’s manuscript, where an Organizational Commitment Questionnaire was worked out in order to measure commitment (this questionnaire got a substantial attesting as to the reliability and validity aspects). Additionally, Mowday, Steers and Porter (1979) have developed a commonly used measure of employee affective commitment. Later, the studies developed by Meyer and Allen (1997) have been widely supported by Beck and Wilson (2000), Wasti (2002), Meyer et al. (2002), Iverson and Buttigieg (1999), Gallie, Felstead and Green (2001), Swailes (2002), Culpepper, Gamble and Blubaugh (2004) and Haar and Spell (2004), where the creation of an Organizational Commitment Questionnaire considers the three aspects of organizational commitment (affective, normative and continuance). In contrast to these approaches, Choppin (1991), explains that it is not easy to assess the effective commitment of a company to any particular idea. A company is a collection of individual people, each with their own sense of commitment. Even when a particular individual, such as the managing director, is considered, commitment is still difficult to assess (Ibid). Finally, according to Rusbult, Martz and Agnew (1998) the level of Commitment can be defined as intent to persist in a relationship, including long-term orientation toward the involvement as well as feelings of psychological attachment.
2.3 Employee performance

2.3.1 What does performance mean?

Following the 1982 recession, more and more companies looked towards paying for performance to increase bottom-line results and obtain productivity gains (Gerhart & Fangb 2014). At the moment of defining performance it is required to take into account that the achievement will be determined by the very nature of the organization, its environment and the politics and the power associated with the players involved (Weightman 2004). According to Salaman and Asch (2002), performance means improving organizational capability, in order to design, generate, support or deliver strategy. Rothmann and Coetzer (2003) explain that job performance of employees refers to performance of employees to achieve the goals and targets set by the organization. In this way, performance can be described as work related behaviors and the resultant outcomes (Carson, Cardy & Dobbins 1991; Gilbert 1996; Ali & Jadoon 2012; Fitzgibbon, Ward & Enticott 2014). It has also been said to be a result of individuals, the work environment and their interaction (Fitzgibbon, Ward & Enticott 2014).

Carson, Cardy and Dobbins (1991) indicated that the work environment has an impact on individual’s behaviors at work, as well as on work outcomes. Conversely Thompson (1993) explains performance as individual skills plus the effort and the efficiency of the system used, where a job performed effectively refers to the ability to apply knowledge and skills to perform successfully (Kanungo & Misra 1992). Then the term ‘performance’ has a similar meaning to job performance, although it does not only mean individual performance but also might mean organization performance (Sutanto 1999). According to Prasetya and Kato (2011), performance is defined as the attained outcome of actions with the skills of employees who perform in some situation; similarly for other researchers performance means improving organizational capability, in order to design, generate, support or deliver strategy; in addition to this, performance is related to meet the person’s objectives, a result where the actions leading to these results are behaviors; that is why performance can easily be confused with behavior (Dailey & Kirk 1992). And this is the reason why many researchers have switched from measuring performance to measuring behavior (Maggin et al. 2011).

The performance of an individual is a function of at least four inputs: commitment, confidence, competence and contingency, and although other inputs may be present, these four are always present. In addition, performance outputs are expressed as feelings and behaviors that vary for each input and either encourage or discourage, because outputs result from inputs (Dries 2013). According to several scholars (LePine, Erez & Johnson 2002; Turnipseed 2002; Pavalache-Ilie 2014), there are two types of performance; the traditional ‘in-role’, which refers to performing those tasks written in the job description and recognized by the organization’s reward system, on the other hand, the ‘extra-role work’ performance is defined as the extraordinary behavior that is discretionary, not directly or explicitly recognized by the formal reward system.

The results of the analysis of corresponding scientific and empirical literature have revealed that both scholars and practitioners highlight the issue of improving employees’ performance as a means of achieving strategic aims of the organization and ensuring its competitive advantage (Dessler 2011).
In different periods of time studies on the subject of performance have covered different cycles of performance management processes, including setting and realizing work goals and objectives, fulfilling expectations, measuring performance, giving performance feedback and translating performance into reward, in which the aim is focused on the means by which better results can be obtained from the organizations, teams and individuals within an agreed framework of standards and competence requirements (Lewis cited in McBain 1998; Maathis & Jackson 2000; Armstrong 2000; Bohlander, Snell & Sherman 2011; June & Mahmood 2011). Taking this into consideration and in order to have a complete and thorough view of the concept of employee performance that will help fulfill the purpose of the thesis, the given section will incorporate and analyze the following aspects of employee performance: improvement of performance, goal-setting and expectancy theories, reward strategy, performance threats, performance outcomes, performance measurement, appraisals and the issues connected with them.

2.3.2 How is it possible to improve performance?

Most organizations have realized that the performance of their workers plays a vital role in determining the success of the organization (Zheng, Sharan & Wei 2010; Ajila & Abiola 2004). In order for the employees to do their best and reach their full potential, it is necessary for them to see a direct link between their efforts and their success (Grumana & Saks 2011). Managers, seeking to improve performance, will often look at the motivation theory for support (Bratton & Gold 2003), that states that motivation is related to high performance levels of the staff (Makim, Cooper & Cox 1996). Moreover, job satisfaction has also been found to have a significant relationship with employees’ performance (Gu & Chi 2009). According to several researchers (Karatepea et al. 2006; D’Amato & Zijlstra 2008) employee performance is improved when the latter feels self-efficacy in the organization. In addition, it has been found out that when person-job fit exists, it can lead to improved task performance and contextual performance (Greguras & Diefendorff 2009). Nevertheless, the challenge starts when many employees are involved, each with different needs and desires (Beardwell, Holden & Claydon 2004). Trying to improve performance may involve Human Resource Management, redesign of processes, reorganization, development of new technologies, or implementation of new policies, so any proposal for improving organizational performance is a proposal for improving one or more elements of the E (environment) S (Strategy) O (Organizational capability) model (Salaman & Asch 2002). According to Torrington, Hall and Taylor (1998), there are three main kinds of performance initiatives, such as: performance management, performance related-pay and self development / continuous development.

2.3.3 The goal setting theory

The goal setting theory was established by Locke (1968), in which he supported the idea that goals pursued by employees can play an important role in motivating superior performance. In this regard, Mento, Steel and Karren (1987) argue that to succeed, the goals should be specific, demanding and accepted by the employees, and that feedback on their performance should also be made. Elaborating the idea of a feedback, McCrimmon (2011) points out that regular performance discussions are only effective when seen as an opportunity and not chore. In this sense they keep the lines of communication open, make employees feel valued, foster retention, and when done well, help employees achieve at their full potential (Ibid).
2.3.4 The Expectancy Theory

One of the most important precursors of the expectancy theory were Georgopoulos, Mahoney and Jones (1957) who focused on a “path goal” approach and presupposed that “…if a worker sees high productivity as a path leading to the attainment of one or more of his personal goals, he will tend to be a high producer, and in contrast, if he sees low productivity as a path to the achievement of his goal, he will tend to be a low producer…”. The expectancy model (Mabey, Salaman & Storey 1998) is developed by a combination of the following three factors: expectancy (consisting of the person’s own assessment of whether performing in a certain way will result in measurable results); instrumentality (concerned with the perceived likelihood that such a result will lead to attaining the given reward); and valence (involving the person’s assessment of the likely satisfaction). The Expectancy Theory is based on the “law of effect” (Gerhart & Fang 2014), which states that “behavior that is rewarded will be repeated” thus paying for performance may be used to make perceived “overpaid” performers increase their performance, and adequately reward the best performers, so that they will not feel underpaid.

2.3.5 The reward strategy

In order to motivate and retain employees, the reward system of the organization should be structured to ensure that the distinction between excellent and average performance is recognized and compensated (Gratton et al. 1999). Moreover the reward strategy sets up the level and mix of financial and non-financial rewards required to attract, maintain and encourage individuals with the skills, abilities and competence needed to deliver performance outcomes and able to support the accomplishments of business ambitions (Armstrong & Baron 2002).

Understanding of motivation is important in the development of reward strategies (Beardwell, Holden & Claydon 2004). The key components of monetary variables (Bratton & Gold 2003) and employee satisfaction with monetary rewards are evidences of a positive motivation (Drucker 1975). Can money motivate people to work? The traditional human resource management approach enhances individual performance through the evaluation of past performances and the allocation of financial incentives or bonuses (Taylor 2002). Yet, there is a clear evidence, that in practice financial participation, whether share or cash-based, may have rather an indirect and dilute influence on employee attitudes: cash schemes run the risk of being seen as a fancy hand-out, fairly quickly taken for granted rather than becoming a source of identification and commitment (Towers 1992). In addition to this, McBain (2001) points out that performance related pay is linked to the worker’s attitudes and helps reduce absenteeism, assuming that pay will act as incentive stems (Ellis & Dick 2003). Nevertheless, some research states about the negative sides of monetary rewards. Thus, according to Cox, Brown and Reilly (2010) there is a danger in fixation on financial incentives as the default reward mechanism of a choice and on concepts of reward strategy that focus on planning rather than processes, concepts rather than communications and intent rather than impact. In this regard, as a kind of remedy a number of modern researchers (Jiang et al. 2009; Hiles 2009) support total rewards strategies that generally focus on allocating resources and tailoring activities to achieve a target performance within a defined timetable. According to Jiang et al. (2009), people do not simply work for pay, they also want individual development in order to obtain new knowledge and apply their talents and valuable skills. The concept of development-oriented strategy was earlier
discussed by Taylor (2002), who argued that not only through payment it is possible to improve performance, but also through Negotiation, where it requires the consent and co-operation of a team of employees; through Persuasion, which involves seeking to encourage employees to raise performance standards without direct complementation for their efforts; through Discipline, using punitive measures to improve standards of performance; through Work Design, based on the idea that employees achieve higher levels of motivation, satisfaction and performance if the jobs they do are made more interesting and challenging; and Counseling, related to help employees to solve any personal problems, concerning their personal life, and, at the same time affecting motivation and performance on the job. Additionally, Patricia and Jay (2000) constructed a four-component module of total reward strategy: individual growth, compelling future, total pay and positive workplace. Later, another sample of total rewards strategy was built by JLARC/Commonwealth of Virginia mentioned in Jiang et al. (2009) that contains three main aspects: compensation meaning a competitive base salary to attract and retain talents, as well as compensating for fulfilling day-to-day responsibilities performed at a fully acceptable level or above; benefits that provide flexible and market competitive health benefits to support employment brand and attract and retain specialists; and, finally, work/life environment that provides elastic work practices, telecommuting and support to promote the appropriate balance of productivity and employee engagement.

2.3.6 Performance threats

Managers and employees intermittently face problematic events (Hewitt 1984) that can be extremely critical for the organization and those they affect. One category of such events occurs when employees fail to perform as managers expect. Maximizing performance of services provided in combination with the marketing of tangible products can lead a firm to a dead end if its service policy creates considerable increases in costs (Herve and Shapiro 1993). In addition, employee performance problems essentially take two forms: those that are motivational in origin and those resulting from skill deficiencies (McConnell 2003), where the result of motivational or skill deficiencies are more or less the same: reduce output, quality or both. However, Leopold (2002) suggests that factors such as recruitment and selection, promotion, conditions, communications and role negotiation, staffing levels, stress and work organization are important issues and can cause ineffective performance. In addition, Stewart and Stewart (1982) also list abilities and job knowledge, emotional problems, medical disorders, work groups, the organization itself and other factors, such as: family and ethical problems and cultural differences. Furthermore, Pettinger (1999) supports a similar approach to the above mentioned, mainly where he groups all these reasons according to the employee’s capacity or capability and bad attitude or demeanor. Yet, according to Stewart and Stewart (1982), these threats can be solved through counseling and disciplinary interviews, assigning a different job, job redesign, group pressure, professional counseling or commonly with training, where the aim is to reduce or eliminate present deficit in knowledge and skills and attitudes to improve job performance (Goldstein 1993; Ford & Kraiger 1995)

2.3.7 Performance outcomes

Most organizations have realized that the performance of their workers plays a vital role in determining the success of the organization (Zheng, Sharan & Wei 2010, Ajila & Abiola 2004). Firms need effective and productive employees whose job performance is at an optimal level to be
able to achieve their organizational goals (Michou, Matsagouras & Lens 2014) where incorporating personal goals of employees with into-work goals may not always be possible, but it can be a powerful tool for any supervisor who can do it (Denton 1998). Furthermore, like absenteeism, there is some evidence to support just for every conceivable relationship between performance and turnover. Some researchers have reported evidence of a positive relationship between performance and turnover, suggesting that the high performers are more likely to leave. (Morrow et al. 1999). Also, studies have revealed positive relationship between employee engagement and performance outcomes, such as: employee retention, productivity, profitability, customer loyalty and safety (Markos & Sridevi 2010). And finally, as stated by Guest (1997), there are two kinds of performance outcomes: internal outcomes, such as employee relations (including labor turnover and absence), productivity and quality of products and services; and external outcomes, such as financial performance.

2.3.8 Is it possible to measure performance?

Measuring performance is complex (Thomson & Mabey 1994) and constitutes the most difficult area to get control over (Armstrong and Baron 2002), in fact many researchers (Rees & Porter 2003; Piggot-Irvine 2003) have published articles on the pitfalls and the failures of performance appraisals. Little and Marandi (2003) expose that performance is possible to be measured through the effects of a company’s actions, providing feedback on its success or failure thanks to such indicators, as profitability or customer satisfaction. Likewise, when measuring performance, output rating, achievement against objective, behaviorally based rating scales, competences, critical incidents and narrative reporting are commonly used (Thomson 2002). Even though, while measuring the observable behaviors directly and non observable behaviors indirectly, the intellectual process does not provide information on performance, that behavioral information can give us a clue about the cause (Bailey 1982). According to March and Simon (1993), traditional performance measurement assign accountability for outcomes to individuals or functions, despite the task independencies’ that often make outcomes of the responsibility of a larger group. On the other hand, several scholars (Deming 1986; Locke & Latham 1990; Chenhall 2005) advise that cross functional accountability encourages workers to adopt a broader perspective and to focus on a problem solving rather than the assignment of blame.

2.3.9 Appraisals

Most companies will use at least some quantitative indicators (quantitative measures) of their performance to assess whether they are achieving the goals they have set for themselves (Mabey, Salaman & Storey 1998). According to Rogers and Wright (1998) “turnover” was the only employee measure they found.

Nevertheless, the outcomes of performance are often measured by the applications of appraisal schemes (Beardwell, Holden & Claydon 2004).). And often one of the techniques used to encourage, motivate and help employees to improve their performance in a job (Foot & Hook 2002) is establishing clear objectives and letting them know what is expected from them (Bach & Sisson 2000) due to an identification of weaknesses (to be corrected) and strength (to be developed) of the employees and employee’s aspirations within the organization (Boella 2005). According to several
case studies (Beardwell, Holden & Claydon 2004), the following list of factors are commonly appraised:

1) **Job knowledge and abilities to perform all aspects of the job,**
2) **Ability to cope with changes,**
3) **Productivity: Individual work output,**
4) **Quality of work: Attention to details and consistent quality,**
5) **Attitudes to work: Commitment, motivation and enthusiasm,**
6) **Interaction with others: Communications skills, team working ability,**
7) **Originality of thoughts and initiatives in problem-solving,**
8) **Ability to correctly interpret job requirements,**
9) **Setting priorities, abilities to plan and organize work,**
10) **Number of and reasons for absence and punctuality**
11) **Awareness of health and safety standards,**
12) **Leadership and ability to develop others: need of supervision,**
13) **Extent to which previously set targets have been achieved.**

In addition, according to Marchington and Wilkinson (1998), three performance criteria can be appraised: traits, related to personal characteristics; behaviors, related to how work is performed and outcomes.

In this way, appraisals are a result of a performance management process, which is defined as the process that involves collecting and reviewing data on program performance; aims to identify what’s working, pinpoint, resolve problems and improve effectiveness and efficiency on the ground in real time (Auspos & Kubisch 2012) and setting expectations (Farndale & Hope-Hailey 2011); the success of this process, according to Fryer, Antong and Ogden (2009), depends on the alignment of the performance management systems and strategies of the organization, leadership commitment, a culture in which it is seen as a way of improving and identifying good performance, stakeholder involvement and continuous monitoring and feedback.

**2.3.10 Issues in performance appraisals**

Performance appraisals are a technique that has certain minimum requisites, as suggested by Goldsmith et al. (1997). The organization should have at least twenty full time non-managerial employees, a minimum of one layer of professional managers and individual departments with their own heads or supervisors (Ibid). Furthermore Appelbaum, Nadeau and Cyr (2008) suggest that when appraisals are performed in a different country, variables such as language barriers, different values and different cultures come into play and make the task even more complicated. In the same way, Hempel (2001) points that western-style appraisals might not be the answer. Performance appraisals are an integral part of the employee and employer relationships (Jenks 1991), where managers often worry about the appraisal process as potentially de-motivating staff or harming the on-going working relationships. In the same way, the employees are keen to avoid receiving any negative feedback about their performance (Beaumont 1993; Ellis & Dick 2003). However in the implementation of appraisal schemes there also exist problems like bureaucratization, lack of commitment, tension between identifying development needs and allocating rewards, subjectivity, bias and the recency
effects, where the appraiser is influenced by the recent events (Pilbeam & Corbridge 2002). Furthermore, the appraisal system might be influenced also by the relationship between the appraiser and the appraisee and the difficulty for the managers to judge the potential of their subordinates for a job higher or different from their own (Ellis & Dick 2003). Nevertheless, even in performance appraisals the work of the person and not his or her personal characteristics are judged (Jenks 1991). According to Gray (2002), the conventional performance appraisal system is more like gambling than an objective observation process. Ineffective appraisal system can bring many problems, such as low morale, decreased employee productivity, a lessening of an employee’s enthusiasm and support for the organization (SamGnanakkan 2010). Some companies like ‘Isfahan Oil Refinery Company’, perform an evaluation check-list by measuring their employees’ performance twice a year and their grade average is calculated by taking into account areas such as: Conceptual Management, Work Quality, Work Relation with Others, Ethical Relations, Obedience to Organizational Policies and Being Present.

2.4 The link between employee commitment and performance

As said by Akintayo (2010) and Tumwesigye (2010), one of the reasons why commitment has attracted research attention is that organizations depend on committed employees to create and maintain competitive advantage and achieve a superior performance. According to Payne et al. (2003), performance related reward systems have consequences such as considerable employee’s commitment and dramatic improvements in performance; where a corresponding reward seems to be fair. This point of view is supported by Farrel and Rusbult, (1981), Williams and Hazer (1986), Porter et al. (1974) and Chen, Silverthrone and Hung (2006) where the concept of commitment appears to affect the job performance and turnover. Furthermore, when the level of commitment is tried to be increased, positive outcomes are quite evident, and this high level of commitment is strongly linked to high level of organizational performance (Khan, Ziauddin, & Ramay 2010). However, some authors (Cooper & Hartley 1991) suggest that the level of commitment could indeed reduce organizational performance, where commitment might decrease flexibility and inhibit creative problem solving, and, also, this implies the possibility of reducing staff turnover. In the same way McBain’s studies (2001/2003) have shown a high degree of correlation between job satisfaction and organizational commitment, impacting directly on achieving high staff performance level. Moreover, managers can be surer to utilize employee commitment as one of the important factors to boost job performance in workplaces, and previous conclusions that stated commitment is largely unrelated to performance are dropped by new findings (Sutanto 1999). Rothmann and Coetzer (2003) advise that research seems to indicate that employees who have some sort of emotional bonding with the organization perform better as compared with others.

Leaders will influence organizational commitment and job performance because they can lead employees towards the achievements of job objectives (Yeh & Hong 2012). Studies performed by Yukl (2002) and Lee (2010) identified that transformational leadership has a positive impact on organizational commitment and consequently an impact on performance (Chi, Yeh & Yu 2008;
Pradeep & Prabhu 2011). Chen, Silverthrone and Hung (2006), in their turn, argue that strengthening communication channels and processes in the company boosts employees’ commitment and improves performance. Other researchers (Epitropaki & Martin 2005) have shown a positive relationship between the job-related well-being and affective commitment. As an example, Khan, Ziauddin, & Ramay (2010) investigated the impact of employee commitment among a sample of 153 workers in Pakistan where results show a positive relationship between employee commitment and their performance. Hence, the commitment of the employees is an important issue as it may be used to predict employee’s performance, absenteeism and other behaviors (Dordevic 2004).

Conversely, a study conducted by Steers and Porter (1997) has shown a weak relationship between commitment and performance. Furthermore, even when there are some studies that show that “affective commitment” is positively related to job performance, that relationship is inconsistent across the samples and measures of performance. Further, Suliman (2012) also suggests very weak, negative or poor relationship between employee commitment and job performance. Nevertheless, more recent empirical evidence indicates that “affective commitment” is in a significant relationship with job performance (Siders, George & Dharwadkar 2001; Clarke 2006). Additionally, in regards to other forms of commitment, some research shows that the relationship between “continuance commitment” and job performance is negative (Clarke 2006). Concerning “normative commitment”, the research has been ambiguous, showing positive and negative relationship or no relationship at all between the variables (Allen & Meyer 1996; Clarke 2006). Finally, studies supported by Jaramilloa, Mulki and Marshal (2005) and Al Ahmadi (2009) point out that employee performance may depend on the nature of the commitment, where some organizations tend to increase commitment through those aspects that influence each component, such as career promotions, skills training and compensation plans (SamGnanakkan 2010).

Hence, the position about the relationship between these two concepts remains ambiguous. Although many researchers have identified the importance of commitment with respect to many work outcomes, they have been unable to document the elusive commitment-performance relationship (Mowday, Porter & Steers 1982; Mathieu & Zajac 1990; Gregersen 1993; Benkhoff 1997), even when some authors confirm a positive relationship between the three elements of commitment and job performance (Suliman & Iles 2000). According to Benkhoff (1997), this variation in results is due to the way commitment has been conceptualized. As stated by Ashkanasy, Wilderom & Peterson. (2000) and Crawford (cited in Olivier 2010), commitment is the end product of a complex set of psychological and sociological relationships between the employee and the employer.
3. METHODOLOGY

The given chapter examines and explains the main philosophical approach, and consequently the justification of the research approach and design for the primary data collection. The research strategy has been developed and a justification of the sample is given. In conclusion, the reliability and the validity of the data have also been established, detailed and justified throughout the analysis of the information.

3.1 Research approach

Research is concerned with seeking for explanations of problems (Smith & Dainty 1991) and involves a variation of key processes of observation, reflection, theoretical conjecturing, testing of theories and models developed in order to capture the essence of the realities (Partington 2002). However, the way these realities are viewed and understood differ from each other from a philosophical (may be religious and cultural too) perspectives (Allison et al. 1996). The way the knowledge is developed in this research is closely connected with the philosophical approach to be taken.

3.1.1 Phenomenology approach

The Phenomenology Philosophy; sometimes presented under the rubric of “Constructivism” (Robson 2002) or “Interpretivism” (Saunders, Lewis & Thronhill 2003), was first used by Husserl (Patton 1990). It refers to how people describe things and experience them through their own senses (Jopling 1996). Phenomenology is explained as a critical reflection upon conscious experience, trying to understand the reality behind the researcher that is determined by people (Easterby-Smith, Thorpe & Lowe 2002), rather than by objectives or external factors in the analysis, and looking for patterns, which may be repeated in other similar situations (Hussey & Hussey 1997; Saunders, Lewis & Thronhill 2000; Collis & Hussey 2003).

By adopting this approach, the authors were able to study and interpret the influences in employees’ commitment to their work and the effects on their performance looking for the link and relationship between these two variables, in order to explain the way they affect each other, making it possible to reflect the experience and describe the central aspects of the study. The authors are aware that the phenomenological approach can be criticized for the problem of describing intention as deeply personal, subjective and essence of someone’s action (Grisi 2002). Nevertheless, the results of a phenomenological enquiry should be a direct description of an experience without taking into account its psychological origin (Goulding 2002). Phenomenological research being essentially inter-subjective on the part of the research and, both the content of the research and the means by which it is pursued being indicative of the researcher’s intention; the findings of this thesis have been analyzed and discussed with the support of the literature previously examined.

The modern justification for taking up this approach lies in the fact that the explanation of social phenomena is relatively worthless unless it is grounded on observations and experience (Gill & Johnson 1991). In addition, the construction of covering-laws explains past and predicts future observations through casual
analysis and hypothesis testing (Ibid). In inductive reasoning, the conclusions are drawn from particular pieces of evidence; in this way the conclusion explains the facts, and the facts support the conclusion (Cooper & Schindler 2001). Moreover, regarding the phenomenological philosophy, the reader of this research should get the feeling that “I understand better what it is like for someone to experience that” (Polkinghorne 1989). Hence, by applying this approach, it became possible to understand the reasons behind employee commitment and its possible relationship with the employee performance, which helped make a better decision, since the phenomenon was understood.

3.2 Research method

The method, by which the researchers have planned to answer the research question, is through a case study. The term “case study” has always been the major strategy in the advancement of knowledge about the human beings (Valsiner 1986). According to Yin (2009), a case study is an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident. Therefore, it is strongly linked to the phenomenological approach taken up in this study. Moreover, the inductive approach through this strategy gives the source to develop a theory (Gummesson 1991; Saunders, Lewis & Thronehill 2003). Owing to this, the explanation of the social phenomena which is grounded on a systematic empirical research is more likely to fit the data, because theory building and data collection are closely interlinked (Milton & Wiseman 1999). Nevertheless, the outcomes of the case study and the theory developed afterwards may be unique and not representative of other instances. Yet, the selection of three ICT companies as a sample of study can lead to an experimental design where the theory and the generalizability factor may flow (Bennett 1987). Above all, Miller and Salkind (2002) argue that qualitative researcher doesn’t seek to generalize the findings.

The authors’ intention follows Denscombe’s (1998) statement, according to which, by the end of the case study, the development of a theoretical framework is needed that enriches the data and provides not only a sense of uniqueness of the case but also a corresponding relevance and interest.

3.2.1 Development of theoretical framework

Theory is defined as an explanatory statement which helps explain and understand relations among variables, how they operate and the processes involved (Kurtines & Silverman 1999). Additionally, McTavish and Loether (2002) state that theories determine the relationships between the concepts carefully defined, ways to measure those concepts and what influences them. Following Willer’s (1992) opinion, according to which the structure of the theory determines the research progress; the authors have built a theoretical framework consisting of the concepts of employee commitment and performance, together with their definitions, different aspects and the theories that exist (Trochim & Donnelly 2006). A thorough literature review to find answers to the research question was done (Torraco 1997; Sutton & Staw 1995). The sources used include a vast number of scientific books and articles found in libraries and electronic resources. Further, the authors chose the key theories that best explained the relationship between the concepts of employee commitment and performance (Torraco 1997; Sutton & Staw 1995). And, finally, the theory was applied in the analysis and discussion of the empirical findings to prove its relevance to the given research (Ibid).
3.3 Access and ethics

Owing to the experience of two of the authors in the ICT sphere in Armenia and their relationship with a number of companies, it became possible to develop the research in the three of them. The contact persons (managers) from these companies eagerly agreed to assign employees for an email-based interviews. Since two of the authors work in one of these companies, here the interview participants were selected directly without anybody’s mediation.

The success of this endeavor also depended on the willingness of each individual to participate in the interview. In order to enhance their willingness, specific focus on some ethical issues concerning the investigation was made. Thus, all the employees in each company were provided information about the purpose of the study so that they would understand the nature of the research and what was expected from them. Moreover, the employees were informed about the privacy of the research and the anonymity of the participants. In order to make the employees feel more comfortable, protecting their interests and being more honest with the information to give (Allison et al. 1996; Partington 2002), the interviewees were told that their answers would be used only for scientific purposes and that their names would not be mentioned under these answers. They were also notified that the benefits of the investigation would accrue to them (Creswell 2002). Therefore, all these aspects helped gain more truthful information from the interview respondents.

3.4 Sampling and data collection

According to Goulding (2002), the way the researcher selects the sample has a profound effect on the quality of the research. The sample strategy selected is purposive sampling, which, according to Robinson (2014) helps the researcher assume that certain categories of individuals may have unique, different or important perspective on the phenomenon in question and their presence in the sample should be ensured. Thus, based on the theoretical understanding of the topic studied and personal observation of the situation in the given field in Armenia, ICT companies operating in Armenia have been selected to do the research. Out of the 4 IT companies addressed the authors’ intention has been supported by the written confirmation and interest expressed from three companies to participate in the investigation into the relationship between employee commitment and performance. The fourth company didn’t provide the authors with a written confirmation of interest in participating in the research. And, although the employees of this company filled in the questionnaire, their answers weren’t included in the analysis, because of the absence of the confirmation letter. This was done in order to avoid any suspicion about the validity and reliability of the source. The Letters of Confirmation and Interest in Participation in the Research are presented in Appendix 5, with the details of the companies and the managers blurred upon the request from these managers to preserve confidentiality.

Further, based on the phenomenology approach, which implies that small samples are more suitable to understand the facts (Collis & Hussey 2003), it was requested that 5 employees from each company participated in the primary data collection.

To narrow the scope of the research respondents in frames of purposive sampling, the authors applied the so-called homogeneous sampling so that to analyze people from the same professional field (Nastasi n.d.).
Therefore, it was required that the researched employees be only IT specialists engaged in IT service development, provision and support. These could be software developers, system/server administrators, IT system architects, IT system testers, quality assurance engineers/managers, etc. Since the purpose of this research is the general and not the comparative analysis of the phenomenon of employee commitment and performance among IT specialists as a specific group of respondents, no restrictions have been put to such variables as age, gender, tenure. It is believed that such heterogeneity will also help to make generalization easier.

Exploration is particularly useful when researchers do not have a clear idea of the problems they will meet during the study; its objectives may be accomplished with a qualitative technique (Cooper & Schindler 2001). In the given research one kind of qualitative techniques was employed: interviews, particularly email-based interview. The choice of this technique is justified by the fact that it offers unprecedented opportunities for qualitative research and an access to those participants who are otherwise unavailable (Meho 2006). Following this statement, the authors took into account the workload of the employees surveyed, as well as the fact that IT specialists spend most of their time in front of their computers and usually dislike being interrupted for offline talks. Therefore, in order to ensure availability of the respondents for the interview, they have been asked to choose between verbal and email based interviews as the most efficient and convenient way for them. All of the case companies have chosen email-based interviews, which further has been adopted by the authors as the primary data collection method. Additionally, among the benefits of an email-based interview are that expenses and time connected with calling, travelling and transcribing are eliminated, besides, data are more focused on the interview questions asked and responses are more thought out before they are sent (Meho 2006).

Interviews are typically used in case studies (Bryman 2004) and usually favored as a means of illustrating findings and supporting the developed theory (Goulding 2002). The officials interviewed were 14 IT specialists from 3 ICT companies in total (5 people from two companies and 4 people from one company). For the process of primary data collection to be accurate and systemized, a special email box on Gmail with the following address – bthmbathesis@gmail.com was opened. In order to guarantee originality of the data collected, the examiner was provided with the address and password of the email box. Via the mentioned email box a special Letter to the Company’s Manager (Appendix 1) was sent explaining the purpose of the Interview and asking to disseminate the Questionnaire (Appendix 4) and the Interview Guideline (Appendix 3) among their employees. A Letter to Interviewees (Appendix 2) together with the Questionnaire and the Interview Guideline was also directly sent to the employees of the company, where two of the authors currently work. The Questionnaire comprised 22 open-ended questions based on five associated themes linked to the research questions, in order to encourage the interviewee to be expansive on a particular point (Allison et al. 1996). The Questionnaire and the Interview Guideline are in three languages – English, Russian and Armenian, in case some respondents may not know English. In the Table below a summary of the themes and the corresponding research question are presented.
Research question

RQ: Which are the key issues that have an impact on the commitment of IT employees and the improvement of their performance?

<table>
<thead>
<tr>
<th>Associated themes</th>
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<tr>
<td>- Influences and challenges towards employees’ commitment.</td>
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<tr>
<td>- Influences and challenges towards employees’ performance.</td>
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<tr>
<td>- Attitudes and behaviors of employees committed</td>
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<tr>
<td>- Performance characteristics of committed employees</td>
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Companies’ attitudes towards employees’ commitment and performance.

<table>
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<th>Table 3.1 - The research questions and the corresponding themes.</th>
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<td>The authors took the advice made by Moustakas (1994) to identify “significant statements” that capture the meaning of the phenomenon under examination and the use of long, short and text-embedded quotations (Creswell 2002) for the analysis of the interviews. Through the process of the collected data analysis the authors refined a set of generalizations that explain the themes and relationships identified (Denscombe 1998).</td>
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</table>

### 3.5 Processing and analysis of data

In reference to the data collected from the email-based interviews, the big problem with qualitative data lies in how to condense highly complex and context bound information into a format able to tell the story and convince the audience (Easterby-Smith, Thorpe & Lowe 2002). Once the answers were collected in the above mentioned email box (bthmbathesis@gmail.com), they needed to be organized before the prior analysis (Denscombe 1998). Then, they were categorized based on prevailing themes about employees’ commitment and performance, compiling the results and a pre-coding for reference purposes (Allison et al. 1996). The authors also backed up all the original materials in order to preserve the uniqueness of the data transcript (Denscombe 1998).

In order to save time, the data upon its receipt as per Company for further analysis and discussions was categorized in accordance with the structure of the Theory in chapter 2. Nevertheless, the analysis of the findings began once all the data from each company had been collected. According to Partington (2002), a content analysis was applied in order to uncover emergent patterns likely to find matching between employee commitment and performance within the cases.
After the data was collected and analyzed, the authors studied carefully the information in order to draw an appropriate hypothesis that link employee commitment and performance with reference to the theory reviewed. The conclusion would be derived from the results of the analysis and discussions of the findings in the form of an answer about the factors that impact the relationship between employee commitment and performance. The results of the investigation can be used by the companies, in order to improve their performance and the relationship with their employees.

3.6 Validity, reliability and generalizability

According to Easterby-Smith, Thorpe and Lowe (2002), qualitative methods are becoming commonly used, and there is a realization of their importance, since anything characterized as reliable is described in positive terms and, it has gone a long way towards gaining scientific acceptance (Denscombe 2002). In accordance with the phenomenological approach adopted in this study, it must develop the power to convince the readers.

Reliability is related to the method of data collection and the concern that they should be consistent and not distort the findings; generally it entails an evaluation of the method and techniques used to collect the data (Denscombe 2002). According to Bryman (2004), the term Reliability “… is concerned with the question of whether the results of a study are repeatable…” and also “…with estimates of degree to which measurement is free of random or unstable error…” (Cooper & Schindler 2001). The researcher needs to feel confident that the findings obtained are not affected by a research instrument that throws up different results each time it is used (Denscombe 2010). Marcoulides (1998) argues that reliability is more concerned with quantitative research rather than qualitative research. Because reliability depends on the number of observations combined with rating scale definitions, the issue of reliability in qualitative research can then be transformed into a question: “If someone else did the research would he or she have got the same results and arrived to the same conclusions?”, the answer to this question is absolutely unknown for certain (Denscombe 1998). Reliability in this thesis (qualitative research) might be a problem, because the non standard methods of generating qualitative data do not permit the formal reliability testing (Robson 2002). In a social world which is always changing, the concept of replication is itself problematic (Marshall & Rossman 1989).

Using email-based interviews as a data collection method; the questions were put under a pilot test, in order to refine the questionnaire so that respondents would not have any problems in answering the questions and the authors - in analyzing the data. The pilot test included 5 employees from one of the four case companies. Moreover, before initializing the interviews, in order to ensure suitability of the questions, the examiner of the given research was asked to approve the content of the questions.

Finally, the authors solved the issue of reliability by providing an explicit explanation of the aim of the research and its basic purposes - how the research was undertaken and what is most important, the reasoning behind the key decisions made, e.g., the decision regarding sampling (Denscombe 1998).

Validity is seen as strength of the qualitative research (Creswell 2002) and is aimed at answering whether the data collected is a true picture of what is being studied (Hussey & Hussey 1997). Validity is also concerned with the integrity of the conclusions that are generated from a piece of research (Bryman 2004); where inadequate research “… can result from a lack of clearly defined principles and rules for validation processes of this type…” (Gummesson 1991). Is the relationship between the commitment of employees and their performance a casual relationship? The issue of validity is commonly related to the data and the analysis used
in the research (Denscombe 2002). According to Yin (1994), in order to deal with this term and check the accuracy of the findings, the authors used multiplied source of evidence in order that others can judge the quality of their findings and the resulting justifications of the conclusions and explanations (Partington 2002). In addition, rich and thick description was used to express the findings, in order to transport the reader to the setting and give the discussion an element of shared experiences. At the end of the study a self-reflection creates an open and honest narrative that will resonate with the readers, also in this section the discussion of contrary data and other possible explanations will be beneficial to add credibility of an account for the reader (Creswell 2002). Here, the internal validity was ensured by covering the main issues of the research question, research objective and the literature review. However, as stated by Colin (2002), there is no perfect way of guaranteeing validity.

According to Miller and Salkind (2002), external validity can be defined as “… the quality of an experimental design - such that the results are generalizable to different settings…”. Besides, as it was mentioned before, taking up a case study requires an explanation and understanding of the specific phenomenon and so it deserves a different approach that relies on analytic generalization (Yin 1994; Ragin1987). Since findings based on a few case studies are weak and hard in their capacity to generalize (Denscombe 1998; Jancowicz 2000; Partington 2002) and to produce a theory that is generalizable to all populations (Saunders, Lewis & Thronehill 2003), it is better seen as an exploratory search for hypothesis that can subsequently be tested (Gummesson 1991) and can help understand other cases or situations (Sim 1998). The balance between validity and generalizability depends on the research question previously asked and the risk the researcher is willing to take (Miller & Salkind 2002). Besides, reliability and now generalizability play a minor role in this qualitative inquiry (Creswell 2002). According to the Figure 2, the concepts of reliability and validity can be approached by using an archer’s bow and target as an analogy (Cooper & Schindler 2001), where high reliability means that repeated arrows shot from the same bow would hit the target in essentially the same place (although not necessarily the intended place) and high validity means that the bow would shoot true every time.

![Figure 3.1 - Validity and Reliability analogy.](image)

38
4. FINDINGS

The given chapter focuses on the presentation of the findings of the investigation undertaken within Information and Communications Technology sphere in Armenia. The authors’ objective has been to identify possible approaches and factors impacting the relationship between employee commitment and performance by answering the research question already underlined in Chapter 1. The chapter begins with the description of the sample – description of the case companies and the respondents. Further, the findings have been presented and analyzed as per case company. The chapter concludes with a general discussion of the findings of all the three case companies which is done with reference to the theory studied in Chapter 2.

4.1 Description of the sample

4.1.1 Description of the case companies

As stated in the Methodology chapter, the authors carried out email-based interviews in three ICT companies in Armenia. All of the three companies provide a wide range of IT services and are serious players on the ICT market in Armenia. Following the companies’ managers’ requests about preserving confidentiality, the real names of the companies are not revealed, instead they have been renamed in the given thesis as Company A, Company B and Company C.

Company A

Owned by a large International Corporation since 2006, Company A currently provides a big range of mobile and Internet services for the business sector and consumers in Armenia.

The Company’s mission is to help its customers find please in communications using up-to-date technologies whenever and wherever they are.

Company A’s IT department consists of 80 employees, out of which 29% is females. Both genders are given equal career opportunities. The staff includes the whole scope of IT specializations: application administrators, server and network administrators, application developers, quality assurance engineers, IT system analysts, etc). Employees’ average age is 40.

The working conditions satisfy almost all the needs for this group of specialists. The department is provided with the necessary number of rooms, some of which are open space. The managers (except top-levels) sit either together with their employees or in adjacent rooms, so that offline communication is made easy. The rooms have all the necessary furniture, cooling and heating facilities. There is no separate kitchen and a leisure room, instead a canteen operates for all the
departments of the Company. The employees are provided with a complete set of IT equipment, which is regularly updated.

The work schedule is Monday – Friday, 09:00-18:00. Although, there are also night-shifts and weekend shifts upon necessity, which are paid. Trainings are organized twice a year for a selective group of employees. Seminars and workshops are held upon necessity. Team-buildings are rare events in the IT department. Performance evaluation of the employees is done twice a year, yet it seldom results in salary raise, bonuses or career advancements but more frequently in dismissals. Additionally, Company A’s employees get health insurance package, free of charge mobile connection, as well as the majority of them have home Internet also paid by the Company.

During the last two years three employees have been dismissed due to staff optimization and 20 employees have left the Company for various reasons (headhunting, dissatisfaction). Those left have been replaced. Nevertheless, intense brain drain of IT staff is a continuous process in the Company.

**Company B**

Company B was established in 2005 as a software development and system integration services provider based in Armenia. It provides a compound set of IT services such as: IT Project Management and IT Project Life Cycle Management, Custom Software Development, Mobile Applications Development, Software Quality Assurance and Testing, Cloud–Staffing, Remote Administration and System Integration, Software Technical Support, etc.

Company B’s vision is to be the best regional outsourcing solutions provider by fully utilizing the potential of Armenian developers and IT professionals on the market to make a significantly positive contribution to a client, partner and IT society worldwide. Positioning itself as an IT outsourcing and offshoring partner, the Company provides IT services both to small and medium – sized organizations, as well as large multinational corporations.

Company B employs experienced IT professionals equipped with knowledge of software development technologies and platforms, web design/programming languages, mobile programming languages, databases, servers, quality assurance, case modeling and IT project management. Currently, its IT staff consists of 45 employees with an equal percentage of males and females. Both males and females are given equal career opportunities. Employees’ average age is 30. The working conditions are fairly good. The office is a commodious open space room equipped with all the necessary furniture, air-conditioning, and heating facilities, where the staff, including the Vice-President and the team leaders sit together. Kitchen and a special leisure room are allocated for the employees to feel comfortable while taking a break. The overall design of the office is rather modern, in bright and motivating colors. All employees are provided with a complete set of up-to-date IT equipment.

The working days are Monday-Friday and working hours are from 10:00 till 19:00, yet, the employees are not bounded by them, since not the quantity of the working hours but the daily result is obligatory. The management holds regular team-buildings, seminars and workshops. Besides,
the Company does employee evaluation twice a year in an offline mode, during which a mutual feedback between the employee and the manager is given. Depending on the performance of an employee, the evaluation usually results in salary raise, bonuses, career advancements and/or trainings. In case of continuous negative results, employees can be reduced in salaries, downgraded or dismissed.

As for the inflow and outflow of the personnel, during the last two years 4 employees have been dismissed and 10 people have left the Company being headhunted by others. Those left have been later replaced by new ones.

Company C

Company C was established in 2008 in Armenia. Currently, the Company provides a wide range of innovative services, including: Web Development, Customized Software Development, Internet Marketing and Advertising, IT Consulting, Internet presence strategy development and implementation for businesses, etc.

Company C’s mission is to support the development of Armenian web by providing solutions which are competitive both from IT and marketing perspectives. It has a rather patriotic spirit since they put specific stress on serving Armenia's interests in WEB specifically by:

- testing and auditing the Armenian web products with a kind intention to contribute to their development, i.e. delivering various site administrators technical assessments and suggestions on solving available problems,
- encouraging art people to present and promote what they have created through web they aim to serve the social progress and harmonization needs of our society, i.e. musician, performer, sculptor, architect, designer site launches

The Company’s HR strategy is to find out young talents with technical background and give them a chance to grow professionally at a dynamic and fast-moving web development team.

The stuff consists of 16 employees with 30% of females and 70% of males. Employees’ average age is 26. The working days are Monday-Friday, however the working hours are not strongly fixed. The main goal is to submit finalized task to meet the deadlines of the projects. The office is an ordinary working space, consisting of 2 small rooms equipped with standard office furniture and computer equipment.

Since the company is more project-based with relatively small stuff there is no official biannual evaluation of employees. In many cases managers themselves work hand in hand with employees which give a chance to evaluate the performance on a daily basis. As for the salary raise, again everything depends strongly on the success or the failure of the current project. During the last 2 years 2 employees left the Company with the further replacement of the vacant positions.
4.1.2 Description of the respondents

In order to keep the uniformity of the findings, the same interview questions were asked to all of the employees involved. The interview was structured, comprised of 22 open-ended questions based on five associated themes linked to the research question: 1- Influences and challenges towards employees’ commitment, 2- Influences and challenges towards employees’ performance, 3- Attitudes and behaviors of employees committed, 4- Performance characteristics of committed employees, 5- Companies’ attitudes towards employees’ commitment and performance.

<table>
<thead>
<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company A</td>
<td>3</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Percentage</td>
<td>60%</td>
<td>40%</td>
<td>100%</td>
</tr>
<tr>
<td>Company B</td>
<td>4</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Percentage</td>
<td>80%</td>
<td>20%</td>
<td>100%</td>
</tr>
<tr>
<td>Company C</td>
<td>4</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Percentage</td>
<td>80%</td>
<td>_</td>
<td>80%</td>
</tr>
</tbody>
</table>

Table 4.1 – Gender characteristics of the sample.

As shown in the table above, the total number of the employees having participated in the email based interview was 14 compared with the preliminary requested 15: two companies provided 5 respondents from each, and one company could ensure only 4 respondents. Therefore, the total percentage of the responses in the given investigation has reached 93%, which can be considered to be quite a high rate and a good indicator of the respondents and their managers’ interest towards this research.

<table>
<thead>
<tr>
<th></th>
<th>Age</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20-30</td>
</tr>
<tr>
<td>Company A</td>
<td>1</td>
</tr>
<tr>
<td>Company B</td>
<td>3</td>
</tr>
<tr>
<td>Company C</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
</tr>
</tbody>
</table>

Table 4.2 – Age characteristics of the sample.

As seen from the table above, the 53% of the respondents belong to the age range 20-30, 27% - to the range 31-40 and 13% to the range 41-50.

Regarding the duration of the respondents’ work in their companies, it is as follows:

Company A respondents’ tenure ranges from 1 to more than 10 years; Company B respondents’ tenure is from 10 months to 6 years, and, finally, Company C’s respondents have worked in the Company from 1 to 6 years.
The table below shows the positions held by the respondents at the time the interviews were taken.

<table>
<thead>
<tr>
<th>Position</th>
<th>Company A</th>
<th>Company B</th>
<th>Company C</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Manager</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>IT Program/Project Manager</td>
<td>1</td>
<td>1</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Development Team Leader</td>
<td>1</td>
<td>1</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Senior Developer</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>IT senior specialist</td>
<td>2</td>
<td></td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>IT specialist</td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Developer</td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>QA Engineer</td>
<td>1</td>
<td></td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

Table 4.3 – Position characteristics of the sample.

As seen from the table, if conventionally divided, 33% of respondents hold mid-level managerial positions and 60% hold non-managerial positions.

The majority of the employees answered the Questionnaire in English, and only two answers were in Russian. In the Appendix section the examples of the Questionnaire, Interview Guideline, Letter to the Company’s Manager and Letter to Interviewees are given.

4.2 Analysis of the findings. Interviews

4.2.1 Company A

4.2.1.1 Challenges with employees’ turnover

The results of the research have revealed employees’ turnover to be the central concern both for managerial and non-managerial respondents in Company A. As one of the interviewees mentioned, “I like the circle of communication” but “I dislike the turnover, because of “lack of motivation”, supported by another respondent expressing a dislike for “the approach of top management to salaries and primes and not complete mechanism of motivation of employees”. Additionally, another employee mentioned about lack of enthusiasm in his job being the reason of why “I want to find the job where I can do my best”. Taking into consideration, that by the time the thesis was finalized two of the participants resigned, it can be assumed that turnover in this company is a real risk and is caused by the lack of monetary and job-related motivation.

4.2.1.2 Employee commitment

Multidimensional scale (affective, continuance and normative commitment)

Employees of Company A, whose employment tenure varies from 1 to more than 10 years, described the work as “interesting”. However, from the very first question two IT senior specialists characterizing the job as interesting and exciting differed from the group in their opinions. The first employee stated that he needs a change, “Already 8 years, the job now is billing, wanting to change the job to find new and interesting
aspects...”, while the second one was not satisfied with the management “These processes are too depended on particular people what brings forward a risk of malversation”.

Regarding the expectations about the opportunities in the given company responses were either superficial or sounded as complains, showing neither passion nor enthusiasm except a plain statement of facts, “all the offered jobs have been more or less connected to each other”, “work process is maintained by the management in the manner which excludes any contacts with external partners.. No, of course that was not what I expected”, “The job and opportunities offered me by the Company practically completely corresponds the existing situation and conditions” or “…now it is boring for me. I know I can more and want to do my best”.

On the other hand, according to the aspirations that the employees have in the company, it seems that they actually want to be involved into more active and creative work “I would like besides of administration to become a java developer to create processes...to create useful software products for our company”, wishing to promote any idea “… which can lead to the improvement of the image and growth of the company” or “I want to be in more active processes (in new projects), be free in decisions and try to arrive to aims with my colleagues (my team) and the company will estimate us according ours efforts. I tried to find new works in the company several times, but my managers think that I am excellent working on this position, and I must stay here”.

Further, two employees out of the five tied their ambitions with the company, “Improvement of the welfare of the employees under my supervision. As well as safe implementation of a large project which is now underway”, and “I am a temporary employee so I am intended to grow into a constant employee. In order to achieve this it is necessary to develop professional skills due to experience and education”. And, finally, the majority did not answer the question seriously or just gave an evasive reply.

Additionally, based on the reasons given, the findings suggest that the company has a problem of retention and management of the personnel. Two female employees, one of which holds a managerial position, stayed generally indifferent to the Company, because throughout the entire interview they did not give any detailed response allowing seeing at least a remote emotional attachment to the company. Thus, these respondents seem stay in the company for convenience until they find a better alternative, “I want to find the job where I can do my best” or “I do not have long-run plans, I need to complete my training”, perhaps, because of the absence of any better opportunity.

Nevertheless, the different opinions in relation to the employees’ ambitions suggest that the feeling to remain in their company was reinforced by continuance commitment elements resulting from the individuals’ different needs.

**Antecedents of commitment (personal characteristics, job or role related characteristics and design of the organization)**

Concerning job-related characteristics of the respondents of Company A, the findings have revealed a low level of motivation resulting from very similar or no opportunities offered by the company, “All the offered jobs have been more or less connected to each other”, “due to highly specialized field of activity, the possibilities are limited” or “I tried to find new works in the company several times, but my managers think that I am excellent working on this position, and I must stay here.”, indicating limitation of involvement “the work process is maintained by the management in the manner which excludes any contacts with external partners”.

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Further, concerning the design of the organization characteristics, the results have shown that the major flows negatively influencing the commitments are as follows: lack of attention of HR with respect to the mature personnel, fictitious system of performance evaluation, control oriented approach and intensive turnover of the personnel. Despite this, employees still look for new projects, idea promotions and development of existing IT systems to serve for the development of the company, “Promotion of any idea which can lead to the improvement of the image and growth of the company”, “I want to become a java developer to create ... useful software products for our company...”

As for the personal characteristics, the findings have revealed that age, tenure and education of employees of Company A are supposed to improve the commitment, however low level of motivation nullify the influence of the mentioned factors.

Development of commitment

Based on the results of the interviews, the respondents perform at a very low stage of commitment – from its absence to a compliance state hardly. In exchange for their efforts, employees of Company A are simply employed. This is observable in the answers of the above mentioned IT senior specialists, who, after participating in this research, left the company. Moreover, the fact of high turnover is confirmed by one of the managerial respondents. Therefore, the findings seem to suggest that the development of commitment by means of a proper motivation processes, decision-making possibilities and involvement into wider aspects of work for non-managerial staff is crucial primarily to lower the level of turnover.

Commitment strategy

The findings have revealed the weakness of strategy in the company. According to the results, employees’ aspirations and expectations are neglected not only by HR, “I tried to find new jobs-works in our company to improving myself and to give company more that I can, but there is no chance...”, “… tired to do the same work which I doing already 6 years, I assume that quality of my work now starting to reduce. If I will stay on same work, it will go down ...” but also by the linear managers, “I do what others can’t and then my manager says: “teach it to others” and then those others become my manager”. Additionally, an employee in a managerial position indicated that “I dislike the turnover”. Thus, according to the findings there is a big gap in implementing high performance expectations, continuous improvement and expanding content of individual jobs of the employees of the given company which results in de-motivation and decreased commitment.

Outcomes of commitment and importance of shared values

The results have shown a low level of commitment forced by an absence of motivation including job opportunities, rare recognition of results, dissatisfaction with the salary, “I dislike the approach of top management to salaries and primes and not complete mechanism of motivation of employees” or “I think if you kick a ball it rolls if you make noise it interrupts your employee, if I work I expect – recognition, growth and salary. If I don’t get it any other who wishes to work for free in the same position forever he can try this”, consequently leading to brain drain.

Nevertheless, the findings have uncovered a certain level of attachment and satisfaction with the job among some of the employees “I like to work it is very informative and interesting. There is everything to develop expertise” or “It is enjoying to improve the knowledge and be more professional in your job”. However, the findings confirm that job satisfaction and commitment to the task are not good measurers of staying in the company as commitment is.
Additionally, the results have shown that employees value relationships based on trust, “My colleagues’ trust has a positive effect on my job, which may lead to high levels of loyalty, yet, taking into consideration high level of turnover in the company, loyalty in this case, shouldn’t be confused with commitment of the employees to stay with it.

**Difficulties in creating commitment**

The results have shown the following difficulties for creating commitment: 1) low level of motivation leading to high turnover, 2) employer’s focus on demanding loyalty instead of commitment, 3) absence of commitment strategy, 3) limited involvement and flexibility, 4) weak distinction between excellent and average performance, 5) ineffective performance evaluation, 6) insufficient monetary compensation. Nevertheless, it should be noted that the list of difficulties may vary, in case the research is extended to a larger number of employees, hence the results must be viewed as informative and not obligatory.

**Commitment measurement**

The findings from the previous sub-sections have demonstrated the necessity to prioritize the issue of employees’ motivation. However, the results prompt that exchange approach for measuring commitment will be useful for this particular case, taking into consideration high tenure of some employees.

### 4.2.1.3 Employee performance

**Improvement of performance**

The responses related to performance characteristics have revealed that there is no effective performance evaluation system with a clear distinction of the performance level linked to visible rewards. None of the employees mentioned any periodical review of performance and corresponding feedback from top management. The findings have shown only a single notice of work recognition leading to a tangible reward, “I got a “Certificate of Recognition” from CEO of our company for professionalism and high quality work after a year of work in our company. My salary has been almost doubled at once after two years of working in our company; our IT-director invited me to the dinner in occasion of work that I have accomplished. We got an unlimited license for software that costs more than $100 000 for free because I found a bug in that software. My management classifies me as a key-employee”. Further, the same interviewee stated that “if I work I expect – recognition, growth and salary. If I don’t get it any other who wishes to work for free in the same position forever he can try this”. Therefore, judging from that fact that the given respondent left the company shortly after participating in this research, it is inappropriate to generalize and attribute this case to Company A’s management attempt to motivate and improve the employees’ performance. Moreover, the results seem to suggest that an effective performance management system and performance related pay incentives are necessary for the improvement of performance and decrease of turnover. Additionally, competent HR policies are needed to monitor and understand aspirations of employees, especially key ones, in order to retain them.

**The goal-setting theory, the expectancy theory, the reward strategy**

The interviews carried out, revealed no presence of factors supporting the goal setting theory for Company A due to the lack of full cycle consisting of 1) goals set by the employer, 2) which are required and accepted by the employees and 3) feedback of performance. Thus, the findings seem to suggest that both “path-goal” approach and expectancy theory are violated due to the absence of visible productivity as a path leading to attainment of employees’ personal goals or reward.

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As for the reward strategy, the results have shown only one example of monetary compensation. Additionally, the respondents revealed poor-to-no distinction between excellent and average performance, “I do more than others can do, but I can try harder” or “I do what others can’t and then my manager says: “teach it to others” and then those others become my managers”, as well as poor monetary compensation strategy “I dislike the approach of top management to salaries and primes and not complete mechanism of motivation of employees”.

Performance threats

As for the performance threats, the respondents revealed no specific performance problems, at least in frames of this survey failed to reveal any. However, since performance problems generally take two forms 1) motivational and /or 2) skill deficiency it can be assumed that both forms of performance problems are possible for the given company. The assumption is justified by the fact that, due to high turnover, recruitment of new employees is a continuous process in Company A. On the other hand, the issue of poor monetary compensation suggests that newly hired employees lack experience or knowledge, otherwise they would not agree to work for low salary offered by the company. Therefore, in this particular case turnover has a negative impact on the overall performance.

Performance outcomes

In frames of the future plans and the desire of the respondents to continue working in the company, the findings have revealed a positive relationship between higher performance and turnover. Thus, one of the IT senior specialists, who have currently left the company stated that “I tried to find new jobs-works in our company to improving myself and to give company more that I can, but there is no chance yet”, Additionally, another employee with managerial position mentioned switching to entrepreneurship as a possible plan in the future. Further, regarding their intentions to continue career in the company two respondents out of the five answered negatively, one respondent avoided expressing any opinion and the rest two respondents gave positive answers, although one of them eventually left the company.

Performance appraisals and issues connected with them

Judging from the results, the problem of “turnover” of the IT personnel should be the main point to focus on for Company A, The findings have revealed very little about any distinct aspect of performance being appraised. Nevertheless, the overall results suggest the following points, worth of appraising: productivity of work, quality of work and attitude towards work, interaction with each other, as well as leadership and ability to develop others.

Performance measurement

As it has been mentioned before, the findings have revealed that there is no effective performance evaluation system with clear distinction of performance level linked to visible reward in the given company. None of employees had mentioned any regular review of performance and corresponding feedback from the management. Because of poor motivation of the IT employees resulting in high rate of turnover in the company, the findings suggest that performance of employees should be measured systematically on an individual level.

Link between employee commitment and performance
According to the results, the low level of commitment of employees of Company A is negatively related to performance in the following way:

1. Due to lack of motivation the performance level suffers boosting high rate of turnover.
2. The issues of turnover and poor monetary compensation lower the average level of professionalism due to recruitment of inexperienced staff who agrees to work for low salaries.
3. Weak distinction between excellent and average performance decreases he desire to perform at one’s best.
4. Absence of properly working performance evaluation system linked to reward decreases motivation and negatively affects performance.
5. Non-professional attitudes of the HR and the managerial staff to relatively young and experienced staff increases turnover.
6. Limited involvement in direct discussions with external partners and an absence of opportunities to be offered a new position or responsibilities whenever employees get tired of the old ones, discourage them to perform at an appropriate level.

4.2.2 Company B

4.2.2.1 Challenges with employees turnover

The findings have shown high probability of employee turnover in Company B, which was reasoned by middle salaries which make “…people come and go very fast. We do not have generations. We only pass on our knowledge and they go to another company with a higher salary”. Yet, attempts of improving employees’ motivation have also been observed in the answers of the respondents. Thus, two of them stated that “…what I do here is more than what I wanted to do. Here I got more than expected regarding the colleagues as well as my work.” and “I think working in this company was a great choice and each business day here improves my professionalism”. Judging from the responses above, it is suggested that the company takes corresponding measures of motivating employees through enriching jobs and giving the opportunities of skill development, yet, because of the poor remuneration, it runs the risk of losing key and experienced staff.

4.2.2.2 Employee commitment

Multidimensional scale (affective, continuance and normative commitment)

Regarding their employment tenure, which varies from 10 months to 6 years, all of the respondents of Company B in most cases showed definite presence of affective commitment reflected in positive emotions about working there. While two of the interviewees mentioned general feelings of “comfort” and “positive energy”, the rest three linked their emotions to the job opportunities given in the company pointing out that “professionally I grew up here” or “… working in this company was a great choice and each business day improves my professionalism” and “Job is pretty interesting and challenging. Lots of things to learn from colleagues”.

As for the expectations about the opportunities in the given company, all of the interviewees unanimously confirmed that those either fully corresponded to or even exceeded their needs. Two respondents answered that they rejected job opportunities out of this company because of”… seeing a perspective in my career here” or “… as I am still working in this company”. And one respondent felt committed simply because his job responsibilities “fully fulfilled my expectations”. Additionally, two of them stated that “I got more than expected” even “regarding the colleagues, as well as my work”. Concerning their feelings for and intention to
stay with the company only 2 employees related their ambitions to their current company reflecting them in the desire to improve quality-assurance processes, as well as one’s own technical and leadership skills.

Further, according to the aspirations that the employees have in the company, two employees affirmed not to have any obvious and far-reaching ambitions with it. Based on the reasons given, it is suggested that the respondents stay in the company either for convenience, “planning to get a PhD in Computer Science and deep my knowledge in one of CS directions” or just concerned with “my private live” or, perhaps, because of the absence of any better opportunity due to a high level of unemployment and low salaries in the country. The last two factors were not mentioned by the interviewees for the reasons unknown to the authors. Nevertheless, the different opinions in relation to the employees’ ambitions seem to suggest that the feeling to remain in their company was reinforced by continuance commitment elements resulting from the individuals’ different needs.

Finally, the findings present no elements of normative commitment among the interviewees. Yet, even when there were aspects of affective commitment in the previous answers, one of the respondents revealed he wanted to “be an owner of a sustainable Software Development company” with no explanation as to whether he wanted or ought to leave his current company or not or whether these are just plans of a farthest future.

**Antecedents of commitment (personal characteristics, job or role related characteristics and design of the organization)**

Regarding personal characteristics of the respondents of Company B, the findings have revealed that demographic variables such as age, gender, experience and position influence their commitment to a certain extent. Thus, the youngest respondent (22 years) in all of his answers showed a high level of emotional attachment to the company, while some of the older ones (30-32 years) had elements of necessity in their answers related to continuance commitment. Here, the findings have also demonstrated that respondents with almost the same tenure (10 months and 1 year) but with different experiences perform at different levels of commitment. The one with richer previous experience although expressing positive feelings towards his company showed readiness to leave it because “… I want to get my PhD abroad”. As for the gender characteristics, the female respondent confessed that sometimes her performance goes down because “physically I get tired of the working pace” in contrast to the male respondents who haven’t relied on their physical condition while speaking about performance. Another example refers to the ambitions that the interviewees have, with the same female respondent answering that she is more concerned with her “private life”, while all the males mentioned concrete ambitions they have either within this company or outside it. And, finally, the findings have revealed that respondents holding different positions varied not in the level of their commitment but in its subject and goals as well. Thus, interviewees holding managerial and team leader positions were mostly committed to enlarge the team, ensure welfare of the employees, as well as “increase market reach” and “create more stable portfolio of clients/projects”. Meanwhile, non-managerial employees showed commitment more in improving and developing their professional skills, as well as establishing better processes and procedures for interactions between the specialists.

Further, in frames of role related characteristics the respondents highlighted open and competent discussions with the group members during which likes and dislikes would be defined and further communicated to managers. Two of the respondents mentioned about the importance of sharing knowledge, one of them even pointing out that “It would be nice the developers lead trainings about Java programming/OOP”. The interviewee holding a managerial position stated that he feels encouraged by his colleagues’ dedication towards work, who “… started at some point going for an extra mile to provide better output”. Moreover, all of the respondents expressed eagerness for gaining more knowledge and skills to enlarge the scope of their
activities, since “IT is a field which is being developed very fast manner, so always it is needed improvement for the specialist for to adopt new and valuable thing both in technically and conceptually”. And finally, four of the interviewees expressed confidence that their expectations could be realized in the company, since, as one of the respondents mentioned, “what I have seen till now it’s what I expected from them”. One of the respondents expressed uncertainty about the realization of his expectations in the company. So, here the findings suggest that such aspects as correct relationships, including constructive communications, team work, dedication to work, knowledge acquisition and fulfilled expectations boost motivation and enthusiasm and have a positive mutual effect on all of the members, managers inclusive.

As for the design of the organization characteristics, the findings have revealed that the respondents have almost similar approaches as to how the company should set up its managerial and organizational practices for enhancing commitment and what is actually missing. Thus, two of the respondents mentioned about the brain drain because of “middle salaries”, adding that they do not have generations, just pass their knowledge to employees who eventually “… go to another company with a higher salary”. Further, the results have shown that the respondents of the given company value information sharing about “ongoing and upcoming plans of the Company” in order to feel more involved in its business. The respondent with a managerial position mentioned about ‘more delegation of duties’ which will enhance his responsibilities and participation in decision-making processes. And the youngest respondent stated that he likes the management system, yet pointing out the necessity to “extend the communications between us and our partners abroad”, which prompts to believe that here the desire to have a direct employee-partner relationships is meant, as one of the ways of controlling the process of projects implementation. Based on the opinions given, a lack of correct remuneration policy as a means of retaining employees is observed. Besides, regular communications about the company’s mission, vision and plans also make employees believe they are taken seriously there and thus increase their commitment to grow with the company. The findings also show that delegation of duties, as well as direct contacts with partners lead to self-sufficiency and help employees in decision-making and situation-controlling processes.

And finally, the results seem to present that personal characteristics alone cannot be considered as an independent factor affecting employees’ commitment, since people of the same age, gender, position or with the same tenure can have different feelings or emotions and act differently depending on the circumstances. Therefore, this antecedent should be taken up and analyzed together with the rest two, which seem to have more solid and objective premises.

Development of commitment

Judging from the results of the interviews, the respondents perform at different stages of commitment. Moreover, one and the same employee showed different types of commitment depending on the aspects discussed. For example, two of the respondents mentioned about the feelings of enjoyment, interest and challenge towards the company, at the same time confirming readiness to leave the company “… as soon as I get tired of the opportunities” or in order to “be an owner of a sustainable Software Development company”. Based on this, the findings seem to suggest that these employees are currently in a compliance stage, i.e. they will stay with the company, unless their expectations are met. Meanwhile, the other two have consistently shown elements of affective commitment in their answers both regarding their emotions about working in the company, their attitude towards it and intentions to stay with it because “I see all basic perspectives that are appropriate to my skills” or “…I like where I am working. I still have something to learn from here and want to improve the skills of my current position”. Therefore, the findings prompt to conclude that these two employees are currently in an internalization stage, where their values comply with those of the company. Additionally, the findings underline the impact of certain antecedents while deciding the commitment stages.
Particularly, there is a difference in the tenure of the above mentioned examples: the first two respondents, identified with the compliance stage, have worked for the company for 6 years, while the respondents identified with the internalization stage have worked there for 8 months and 3 years respectively. Therefore, it can be resumed, although with caution, that the ones with longer tenure have a higher probability to be ranked with compliance stage (continuous dimension), while those with shorter tenure may be found in the internalization stage combining the elements of affective commitment. And finally, no explicit signs of an identification stage have been revealed.

Commitment strategy

As for the commitment strategy of Company B the results have shown that it focuses on various areas to motivate its employees. As it has already been mentioned above, all the respondents confirm their expectations are being realized in the company, which prompts to think that correct objectives are set and achieved there. One of the respondents mentioned that she was given an opportunity to “work on different spheres (on mobiles, web applications, native applications) and then she “... became a leader of the team and now can coordinate the work of products”. Based on this, it is suggested that enlarged job opportunities are a good means not only for mastering employees’ skills but also a firm background for promoting them to higher positions which as a rule results in increased motivation. Moreover, two of the interviewees outlined their readiness to study new things on their own like “I need to have a touch with all mobile systems” so “I'm going to start to develop a small applications on Mac (out of the office or when I have a free time here)”, since “I guess for me and the Company my best investment would be transfer my knowledge to the younger generation”. Here, investment in self-development linked to the commitment of knowledge sharing is observed, testifying to employees being motivated and focused on the company’s goals. Additionally, the respondents mentioned that their relations among themselves and with the company are based on trust, transparency and even friendship which helps “... to create passionate sphere to work with enthusiasm”. Nevertheless, the interviewee, holding managerial position pointed out a need for “... more precise setting of strategic goals. Better communication with clients and implementation of continuous learning program”.

Also, the respondents highlighted the importance of constructive, competent discussions and teamwork in order to reach high productivity, as well as sharing information about the Company’s plans and more delegation of duties in order to feel more involved in the company’s objectives. Based on the opinions, it is suggested that such aspects as clear directions, continuous education and trainings, correct relationships, including competent internal and external communication and teamwork, as well as awareness among the employees and enhanced areas of responsibilities, not only strengthen satisfaction and enthusiasm but also increase the sense of importance and necessity, which, in its turn, boosts commitment to the organization. And finally, one of the respondents showed a staff-oriented approach expressing willingness that the company should “hire long term employees” and her readiness to assist with it and “Bring new people in our Company” herself. This not only speaks for the commitment to help with re-employment but also points to the need for this particular company to revise its HR policies in order to have motivated and retained employees.

Outcomes of commitment

As to what the respondents like working in Company B they mentioned the friendly environment even out of the office, the place, the people, the company’s strategy and management system, opportunity of getting and applying comprehensive knowledge. Therefore, it can be assumed that the existence of friendly atmosphere, good organizational management, favorable working conditions, learning opportunities and right staff may strengthen employees’ emotional attachment towards the company and determine further positive behaviors and attitudes, as well as willingness to stay with it. Yet, some drawbacks, like: lack of professionalism, as well as middle salaries and high turnover, already found out in the results before, have been mentioned by the
interviewees as their dislikes, which suggests that they may have a negative impact on the personnel overall, resulting in de-motivation and low performance. Additionally, the results showed that committed employees not only have intention to stay with the company but also to have contribution in its welfare although in different forms. Thus, three of the respondents emphasized organizational and managerial aspects such as “bring new people in our Company”, “make the team become bigger to acquire the whole project development” or “decision making and issue resolving”. Others focused on positive work attitudes like “I can(and I do) improve my skills, go deeper in my direction and be a better professional” or “…suggest/discuss improvement ways to my manager in a sphere of QA”.

Further, the results showed that the respondents evaluate their performance as high or good, yet mentioning that “there is always room for improvement I make mistakes (new ones) and try to escape old ones”. Nevertheless, these interviewees confirmed the positive opinion of their managers and colleagues towards their productivity with only one employee having no idea about it. And, only three of them pointed out that utilizing some of their skills better will contribute to the improvement of their work. The rest two didn’t mention any skills and, consequently, no additional changes they may lead too. Additionally, all of the interviewees acknowledged a relationship between the attitudes and behaviors of their managers and colleagues and the impact they have on their work and, consequently, performance. Among the positive attitudes and behaviors the respondents mentioned responsibility, teamwork, professionalism, coordinated business relations, as well as appropriate evaluations and objective feedbacks. In contrast, only one employee specified the attitudes such as continuous complaining and low productivity, which “…affects in negative way and gives me stimulus to improve the situation”. Therefore, on the basis of the results it can be assumed that a link between strengthened commitment and improved performance is rather tangible though in some cases, it may need deeper investigation into the factors determining its presence or absence. Moreover, since the two elements of commitment (continuance and normative) weren’t clearly distinguished in the answers, it can’t be unambiguously stated that the presence of any of them may have either positive or negative impact on the performance of the employees.

The importance of shared values

According to the findings, the respondents stated that their managers expect timely implementation of work in a professional, enthusiastic, passionate and responsible manner, which as one of the interviewees answered, “I do”. The employee holding a managerial position pointed out broader responsibilities like: “successful implementation of given goals, profitability and continuous growth of the company”. As for the actions that the company should take in order for the employees to be involved in its objectives include: sharing information about all the plans of the company, extending communications with partners abroad, increase of trust and more delegation of duties. One respondent highlighted objective evaluation of his work. And, only one of them confirmed that “the actions you mentioned are already done”. Therefore, the results show that the values of the employees and the given company are mostly job-oriented and in this sense congruent ensuring mutual trust. Nevertheless, the findings seem to suggest that increasing awareness about the company, properly evaluating one’s performance, letting employees directly communicate with external partners and delegating more duties will enhance the feelings of self-importance and self-identification with the company, which, in its turn, will increase trust towards the employer and, consequently commitment to do more and better.

Difficulties in creating commitment

The analysis of the interview results of Company B has shown that in general it has rather a positive and successful experience in creating organizational commitment. Nevertheless, at some points the company
seems to have difficulties in the following aspects: 1) HR policies, particularly related to hiring and retaining employees by using correct remuneration systems; 2) keeping employees regularly informed about the plans of the company; 3) enhancing trust towards the employer by delegating duties and establishing direct connections between the external partners and the employees; 4) improving teamwork within some groups of employees; 5) improving professionalism of some employees by implementing continuous trainings as one of the means. It is conceded that the above mentioned list of factors hindering the creation of commitment in Company B may not be complete or may, in some cases, seem ambiguous; therefore the readers should bear in mind that this investigation has not a prescriptive but an exploratory aim, and, thus, carries an informative nature.

Commitment measurement

The findings have shown that commitment of Company B’s respondents is based more on job and role related factors, although, in some cases, the personal characteristics also seemed to have an impact on their commitment. Moreover, the results have proven that one and the same employee may have different attitudes and behaviors depending on the situation and circumstances. The same refers to their expectations and the way they perceive realization of the latter. Besides, the existence and even co-existence of affective and continuance commitment within the investigated group of employees has prompted to look at this phenomenon from a broader angle. Therefore, the findings suggest that the phenomenon of organizational commitment needs an integrated approach for a study, where all the aspects should be taken into account and analyzed. Such approach will also help reveal points of contact with performance in a more complete way.

4.2.2.3 Employee performance

Improvement of performance

As it has been revealed above, one of the means to ensure good performance is through commitment, i.e. improved performance is an outcome of strengthened commitment. Additionally, the respondents noted improvement of their productivity through developing strengths and overcoming weaknesses. One of the respondents mentioned that at the start of her career she tried to resemble the leaders who inspired her. Assuming that those were her managers, it is suggested that the leadership by example and the ability to develop others (a kind of coaching role) play a significant role in the performance of an employee. Another interviewee pointed out that the Company helped him work in several directions to find out his favorite one, and in this way he not only developed his strengths and overcome his weaknesses but also learnt ‘... lots of new things and have more strength sides’. The employee holding managerial position described the Company as ‘... the best place, where person can learn; try to do things on his own, reach goals and learn from mistakes’. The above mentioned opinions indicate positive attitudes of the employees to their companies that can stem from correct managerial strategy, job organization policies, fulfilled expectations, learning opportunities, healthy environment putting them in the right direction and thus boosting performance. Moreover, the results have shown that positive feedback either from the manager or the colleagues’ side is always motivational and keeps them feel they are on the right path. At the same time, the majority of them revealed that critics is also taken into account and has helpful effects on their job, ‘... in case of any critics I definitely take it into account and look forward to improve that side of mine’ or ‘If people are saying that I should pay attention to improve some points, I am starting concentrating on them and if there is problem I am doing steps to solve them. If people are happy from my work, I am happy about that...’ The interviewee holding managerial position mentioned about his employees’ opinion on his positive influence, citing that ‘I am able to encourage people to push for a more productive processes, bigger results. Also sense of humor
keeps team’s mood up”. Based on the above mentioned answers, it can be summarized that feedbacks, if used timely and correctly, can serve as a strong motivational tool for improving employee performance.

The goal-setting theory, the expectancy theory, the reward strategy

Judging from the results of the survey, the respondents seem to have a clear idea about the goals set forth. Moreover all of them confirmed that they feel excited about these goals and achieve them as required, which can be proven by the positive feedbacks that they receive from their manager, “from my manager I hear only good reviews. For me that is the point”.

According to the findings, the respondents have different expectances and perceptions of these expectances both towards their jobs and organizational matters. Thus, one of them pointed out that because of the inflexibility of their products the only thing she can do is to share her knowledge and experience with others. In contrast, three of the interviewees confirmed that their skills are utilized in the best way, even if some skills still need improvement. And the employee holding managerial position answered that his expectances are connected with the better realization of his organizational, product development, communication, customer relationship and managerial skills. All of them, except one respondent, who didn’t answer anything, expressed a belief that the above mentioned changes either already influenced or would influence their performance.

Regarding the organizational aspects, the respondents relate their and the Company’s success to the necessity of discussing all things openly and escalating suggestions to managers, as well as hiring long-term employees. Another employee mentioned that sharing knowledge, good communication and constructive work, as well as objective evaluation of his work would have a positive outcome on his performance. Additionally, one employee pointed out the need of getting professional training in programming, while the other one highlighted the work place and noted that “here the management do its best to make a comfortable place to work and fortunately, the most part of the work is already done”. Moreover, one of the respondents confirmed that “Colleagues started to show more dedication towards work. They started at some point going for an extra mile to provide better output Based on the results it is assumed that employees relate the achievement of their goals to the degree of their productivity, connecting the latter with the extent to which their skills are utilized, as well as with how the work and communication are organized within the team, with objective evaluation of one’s work, with the learning opportunities and the work place.”. Further, some of the respondents emphasized sharing information about the ongoing and upcoming plans of the company, extending communication between the company and external partners, and, also, freedom in decisions, “... increasing trust and more delegation of duties” as important factors to feel involved.

As for the reward strategy of Company B, based on the opinions expressed by the respondents above it seems that to improve performance of the employees Company B concentrates more on work design and workplace. Additionally, the findings have shown that there is a need to strengthen monetary compensation policies, improve personnel recruitment and retention practices, enhance internal and external communications and organize regular trainings.

Performance threats

According to the findings, one of the respondents mentioned the lack of professionalism among some of his colleagues. Yet, no detailed explanation existed as to what they meant – lack of IT knowledge and skills or lack of correct cooperation, communication and team-working attitude and behaviors or both. In contrast, all of the respondents confirmed that they are doing their job well, relying on their managers’ and clients’ feedback, and even though “... there are several “holes” in my work that need to be filled in” their basic skills are utilized in the best way, so that the overall performance doesn’t go down. Based on this, it is
suggested that when skill deficiencies are perceived as an opportunity to learn more things and develop professionally, and when corresponding actions are taken to provide with necessary trainings or create an environment for self-education, performance threats may turn into performance improvement processes. Regarding motivational aspects, the findings once again indicate that problems in employee recruitment and retention policies, including remuneration, internal and external communications, as well as organization of education programs, that have been revealed from the interviewees’ answers, may negatively affect employees’ performance and lead to continuous turnover.

Performance outcomes

As for the outcomes of their performance, one of the respondents mentioned that her good work always receives good evaluation from her manager. Another interviewee related his good job to the reason of his stay with the company, “I think only the reason of why I’m here today is the proof of my good job. The base knowledge I got is from the Yerevan State University. The rest is a result of my experience and self-education”. Further, two respondents holding team leader and manager’s positions pointed out that the outcome of good performance is “… client satisfaction, contract reassigning and new contract generation, as well as happy personnel”. Therefore, findings suggest that outcomes of performance are always different and that the value of an outcome is also different depending on employees’ expectations and status. For one employee success is associated with good feedback form the manager’s side, for another it is the continuation of labor relations with the employer, whereas, for managers good outcomes are estimated by the clients’ satisfaction, continuous business relations, business development and personnel’s positive reactions. Also, according to the findings, employees who obtain knowledge and skills and become good performers leave the company, because of middle salaries. Therefore, the findings suggest that high performers should be treated as key employees and, consequently, a set of special measures should be worked out so that they will always feel committed and motivated and stay with the company.

Performance appraisals and issues connected with them

According to the findings, the following aspects of performance are appraised: professional experience in working and communicating with the team, including multinational environment, which, as one of the respondents mentioned, “… helped me to create a unique approach in employee motivation strategy”; readiness to take the initiative and solve problems related both to tasks and staff management, like assisting in personnel recruitment, passing professional knowledge and skills to team-mates, assisting in enlarging the staff, etc. Additionally, one of the respondents revealed that she learnt much from her leaders, who “… taught me to be responsible for what I do and enjoy what I did”. Further, the results have shown that proper planning and organizing work, which, in fact seems to be connected with job knowledge, is also valued, “My previous experience helped me to organize my work well, work with developers smoothly, look to the product as a customer when it needs, and overcome challenges by “nothing is impossible” motto”. Also, one of the respondents seemed to be much focused on the quality of work done by him and his colleagues, stating that “I would like to improve QA-Develop connection in my company and create a flow to make QA work organized and highly qualified”. Based on the results of the interview, the appraisals in Company B have quite an accurate nature, covering almost all the aspects of job and staff organization and management. Moreover, the findings indicate that the factors appraised are interconnected and even have a mutual impact in some cases. Hence, job knowledge may lead to improved quality of work and processes in general, as well as to correct setting of priorities. Good communication and team working boost motivation and enthusiasm. Moreover, leadership by example inspires employees to develop others and “pay back” with a desire to solve the company’s problems. And, finally, appraisals if applied correctly are a strong motivational tool for commitment being enhanced and performance improved.
As for the issues with performance appraisals, the results haven’t revealed any threats or drawbacks either from the managers or employees side. In contrast, the respondent holding managerial position confirmed that the relationships among the colleagues are open and positive, “Always try to resolve issues and problems at an early stage. Evangelize transparency and commitment to work”. Moreover, regarding openness, all of the interviewees emphasized that even critics is accepted by them positively, since “Every meaningful comment whether that be good or bad effects on my work positively” and “...I am starting concentrating on them and if there is problem I am doing steps to solve them”. Following the above, it is assumed that appraising is a complicated process as far as relationships between managers and employees are concerned. Therefore, it is suggested that appraisals shouldn’t be lop sided, and even critics should sound encouraging for the employees not to feel frustrated but motivated to improve their imperfections.

**Performance measurement**

The analysis of the findings suggest that performance of employees should be measured on an individual level especially in small and mid-sized companies, where the direct influence of each employee on the business outcome is more tangible. Even in big companies, where the financial figures, at first sight, may seem to be dependent on the general results of the group or groups, the risk that the so-called “performance debts” of employees will be accumulated in the course of time is high. Therefore, performance should be measured on an individual output level with regular feedback on the influence and role of each employee in the success of failure of the company. This will strengthen the accountability of employees and enhance the feeling of involvement, which in its turn will spur on their commitment and desire to perform better.

**Link between employee commitment and performance**

The analysis of the various aspects of employee commitment and performance in Company B has revealed the following links between these two concepts:

1) Friendly atmosphere at workplace, good organizational management, fulfilled expectations, trust, favorable working conditions, learning opportunities and right staff strengthens employees’ emotional attachment (affective commitment) towards the company and determine positive behaviors and attitudes. The impact of continuance commitment either positive or negative on performance has been found out to be rather questionable, since the respondents showing continuance commitment also had many elements of affective commitment in their answers. Additionally, since the results didn’t contain any obvious elements of normative commitment, the influence of the latter on the performance of the employees remains unrevealed for this company. Therefore, it is suggested that deeper and separate investigation is needed on these three types of commitment and their relation to performance.

2) In contrast, lack of necessary knowledge and skills among the colleagues, inappropriate remuneration, especially of good performers, and high turnover, result in de-motivation, which leads to decreased commitment and low performance.

3) Committed employees identify themselves with the company and strive to have contribution and investment in its welfare, connecting their future with the latter’s success.

4) Committed employees are willing to receive timely and correct feedback on their productivity in order to know their strong and weak sides and work on their further development and improvement.
5) Committed attitudes and behaviors from the colleagues and managers’ side such as: responsibility, teamwork, professionalism, coordinated business relations have positive influence on their work and consequently performance.

6) Conversely, negative attitudes and behaviors, lack of interest, continuous complaining affects negatively on colleagues’ commitment and results in an overall low performance.

7) Enlarged job opportunities, such as delegation of more duties, direct communication with external partners enhance the feeling of self-importance and self-identification with the company and, consequently, commitment to perform at a higher level.

8) Having transformational leaders whom employees tend to resemble inspires them not only to obtain deeper knowledge and skills but also to develop others, thus contributing to the solution of organizational and managerial issues of the company. Here, the findings imply that transformational leadership raises commitment, which further gets its reflection in improved performance in the form of involvement in the company’s matters.

9) And, finally, correct appraisals and objective evaluation of an employee’s efforts are very effective measures to enhance commitment and improve performance.

4.2.3 Company C

4.2.3.1 Challenges with employees’ turnover

Through analyzing the findings of the investigation, no obvious signs of employees’ turnover intentions have been observed in Company C at least for the nearest future. Neither have the respondents mentioned turnover as an existing issue in their company.

4.2.3.2 Employee commitment

Multidimensional scale (affective, continuance and normative commitment)

The employees of Company C, whose employment tenure varies from 7 month to 5 years, showed positive emotions describing the work as “interesting”, “challenging”, “interactive” and “making possible to grow”. However, expectations about the opportunities in the given company differ. Half of interviewees confirmed that their expectations complied with their needs, “I was offered to be a part of a team working on a very interesting and innovative project..” or “I am offered and interesting job”, where enjoyment of a team membership represents a feature of affective commitment. Two respondents skipped the question and another one stated that, “In big companies there is no too much room to inject own expectations, the marketing rules the show”, which may mean that the employee is not attached to the company emotionally, he contributes exactly as much as is necessary to perform the tasks.

According to the aspirations that the employees have in the company, the respondent holding a managerial position was planning to switch to entrepreneurship. However, answering the question about involvement in the company’s objectives, he stated that “I’m in this company because I’m involved in its objectives and global mission - emotionally. I’m not sure that something special was “done” for that”. He keeps getting constant “excellent” feedback from the top management for his productive work; although, at the same time highlighting productivity improvement options “I’m sure that I can be more productive. But there is a
benchmark (de facto) of company’s average workers productivity and it’s putting some kind of borders for those, who really able to be more effective”. Moreover, he has a clear company-related plans for the nearest future, “...to have a subdivision for quality control” so that “... the service will win”. Thus, the findings have shown that energetic and creative employee is, in fact, attached to the company emotionally. Yet the exchange between his contribution (in terms of passion for work) and the rewards he receives (in terms of opportunity to implement or be engaged in new projects) are not congruent, since “everything new, I’m trying to implement, needs long and boring explanation to non technical people, to prove the need in that (especially if it needs extra budgeting)”’. Therefore, the findings seem to suggest that this may serve as a reason for the respondent to leave the company to start his own business. Further, one of the senior developers seems to be really passionate for the job, since he looks at the situation also from the commercial point of view when suggesting some options of improvement, “I would love to cooperate with other companies who are already successful in the similar projects. To achieve this, I would make like have shared functionality and web based services for sharing data between our partners. This would definitely be a big step for attracting more clients” or “I would consider having invested more in marketing. Investigating the market is vital for companies that expect to have a lot of consumers”. He has ambitions to acquire his own team to go deep into the subject, “planning to have my personal team in the company that will be responsible for investigating and implementing absolutely new ideas that currently are not available in the market, but could serve well for a big number of consumers of our services”. This employee is also well prepared professionally. “My experience and education was a major reason of my success in this company...it helps me to not follow the path to the dead-end, based on similar previous experiences”. His contribution and efforts are fully rewarded by the best positive feedback and trust, moreover due to his deep interest in the subject and passion for work he is willingly engaged into areas unrelated to his direct responsibilities, “I am always getting involved in aspects that are none of my business just because I love my job, and regarding to my coworkers’ feedback, I am helping them a lot.”.

However, just like all the respondents from this company he asks for more freedom in decision making, “I like to be free in my decisions”. A drawback for this employee is that he is overloaded, “for me it is always very hard to get a day off, and even harder to get a vocation when I do plan that” due to the shortage of staff, and he is probably underpaid, “My employer could pay me more I think”. Regarding the above mentioned, the findings seem to indicate that this employee is currently affectively committed to the company, In addition, he is a fast growing professional with big ambitions and is eager to get into all aspects of the business. Therefore, the level of his commitment seems to depend on the willingness of the company to cultivate it.

Further, the remaining two senior developers showed definite presence of continuance commitment, because all their ambitions and plans are solely calculative and are concerned either with the need to continue working for the company or have a self-motivated, independent nature, “I expect to be valued as a professional despite my grade in the company.” and “I am planning to so study the product in depth to improve my skill in this area”. Since they strongly focus on results, they are very productive and are confident because they receive constant positive feedback “I do my job Excellent. I mean it. I know that since we have a self-review procedure each year and I have got “Excellent” 4 years in a row” or “… about the quality of my work, I judge by the positive feedback of colleagues .it does not affect on my attitude towards my work, however its nice...”. Their answers are very discreet and specific when answering about the relationship with their colleagues, “I am as friendly as required for good relationship with colleagues but not more.” or “Atmosphere in the company has to work. Team is very sociable and competent”. Additionally, regarding their future plans in a company, they confirmed that “I’m good to continue to work in this company if nothing gets worse and the trend of the carrier stays straight.” and “I will continue my career in this company for now, because there are many areas for self-development, and the work itself is fascinating”. In contrast to the previously mentioned respondents, who highlighted the importance of getting positive feedback and recognition from colleges and managers, these two employees replied that “my work is not particularly affected by colleagues”
and “Respect me if they want me to respect them”. Moreover, both of them stressed the importance of continued salary increase in order to improve their commitment.

Antecedents of commitment (personal characteristics, job or role related characteristics and design of the organization)

The commitment of the four employees of Company C is linked to antecedents ranging from role-related characteristics to the organization design. One of the affectively committed senior developers confirmed that he has definitely an enriched job, an opportunity to exercise responsibility and interaction and identification with other members of the company, due to the fact of being engaged in projects with broader direct responsibilities. In addition, the given respondent expressed a desire to acquire his own team responsible for investigating and implementing new ideas, which prompts to suggest that his commitment is also dependent on the opportunity of decision making. Further, the employee in a managerial position also highlighted an enriched job and decision making that help implement new projects without tedious process of approval by non-technical staff. The same seems to be applicable for two senior developers with adjustment to their ambitions, plans and complains which are “The bureaucracy takes too much time. I think it would be better to give the engineers more freedom in decision, but in fact more responsibilities, instead of having multiples levels of review and signoff procedures to do simple things” or “I like versatility and interactivity of my work”.

Development of commitment

Concerning the development stages of commitment, the findings suggest that all four employees of Company C are in compliance stage of commitment, since, in general, all of them stay in company, because in exchange for their commitment they receive something in return whether it is material or emotional satisfaction. To develop the commitment employees the results seem to suggest that professional self-development/training plans, stability and more expanded decision making are needed, as far as they realize the level of responsibility for their actions.

Commitment strategy

Here, the findings have revealed such characteristic features of commitment strategy as a) high performance expectations, “They say that my job is awesome…”, “People's opinions are very positive”, “I do my job Excellent. I mean it. I know that since we have a self-review procedure each year and I have got “Excellent” 4 years in a row” or “most of my colleagues and managers are talking about my performance from very... I’m getting 3-d “excellent” grade from my manager. It's really motivating”; b) continuous improvement according to ambitions of two employees, “I expect to be valued as a professional despite my grade in the company.”, “I am planning to study the product in more details”; c) extended content of individual jobs, “I am always getting involved in aspects that are none of my business just because I love my job” or “Additional responsibility is the inner psychological atmosphere in the staff.”. Thus, the findings have shown that time and effort, clear goals, passion and enthusiasm are the aspects that should be considered to support the commitment strategy.

Outcomes of commitment and the importance of shared values

Regarding the outcomes of commitment, the findings seem to indicate that employees of company C come to work to make a contribution in delivering customer satisfaction, “The main direction of my work is to ease user’s interaction with the tool. My recent work was related to handling huge databases in user friendly environment without GUI lags” or “I would consider having invested more in marketing. Investigating the market is vital for companies that expect to have a lot of consumers. The situation is even monocore complex,
when the market relies on variety of countries and cultures, and so, this seems to be not an easy task”. As such, these employees can be considered as valuable assets. Moreover, the results have shown that the company involves IT personnel in some aspects of marketing and customer relationship development, which seemingly has no direct relation to programming, however by doing so, the company increases the involvement of employees into business critical issues and gives a correct representation of the company's strategy.

Further, according to the answers, one of the employees seems to be creative and highly committed to tasks due to the opportunity to develop his experience. Nevertheless, this does not mean that such commitment will be extended to the employing company. The company may win for some period of time, yet corresponding actions should be taken in long run to make the commitment effective.

**Difficulties in creating commitment**

As for the difficulties in creating commitment, the results have revealed the following ones: the company's complicated charter governing the process of initiation and execution of projects, limited freedom of actions, weak distinction between excellent and average performance recognition and improvement of monetary compensations.

**Commitment measurement**

For Company C both exchange and psychological approaches for measuring commitment would be appropriate, since all respondents valued stability of work, “I’m good to continue to work in this company if nothing is get worse and the trend of the carrier is stays straight.” or “do not delay my career enhancement to improve the performance”. And there is definitely an emotional attachment to the company for some of the respondents, “I am always getting involved in aspects that are none of my business just because I love my job” or “I’m in this company because I’m involved in its objectives and global mission - emotionally. I’m not sure that something special was “done” for that”.

4.2.3.3 Employee performance

**Improvement of performance**

The findings have revealed that there is an advanced performance management system, with an interactive process of goal setting, performance measuring, feedback and rewarding stages. In this regard, the respondents have noticed that to do their best they need to see a direct link between their efforts and success. Belonging to both "in-role" and "extra-role" types of performance, all of the respondents offered different ways of improving their performance in order to influence the success of the company as a whole. Among the things proposed are, reorganization of the process of approving new projects by reducing the stages of approvals from the managers’ side who do not possess technical background, since as a lot of time is spent on an explanation of specific matters. Additionally, the respondents suggested increasing the quantity of the personnel involved in the development of new products and trends, thereby reducing the overload of the key personnel. It was also found out that employees themselves are aware of their roles in the company and understand the link between the strategic objectives of the company and the scope of their responsibilities. And, finally, the findings have indicated that in order to improve performance, employees’ opinions should be taken into account during the decision making processes.

**The goal-setting theory, the expectancy theory, the reward strategy**
Regarding goal setting, the findings in the previous sections have already revealed that goals pursued by employees can play an important role in motivating their performance in order to retain the most passionate and ambitious employees.

As for feedbacks, the findings have revealed that regular performance discussions take place with all employees individually. Relations between the management and employees are quite open to the extent that employees receive public praise from management on social networks which is encouraging for them.

“Path goal” approach is clearly visible in this company, since all of the four respondents’ performance is on a high level and this is confirmed by regular performance reviews. Employees tie their ambitions with professional growth and with providing highest productivity. Thus, the findings suggest that “law of effort”, according to which the behavior that is rewarded will be repeated, occurs in this company.

Besides, the findings also suggest that a distinction between excellent and average performance recognition, as well as the issue of appropriate monetary compensation deserve more attention. And, finally, it has been found out that employees expect periodic financial rewards in the form of salary increase or bonuses, which indicates that monetary rewards and employee satisfaction are directly correlated here.

**Performance threats**

Concerning performance threats, the findings did not highlight any among the respondents of Company C in frames of this research.

**Performance outcomes**

Regarding the outcomes of the respondents’ performance, there is indeed a positive relationship between performance and turnover observed for two employees. As already mentioned before, the first one was going to switch to entrepreneurship and the second one did not tie his future career with the company. Therefore, as the results suggested earlier, attention should be paid first of all to key employees in order not to lose them.

**Performance appraisals and issues connected with them**

The findings have revealed that the following aspects of performance are most appraised in Company C: job knowledge and productivity due to multiple positive feedbacks received from the top management; quality of work which can be observed from the feedback received by one of the employees, according to which he is evaluated as “...seasoned engineer with strong mathematical background. He is very diligent and self-motivated employee. I was very happy had him in my team”; originality of thoughts and initiatives in problem solving that are found in the following answers: “...experiences I brought to the company are helping me to see the problems in the field than people are not even noticing usually” or “...not follow the path to the dead-end, based on similar previous experiences.”; and, finally, ability to correctly interpret job requirements.

**Performance measurement**

It has been found out that, all four employees are accountable for the outcomes of a group or for general projects. In fact, no hint of a biased estimation of an employee’s labor or any complain related to performance measurement have been observed in the given company in general.
Link between employee commitment and performance

According to the analysis of different features of commitment and performance the following relationships between these concepts have been observed:

1. There is a large number of confident professionals in a company with a stable high performance level.
2. In terms of the nature of commitment the employees can be roughly divided into two groups. The first group comprises affectively committed employees, passionate for work and eager to be involved in the areas unrelated to their main tasks directly. The second group consists of the employees with continuance commitment level whose ambitions and plans are solely calculative and concerned with the need to continue working for the company or who are self-motivated and have an independent nature. However, all of them perform at a high level, each being motivated correspondingly.
3. Despite the fact, that there is a definite emotional attachment to the company among all of the respondents, in some cases the exchange between the contribution and the reward in terms of a desired freedom of actions are not congruent, which may negatively affect performance level in the future or even lead to a loss of valuable employees.
4. Additionally, it has been found out that high level of performance and involvement may not be directly related to the degree of commitment to the company, in case this is commitment to the task as an opportunity to develop one’s experience. And, it does not mean that such commitment will be extended to the employing company.

4.3 Discussion of the findings

4.3.1 Challenges with employees’ turnover

The findings have revealed concerns and cases of employees’ turnover in the two of the three companies which can be a real challenge, since these employ high technology professionals (Dockel, Basson & Coetzee 2006). Furthermore, since, according to the results, the causes of turnover are mostly low or middle salaries, as well as lack of jobs satisfying employees’ expectations, it is suggested that correct forms of motivation should be applied to them (Chui, Tong & Mula 2007), as far as commitment and performance of such employees are said to be dependent on the extent to which their needs and expectations are fulfilled (Lumley 2010).

4.3.2 Employee commitment

Multidimensional scale (affective, continuance and normative commitment)

In frames of the three-dimensional model, the findings have revealed that affective commitment is mostly influenced by emotions that most of the employees have towards their company, as well as by the extent to which their needs and expectations are fulfilled (Meyer and Allen 1991), whereas continuance commitment is mostly influenced by needs and lack of better alternatives that employees have (Meyer & Allen 1997). Moreover, it seems evident that employees with affective commitment identify themselves with the company, enjoying their membership and the opportunity to invest in the latter’s activities, whereas employees with pronounced continuous commitment are bound with limited opportunities to be employed somewhere else (Culpepper, Gamble & Blubaugh 2004). In spite of the fact, that affective commitment constitutes the majority of cases, examples of continuance commitment reflected in the individuals different needs to
continue working in the company (Meyer & Allen 1997) and examples of instrumental commitment resulting from individual’s perception of the quality of exchange between contribution and the reward (WeiBo, Kaur & Jun 2009) have also been noticed. And finally, it is difficult to assess the degree of influence of normative commitment, since no examples have been explicitly identified in the interviews, consequently knowledge in this aspect hasn’t been developed and little research has been done around the concept (Hislop 2003).

**Antecedents of commitment (personal characteristics, job or role related characteristics and design of the organization)**

Concerning personal characteristics the findings have shown that such demographic variables, as age, gender, experience and position affect commitment (Tseng & Lee 2011). Further, it has been found out that job or role related characteristics such as well established relationships within the group, including constructive communications, team work, dedication to work, knowledge acquisition and fulfilled expectations predict organizational commitment, while lack of involvement and limitation of connection have a negative impact on it (Coetzee, Schreuder & Tladinyane 2007; Spector 2008; Ghazzawi 2008; SamGnanakkan 2010).

Regarding design of the organization, the findings have shown that when inappropriate remuneration policies are applied and the degree of involvement is limited it has an adverse effect on employees’ commitment (Bratton & Gold 2003; Lumley et al. 2011) and leads to turnover. Additionally, awareness about the company’s plans, decision making and situation controlling from employees side are necessary to ensure their commitment towards the organization (SamGnanakkan 2010). And, finally, when personal characteristics are taken alone to evaluate the degree of commitment it may create ambiguity (Meyer & Allen 1991), since psychological aspects play a big role here. Therefore, it is assumed that this antecedent should be analyzed together with job or role related and design of the organization characteristics, in order to guarantee more reliable conclusions.

**Development of commitment**

Regarding the development stages, the results have revealed that employees perform at the internalization stage when their values comply with those of the company, and in this sense they experience affective commitment (Meyer & Allen 1991; Culpepper, Gamble & Blubaugh 2004; Sahoo, Behera & Tripathy 2010), and at compliance stage, when the decision to stay with the company is valid unless their expectation are met, thus exercising continuance commitment (Vance 2006; Lumley et al. 2011). Nevertheless, it has also been found out, that employees showing affective commitment may also perform at the compliance stage as long as their emotional attachment to the company is mixed with desire to be rewarded back or unless they get a better offer from outside, which supports Liu and Deng’s (2011) statement, according to which the concept of commitment implies the principle of social exchanges, and in this regard, it should be analyzed according to a concrete process and key factors of social exchanges. In addition, it is suggested that employees with longer tenure have a higher probability to be ranked with compliance stage, while those with shorter tenure may be found in the internalization stage, thus admitting an idea that certain antecedents may have an impact on the development of commitment.

**Commitment strategy**

As for the factors to be considered when creating commitment, the findings have proven that when correct objectives are set and achieved, expectations of employees are also realized (Walton & Lawrence 1985), and, consequently, their commitment is enhanced. On the contrary, when the companies pay little- to- no attention to the expectations of employees, the latter look for a place where they can best realize their potential, and not finding such within the company, leave it (Sahoo, Behera & Tripathy 2010). Also, employees feel
motivated when they are provided with enlarged job opportunities (SamGnanakkan 2010), as a means of developing their skills and getting further promotions in career, and, conversely, when employees are obliged to do the same tasks for years without career promotions and enrichment of job they are looking for ways to leave (Kamil et al. 2011). Moreover, if an organization values and encourages employees’ intentions for self-development, it ensures employees motivation and desire to work for its goals (SamGnanakkan 2010). And when the relations among the colleagues and with the company are based on trust and openness (Ibid), where status is tried to be minimized, such kind of organizational management (Walton & Lawrence 1985) creates a favorable working environment and boosts employee commitment in most cases. Moreover, it has been emphasized that developing communication among all the stakeholders, education and training programs (SamGnanakkan 2010), encouraging participation and involvement of employees in the matters of the organization (Ibid) by ensuring their awareness about the plans of the latter, as well as clear goals and directions (Goffin & Szwejczewski 1996; Saunders &Thornhill 1999) are necessary for strengthening satisfaction and enthusiasm and thus increase commitment. In addition, when employees are encouraged or are self-willing to assist the company with re-employment by bringing new people to the company it creates a spirit of mutual commitment (Walton & Lawrence 1985), yet it also speaks about the necessity for the company to be also concerned with correct performance and reward management process (Armstrong & Baron 2002; Meyer, Opperman and Dyrbye (2003), in order to have motivated and retained staff.

Outcomes of commitment

Concerning the outcomes of commitment, it has been found out that employees strengthen their commitment and continue to be a member of the organization when that organization satisfies their needs and expectations related to job, performs an appropriate management style, establishes friendly relationships, provides with training and development opportunities, and enrolls right staff (Arnold & Mackenzie Davey 1999; Furlonger 2005). And, all this also leads to emotional attachment to the company producing a desired outcome with lower turnover and higher acceptance for a change for right reasons (Sahoo, Behera & Tripathy 2010; Paré and Tremblay 2000). In contrast, it has also been noticed that turnover itself, as well as middle salaries and lack of professionalism among the colleagues may have a negative outcome resulting in de-motivation and low performance in the majority of the cases. Further, it has been revealed that committed employees are highly motivated and tend to go “beyond the contract” (Mabey, Salaman & Storey 1998), contributing to the welfare of the company in different forms. And, finally, it has been found out that committed employees behave positively at work, thus affecting overall performance, which agrees with the statement of DeCottis & Summers 1987; Kim & Mauborgne 1998).

The importance of shared values

Regarding the values shared between employees and the employer, the findings have shown that commitment is developed when the goals and values of employees and the company coincide (Storey 1995), and when good relationships are established between employees and the employer (Naqvi and Bashir 2012). Nevertheless, it has been found out that employees always expect to be evaluated objectively and be given an opportunity to enhance their feelings of self-importance and self-identification with the company, which usually increases trust towards it as the bases for creating commitment (Armstrong 2000). Finally, the majority of the findings have revealed that creative employees are highly committed to the task due to the opportunity to develop their expertise; however this does not necessarily mean that such commitment will be extended to the employing organization (Davis & Scase 2000).

Difficulties in creating commitment
As for the difficulties in creating commitment, the results have revealed that financial constraints, particularly low or middle salaries hinder the process of retaining employees and thus cause labor turnover (Schuler & Jackson 1999; Lashley 2001). Also, it has been found out that limiting the freedom of employees by standardized customer relationship procedures that usually exclude direct communication with them make building of commitment complicated (Lashley 2001). In addition, it has been noticed that such aspects as keeping employees uninformed about the company’s plans, failing to improve teamwork within all employees, avoiding delegating more duties to employees and ignoring trainings as one of the means of improving employees’ professionalism and qualification also impedes the process of creating organizational commitment in most cases. At the same time, it is conceded that the list of difficulties may be either shorter or longer, or, in some cases questionable depending on how these aspects are perceived form employees and employer’s sides and in what context they are studied.

Commitment measurement

The results of the analysis have shown that as far as human beings are concerned, organizational commitment should be taken as an integrated phenomenon covering a wide range of psychological and social factors. Therefore, it is suggested that it should be measured accordingly, taking into account all the aspects, situations and circumstances, as well as stakeholders dealing with it, and this idea is supported by such researchers as Choppin (1991), Rusbult, Martz and Agnew (1998).

4.3.3 Employee performance

Improvement of performance

Concerning the improvement of performance, the findings have shown that employees’ positive attitudes to the company stem from correct managerial strategy, job organization policies, job satisfaction fulfilled expectations, learning opportunities and healthy environment that put them in the right direction and thus boost performance (Salaman & Asch 2002; Gu & Chi 2009). Additionally, feedbacks, even in the form of critics, as one of the constituents of performance management (Armstrong 2000; Antong & Ogden 2009) play a motivational role and help them feel they are on the right path or need to do better. Besides, it has been revealed that transformational leaders inspire employees to perform better by developing their strengths and overcoming weaknesses.

The goal-setting theory, the expectancy theory, the reward strategy

Regarding the goals, the results have proven that, in most cases, when they are set correctly and regular feedback on them is given employees perceive them with enthusiasm and perform at their best to achieve them (Edwin Locke 1968; Mento, Steel & Karren 1987). As for the expectancy model (consisting of expectancy, instrumentality and valence), it has been found out that most employees connect the achievement of their goals with the level of their productivity, striving to feel self-efficacy (Karatepea et al. 2006; D’Amato & Zijlstra 2008), which complies with the first of the three elements of the given model suggested by Mabey, Salaman and Storey (1998). As for the remaining two factors of the expectancy model, namely instrumentality and valence, findings haven’t revealed any to analyze. And, finally, it has been assumed that performance is increased when the reward strategy is based on work design that focuses on motivating employees through making jobs more interesting and challenging (Taylor 2002), as well as on positive workplace suggested by Patricia and Jay (2000). Yet, it has also been observed that in order to improve performance it is necessary to set up properly functioning personnel compensation and retention policies
(Jiang et al. 2009), as well as include enlarged internal and external communications and regular trainings as important elements into the work design mentioned by Taylor (2002). **Performance threats**

As for performance threats, in contrast to McConnell’s (2003) statement, according to which skill deficiencies lead to output reduction and quality worsening, the results have shown that they are often perceived as an opportunity to learn more things and develop professionally. And, when necessary measures are taken to provide with trainings or redesign jobs so that to ensure self-education and person-job fit (Stewart & Stewart 1982; Greguras & Diefendorff 2009), performance threats will turn into performance advantages. Additionally, the it has been found out an adverse impact of turnover on performance level due to skill deficiencies of newly hired employees (McConnell 2003).

**Performance outcomes**

Concerning performance outcomes, the results have shown that they are internal, related the turnover of high performers who are underpaid or are not motivated and rewarded accordingly (Morrow et al. 1999; Gerhart & Fangb 2014), as well as to productivity and quality of products (Guest 1997). As for the external type of outcomes, the no direct evidence of improved financial performance mentioned by Guest (1997) has been found out. Yet, it has been revealed that employees associate the external outcomes of their performance with clients’ satisfaction and continuous business relations (Markos & Sridevi 2010). Moreover, it has been found out that the value of outcomes is different depending on employees’ expectations, status and position.

**Performance appraisals and issues connected with them**

Regarding performance appraisals, the results have shown that in most cases among the factors appraised are: commitment, motivation and enthusiasm; communications skills and team working abilities; taking initiatives in problem solving; proper planning and organizing work; ensuring consistent quality as well as leadership and ability to develop others (Beardwell, Holden & Claydon 2004). It has also been revealed that the factors appraised are interconnected and even have a mutual impact in some cases. As it has already been mentioned in the “Analysis of the findings” section, job knowledge may lead to improved quality of work and processes in general, as well as to correct setting of priorities. Good communication and team working boost motivation and enthusiasm. Moreover, leadership by example inspires employees to develop others and ‘pay back’ with a desire to solve the company’s problems.

As for the issues with performance appraisals, few of the results have shown that in contrast to Ellis and Dicks’s (2003) opinions, according to which employees try to avoid negative feedback about their performance, critics is also taken into account and has a positive effect on the job. Moreover, it has been noticed that appraisal systems are influenced by the relationships between the appraiser and the appraise (Ellis & Dick 2003), and if these relations are based on openness and transparency, problems are resolved at an early stage and commitment to work is highlighted and promoted, appraisals will have a positive impact. In most cases, this idea also complies with Jenks’ (1991) statement, according to which in performance appraisals the person’s work and not his personal characteristics are judged.

**Performance measurement**

As for performance measurement, it has been found out that, in contrast to Little and Marandi (2003), who state that performance is possible to measure through the effects of a company’s actions providing feedback about its success or failure by means of profitability or customer satisfaction indicators, for the majority of companies performance should be measured on an individual level, where the output of each employee is evaluated against the success and failure of the company. As mentioned before, this will help avoid
accumulated “performance debts” of employees and enhance not only their individual but also cross functional accountability, making them focus on problem solving and not blame assigning (Deming 1986; Locke & Latham 1990; Chenhall 2005).

**Link between employee commitment and performance**

Concerning the relationship between employee commitment and performance, the results have shown that job-related well being determines employees’ emotional attachment (affective commitment) to the company (Epitropaki & Martin 2005), which, in its turn, is positively related to performance (Siders, George & Dharwadkar 2001; Clarke 2006). The impact of continuance commitment on employee performance either positive or negative has been found out to be questionable, in contrast to Clarke’s (2006) statement about its negativity, since respondents showing continuous commitment also have many elements of affective commitment in their answers. No conclusions can be drawn up regarding normative commitment, due to its absence in the research results. Therefore, as it has been mentioned before, additional research is needed on these three types of commitment and their relation to performance.

Further, since the findings have revealed that lack of necessary skills and knowledge among the colleagues, inappropriate remuneration of good performers and high turnover have negative impact on commitment and leads to low performance, it is necessary to increase commitment through those aspects that need it most (Sam Gnanakkan 2010), e.g. skill training, financial compensation plans, career promotions, etc.

In addition, enlarged job opportunities (with employees’ engagement at the center) raise job satisfaction, which is related to commitment, directly impacting on achieving high staff performance level (Mc Bain 2001/2003; Salaman & Asch 2002; Furlonger 2005; Gu & Chi 2009; Markos & Sridevi 2010).

Further, it has been found out that establishing and promoting good communication channels and policies within the organization significantly strengthens employee commitment and leads to improved performance (Chen, Silverthrone and Hung (2006).

Also, appraisals and objective evaluation of an employee’s efforts are very effective measures to enhance commitment and improve performance, since the fairness of the corresponding reward system affects employees’ commitment considerably and improve performance dramatically (Payne et al. 2003; SamGnanakkan 2010).

The results have also shown that leaders strengthen the link between commitment and performance, since they inspire employees towards the achievement of goals (Yeh & Hong 2012). In this respect, it has been observed that transformational leadership has a positive impact on commitment and hence on performance which coincides with the opinions of Yuki (2002), Lee (2010), Chi, Yeh and Yu (2008) and Pradeep and Prabhu (2011).

Moreover, the following links between commitment and performance have been also found out:

- The relationship between commitment and performance is reflected in one’s identification with the company and efforts to invest in its welfare, connecting one’s future with the latter’s success.
- Committed employees are willing to receive timely and correct feedback on their productivity in order to know their strong and weak sides for improving performance.
• Committed attitudes and behaviors from the colleagues and managers’ side have positive influence on their work and consequently performance.

• Conversely, negative attitudes and behaviors affect negatively on colleagues’ commitment and results in an overall low performance.
5. CONCLUSIONS

The given chapter provides an answer to the research question according to the issues raised from the findings. Additionally, a framework for future research and an observation of the limitations of the study are presented.

5.1 General overview

The aim of the given research, as defined in the formulation of the objective, has been to investigate the possible relationship between the commitment and performance of IT personnel and identify the personal and motivational peculiarities of such employees that cause this relationship.

This study has also sought to understand what sort of challenges companies may face in specific sector/location, as well as any deviation from the theory, since, as mentioned before, no research on this topic has been conducted in the ICT sector in Armenia. In addition, the topic explored may be interesting for the auditorium working in the given sector as being directly impacted and also in a position to influence their own company, as well as for sponsors of this study at leadership level.

The findings of this investigation are chapter specific and are found in Chapter 4, where the analysis and discussion have been provided. Therefore, the aim of this section has been to summarize the findings that will answer the following research question:

Which are the key issues that have an impact on the commitment of IT employees and the improvement of their performance?

Based on the outcome of the analysis it has been proven that, in fact, there is a relationship between employee commitment and performance in the work environment of IT employees. Through the analysis of the findings within the theoretical framework built in the given research commitment has been verified as an important enabler and facilitator for the performance for IT employees. In addition, within the same theoretical framework applied in the analysis of the findings it has been possible to identify specific factors that might increase/decrease the levels of commitment and performance of IT employees and that need to be considered by the companies while drawing organizational strategy for the defined category of employees:

- Investment in employees, such as constructive communication, mentoring, up-skilling and involvement as job-related actions affecting commitment, and performance, as suggested by Beardwell, Holden & Claydon (2004), Chen, Silverthrone and Hung (2006), Coetzee, Schreuder & Tladinyane (2007), Spector (2008), Ghazzawi (2008), SamGnanakkan (2010).
- Appropriate remuneration policies, which affect commitment and performance, as researched by Salaman & Asch (2002), and align the investigation from Bratton & Gold (2003), Payne et al. (2003), SamGnanakkan (2010).
• Communication of awareness of company's situation regarding not only different departments but also the organization’s position towards the market and different forces which boosts commitment and improves performance, as suggested by Salaman & Asch (2002), SamGnanakkan (2010).
• Management of employees’ expectations and helping them to achieve specific objectives also have an effect on commitment and performance, as argued by Salaman & Asch (2002), Gu & Chi (2009), Sahoo, Behera & Tripathy (2010).
• Consideration of organization’s environment, such as turnover and fellow colleagues’ professionalism, impact commitment and performance, as stated by Salaman & Asch (2002), Sahoo, Behera & Tripathy (2010).
• Consideration of a performance management process has also been found to affect positively commitment and performance (Payne et al. 2003; Chenhall 2005).

In addition, it has been observed that the evaluation of the degree of commitment and performance via employees’ personal characteristics (demographic variables) alone may create ambiguity; therefore it is suggested that the given antecedent should be considered together with job or role-related and design of the organization characteristics to ensure more reliable results.

Finally, taking into account that the nature of the relationship between the three types of commitment (affective, continuance and normative) and performance is questionable, in the way that employees, identified with a certain type of commitment, can perform at different levels if the same commitment strategy is applied to all of them, it is assumed that the concept of this relationship should be studied as a set of psychological and sociological factors taken together.

5.2 Considerations for further research

The given study was focused on the Information and Communications Technology industry in Armenia, with an aim to investigate the possible relationship between IT employees’ commitment and performance.

• Explore and identify the key factors that influence IT employees’ commitment and performance.

The authors believe that after the analysis and discussion of the findings in the previous chapter, the objective of the research have been reached. Therefore, the overall aim of the project has been comprehended.

The authors recognize the possible support that this investigation can offer to academicians, researchers and professionals interested in the area, as well as for other ICT companies (in addition to the case companies) in Armenia in developing their competitive advantage with the help of their employees. However, taking into account that this research investment in the theory may be qualified as partial for any concrete case, further revision and development of the knowledge, as well as additional case studies are needed, also taking into consideration that this subject in ICT industry in Armenia still remains uncovered.

During the research the authors came across some gaps that neither the findings from this empirical study nor the literature examined was able to satisfy. Thus, the authors suggest:
1) To develop further knowledge regarding normative commitment, since research on this subject is limited, and, consequently, benefits or disadvantages of the concept continue to remain ambiguous and immature.

2) Even though today multidimensional approach to commitment is recognized, it hasn’t been defined yet which type is more effective. Therefore, one of the possible directions to investigate can be a comparative analysis of all types of commitment.

3) To investigate which form of motivation is the best to improve performance of employees, taking into account that the research has revealed diversity of their preferences, needs and desires.

4) An enlarged study with more ICT companies in Armenia can be considered, taking into account that each firm is different and, consequently, the factors influencing employees’ commitment and performance and their corresponding outcomes could vary in different environments.

5) Additionally, an option could be expanding the study in a larger number of countries with former deregulated economies that are entering a market economy, in order to investigate and compare to what extent the findings of the western literature regarding organizational commitment and performance can be generalizable and applicable for developing societies, taking into consideration the effects and influences that culture and nationality have on people, uncovering interesting facts.

The authors believe that their concerns will be taken into account for a better understanding of the concepts, and, consequently, the gaps identified should provide a direction for a further development of the knowledge.

### 5.3 Limitations of the research

While carrying out the research, the authors encountered the following limitations and constraints.

First of all, since the data collection method was an email-based interview, which, of course provided the authors with significant and considerable information, the lack of skills managing this kind of complex data can be seen as a drawback in the way that the authors could possibly dismiss some other significant thoughts.

Secondly, the authors depended on the willingness of the participants to share their thoughts. Additionally, time also represented in some way a drawback for the study, taking into account that the investigation was mainly conducted for academic purposes.

Finally, the authors admit that the results of this investigation are quite unique in understanding IT employees’ commitment and performance, due to this, the results should be viewed as informative and not prescriptive. The study is exploratory and delivers more questions than provides answers. According to this, the authors cannot make definite conclusions regarding the relationships reported to the phenomenon observed; so all the findings should be viewed with caution.
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Appendix 1 – Letter to the Company’s Manager

Dear …,

We would like to thank you very much for the assistance and collaboration in this final thesis for Master’s in Business Administration in Blekinge Institute of Technology, Sweden (www.bth.se).

In accordance with our arrangement, we are glad to attach to this letter the Questionnaire and the Interview Guidelines for the investigation into the relationship between the commitment of employees and their performance. The Questionnaire is in the English, Armenian and Russian languages. Although English is more preferable, the Interview respondents are free to choose any of the mentioned languages. As mentioned in the Interview Guidelines, the interviews are confidential and the names of the respondents will not be disclosed.

Since this is an email based Interview, you are kindly asked to disseminate the Questionnaire and the Interview Guideline(s) among your colleagues via their emails (the preferable number of the employees to participate in the Interview is 5. Gender, age, position, etc. do not matter; the only condition is that they should be engaged in IT and/or communication service development and/or provision. The interviewees are kindly asked to give detailed and honest answers to the questions. As mentioned in the Interview Guideline they should send back their answers to the following email address: bthmbathesis@gmail.com.

If requested from your side, we will be pleased to share the results of the study and also to send you a copy of the investigation, once it is finalized.

Finally, once again we would like to thank you for the support given in this investigation and please if you have any suggestions or comments do not hesitate to contact us.

Sincerely yours,

Lusine Abrahanyan
Tsovinar Mirzoyan
Fernando Lopez
Appendix 2 – Letter to Interviewees

Dear …,

According to our previous arrangement, attached, please, find the Questionnaire regarding our investigation into the relationship between employee commitment and performance, which is a part of the final MBA thesis at Blekinge Institute of Technology in Sweden.

The Questionnaire is accompanied by the Interview Guideline that will help you fill in the Questionnaire. The Questionnaire and the Interview Guideline are in three languages: English, Russian and Armenian. The preferable language is English, yet you are free to choose the one more convenient for you.

We would highly appreciate to have your answers the soonest possible.

If you have any questions regarding this Interview, you are welcome to ask us.

With the best regards,

Lusine Abrahanyan
Tsovinar Mirzoyan
Fernando Lopez
Appendix 3 – Interview Guideline

English version:

Brief presentation by the researchers

Before you start answering the questions, we would like to thank you for your help and your time in this interview, which is part of a scientific investigation into the relationship between employee commitment and performance within Information and Communications Technology industry in Armenia. We are students at Blekinge Institute of Technology in Sweden (www.bth.se), claiming Master’s degree in Business Administration, and this investigation is directed to the study of importance and benefits of having highly committed employees and also of the issues of employee performance in frames of a thesis.

The interview we are going to carry out consists of 22 questions in English, Russian and Armenian; you can choose any of the mentioned languages for your answers. It will take you not more than 25-30 min to fill in the questionnaire. Your honesty and detailed answers are very important in order to guarantee richness of the outcomes of the project. We also want to note, that all the information provided and revealed by you is confidential and is only for research proposes, therefore, your names will not be mentioned under the answers in the Questionnaire.

After filling in the Questionnaire, you are welcome to email it to the following email address: bthmbathesis@gmail.com.

Now that the purpose of the given interview is presented, you are welcome to answer the questions:

With the best regards,

Lusine Abrahanyan
Tsovinar Mirzoyan
Fernando Lopez
Հարցազրույցի հետազոտության կողմեր


Հարցազրույցի կազմելիս էլ heten նպատակով, το bthmbathesis@gmail.com կինսիրական հասցեով:

Նպատական խմբի մասնակցությամբ տարբեր քննություններ է տալիս: Այժմ, երբ հարցազրույցի նպատակը ներկայացված է, Դուք կարող եք անցնել հարցերին պատասխանելու գործընթացին:

Հարգանքներով
Լուսինե Աբրահամյան
Ծովինար Միրզոյան
Ֆերնանդո Լոպես
Չիկրին Լուար
Russian Version:

Краткая презентация от исследователей

Перед тем, как Вы начнете отвечать на вопросы, мы хотим поблагодарить Вас за помощь и время, выделенное на это интервью, которое является частью научного исследования связи между заинтересованностью и продуктивностью сотрудника в сфере Информационных и телекоммуникационных технологий в Армении. Мы являемся студентами Блекингджского Института Технологий в Швеции (www.bth.se), соискателями Магистрантской степени по Управлению бизнесом (MBA), и данное исследование направлено на изучение важности и преимуществ наличия заинтересованных сотрудников, а также проблем их продуктивности в рамках дипломной работы.

Интервью состоит из 22 вопросов на английском, русском и армянском языках; для ответа Вы можете выбрать любой из указанных языков. Заполнение вопросника займет не более 25-30 минут. Ваши честные и детальные ответы очень важны для обеспечения целостных результатов данного проекта. Мы также хотим отметить, что вся информация, предоставленная Вами, является конфиденциальной и будет использована только в научных целях, именно поэтому Ваши имена не будут указаны под Вашими ответами.

После заполнения вопросника, просьба выслать его на следующий электронный адрес: bthmbathesis@gmail.com.

Теперь, когда мы представили цель данного интервью, Вы можете начать отвечать на вопросы.

С благодарностью

Лусине Абраамян
Цовинар Мирзоян
Фернандо Лопес
Appendix 4 – Questionnaire

1. Associated themes: Influences and challenges towards employees’ commitment.

Тема: Влияния и задачи, касающиеся заинтересованности сотрудников.

1.1) How long have you been working in this Company? How do you find working here?

1.2) Describe jobs and opportunities you have been offered and have accepted since you joined the Company. Was this what you expected?

1.3) Describe jobs and opportunities you have been offered and have accepted since you joined the Company. Was this what you expected?

1.4) Describe jobs and opportunities you have been offered and have accepted since you joined the Company. Was this what you expected?

1.5) What else would you like to do and how do you intend to achieve it in the Company?

1.6) What ambitions do you have?


Тема: Влияния и задачи, касающиеся продуктивности сотрудников.

2.1) How has your previous experience helped or influenced on what you are doing now at this Company?

2.2) How well do you do your job here? How do you know that?
Has your work in the Company helped you to develop your strengths and overcome your weaknesses?

Помогла ли Вам работа в данной Компании развить Ваши сильные стороны и преодолеть слабые?

Is there any specific area of your job that needs help to improve?

Есть ли определенная область в Вашей работе, которую необходимо улучшить?

Would you like to continue your career in the given Company and why? How do you intend to do it if yes?

Захотели ли Вы продолжить Вашу карьеру в данной Компании и почему? И если да, то, как Вы намерены это сделать?

Do you think your expectations can be realized in your Company?

Как Вы думаете, Ваши ожидания будут реализованы в Вашей Компании?
4. Associated themes: Performance characteristics of committed employees.

Тема: Продуктивные особенности заинтересованных сотрудников.

4.1) How do you feel about your current performance in your job?
Насколько Вы продуктивны в данной работе?

4.2) Do you think this is the same opinion about your performance that other people have? How do you know?
Как Вы думаете, другие люди разделяют Ваше мнение о Вашей продуктивности? Какие у Вас есть причины для этого?

4.3) Which of your skills do you think can be utilised better than at present? In what ways might your job change to make this possible?
Какие из ваших навыков Вы думаете, можно использовать более эффективно, чем сейчас? Какие изменения в работе могут быть внесены, чтобы это стало возможным?

4.4) Would the above mentioned changes make any difference to the work as a whole?
Повлияют ли вышеперечисленные изменения на работу в целом?

4.5) What particularly can you do to improve the situation in your department and in the Company?
Что Вы лично можете сделать, чтобы улучшить ситуацию в Вашем подразделении и в Компании?

4.6) What kind of performance, attitudes and behaviour from your colleagues and managers do you think affect your work and how?
Какие действия, отношение и поведение со стороны Ваших коллег и руководства влияют на Вашу работу и каким образом?

5. Associated themes: Companies’ attitudes towards employees’ commitment and performance.

Тема: Отношение компаний к вопросу заинтересованности и продуктивности своих сотрудников.

5.1) How do you feel about your current performance in your job?
Насколько Вы продуктивны в данной работе?

5.2) Do you think this is the same opinion about your performance that other people have? How do you know?
Какие у Вас есть причины для этого?
5.1) What do you think your manager expects from you?
Что, по Вашему мнению, Ваш руководитель ожидает от Вас?
Ինչ, Ձեր ղեկավարը ակնկալում Ձեզից: 

5.2) What could the company or colleagues do to improve your job performance? And what has already been done?
Что Ваша Компания или коллеги могут сделать, чтобы улучшить Вашу продуктивность в работе? И что уже было сделано?
Ինչին կարող են Ձեր Ընկերությունը կամ գործընկերները անել, որպեսզի Ձեր կատարողականությունը աշխատանքում բարելավվի: Եվ ինչ է արդեն արվել: 

5.3) What actions should your company or colleagues take to keep you feel more involved in the Company’s objectives? What has already been done?
Какие действия должны предпринять Ваша Компания или коллеги, чтобы Вы почувствовали себя более вовлеченным в цели Компании? Что уже было предпринято?
Ինչպիսի գործողություններ պետք է Ձեր Ընկերությունը կամ գործընկերները ձեռնարկի, որպեսզի Դուք ավելի ներգրավված Ձեզ զգաք Ընկերության նպատակներում: Ինչ է արդեն ձեռնարկվել:
Appendix 5 – Letters of Confirmation and Interest in Participation in the Research

Letter of Interest

Dear Lusine and Tsavinar,

Following our offline discussion regarding the problems of employee motivation and retention that our company has been facing so far, we confirm our interest for the research on the relationship between employee commitment and performance that you are currently undertaking. Taking into account the ongoing brain drain of our IT staff and the negative consequences it may have on the business of our company, we are glad to participate in your project. We hope that the information gained from our employees and those from other IT companies will help better understand the key needs, motives, conditions and preferences that influence IT specialists’ commitment and performance. We believe that the knowledge obtained from your research will be of mutual benefit both for you as researchers and for us as managers being confronted by this serious problem. Therefore, we are ready to assist you in anything needed and answer all your questions. Please do not hesitate to apply to us if necessary.

Looking forward to having the results of your research.

Sincerely yours,
Letter of Confirmation

Dear Lusine,

As expressed verbally, currently our management is trying to gather a deeper understanding of how to achieve better and more results as a consequence of the commitment of our team. We are glad this research is being conducted in IT and believe that its results will help us continuously advance in our business and keep up our competitive performance on the market. Thus, by this we confirm our participation in your research and are committed to help you with any issue.

Sincerely,
Letter of Interest in Research

Dear Tsowinar,

Bearing in mind your current studies at Blekinge Institute of Technology in Sweden, I am happy that you and your group mates have chosen my team for participating in your research project about the relationship between performance and commitment within IT employees. The given topic has always interested me as a young manager who is constantly looking the best ways to improve my employees’ commitment and performance. Also, considering the tough situation in Armenia connected with the tense rivalry in the IT sphere and increasing workforce leakage I find your investigation very significant and timely and hope that its results will help reveal the factors and nuances for properly motivating and retaining our IT personnel.

If you have any questions during your research, feel free to ask them.

Kind regards,

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