

FOSTERING NORMATIVE COMMITMENT: THE IMPACT OF BUSINESS WISDOM ON STAFF ENGAGEMENT IN THE HORN OF AFRICA

Shashi Kant

College of Business and Economics, Department of Management, Bule Hora University, Horn of Africa, **Ethiopia**

&

Sofi Badi Mohammed

College of Business and Economics, Department of Management, Bule Hora University, Horn of Africa, **Ethiopia**

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ABSTRACT

The aim of this study is to assess the consequence of business wisdom on staffs The objective of this study is to examine the impact of business wisdom on staff normative commitment. The researchers employed an explanatory research design with a quantitative approach. A probability sampling method was used to select participants, resulting in a sample of 245 respondents from various strata through Stratified Random Sampling Technique. Data were collected using a structured, self-administered questionnaire, with 230 questionnaires ultimately analyzed using descriptive and inferential statistics. The Pearson correlation analysis revealed a statistically significant positive relationship between all four dimensions of business wisdom—namely involvement, consistency, adaptability, and mission—and staff normative commitment. Notably, adaptability demonstrated the strongest positive and statistically significant correlation with normative commitment, while the mission dimension showed a positive but statistically insignificant effect. Based on these findings, the researchers recommend that organizations maintain business wisdom to enhance normative commitment. This can be achieved by recognizing and responding to both external environments and internal stakeholders, as well as involving staff in the decision-making process. Additionally, encouraging innovation through rewards can foster creativity among staff members.

Keywords: Business wisdom, Staffs Normative commitment, Educational Workforce

1. INTRODUCTION

The concept of business wisdom has been defined in various ways since the late 2010s and early 2020s (Okocha, 2022). Dolan and Lingham (2020) highlighted several prominent models of business wisdom, including the Edgar Schein Model, the Deal and Kennedy Model, and the Charles Handy Model. Denison and Neale (2011) defined business wisdom as "the underlying values, beliefs, and principles that form the foundation of an organization's management system, as well as the management practices and behaviors that exemplify and reinforce these basic principles." The Denison model identifies four dimensions of business wisdom: involvement, consistency, adaptability, and mission, which are the focus of this research.

Allen and Meyer (2018) proposed a three-component model of normative commitment, encompassing Affective Normative Commitment, Continuance Normative Commitment, and Normative Normative Commitment. Affective Normative Commitment reflects staff members'

emotional attachment to, identification with, and involvement in the organization. Various studies have concluded that business wisdom positively influences staff normative commitment, fostering a sense of commitment among employees towards their institutions (Asghar, Mojtaba & Sadeghi, 2021; Ghader & Afkhami, 2021; Habib et al., 2021; Coffey, Trew & Trigunarsyah, 2020). This notion is further supported by Masoumeh & Alliahyari (2024), who found a significant relationship between business wisdom and staff normative commitment towards their institutions.

Keep in view of understanding the concept of business wisdom and staffs normative commitment, and the positive relationship between business wisdom and organizational normative commitment asserted by different investigators, this study is conducted with the objective of identifying which business wisdom traits has significantly consequence on staffs normative commitment in Educational workforce of Bule Hora University.

1.1. Statement Of the Problem

Highly committed educational workforce plays an important role in the success of any institution (Ahmad, 2022). However, according to (Fako et al., 2021), research on Research on organizational normative commitment among educational staff in Africa is relatively limited. Abebe and Markos (2024) found that the educational workforce at universities in the Horn of Africa exhibits low levels of commitment, primarily due to misalignments between institutional standards, vision, missions, and objectives with staff expectations. They argue that to address the evolving needs and demands of organizations in a global context, it is essential to cultivate business wisdom.

Various authors have asserted that business wisdom significantly impacts staff normative commitment. Studies by Asghar, Mojtaba, and Sadeghi (2021), Ghader and Afkhami (2021), and Azadi, Bagheri, Eslami, and Aroufzad (2020) demonstrated a significant relationship between business wisdom and staff normative commitment, utilizing Denison's business wisdom model. Their findings concluded that all components of business wisdom are significantly correlated with staff normative commitment.

Conversely, a study by Nongo and Ikyanyon (2020) indicated that while business wisdom is important for enhancing staff normative commitment, not all dimensions have the same impact. Specifically, they found that the dimensions of consistency and mission, two traits in Denison's model, do not significantly correlate with organizational normative commitment.

In addition, Bizuneh (2024) identified adaptability as the most significant factor influencing staff normative commitment, followed by mission and involvement, while consistency was found to have no significant effect. Similarly, Getachew (2024) reported that consistency and involvement positively contribute to staff normative commitment, but these contributions were statistically insignificant. Given the contradictory findings across various studies, the existing evidence gaps prompted the researchers to conduct a detailed investigation into these issues.

1.2. Research Objective

- To assess the various organization business wisdoms in Educational workforce of Bule Hora University.
- To study the relationships between various organization business wisdom s and staff normative commitment in Educational workforce of Bule Hora University.
- To investigate the consequences of various organization business wisdoms on staff normative commitment in Educational workforce of Bule Hora University.

2. EMPIRICAL REVIEW OF RELATED LITERATURE

2.1.1. Consequence of Business wisdom on staff Normative commitment

Business wisdom and staff normative commitment are the most extensively researched about concepts in management studies, yet the two concepts still remain elusive as ever (Shoaib, Zainab, Maqsood & Sana, 2020). Not only that, as depicted on the problem statement of this study the consequence of different business wisdom traits on staff normative commitment investigated and conclude by different investigators is inconsistent. In line with the specific objective of the study, the upcoming paragraphs shows research finding of different scholars who tried to investigate the consequence business wisdom (Involvement, consistency, adaptability and mission) on staff normative commitment.

1. Involvement and Staff Normative commitment

A study conducted by Nongo & Ikyanyon (2020) found a significant and positive relationship between involvement and normative commitment. Similarly, Singh & Verghese (2021) found out that there is a significant positive relationship between staff empowerment and organizational normative commitment. Furthermore, according to Asghar, Mojtaba & Sadeghi (2021), involvement is one of the most important dimensions of business wisdom. Moreover, a study carried out on 210 decided full-time staffs who worked for an Iranian bank named Bank Saderat Iran shows that there were positive relationship between Involvement and Staffs Normative commitment (Bani et al. 2021). The small and medium scale enterprises (SMEs) were decided and the result shows that there is a significant and positive relationship between involvement and normative commitment (Ezekiel S. and Darius N. 2020).

2. Consistency and Staff Normative commitment

Nongo & Ikyanyon, (2020), found out that there was no significant relationship between consistency and normative commitment. To the contrary, research finding by Asghar, Mojtaba & Sadeghi (2021), Ghader & Afkhami (2021) revealed that there is positive relationship between consistency and organizational normative commitment similarly; Hakim (2021) asserted that an indicator of the most powerful in shaping the business wisdom variable is stability (consistency). An empirical study shows that there was positive relationship between consistency and staffs normative commitment. The study determined that consistency affected staffs' normative commitment very strongly (Bani et al. 2021). A study result shows that the relationship between consistency and staffs normative commitment was however not significant but positive (Ezekiel S. and Darius N. 2020).

3. Adaptability and Staff Normative commitment

Adaptability theory believes that the business wisdom which make the organization adapt to the desired changes and conditions. This will enable staffs adapt in an environment of change thereby improving their level of normative commitment Nongo & Ikyanyon (2020). Similarly, staffs exhibited the highest staff normative commitment when they perceived higher learning business wisdom (adaptability traits) react to current trends, and anticipate future changes (Ghader & Afkhami, 2021, Asghar, Mojtaba & Sadeghi, 2021). An empirical study shows that there was a significant and positive relationship between adaptability and normative commitment (Ezekiel S. and Darius N. 2020). Moreover, a study shows that there was positive relationship between adaptability and staffs normative commitment (Bani et al. 2021). Business wisdom adaptability has a positive and significant consequence on the organizational normative commitment (Sunarsih and Mashithoh, 2022).

4. Mission and Staff Normative commitment

According to Denison & Neale (2011), mission provides purpose and meaning by defining a social role and external goals for the organization. To the contrary, Nongo & Ikyanyon (2020) found no significant relationship between mission and normative commitment. A study shows that there was a significant but negative relationship between Mission and Staffs Normative commitment (Ezekiel S. and Darius N. 2020). An empirical study also shows that mission affected staffs' normative commitment very strongly (Bani et al. 2021).

2.1.2. Empirical Studies in Horn of African organization

Business wisdom acts as an important predictor in generating normative commitments and enhancing performances (Besha, Negash and Amoroso (2021). According to Endawoke (2009) attested that OC in Horn of African context as well had significant impact on organizational goals. In case of normative commitment, Abebe & Markos (2024) found that the educational workforce of the university in Horn of Africa not highly committed, and have low level normative commitment. The study conducted by Bizuneh, M. (2024) found that adaptability is the most contributing business wisdom traits. Furthermore, the study conducted by Getachew, M. (2024) finds out that the more staffs identifies with mission of the company; the more they become committed to the company.

2.2. Conceptual Framework

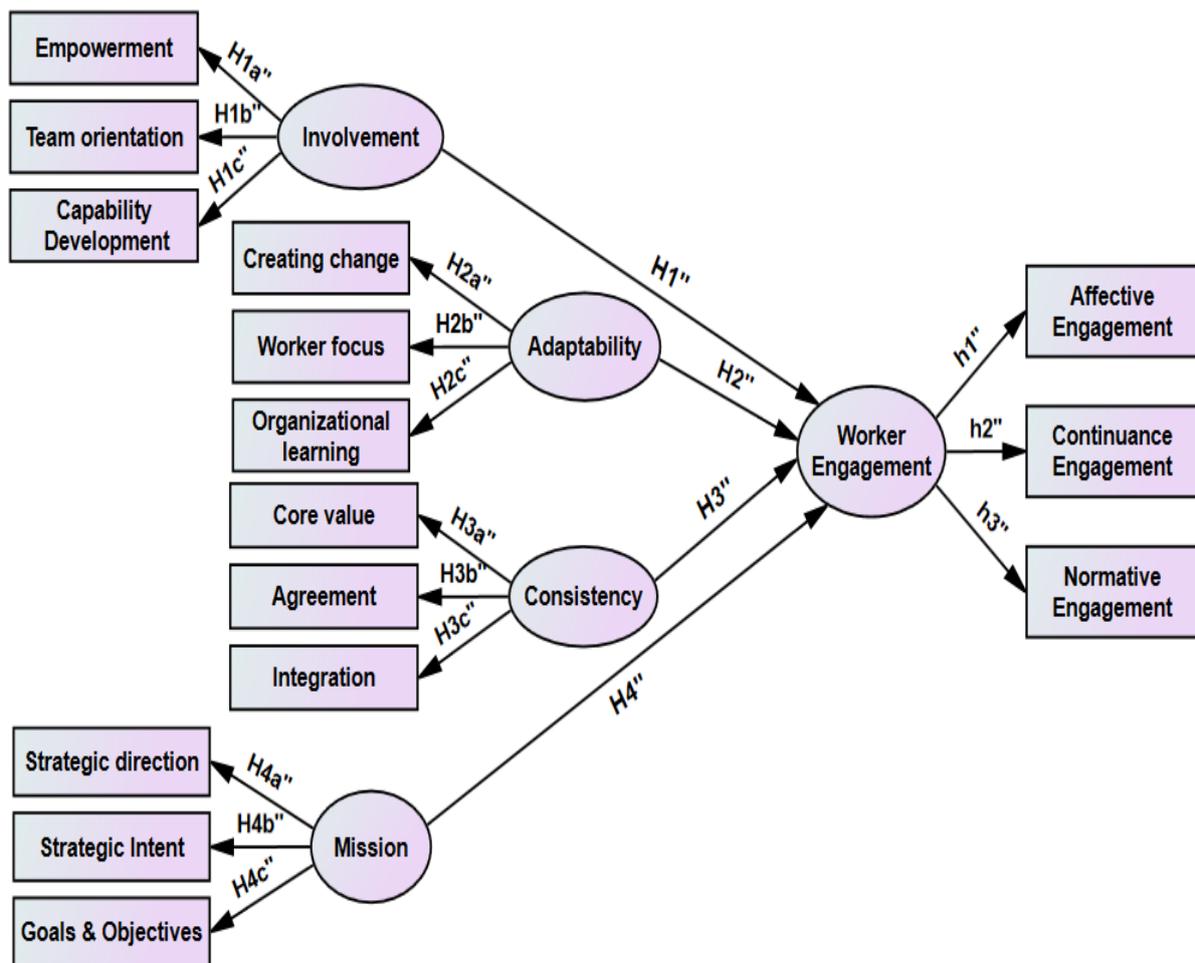


Figure 1: Conceptual Frame Work

3. RESEARCH METHODOLOGY

3.1 Description of Study Area

Bule Hora University is one of the 44 Universities in Horn of Africa. It has been established in 2003 E.C as one of the government higher education institutions. This university is located at a distance of 470 km south of Addis Ababa, Oromia Regional State, in West Guji Zone at Bule Hora Town.

3.2 Research Design

In this study the investigators was used descriptive and explanatory research design. The objective of descriptive research is to portray an accurate profile of persons, events or situations (Robson, 2002). Since the purpose of this study is to describe the behavior of the subject under the study, descriptive format can do better than other formats for quantitative research. Data is collected by the investigators; Bule Hora University has a total of 960 educational workforce staffs. From these staffs, 636 are on duty in Bule Hora University and the rest 324 staffs are leave for full study. Investigators have been decided the sample only from on duty staffs.

3.2.1 Sampling Technique and Sampling Size

The study was used probability sampling method. In order to achieve the equal chance inclusion of the population of the study, the university colleges were graciously stratified according to their educational disciplines and from each stratum sample were drawn under systematic sampling technique.

Yamane Taro (1967) formula Sample size decide ion method with a probability of 95 % was used.

$$n = \frac{N}{1 + N(e)^2}$$

$$\Rightarrow 1 + N(e)^2$$

$$\Rightarrow n = \frac{636}{1 + 636(0.05)^2}$$

$$\Rightarrow n = \frac{245}{1}$$

Table 1.1: Sample size distribution

College or Institute	Population			Sample drawn		
	Male	Female	Total	Male	Female	Total
Engineering and Technology	144	11	155	56	4	60
Natural and Computational Science	89	5	94	34	2	36
Business and Economics	56	5	61	22	2	24
Social science and Humanities	102	6	108	39	2	41
Agribusiness wisdom and Life Science	50	4	54	19	2	21
Informatics	44	12	56	17	5	22
Healthy	67	11	78	26	4	30
Educational and Behavioral Science	16	3	19	6	1	7
School of Law	11	0	11	4	0	4
TOTAL	579	57	636	223	22	245

Source: own survey (2024)

4. RESULTS AND DISCUSSION

Table 1.2: Exploratory Enabler Analysis - KMO and Bartlett's Test

	KayserMeyerOlkin <i>KMO</i>	Bartlett's Test
Involvement	0.847	.000
Consistency	0.836	.000
Adaptability	0.824	.000
Mission	0.849	.000
Affective Normative commitment	0.890	.000
Continuance Normative commitment	0.870	.000
Normative Normative commitment	0.864	.000

Source: SPSS Reliability Test (2024)

KMO and Bartlett's test. This table shows two tests that indicate the suitability of your data for structure detection. The Kaiser-Meyer-Olkin Measure of Sampling Adequacy is a statistic that indicates the proportion of variance in your variables that might be caused by underlying factors. As it can be seen from above table 1.2, the KayserMeyerOlkin KMO coefficient is > 0.8 . Thus, overall, it shows data sufficiency.

Table 1.3: Kruskal-Wallis Test

Enabler of Staffs Normative commitment	Experience Group in years			Chi-square value	P value
	1-3	4-6	7-10		
Involvement	125.05	105.51	147.61	9.070	.011*
Consistency	118.05	104.70	173.22	17.648	.000**
Adaptability	113.43	104.93	185.50	29.110	.000**
Mission	104.95	116.69	139.52	4.687	.096
Staffs Normative commitment	120.40	104.38	168.22	16.823	.000**

Note: ** denotes significant at 1% level

* denotes significant at 5% level

Source: own survey (2024)

According to the above table, there was found statistically significance difference among work experience of staffs in involvement, consistency, adaptability and staffs normative commitment based on χ^2 value =9.070, 17.648, 29.110 and 16.823 with $P < 0.01$ respectively. This implies that staffs who have 1 up to 3 years work experience and 4 up to 6 years have less normative commitment than 7 to 10 years work experience staffs in educational workforce.

4.2 Assumption of Multicollinearity

Table 1.4: Multicollinearity and independence of residual test

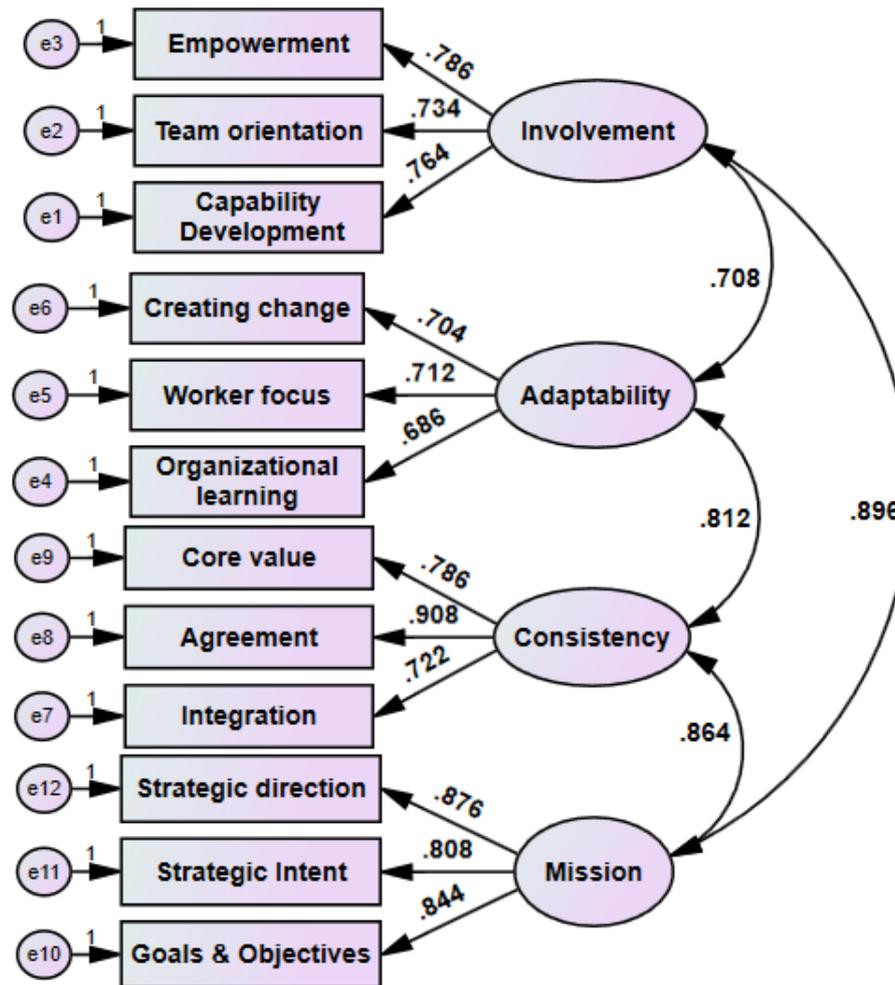
	Collinearity Statistics		Durbin-Watson
	Tolerance	VIF	
Involvement	.394	2.538	1.936
Consistency	.250	3.994	
Adaptability	.367	2.728	
Mission	.487	2.055	

Source: own survey (2024)

As shown on the above table, the tolerance values for each independent variable (involvement, consistency, adaptability and mission) were 0.394, 0.250, 0.367 and 0.487 respectively which were not less than 0.10. This is also supported by the VIF value, which were 2.538, 3.994, 2.728 and

4.055 respectively which were well below 10. Therefore, the analysis was not violated the Multicollinearity assumption.

4.3 Confirmatory Factor Analysis



Source: owe survey, (2024)

Confirmatory factor analysis is a Structural Equation Modeling (SEM) and factor analysis method used to find out if observed variables contribute to latent or unobserved variables Multiple Regression Analysis. Confirmatory factor analysis (CFA) in above figure verified that the factor structure of all set of observed variables were more than 0.6, that is threshold limit. CFA allows the researcher to test the hypothesis that a relationship between observed variables and their underlying latent constructs exists.

Table 1.6: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.572 ^a	.327	.315	.42596		
Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	19.827	4	4.957	27.319	.000 ^a
	Residual	40.825	225	.181		
	Total	60.652	229			

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.708	.177		9.635	.000
	Involvement	.229	.061	.327	3.752	.000
	Consistency	-.095	.074	-.139	-1.275	.203
	Adaptability	.342	.078	.398	4.402	.000
	Mission	.036	.057	.050	.634	.527

a. Dependent Variable: Staff's Normative commitment

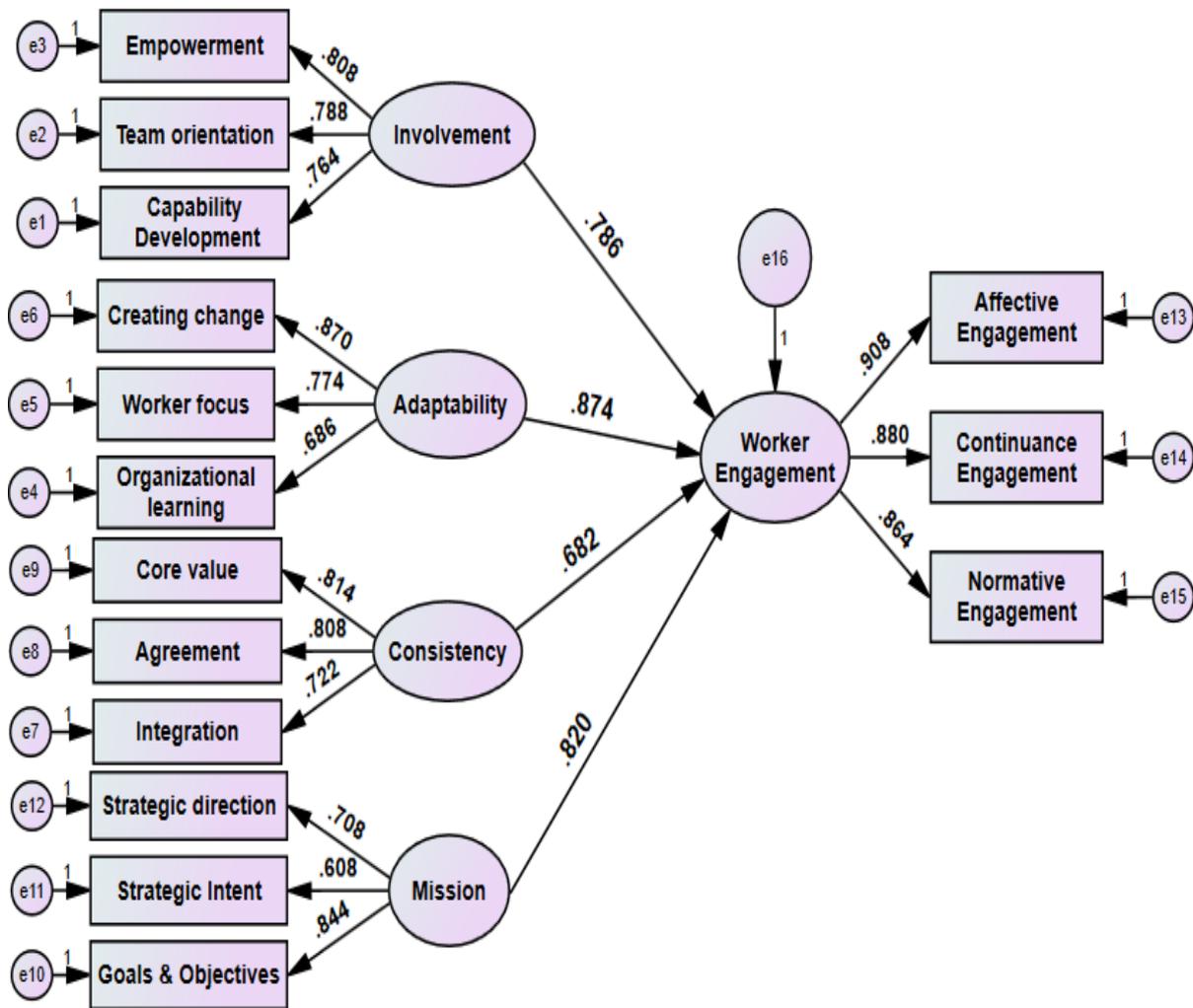
Source: SPSS Regression results output, 2024

Table above indicates that adaptability and involvement had statistically significant contribution to staffs' normative commitment at 95% confidence level, since their p-values are 0.000 and which was less than 0.01 ($p < 0.01$). But, consistency and mission had statistically insignificant contribution to staffs' normative commitment since their p-value were 0.203 and 0.527 respectively and which were greater than the significance level 0.05 ($p > 0.05$).

In general, adaptability is the most significant independent variable which has significantly statistical contribution to staffs' normative commitment with p-value of 0.000 with followed by involvement.

4.4 Structural Equation Modeling (SEM)

AMOS is a visual program for structural equation modeling (SEM). In AMOS, we can draw models graphically using simple drawing tools. AMOS quickly performs the computations for SEM and displays the results. In the calculation of SEM coefficients, AMOS uses the following methods: Maximum likelihood. SEM is a combination of two statistical methods: confirmatory factor analysis and path analysis. Confirmatory factor analysis, which originated in psychometrics, has an objective to estimate the latent psychological traits, such as attitude and satisfaction (Galton 1888; Pearson and Lee 1903; Spearman 1904).



In the above SEM, the variation and association of observed variables obtained from the given data lead to the inference of causality within the model. In general, the variation is measured by the standard deviation, while the association is measured by the correlation coefficient.

4.6 Hypothesis Testing

Hypothesis testing is based on standardized coefficients Beta (β) and P-value to test whether the hypotheses were reaccepted or rejected. Involvement has Beta value (β) i.e. 0.327 shows that if there is one unit increase in involvement, there will be 32.7% increase on staffs' normative commitment. Therefore, the investigators rejected the (H_0) hypothesis and accepted the (H_1) hypothesis. This indicates that involvement has a positive and statistically significant influential relationship (contribution) to staffs normative commitment. Consistency has a Beta value (β) i.e. -0.139 shows that if there is one unit increase in consistency, there will be (13.9%) decrease on staffs' normative commitment. Therefore, the investigators accepted (H_0) the hypothesis and rejected the (H_1) hypothesis. Adaptability Beta value (β) i.e. 0.398 shows that if there is one unit increase in adaptability, there will be 39.8% increase on staffs' normative commitment. Therefore, the investigators rejected the (H_0) hypothesis and accepted the (H_1) hypothesis. Organizational mission have Beta value (β) i.e. 0.050 shows that if there is a one unit increase in staffs' identification with organizational mission, there will be 5% increase on staffs normative commitment. Therefore, the investigators accepted the (H_0) hypothesis and rejected (H_1).

5. CONCLUSIONS

Adaptability is the most significant independent variable which has significant statistical contribution to staffs' normative commitment. Therefore, the investigators concluded that the more the university to read the environment, quickly react to current trends, and anticipate future changes, the more staffs are committed to the university. Similarly, staffs believe that the ability of the university to understanding and reaction to its staffs and anticipation to future needs has significant consequence on their normative commitment. Furthermore, the university ability to encouraging innovation, gaining knowledge and developing capabilities enhances staffs' normative commitment. However, the result from multiple regression analysis indicates that consistency had negative and statistically insignificant contribution on staffs' normative commitment. So, while the university needs to maintain a strong business wisdom, they need to be flexible. Therefore, according to the findings of this study, it can be concluded that business wisdom is important in improving the level of staffs' normative commitment which is asserted by the statistically significant contribution of adaptability and involvement towards staffs' normative commitment. However, consistency has negative and statistically insignificant and mission have positive but statistically insignificant respectively contribution towards staffs' normative commitment with $p>0.05$. Finally, we can conclude that not all business wisdom measures have significant contribution towards staffs' normative commitment.

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