



ORIGINAL

Influence of sustainability practices on employee commitment in automobile industry

Influencia de las prácticas de sostenibilidad en el compromiso de los empleados en la industria del automóvil

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ABSTRACT

The objective of the study is to highlight the strategic role of different intangible assets like sustainability practices in driving commitment from workers. The study utilizes Intellectual capital-based view theory to explain the role of sustainability practices in driving organizational cultural values, or long-term relationships among the firm and its stakeholders - customers, allies, and suppliers. The company in general is gaining competitive advantages in being useful to the society where it does business. A survey is used to collect data from automobile industry. This industry is chosen based on their higher carbon foot prints. The results of the survey presented important clues and specific pattern in the first instance. Further structural equation modeling (SEM)-based approach is used to test the relationship between the dependent and independent variables. The results assure the indirect influence of soft practices on employee commitment in the organization. This study provides useful insights into the impact of sustainability practices on the human capital management in the organization. After the data analysis it was concluded that sustainability practices have a mediating effect on employee behavior and they influence the organizational commitment of an employee.

Keywords: Intangible Assets; Commitment; Human Capital; Sustainability Practices.

RESUMEN

El objetivo del estudio es resaltar el papel estratégico de diferentes activos intangibles, como las prácticas de sostenibilidad, a la hora de impulsar el compromiso de los trabajadores. El estudio utiliza la teoría de la visión basada en el capital intelectual para explicar el papel de las prácticas de sostenibilidad en el impulso de los valores culturales organizacionales o las relaciones a largo plazo entre la empresa y sus partes interesadas: clientes, aliados y proveedores. La empresa en general va ganando ventajas competitivas al ser útil a la sociedad donde opera. Se utiliza una encuesta para recopilar datos de la industria del automóvil. Esta industria se elige en función de su mayor huella de carbono. Los resultados de la encuesta presentaron pistas importantes y un patrón específico en primera instancia. Se utiliza un enfoque adicional basado en modelos de ecuaciones estructurales (SEM) para probar la relación entre las variables dependientes e independientes. Los resultados aseguran la influencia indirecta de las prácticas blandas sobre el compromiso de los empleados en la organización. Este estudio proporciona información útil sobre el impacto de las prácticas de sostenibilidad en la gestión del capital humano en la organización. Después del análisis de los datos, se concluyó que las prácticas de sostenibilidad tienen un efecto mediador en el comportamiento de los empleados e influyen en el compromiso organizacional de un empleado.

Palabras clave: Activos Intangibles; Compromiso; Capital Humano; Prácticas De Sostenibilidad.

INTRODUCTION

The 'capital-based view theory, suggests that the intangible assets such as cultural value, long term relationships can help organizations to gain competitive advantages.⁽¹⁾ The sustainability practices in corporate management are compelled by way of the statute. However, there are corporations that are actively involved in doing good to the society voluntarily. The organizational commitment and achievement of resources is achieved by means of the idea of societal dedication. Strategically companies can be directed to support and control inner resources to improve the commitment by means of sustainability practices. Human sources management deals with establishing relationships among the employees. The extent to which a worker is connected to the organization and inclined to contribute to the welfare of the organization is referred to as employee dedication. Every company uses employee relations as a valuable exercise. An employee relation combines pleasure and motivation. Most of the administrative problems are solved by employee relations. Employee's satisfaction with sustainability practices expands the possibilities for better employee relations. Involving employees in sustainability practices has shown to enhance activities and inclination towards the company. The green practices of organization are a benefit tender for the organizations. Self-motivated employees perform better in the corporation.

Performance is driven by self-control and positive thinking.⁽¹⁾ Some researchers agree with the findings that self-motivation affects performance of the employees in the organization. Individuality and positive thinking make the employee to perform better.⁽²⁾ In addition to the employee's ability and commitment to performance, the various connections between behaviors and stated goals of the organizations must be considered in achieving the overall goals of the organization. Working with employees to manage fear is arguably the most important thing organizations face.⁽³⁾ This should be a good reason why employee commitment has been viewed and implemented as a strategy in the field of environmental management.⁽²⁾ Employee's environmental motivation as a strategy for increasing employee commitment is discussed in literature by authors who have recognized the importance of working in the functioning of biological processes.⁽⁴⁾ The reasons why companies choose to do good work in environmental is because it increases the face value of the organization.⁽⁵⁾ The commitment of workers to care for the environment comes from tacit knowledge;⁽⁶⁾ and then to promote natural development by improving human progress in the work environment.⁽⁷⁾ An important way to increase employees' participation and investment in organizations is to form enterprises with a social or environmental culture in the organization. Ecologically ambitious organizations can mobilize money, people, and traditional resources to add value to the company's operations or management. Environmental initiatives are driven by the goodwill of employees, so processes should be created that will involve employees, including managers, and give employees the freedom to find new solutions to problems. This creates the necessary involvement in the organization. This influences the commitment of the employee in the organization. The purpose of this study is to analyze the employee commitment through the implementation sustainability practices in automobile industry. The automobile industry is taken as data source because it is considered as one of the highest polluting industries. Advent of electrical vehicle combined with AI solutions may help in reversing the environmental impact. This research aims to find solutions for the following problems.

1. How does companies' involvement in the sustainability practices influence the employee?
2. Can organizations drive employee commitment through sustainability practices?

The questionnaire is designed to study the psychological empowerment of employee through sustainability practices and their relationship in achieving employee commitment. This study aims to measure the influence of intangible practices on employee commitment.

METHOD

Data for the analysis is gathered from automobile industries sales offices across Bengaluru urban in India. The sales managers and service engineers are included as part of the survey. The demographic information is included for survey. Gender is taken into consideration; however, age is excluded for the survey. Distinction between white- and blue-collar workers is done and only white-collar workers are considered for this survey. Initial 8 surveys were conducted with structured interviews to understand the employee perception on the questionnaire; later survey was conducted using physical form distribution. 136 responses were collected in total with 96 % usability. Basic demographic information was collected and employee empowerment was measured using multidimensional scale. Organizational commitment was measured using Allens Mayers (1996) organizational commitment scale, capturing perceptions in terms of duty, necessity and emotions. A 10-point Likert scale was used to measure these parameters. The scope of the study is limited to employee motivation and does not consider employee turnover. The data collection was done by the voluntary participation of the employees. No employee is influenced to provide desired data on the survey form. Informed consent was taken from all the participants of the survey.

The following hypothesis is tested:

H (a) There is a significant relationship between sustainability practices of organization and employee commitment.

This study utilizes quantitative research method. SEM is used to quantify the data and understand the relationship. Pearson's correlation coefficient was utilized for the final data validity. The relationships were examined using exploratory factor analysis method. Structural equation modeling (SEM) is used to investigate the results. Data is analyzed using SPSS - AMOS by IBM. The best fit model was arrived using SEM. All latent constructs and measurement items had been derived from survey.

RESULTS

The sample population is little skewed in terms of female population. Principal component analysis method using Allen Mayer's organizational commitment scale and Herman's single factor test is used for checking common method variance. Individual variables for employee empowerment are loaded to their respective constructs. Variables assessing organizational hierarchy were removed due to poor loading. There by the data is segregated in three commitment scale. The variables that represent affective commitment, continuance commitment and normative commitment are represented in table 1. The motivation, stress and positivity are segregated with good factor loading, career progression, societal help; personal experience and pride are indicative factors under the Allen Mayer's organizational commitment scales. Because this data showed poor factor loading from the survey results.

Name	Score	Label
Commitment segregation	score	Survey items segregation based on single factor
Motivation 1	5	Organizational problems are my own.
Motivation2	6	I will be attached to the organization for rest of my life
Motivation 3	7	I feel valued here with the kind of work I do.
Stress1	6	I do not know what is relevant to my present job
stress2	6	I may not be able to get another job
stress3	5	I struggle because expectations are not clear
positivity1	6	Job follows with my personal ethics
positivity2	5	I take pride in talking about our sustainability practices
positivity3	5	I will not be happy if someone suffers by my action
career progression	5	There is no obligation to remain with the organization
societal help	7	This organization deserves my loyalty
personal experience	6	I feel guilty if I leave the organization now
pride	7	I owe a great deal to organization

The survey results are segregated to understand the affective, continuance and normative commitment of the employees. Only the higher factor loading for the three factors is considered only 14 factors were considered out of 18, the factors related to career progression are removed due to poor loading. Correlation analysis is performed. Pearson correlation analysis is used to analyze the correlation between the three major factors. Motivation, stress, positivity are the variables that are tested against the commitment. Structural equation modelling (SEM) is used to investigate the influences of employee organizational commitment. Relationships values are calculated from the SEM testing using SPSS AMOS are presented in figure 1.

All three variables of organizational commitment are positively influenced by the variable employee commitment; the normative dimension of commitment is significantly negatively impacted by the competence dimension of commitment. Affective commitment and normative commitment were found to be negatively influencing an employee's intention to leave their organization. Further the SPSS model as indicated in figure1 shows a strong correlation between positivity and stress. It also shows a strong correlation between motivation and stress. From the SEM model it can be concluded that the stress is the mediating factor of commitment. Further an error factor e is eliminated from all the 14 factors values.

The figure 1 shows the positivity and motivation, as strong drivers of commitment through the stress. The model shows a weak internal relationship between positivity and motivation. This is further validated using Pearson correlation coefficient for confirmation.

Pearson correlation between motivation and positivity is calculated using data as projected in table 2.

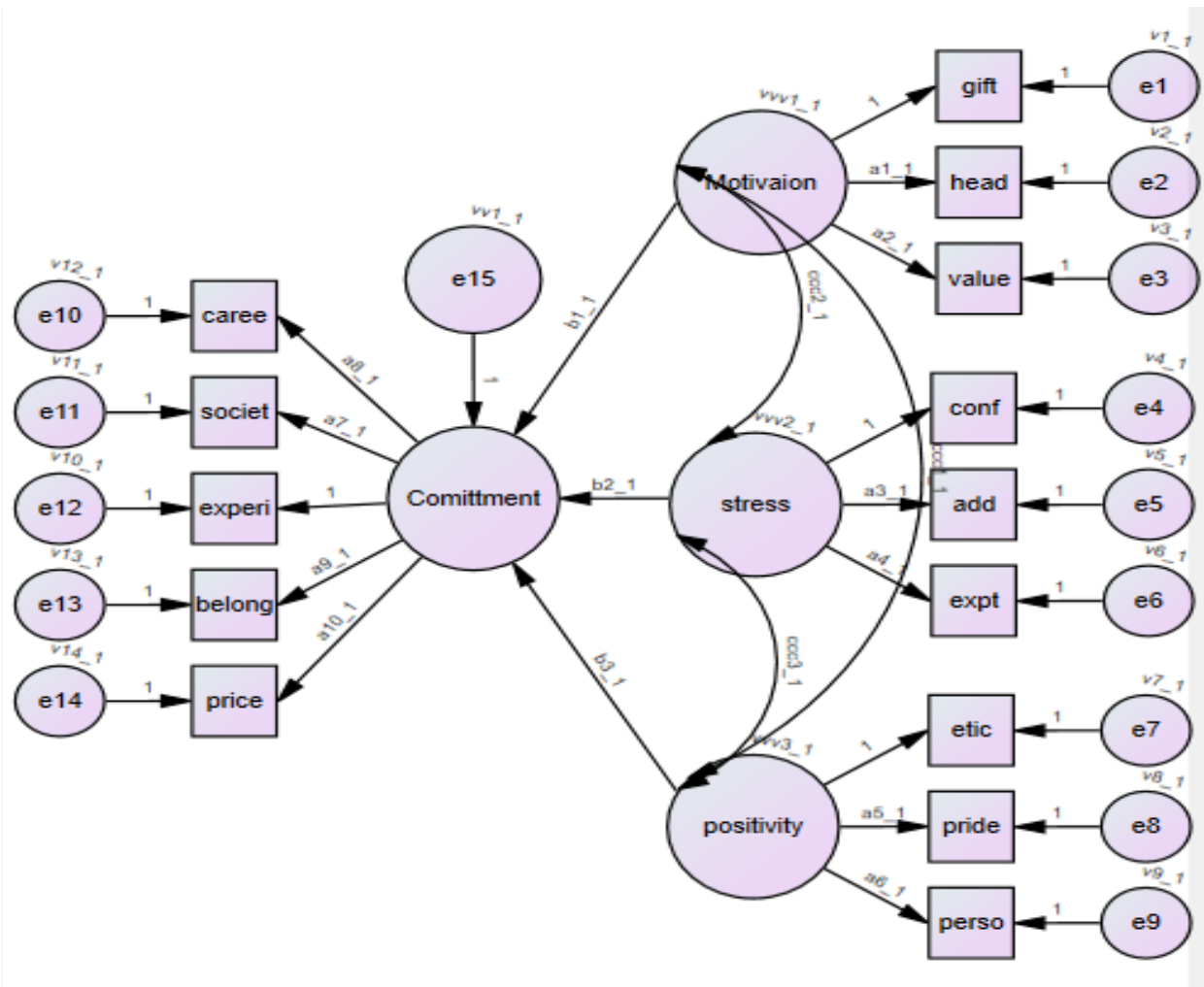


Figure 1. Structural equation modelling using SPSS -AMOS

Table 2. Pearson correlation

Motivation	5	6	7
positivity	6	5	5

Table 3. Calculation of Pearson's correlation coefficient

X	Y	X ²	Y ²	XY
5	6	25	36	30
6	5	36	25	30
7	5	49	25	35
Σ x = 18	Σ y = 16	Σ x ² = 110	Σ Y ² = 86	Σ XY = 95

$$r = \frac{n(\sum xy) - (\sum x)(\sum y)}{\sqrt{[n(\sum x^2) - (\sum x)^2][n(\sum y^2) - (\sum y)^2]}}$$

$$= \frac{3(95) - (18)(16)}{\sqrt{[3(110) - (18)^2][3(86) - (16)^2]}}$$

$$= -0,86603$$

Pearson correlation coefficient value of -0,86603 shows Weak and negative relationship. The dots are fairly spread out between x and Y axis which indicates a weak relationship. The graphical representation of the correlation is shown in figure 2. The motivation and positivity are weakly correlated though they show a strong correlation with stress and commitment to the organisation individually. Thus, from the results as displayed in

figure 2. The motivation and positivity are not linked phenomenon or they are weakly linked though they are strong drivers of commitment individually.

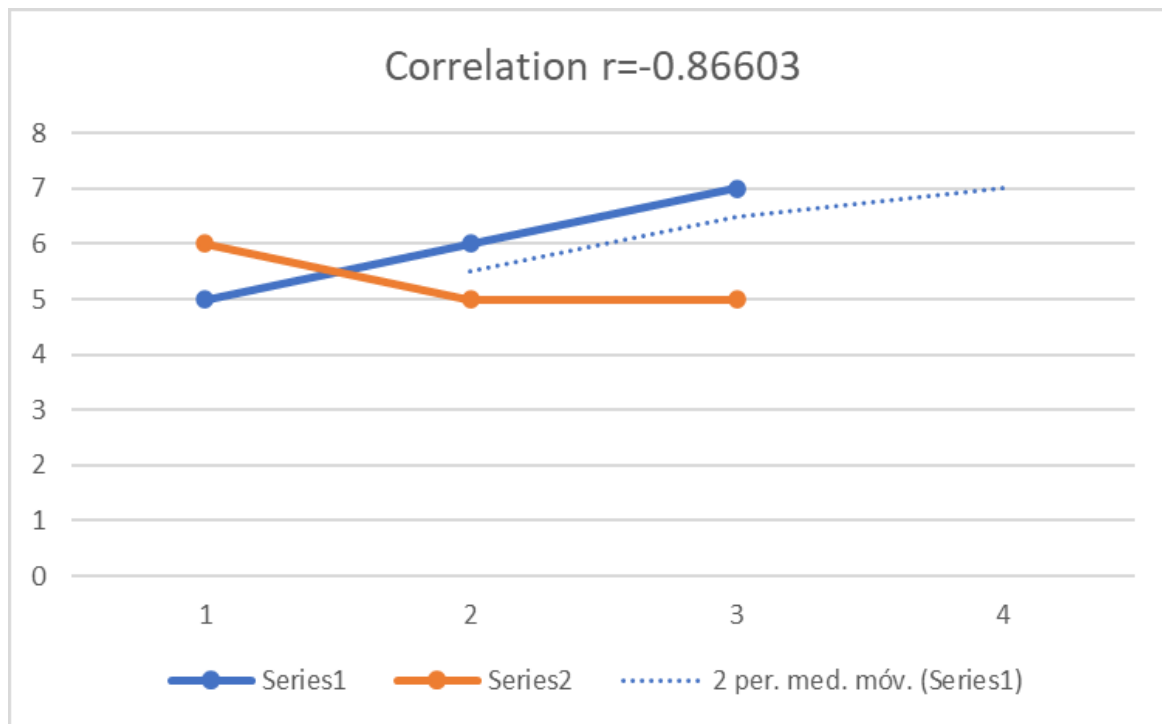


Figure 2. Pearson correlation coefficient graphical representation of motivation and positivity

DISCUSSION

Employee commitment in the dimension of sustainability practices and personal ideals shows a strong emotional connection. This can be related to increased levels of employee commitment. This includes stronger emotional attachments to their organization. There is a strong relationship between stress and commitment as shown in figure 1. This could be because of increased level of employer relationship against viable alternatives. This could be because of increased perceived duties and responsibilities towards their organizations. On the other hand, higher levels of skills and knowledge of an employee, may lead to more positivity and less motivation. Feeling less obliged to any one employer. This supports earlier research work around Investment of resources into emotional connections, personally and culturally,⁽¹⁴⁾ this proves to impact employees' feelings of commitment. Hence, we hold on to our alternative hypothesis. Sustainability practices offer additional advantages to organizations in the form of attracting new employees. These findings are consistent with theoretical framework followed for this study. Positive effects of sustainability practices can be measured as a component of green human resource practices (GHRM).⁽¹⁶⁾ structural equation modelling is successfully utilized for measuring the effect of GHRM on the organizational commitment. The sustainability impact on employee commitment was successfully defended previously in case of manufacturing sector with structural equation modelling.⁽¹⁶⁾ the limitation of this study is that, It is slightly homogenous population confined to single region. However it successfully defines the relationship between the independent and dependent variables. Further by literature review it is evident that there is room to research on sustainability mediated competitive advantages to the firm. My study focuses on one of the environmentally critical industries like automobile industry. This study contributes to the existing literature in this regards and supports sustainability mediated employee commitment practices.

CONCLUSIONS

Commitment of an employee towards their organization can be divided in three categories .one is motivational where the employee wants to (affective), and then is the stress-based engagement where the employee needs to (continuance), and finally a positivity-based behavior where an employee ought to (normative) serve in their current organization. Results in this study supports that a need-based commitment operates with strong relation to an employer's environmental inclination. It may be inferred that employees treat their organization as a point of comparison against their personal feelings about the society and surrounding. Although an organization could be able to influence commitment positively, however it is important to compare this result with attrition data. The employee turnover intent can authenticate the findings. This study does not involve attrition aspects

under the scope. Only the sustainability practices revealed significant, positive relationships with employee commitment, especially when the personal and ideal standards of employee and their organizational are in alignment. Findings of this study should be able to provide guidelines to the organizations to promote sustainability policies.

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CONFLICT OF INTEREST

The authors declare that there is no conflict of interest.

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Formal analysis: Suneeta Hegde.

Acquisition of funds: Suneeta Hegde.

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