Journal of Research Administration
Society of Research Administrators International

THE IMPACT OF EMPLOYEE COMMITMENT ON BUSINESS PERFORMANCE: A CASE STUDY OF TOURISM ENTERPRISES IN PHU THO PROVINCE

PhD. Luu The Vinh[1], PhD. Pham Thi Thu Huong[2]
[1.2] Faculty of Economics and Business Administration, Hung Vuong University
Email: luuthevinh227@hvu.edu.vn, https://orcid.org/0000-0002-4104-1891

Abstract
This study investigates the impact of employee commitment on business performance among tourism enterprises in Phu Tho Province, Vietnam. Utilizing Meyer and Allen's three-component affective commitment (AC), normative commitment (NC), and continuance commitment (CC), the research examines how different types of commitment influence organizational outcomes. A structured questionnaire was administered to 370 employees using a 5-point Likert scale, and the collected data were analyzed using SPSS 22. including reliability tests, exploratory factor analysis, and multiple regression analysis. The results indicate that all three components of employee commitment have a statistically significant positive impact on business performance, with affective commitment exerting the strongest effect. Based on these findings, the study proposes practical implications for enhancing employee engagement and fostering sustainable growth in the tourism industry.
Keywords: Employee commitment; Affective commitment; Normative commitment; Continuance commitment; Business performance; Tourism enterprises, Phu Tho.

1. Introduction

In today's knowledge- and service-based economy, human resources play a vital role in shaping organizational performance and competitiveness. Employees are not only implementers of business activities but also key contributors to innovation, responsibility, and sustainable value creation. Among various human resource factors, employee commitment—defined as an individual's emotional attachment, moral obligation, and perceived cost of leaving an organization—has emerged as a critical determinant of business success.

Numerous studies have affirmed that employee commitment positively correlates with productivity, profitability, employee retention, service quality, and brand image. In service industries such as tourism, where customer experience relies heavily on human interaction, committed employees tend to demonstrate initiative, positive attitudes, and high-quality service delivery. However, in Vietnam—and particularly in provincial areas like Phu Tho—research on the connection between employee commitment and business performance remains scarce.

Amid growing competition and the need for post-pandemic recovery, tourism enterprises in Phu Tho face urgent demands to enhance operational effectiveness. Understanding how different types of employee commitment affect business outcomes can provide actionable insights for managers. This study, therefore, applies Meyer and Allen's three-component model to explore the influence

of affective, normative, and continuance commitment on enterprise performance, offering both theoretical validation and practical guidance.

2. Literature review

2.1. Employee Commitment

Employee commitment to an organization is a multidimensional concept that has been widely studied in the field of human resource management. However, depending on the specific research context and organizational setting, scholars have approached and defined this concept differently, reflecting the diversity in its theoretical interpretations.

One of the most classic and widely cited definitions comes from Mowday et al. (1979), who defined organizational commitment as "the relative strength of an individual's identification with and involvement in a particular organization." This is manifested through three key aspects: acceptance of organizational goals and values, a desire to remain a member of the organization, and a willingness to exert effort on behalf of the organization. O'Reilly & Chatman (1986) expanded on this concept from a social psychology perspective, defining commitment as a psychological state that reflects the degree to which an individual internalizes or accepts the organization's values and characteristics. This viewpoint emphasizes the alignment between personal and organizational values and beliefs. Kalleberg et al. (1996) viewed commitment as the willingness to dedicate oneself and maintain a long-term relationship with the organization. Similarly, Guest (1995) and Legge (1995) considered employee commitment as a central component that differentiates modern human resource management from traditional personnel management. It reflects a voluntary engagement based on mutual trust rather than forced compliance.

One of the most influential theoretical frameworks on employee commitment is the three-component model proposed by Meyer & Allen (1991; 2004). According to this model, organizational commitment is a psychological state comprising three dimensions: Affective commitment (AC): the emotional attachment of an individual to the organization, where the employee remains because they want to. Continuance commitment (CC): the perceived cost of leaving the organization, where the employee stays because they need to. Normative commitment (NC): a sense of obligation to remain, influenced by personal values, gratitude, or social responsibility, where the employee feels they ought to stay. Additionally, studies by Mathieu & Zajac (1990), Quijano et al. (2000), and Muthuveloo & Rose (2005) have emphasized the importance of personal characteristics, work environment, and organizational factors in shaping and maintaining employee commitment. Synthesizing these perspectives, it becomes clear that employee commitment is not merely about physical presence in the workplace, but also encompasses emotional, attitudinal, and value-based engagement.

In summary, employee commitment to the organization is defined as a psychological state that reflects the degree of an individual's emotional, normative, and calculative attachment to the organization, demonstrated by their desire for long-term affiliation, willingness to contribute, and alignment with the organization's goals and values.

2.2. Business performance

Business performance (BP) is a central concept in the field of business management, reflecting the degree to which a company succeeds in achieving its strategic and operational goals. However, depending on the research approach and purpose, this concept can be defined from various perspectives—financial or non-financial, subjective or objective.

According to **Venkatraman & Ramanujam (1986),** business performance comprises two main components: **financial performance**, measured through indicators such as profit, revenue, and return on investment, and **business operational performance**, reflected in market share, product quality, level of innovation, or customer satisfaction. Meanwhile, **Richard et al. (2009)** define business performance as "a set of indicators reflecting the efficiency and effectiveness of an organization in achieving its economic, social, and environmental goals." This perspective implies that performance should be evaluated not only in financial terms but also based on the organization's ability to create sustainable value for its stakeholders. From the perspective of human resource management, **Delaney and Huselid (1996) argue that business performance also encompasses non-financial factors,** such as labor productivity, innovation capacity, employee retention, and organizational commitment, all of which are closely linked to the quality of human resource practices.

In the service context, particularly in sectors such as tourism, indicators such as service quality, customer satisfaction, brand reputation, and customer return rate are also considered important measures of business performance **(Kandampully, 2000).** Within the scope of this study, business performance is understood as the extent to which a company achieves its key business objectives, including revenue growth, profit, market share expansion, operational efficiency, and customer satisfaction.

2.3. The Role of Employee Commitment in Organizations

Employee commitment plays a vital role in maintaining and enhancing organizational performance. Numerous studies have confirmed that a high level of employee commitment directly influences individual work performance, job satisfaction, and the overall success of the organization. When employees feel committed to the organization, they not only understand and align with its goals and core values but also willingly exceed expectations in task performance, thereby contributing positively to the organization's overall achievements (Ranya, 2009).

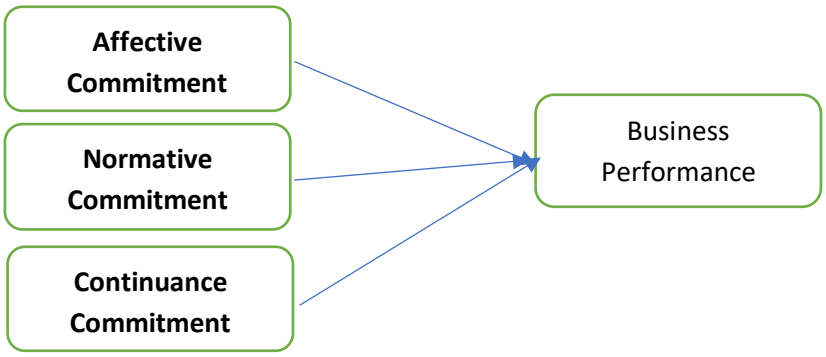
From the perspective of the **Resource-Based View (RBV)**, Bhatnagar (2007) argues that highly committed employees are strategic resources that are difficult to imitate and can provide a sustainable competitive advantage. According to this view, organizations can achieve superior performance by effectively leveraging the knowledge, skills, and loyalty of committed employees, intangible assets that competitors cannot easily replicate or replace. Similarly, **Quan Minh Nhut and Dang Thi Doan Trang (2015)** suggest that enterprises with a highly qualified and long-term committed workforce are more capable of developing high-quality products and services at competitive costs, thereby strengthening their market competitiveness. A stable and professional workforce not only contributes to the sustainable development of the enterprise but also attracts investors due to its operational consistency and potential for long-term value creation. Supporting these perspectives, **Bozlagan et al. (2010)** identify a range of tangible benefits that employee

commitment brings to organizations, including: enhancing job satisfaction, improving organizational climate, increasing employee income and performance, retaining high-quality personnel, reinforcing teamwork, building trust between employees and the organization, and expanding the organization's flexibility in responding to environmental changes and uncertainties. These outcomes collectively contribute to the long-term development of the business.

Based on the theoretical arguments and empirical evidence above, it is clear that employee commitment is not merely a personal psychological factor but a strategic lever for sustainable organizational growth. No organization can achieve lasting success without employees who believe in its mission and take proactive steps to realize it. Therefore, organizations should invest in building a positive work environment, provide opportunities for employee development, and actively foster long-term commitment. Once trust and commitment are established, employees are more likely to exhibit loyalty and a positive attitude toward organizational changes, thereby enhancing the organization's agility and adaptability in an increasingly competitive and dynamic business environment.

2.4. Research Model

Based on the three-component model by Meyer and Allen (1991), the author identifies three main independent variables representing different types of employee commitment: **Affective Commitment (AC):** The emotional attachment, positive feelings, and pride in being a part of the organization. **Normative Commitment (NC):** A sense of moral obligation or gratitude that leads to loyalty. **Continuance Commitment (CC):** Consideration of opportunity costs or potential losses associated with leaving the organization.



3. Research Methodology

The questionnaire was sent directly and via email to company employees using a convenience sampling method. The questionnaire employed a Likert scale ranging from 1 to 5 (1 strongly disagree to 5 strongly agree) with 3 factors influencing the enterprise performance. The questionnaire contains a total of 17 observed variables, and the necessary sample size is projected to be $n \geq 10 \times 17 = 170$. To ensure the sample's representativeness, the author plans to collect as many as possible and exceed the minimum sample size by at least 10%.

The author uses SPSS 22 software to analyze the data. The Cronbach's Alpha coefficient is employed to assess the quality of the constructed measurement scale. The larger the Cronbach's Alpha coefficient, the more closely the observed variables in the scale are correlated with each

other. Many researchers suggest that when Cronbach's Alpha is between 0.8 and close to 1. the measurement scale in question is considered good; from 0.7 to nearly 0.8. the scale is deemed usable. Some researchers also propose that a value of 0.6 or higher can be acceptable if the concept being measured is new or unfamiliar to the respondents in the research context. In this study, the author selects a measurement scale with a Cronbach's Alpha coefficient greater than 0.6. and the scale has a Corrected Item–Total Correlation coefficient of 0.3 or higher (Hair et al., 2010). The KMO index, ranging from 0.5 to 1. is a sufficient condition to assess the appropriateness of factor analysis. The Bartlett test for statistical significance (sig < 0.05) allows us to conclude that the variables are correlated within the population, making factor analysis suitable. The factor loading must be greater than or equal to 0.5 to ensure the practical significance of exploratory factor analysis.

4. Research Results and Discussion

4.1. Descriptive Statistical Analysis

The affective commitment scale received the highest average score among the commitment factors, with a mean of 4.23. Most employees indicated that they consider "the company as their second home" (4.35 points); they feel proud to work for the company (4.30 points) and feel a sense of belonging to the organization (4.20 points).

Table 1: Descriptive statistics of the Affective Commitment scale

Code	Criteria	Average	Mean
AC1	You consider your enterprise as your second home	4.35	Strongly agree
AC2	You are proud to work in the enterprise	4.30	Strongly agree
AC3	Enterprises are very important to you	4.10	Agree
AC4	You feel that the difficult problems of the enterprise are also your problems	4.10	Agree
AC5	You feel a part of the enterprise	4.20	Agree
	Total	4.23	Strongly agree

Source: The author collected, processed, and analyzed (2025)

Notably, the statements "Leaving the enterprise will expose me to many financial risks" and "It's not easy for me to find a better alternative job" were rated relatively high, with average scores of 4.20 and 3.80. respectively. This indicates that employees in the enterprises highly value continuance commitment, as they perceive financial losses if they are no longer affiliated with the organization.

Table 2: Descriptive statistics of the Continuance Commitment scale

Code	Criteria	Average	Mean
CC1	I stayed because I didn't want to lose my current benefits.	3.00	Normal
CC2	Leaving the enterprise will expose me to many financial risks.	4.20	Agree
CC3	I'm staying because it's too expensive to change jobs at this time.	3.00	Normal

CC4	It's not easy for me to find a better alternative job.	3.80	Agree
	Total	3.50	Agree

Source: The author collected, processed, and analyzed (2025)

The majority of respondents agreed with the statement "I feel obligated to stay with this enterprise" (3.50 points), and also felt that staying with the company is morally appropriate (3.50 points). This indicates that normative commitment is one of the key factors contributing to employee retention in these enterprises.

Table 3: Descriptive statistics of the Normative Commitment scale

Code	Criteria	Average	Mean
NC1	I feel obligated to stay with this enterprise.	3.50	Agree
NC2	I am loyal because the enterprise has supported me in difficult times.	3.00	Normal
NC3	I feel the need to repay what the enterprise has invested in me	3.00	Normal
NC4	I think it is morally right to stay in the enterprise.	3.50	Agree
	Total	3.25	Normal

Source: The author collected, processed, and analyzed (2025)

The overall assessment of business performance is relatively positive. Among the indicators, revenue and profit growth in recent periods were rated favorably by employees of these enterprises. However, the market share indicator received lower evaluations, as these companies are still facing limitations in expanding their market share due to competitive pressures in the market economy.

Table 4: Descriptive statistics of the Business Performance scale

Code	Criteria	Average	Mean
BP1	Enterprises with high labor productivity compared to competitors in the same industry.	3.50	Agree
BP2	Enterprises regularly meet the set enterprise targets.	3.50	Agree
BP3	The financial situation of the enterprise is stable and shows signs of growth.	3.00	Normal
BP4	Enterprises have an efficient and professional working environment.	4.00	Agree
	Total	3.50	Agree

Source: The author collected, processed, and analyzed (2025)

4.2. Results of testing the research model

The reliability test results show that all measurement scales have Cronbach's Alpha values greater than 0.6. and the corrected item-total correlation coefficients for all observed variables are greater than 0.3. Therefore, all these variables are retained for use in the subsequent Exploratory Factor Analysis (EFA).

Table 5: Cronbach's Alpha Results of the Measurement Scales

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
AC1	12.9607	8.047	.676	.768
AC2	13.3581	8.222	.639	.778
AC3	13.2926	7.322	.683	.762
AC4	13.3231	7.395	.696	.758
AC5	13.6507	8.886	.396	.846
Engagement for emotional Cronbach's Alpha: 0.820				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
NC1	9.2576	3.411	.539	.686
NC2	9.6157	3.536	.528	.693
NC3	9.5284	3.294	.562	.672
NC4	9.4978	3.242	.527	.694
Normative Commitment Cronbach's Alpha: 0.745				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
CC1	9.2227	4.341	.552	.599
CC2	9.2096	4.491	.431	.673
CC3	9.5415	4.767	.447	.661
CC4	9.4148	3.946	.526	.613
Continuance Commitment Cronbach's Alpha: 0.702				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
BP1	10.5939	4.304	.769	.728
BP2	10.9825	4.570	.679	.770
BP3	11.2096	5.359	.587	.813
BP4	10.5240	4.347	.609	.811
Continuance Commitment Cronbach's Alpha: 0.827				

Source: The author collected, processed, and analyzed (2025)

The results of the exploratory factor analysis (EFA) on the components of the research model show that all observed variables are spread over 3 factors, with a KMO index of 0.860. which is greater than 0.5. This indicates that the data is suitable for conducting exploratory factor analysis. Bartlett's test has a significance level (p_value) of sig = 0.000. which is less than 0.05. This result concludes that the observed variables are correlated overall.

Table 6: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.860
Bartlett's Test of Sphericity	Approx. Chi-Square	945.688
	Df	78
	Sig.	.000

Source: The author collected, processed, and analyzed (2025)

Based on the analysis results, the extracted factors all have eigenvalues greater than 1 (meeting the criteria), and the Cumulative percentage of Initial Eigenvalues is 64.389%> 50%; Therefore, we can conclude that the four extracted factors can explain 64.389% of the variance in the dataset. All observed variables have a factor loading greater than 0.5. and the observed variables are grouped into four factors: **Affective Commitment, Normative Commitment, and Continuance Commitment**. From this, it concludes that the analysis criteria meet the requirements and the factor analysis results are significant. Therefore, the derived scales are acceptable.

Table 7: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.363	.206		1.767	.079		
	AC	.468	.055	.463	8.521	.000	.679	1.473
	NC	.285	.066	.240	4.340	.000	.658	1.521
	CC	.252	.050	.240	5.066	.000	.890	1.124
a. Dependent Variable: TBP								

Source: The author collected, processed, and analyzed (2025)

In the table, the Sig. Values of all variables are less than 0.05. indicating that all variables are statistically significant in the model. The Variance Inflation Factor (VIF) of each factor has values < 2, proving that the regression model does not violate multicollinearity, meaning the independent variables are closely correlated with each other. All independent factors in the model positively impact the enterprise performance since all regression coefficients B > 0. The analysis results show that the regression model fits the data and the factors are statistically significant. The constructed regression equation is of the form:

TBP = 0.363 + 0.468AC + 0.285NC + 0.252CC

The Standardized Coefficients Beta indicate the importance of each independent variable with the dependent variable. The larger the absolute value of the standardized regression coefficient, the greater the level of influence. Specifically, the standardized regression value for the **Affective Commitment** factor affects 46.8%; the factor of **Normative Commitment** affects 28.5%; the **Continuance Commitment** factor affects 25.2% on the enterprise performance.

5. Managerial Implications

The findings of this study reveal that all three components of employee affective commitment, normative, and continuance, positively influence business performance, with **affective commitment** having the most significant impact. This aligns with the perspective of Meyer and Allen (1991), who argued that employees with strong affective commitment stay with the organization because they want to, and are more likely to contribute voluntarily and enthusiastically. Therefore, one of the strategic priorities in contemporary human resource management is to create a positive working environment where employees feel respected, heard, and supported in their personal and professional development (Guest, 1997; Alfes et al., 2013). Such a culture fosters a sense of pride and psychological alignment with the organization's mission and values, thereby enhancing employee motivation and overall performance.

Additionally, **normative commitment,** which stems from a sense of obligation, gratitude, or moral responsibility, plays a significant role. As Meyer et al. (2002) suggest, this form of commitment can be nurtured through ethical, transparent, and fair management practices, as well as through corporate social responsibility initiatives. When employees perceive their organization as ethical and socially responsible, they are more likely to develop loyalty and a desire to stay (Brunetto et al., 2012). Consequently, managers should prioritize the development of an ethical organizational culture, ensure fairness in promotion and compensation, and encourage a supportive internal environment.

Although **continuance commitment,** which is primarily based on economic and practical considerations, has a comparatively lower impact, it remains crucial for employee retention, particularly in competitive labor markets. Allen and Meyer (2004), as well as Lam et al. (2002), emphasize that a comprehensive reward system including competitive compensation, career advancement opportunities, and professional development can enhance this form of commitment. When employees perceive high opportunity costs of leaving the organization, they are more likely to remain.

Another essential factor influencing employee commitment is the **role of direct supervisors and middle managers**, who significantly shape employees' day-to-day experiences. According to Yukl (2012), middle managers should be equipped with leadership competencies such as communication, motivation, conflict resolution, and coaching. A work environment led by empathetic and inspiring managers helps strengthen commitment and reduce turnover intentions.

Finally, effective commitment management requires **establishing systems for regular measurement and monitoring,** such as employee engagement surveys, turnover analysis, and productivity tracking. Using data-driven approaches enables HR leaders to design responsive and targeted strategies tailored to specific departments or employee groups. As noted by Becker et al.

(1996), organizations that invest in systematically measuring and managing employee commitment often gain sustainable competitive advantages.

In conclusion, employee commitment is not merely a psychological state but a strategic asset that reflects the organization's managerial capacity and long-term growth potential. Recognizing the nature and effects of each type of commitment allows organizations to implement more effective HR strategies, ultimately improving workforce quality and organizational performance in today's volatile and competitive business environment.

Competing Interests: The authors declare that they have no competing interests concerning the research.

Acknowledgment: I would like to thank Hung Vuong University, as well as all the staff and managers of the enterprises who assisted me and provided cooperation to complete this research.

Transparency: The author confirms that the manuscript is an honest, accurate, and transparent account of the study. This study followed all ethical practices during writing.

References

1. Alfes, K., Truss, C., Soane, E. C., Rees, C., & Gatenby, M. (2013). The relationship between line manager behavior, perceived HRM practices, and individual performance: Examining the mediating role of engagement. Human Resource Management, 52(6), 839–859. https://doi.org/10.1002/hrm.21512
2. Allen, N. J., & Meyer, J. P. (2004). Construct validation in organizational behavior research: The case of organizational commitment. In J. Greenberg (Ed.), Organizational behavior: The state of the science (2nd ed., pp. 289–314). Lawrence Erlbaum Associates.
3. Becker, B. E., Huselid, M. A., & Ulrich, D. (1996). The HR scorecard: Linking people, strategy, and performance. Harvard Business Press.
4. Bhatnagar, J. (2007). Talent management strategy of employee engagement in Indian ITES employees: Key to retention. Employee Relations, 29(6), 640–663.
5. Bozlagan, R., Dogan, E., & Karakadilar, I. S. (2010). The impact of employee commitment on performance: A field study. Journal of Faculty of Economics and Administrative Sciences, 15(1), 99–117.
6. Brunetto, Y., Farr-Wharton, R., & Shacklock, K. (2012). Communication, training, well-being, and commitment across nurse generations. Nursing Outlook, 60(1), 7–15.
7. Delaney, J. T., & Huselid, M. A. (1996). The impact of human resource management practices on perceptions of organizational performance. Academy of Management Journal, 39(4), 949–969.
8. Guest, D. E. (1995). Human resource management, trade unions, and industrial relations. In J. Storey (Ed.), Human Resource Management: A Critical Text (pp. 110–141). Routledge.
9. Hair, J. F., Black, W. C., Babin, B. J., & Anderson, R. E. (2010). Multivariate data analysis (7th ed.). Pearson.
10. Kalleberg, A. L., Berg, I., & Knoke, D. (1996). Organizations in America: Analyzing their structures and human resource practices. SAGE Publications.

11. Kandampully, J. (2000). The impact of demand fluctuation on the quality of service: A tourism industry example. Managing Service Quality: An International Journal, 10(1), 10–18.
12. Legge, K. (1995). Human resource management: Rhetorics and realities. Palgrave Macmillan.
13. Mathieu, J. E., & Zajac, D. M. (1990). A review and meta-analysis of the antecedents, correlates, and consequences of organizational commitment. Psychological Bulletin, 108(2), 171–194.
14. Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. Human Resource Management Review, 1(1), 61–89. https://doi.org/10.1016/1053-4822(91)90011-Z
15. Meyer, J. P., Becker, T. E., & Vandenberghe, C. (2002). Employee commitment and motivation: A conceptual analysis and integrative model. Journal of Applied Psychology, 87(6), 991–1007.
16. Mowday, R. T., Steers, R. M., & Porter, L. W. (1979). The measurement of organizational commitment. Journal of Vocational Behavior, 14(2), 224–247.
17. Muthuveloo, R., & Rose, R. C. (2005). Typology of organisational commitment. American Journal of Applied Sciences, 2(6), 1078–1081.
18. O'Reilly, C. A., & Chatman, J. A. (1986). Organizational commitment and psychological attachment: The effects of compliance, identification, and internalization on prosocial behavior. Journal of Applied Psychology, 71(3), 492–499.
19. Quan Minh Nhut, & Dang Thi Doan Trang. (2015). Employee commitment and business performance in Vietnamese enterprises. Journal of Business Administration, 27(3), 35–42.
20. Quijano, S., Navarro, J., & Yepes, S. (2000). Quality of employment and organizational commitment. Psychology in Spain, 4(1), 50–57.
21. Ranya, S. (2009). Organizational commitment and job performance: Evidence from Kuwait. Arab Journal of Administrative Sciences, 16(2), 317–348.
22. Richard, P. J., Devinney, T. M., Yip, G. S., & Johnson, G. (2009). Measuring organizational performance: Towards methodological best practice. Journal of Management, 35(3), 718–804.
23. Venkatraman, N., & Ramanujam, V. (1986). Measurement of business performance in strategy research: A comparison of approaches. Academy of Management Review, 11(4), 801–814.
24. Yukl, G. (2012). Leadership in organizations (8th ed.). Pearson Education.