EXPLORING THE IMPACT OF EMPLOYER EDUCATIONAL ASSISTANCE AS AN ORGANIZATIONAL DEVELOPMENT INTERVENTION ON ENHANCING ORGANIZATIONAL COMMITMENT AND REDUCING TURNOVER INTENTION: A CASE STUDY
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Abstract: This article aims to determine the relationship of employer educational assistance with organizational commitment in terms of affective commitment, continuance commitment, normative commitment to turnover intention, thought of quitting, and job alternatives. Many organizations offer the benefit of educational assistance to their employees. However, it seems that many of them are not sure whether the expenditure is harmonious with the benefits they receive in return. This is particularly true when organizations offer general rather than specific educational benefits that are not tied to job-related tasks. This has lead many organizations to ask what benefit if any, they receive from providing tuition assistance programs. While most of the previous research has been tied to tangible returns on this investment in employee capital, with varying conclusions, this study examines two of the intangible benefits that are proposed to accumulate to an organization providing educational assistance; increased organizational commitment and decline in turnover intention. The focal organization, a large corporation, is one of the leaders in the information and communication technologies sector in Thailand. The study focuses on 90 retail staff members. The method used is both quantitative in the form of surveys and qualitative in the form of action research. The process of ODI is based on employer educational assistance and its effect on organizational commitment and turnover intention. The research findings provide evidence that leads to the conclusion that there is a significant difference between pre- and post-ODI on organizational commitment and turnover intention. Continuance commitment has the most significant result after the intervention. Moreover, the results show a significant negative relationship between turnover intention and organizational commitment.

Keywords: Organization Development, Organization Development Intervention, employer educational assistance, Organizational Commitment, Affective Commitment, Continuance Commitment, Normative Commitment, Turnover Intention, Thought of Quitting, and Job Alternatives.

1. Introduction
Information and communication technologies (ICT) are evolving fast. They have revolutionized business organizations in terms of how they operate, speed of information, and amount of resources available for access. ICT includes devices such as computers, mobile phones and other hardware that allows flow and exchange of data over large areas.

While ICT wherewithal are critical to organizational effectiveness and business productivity, committed employees remain the most valuable resource as recognized by flourishing companies. Simply put, business owners need to promote the organizational commitment of their staff. One plausible method to achieve this goal is employer to the educational assistance (EEA).

Employees with low educational or job skills are generally limited to low paying production-type or retail jobs. Furthermore, employers are often reluctant to relocate to an area with low educational skills, especially when their production work relies on computer technology and robotics (Guffey, West, & White, 1997). Organizations supportive of their employees, therefore create opportunities for both their educational and career paths.

Organizational commitment, as a pivotal workplace variable, has been examined extensively for the past half century (e.g. Meyer & Allen, 1987; Kanter 1986; Mowdays, Steers, & Porter, 1982).

Prior research highlights the importance of the organizational commitment by identifying various antecedents and consequences of turnover intention (Mowday, Porter, & Steers, 1982). The main thrust of these research efforts is to provide reasonable explanations of

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the development process of organizational commitment and turnover intention (Meyer & Allen, 1990) and define the strength of an individual’s retention identification and involvement with an organization (Meyer & Allen, 1990).

This study reviews and explores the concept of organizational development, and how employer educational assistance can be packaged as an organizational development intervention (ODI) that affects organizational commitment and turnover intention. It also seeks to determine how EEA relate to or affect the constructs of thoughts of quitting and perceived job alternatives. Specifically, this research examines the extent to which EEA influence organizational commitment and turnover intention at a large corporation in Thailand, one of the leaders in the ICT sector (hereinafter referred to as ‘XYZ Telec’) in the year 2011. It aims to address the following questions:

- Is there a significant difference between pre- and post-ODI and what are its effects on organizational commitment and turnover intention?
- Does turnover intention significantly relate to organizational commitment, thoughts of quitting, and perceived job alternatives?
- Are there significant relationships between each component (affective, normative, and continuance) of organizational commitment?
- Are there significant differences between managers and staff in the three components of commitment?

2. Literature Review

- Organization Development

Cummings & Worley (2005) stated that OD is a method that uses behavioral science knowledge and practices to help and support organizations develop the ability to change and attain improved effectiveness. The above definition assists to make distinctive the OD discipline from change management and organization change. First, OD focuses on the overall structure while change management and organizational change aims on changing or improving on an organization’s strategy. Second, OD aims at the neglected personal that is usually over looked and social aspect of a structure. Third, OD is involved with managing planned change. Finally, OD highlights the transfer of knowledge and skill so that the system is more able to manage change in the future.

- Employer Education Assistance

The human capital theory, as articulated by Becker (1965), predicts that firms do not pay to develop employees’ general skills because such development is likely to increase employee turnover. Becker’s assumptions have generated a longstanding debate among training and labor economy researchers over the relationship between employee development and turnover, and whether businesses realize a return on their investments in employee development.

Adams and Waddle (2002) discussed the benefits that result from education being categorized into two main assets, termed hard or soft (tangible or intangible). Growth in sales, productivity, stock value, and reduced turnover have been the main hard benefits used to determine the worth derived from EEA in much of the previous research. However a cumulative proportion of a company’s market value has also been recognized as being attributable to intangible assets that circulate around employee attitudes, intellectual capital and the sharing of their knowledge with others (Adams & Waddle, 2002).

- Tuition Reimbursement Programs

These programs, also referred to as educational assistance, tuition assistance programs and or educational assistance programs (Papes, 2006), can be defined as “any benefit that pays educational expenses where the employer pays partial or total cost of a course completed by an employee” (Fogerson, 2001). According to the Bureau of the Census, tuition reimbursement is the most common foundation of financial aid currently used. An estimated 20% of all graduate students are attending classes thanks to the financial backing of their employer (Cappelli, 2004). Overall, this data indicates that large numbers of people use these programs to attend courses and billions are spent each year by organizations seeking to enhance the skills of their workforce that choose to utilize such an opportunity.

- Commitment

Kanter (1968) defined commitment as the attachment to the group, referring to it as "cohesion commitment.” Employees who are strongly committed are those who are least likely to leave the organization (Meyer &
Allen, 1990). Common to all the conceptualizations of commitment found in the literature is a link with turnover. There have been numerous concepts of attitudinal commitment, each of which including the three general components: affective, continuance, and normative commitment (Meyer & Allen, 1987).

A negative association between organization commitment and turnover intention is well established where when one variable increases, the other variables decrease. The reason for the strong association is straightforward: a low level of loyalty to the organization is likely to lead to withdrawal cognition, so a decline in organizational commitment will lead to an increase in turnover (Meyer & Allen, 1987).

One key related issue is whether or not employees earning a degree are promoted once they graduate. Another is how tuition reimbursement affects turnover (Benson, Feingold & Mohrman, 2004). It seems that employees have less of an incentive to stay with the organization unless further compensation is awarded after completion even though they have an incentive to stay while studying and benefiting from tuition reimbursement.

- Turnover Intention

There is a negative association between organization commitment and turnover intention since when one variable increase, the other variable must decrease. (Mathieu & Zajac 1990) The reason for this strong association is straightforward: a low level of loyalty to the organization is likely to lead to withdrawal cognition. Simply put, a decline in organizational commitment will lead to an increase in turnover.

Hulin, Roznowski and Hachiya (1985) hypothesized a curvilinear relationship between performance and turnover and explained it in terms of causes of turnover: (the threat of) being fired and the perceived ease of movement. The threat of being fired is high for poor performing employees and low for superior performing employees, while the perceived ease of movement increases with improved performance.

Meyer and Allen (1991) described turnover as the common denominator of the different commitment dimensions in their model.

Turnover intention, intent to remain and intent to search for alternative jobs have been defining elements in organizational commitment research. (Meyer & Allen, 1987).

3. Conceptual Framework

With reference to the Allen and Meyer’s (Allen & Meyer, 1991) model on organizational commitment and turnover intention, the following conceptual framework was designed for this study.

**Figure 1: Conceptual Framework**

- Source: created by the author for this study

The independent variable in this study is organizational commitment. It includes three sub variables: affective commitment, normative commitment, and continuance commitment. The intervening variable is employer education assistance and the dependent variable turnover intention and its antecedents: job alternatives and thoughts of quitting.

The 11 hypotheses developed for this study on the basis of the framework were designed to show whether there was a significant relationship between pre-organizational and post-organizational development (for a detailed view of the hypotheses, see Appendix A). Moreover, they were intended to determine if there was a significant relationship between organizational commitment and turnover intention after the intervention. Specifically, the hypotheses highlight the relationship between the sub-variables, namely, affective commitment, continuance commitment, and normative commitment. Turnover intention and its
relationship with its antecedent of thoughts of quitting and job alternative were also analyzed.

4. Methodology

Based on the conceptual framework developed for this study, an action research framework was designed. As shown in figure 2 below, it includes three main phases.

**Figure 2: Action Research Framework**

<table>
<thead>
<tr>
<th>Pre-ODI</th>
<th>ODI</th>
<th>Post-ODI</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organizational Commitment:</strong></td>
<td><strong>Employer Education Assistance:</strong></td>
<td><strong>Organizational Commitment:</strong></td>
</tr>
<tr>
<td>Indicators:</td>
<td>Indicators:</td>
<td>Indicators:</td>
</tr>
<tr>
<td>- Affective Commitment</td>
<td>- Subjects and courses directly linked to the job description</td>
<td>- Affective Commitment</td>
</tr>
<tr>
<td>- Continuance Commitment</td>
<td>- Work and study occurred at the same time and allowed a unique opportunity to link work and study together</td>
<td>- Continuance Commitment</td>
</tr>
<tr>
<td>- Normative Commitment</td>
<td></td>
<td>- Normative Commitment</td>
</tr>
<tr>
<td>- Situational Assessment:</td>
<td></td>
<td>- Situational Assessment:</td>
</tr>
<tr>
<td>- Decline in motivation of IT Friends</td>
<td></td>
<td>- Increase in IT Friend Motivation</td>
</tr>
<tr>
<td>- Lack of consistent presentation skills</td>
<td></td>
<td>- Improvement in Presentation Skills</td>
</tr>
<tr>
<td>- Need for periodic evaluation</td>
<td></td>
<td>- Create Periodic Evaluation</td>
</tr>
<tr>
<td>- No standard between shops</td>
<td></td>
<td>- Create standard between shops</td>
</tr>
<tr>
<td><strong>Turnover Intention</strong></td>
<td><strong>Turnover Intention</strong></td>
<td><strong>Turnover Intention</strong></td>
</tr>
<tr>
<td>- Consistent decline in number of IT Friends</td>
<td>- Decrease decline in number of IT Friend</td>
<td>- Discover reasons for leaving</td>
</tr>
<tr>
<td>- Unknown Cause</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Pre-ODI Stage**

  The commitment levels and turnover intentions of XYZ Telec retail staff in terms of affective commitment, continuance commitment, normative commitment and also thoughts of quitting and perceived job alternatives were analyzed and their data collected.

- **ODI Stage**

  The MBA Program includes courses and subjects that were designed and selected for the retail staff. It focuses specifically on retail.

- **Post ODI Stage**

  This phase looks at the turnover rate in order to determine if employees remained after their education program was completed. For those who graduated, there were opportunities to move further up the corporate ladder, increase their salary, and obtain an attractive compensation package.

  The self-administered survey consists of a questionnaire. A total of 90 retail staff members answered the questionnaire which was administered twice: before and after the intervention (pre- and post- ODI). All of the respondents were given the opportunity to increase their level of education and enhance their careers by being offered educational assistance, which allowed them to expand their knowledge and build a sense of entrepreneurship. XYZ Telec fully supports the employees enrolled in this assistance program.

  The demographic portion of the questionnaire contains data related to the age, gender, marital status, education, current job position, and number of years working for the company.

  The first part of the questionnaire focuses on affective, continuance, and normative commitment and the second part on turnover intention and its antecedents, which include thoughts of quitting and job alternative.

  The organizational commitment scale comes from the study of Allen & Meyer (1987), the turnover intention, perceived job alternatives and thoughts of quitting scales was taken from Peters, Jackofsky & Salter.
and post-ODI for job alternatives. The decrease had a positive effect. The participants did not view job alternatives as favorably after the ODI was implemented as they did prior to it. Shifting to another job was not as attractive an alternative after the ODI as it was before.

(vii) The average means score value for turnover intention was 3.21 for pre-ODI and 1.56 for post-ODI (a 1.65 decrease). As the paired t-test shows, there was a significant difference between pre- and post-ODI in terms of turnover intention. Again, the reduction had a positive effect. The participants’ turnover intention decreased after the ODI was implemented. In other words, they were less inclined to move to another company.

Table 1: Pre- and Post- ODI Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
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</thead>
<tbody>
<tr>
<td>Pre-Organizational Commitment</td>
<td>2.56</td>
</tr>
<tr>
<td>Post-Organizational Commitment</td>
<td>3.72</td>
</tr>
<tr>
<td>Pre-Affective Commitment</td>
<td>2.47</td>
</tr>
<tr>
<td>Post-Affective Commitment</td>
<td>3.69</td>
</tr>
<tr>
<td>Pre-Continuance Commitment</td>
<td>1.60</td>
</tr>
<tr>
<td>Post-Continuance Commitment</td>
<td>3.42</td>
</tr>
<tr>
<td>Pre-Normative Commitment</td>
<td>2.60</td>
</tr>
<tr>
<td>Post-Normative Commitment</td>
<td>3.55</td>
</tr>
<tr>
<td>Pre-Thought of Quitting</td>
<td>3.01</td>
</tr>
<tr>
<td>Post-Thought of Quitting</td>
<td>2.50</td>
</tr>
<tr>
<td>Pre-Job Alternative</td>
<td>3.21</td>
</tr>
<tr>
<td>Post-Job Alternative</td>
<td>2.04</td>
</tr>
<tr>
<td>Pre-Turnover Intentions</td>
<td>3.21</td>
</tr>
<tr>
<td>Post-Turnover Intentions</td>
<td>1.56</td>
</tr>
</tbody>
</table>

In summary, with a 1.82 increase, continuance commitment has the most significant augmentation. This is most likely due the fact that the Master’s Degree is a four-year commitment. Employees therefore wish to remain within the organization throughout the whole Master’s program in order to retain the full support from the organization. This in turn also reduces turnover intention, hence the 1.65 mean decrease.

- Hypotheses Testing

As mentioned earlier, this research investigates the extent to which employer educational assistance impacts organizational...
commitment and the desire of XYZ Telec employees (retail staff) to leave the organization (turnover intention). It also examines the relationships between both perceived job alternatives and thoughts of quitting on the one hand and turnover intention on the other.

The relationship between employer educational assistance and each of the component of the retail staff’s organizational commitment (affective, continuance, and normative) as well as with the retail staff’s turnover intention was examined through a correlation analysis. This analysis was used with regard to the relationship between turnover intention and thoughts of quitting and that of turnover intention and perceived job alternatives. The correlation analysis is therefore used to test Hypotheses 1-8.

To examine Hypotheses 9-11, which pertain to the differences between manager and staff in terms of types of commitment, T-tests are applied.

This research fails to reject only one null hypothesis, Hypothesis 4, which reads as follows: “Pre-thoughts of quitting are not related pre-turnover intention.” The remaining null hypotheses were rejected.

Moreover, as shown in Table 1, the organizational commitment mean increased by 1.16 with the turnover intention decreasing by 1.65. What this suggests is that educational assistance has had a positive impact on the retail staff. The increase in organizational commitment overall suggests that after the OD intervention, the employees felt a greater attachment to organization, believed that they would lose certain benefits from leaving the organization, and felt obliged to stay with the organization due to a sense of gratitude.

It should also be noted that, with 1.82, continuance commitment has the highest increase, which the length of the program (four years) largely accounts for. Continuance commitment is the understanding of the employee of the critical downside of leaving the organization. To be provided financial support over a period of four years to help them graduate from their MBA program. This is therefore in line with the fact that continuance commitment has the highest increase out of all the commitment variables.

Another noteworthy point here is that employer educational assistance may be more important to managers than to the retail staff and employees in general or vice versa. This is due to the fact that as employees work and study, it becomes a benefit to the employer that the employee is able to learn theory and be able to apply it practically at their work location. It is also a benefit to the employer to have a more qualified and more development employee which attributes to the development of the organization as a whole. The employee also benefits as a whole as they will believe that the organization is there to support them in terms of their personal development and similar aspects.

6. Conclusion and Recommendations

This ODJ program was developed and implemented to improve organizational commitment and reduce employee turnover at XYZ Telec. The educational assistance program currently in place enables retail business employees to take management courses that benefit them in their actual jobs and help them grow professionally. What they learn in the classroom is directly applicable to their jobs.

Employer’s involvement in employee educational assistance goes beyond financial support. The company has also selected one of its managers to conduct classes at the university involved in the program. As a practitioner active in the same retail management industry as those students-employees, he/she is in a better position to share his/her practical experience with them.

The elective courses which employees can take also make it possible for these courses to match their job descriptions. So, in addition to core courses building up their entrepreneurship skills, employees are provided a broad education that gives them a solid background in a variety of topics linked to customer relations, such as service and hospitality management, so as to increase customer satisfaction, something beneficial to the company as well. Clearly, the program can be a win-win situation.

Moreover, staff competency development is part of XYZ Telec’s leadership program and involves more than just education. The development sought also pertains to personal skills, product knowledge development, and career path. In addition, it aims to be practical and directly related to the employees’ jobs and
tasks.

An ODI on XYZ Telec’s educational assistance and employee organizational commitment is really a long-term process though since the degree on which some XYZ Telec’s employees are working takes four years to complete. Given the length of time it takes to complete their MBA program, it is consistent with the finding that continuance commitment has the highest mean average increase; the participants to the study programs feel that if they leave the organization they will lose this financial benefit and it is a critical factor for them.

After the ODI was completed, the pre- and post-ODI results were compared. They made it clear that the ODI had an impact on organizational commitment (affective, continuance, and normative) and on thoughts of quitting, job alternatives, and turnover intentions. Each of the independent variables had positive results which, in turn, produced positive results for the dependent variables (turnover intention and its antecedents). These results show that the intervening variable (ODI) has a significant relationship with organizational commitment. It illustrates that employees have a desire to further develop themselves and that since the organization was willing to provide this need and benefit, it has led to the increase in commitment and decline of turnover intention of the employee who participated in the MBA program.

The findings support and strengthen the theory of organizational commitment and turnover intention (Meyer & Allen, 1990) as it broadens the empirical research base. This development can be seen as similar to that of identifying different linkages between antecedents and the various dimensions of commitment and has to be regarded as a refinement and further advancement of the original Meyer and Allen (1991) model.

This study provides empirical evidence supporting the claim that all three organizational commitment components (affective, continuance, and normative) are positively related. There are also additional refinement linkages between organizational commitment and turnover intention which add to the empirical evidence. When comparing manager and staff employees there was a significant difference in their level of affective, continuance, and normative commitment. This may imply that the MBA program may have been more significant to managers as compared to the employees or vice versa.

The relationship between perceived job alternatives, thoughts of quitting and the three organizational commitment components is negative in both cases. This finding is consistent with previous research (Peters, Jackofsky & Salter, 1981). These studies show that there is an inverse relationship between the independent variables and the dependent variables. As organizational commitment increase, turnover intention will decrease.

- **Recommendations**
  
  This study can be of benefit to employer and to other organizations. For further development within the organization, it plans to offer a new type MBA program. One designed for new students seeking a MBA program that will link up with a secure managerial position at XYZ Telec. The new 2 year program which will allow the student to enter in to variables jobs such as marketing, sales, operation, and IT systems to understand variables jobs and roles within the organization. Within the 2 years, they will cycle to and from various job positions to learn every aspect of the business. Once they have completed the curriculum and graduated, XYZ Telec promotes them to a managerial position.

  HR would be wise to consider using employment educational assistance, especially when it involves the completion of a degree, as a signal to dialogue with employees and proactively discuss their career plans and assess their potential for a new position or promotion, hopefully within the company. This may help increase employee retention and have them remain with the organization. Such an endeavor, however, leaves open the question of whether this is efficacious to reduce the turnover rate in the long-term.

- **Further Research**
  
  This study can provide practitioners with a deeper understanding of the causes and reasons for the high turnover level witnessed in a fairly large amount of companies in Thailand and therefore help them retain valuable employees. This research has demonstrated of the three types of commitment, normative commitment has the strongest relationship to turnover intention. So, practitioners should build up corporate
norms and develop attitudes toward employees that will generate a high normative commitment. This research evidences that only granting money or rewards will often not be enough to retain valuable employees. Retention through the development of employer educational assistance at other companies in Thailand should thus be the focus of further studies. It would provide valuable information and complement this study.

References


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Appendix A

1) Is there a significant difference between Pre-ODI and Post ODI
   Hypothesis 1
   Ho1: There is no significant difference between pre-ODI and post-OD
   Ha1: There is a significant difference between pre-ODI and post-ODI

2) Is turnover intention significantly related to organization commitment, thoughts of quitting, and perceived job alternatives?
   Hypothesis 2
   Ho2: Pre-Organizational Commitment is not related to Pre-Turnover Intention.
   Ha2: Pre-Organizational Commitment is related to, or is positively related to Pre-Turnover Intention.

Hypothesis 3
Ho3: Post-Organizational commitment is not related to turnover intention.
Ha3: Post-Organizational commitment is negatively related to turnover intention.

Hypothesis 4
Ho4: Pre-Thoughts of Quitting is not related to Pre-Turnover Intention.
Ha4: Pre-Thoughts of Quitting is positively related to Pre-Turnover Intention.

Hypothesis 5
Ho5: Post-Thoughts of Quitting is not related to Post Turnover Intention.
Ha5: Post-Thoughts of Quitting is positively related to Post Turnover Intention.

Hypothesis 6
Ho6: Pre-Perceived Job alternatives are not related to Pre-Turnover Intention.
Ha6: Pre-Perceived Job Alternatives are positively related to Pre-Turnover Intention.

Hypothesis 7
Ho7: Post-Perceived Job alternatives are not related to Post-Turnover Intention
Ha7: Post-Perceived Job Alternatives are positively related to Post-Turnover Intention.

3) Are there significant relationships between each component (affective, normative, and continuance) of organization commitment?
   Hypothesis 8
   Ho8: The three components of organizational commitment (affective commitment, continuance commitment, and normative commitment) are not related to each other.
   Ha8: The three components of organizational commitment (affective commitment, continuance commitment, and normative commitment) are positively related to each other.

4) Are there significant differences between managers and staff in the three components of commitment?
   Hypothesis 9
   Ho9: There is no significant difference between position level of manager and staff in their level of affective commitment.
   Ha9: There is a significant difference between position level manager and staff in their level of affective commitment.

Hypothesis 10
Ho10: There is no significant difference between position level manager and employee in their level of continuance commitment.
Ha10: There is a significant difference between position level manager and employee in their level of continuance commitment.

Hypothesis 11
Ho11: There is no significant difference between position level manager and employee in their level of normative commitment.
Ha11: There is a significant difference between position level manager and employee in their level of normative commitment.