

Assessing the Impact of Employee Commitment on Operational and Financial Performance in Higher Education Institutions

Peace Kumah

 <http://orcid.org/0009-0007-1026-9125>

Knutsford University, Ghana

Received: October 3rd, 2025 | **Accepted:** February 16th, 2026

ABSTRACT

This study aimed to assess how affective, normative, and continuance commitments affect the financial and operational performance of higher education institutions. The study employed a survey approach and gathered data from 314 employees across both public and private institutions in Ghana. Two multiple regression models were analyzed with the Statistical Package for the Social Sciences. The results revealed that affective commitment has a positive and significant effect on financial and operational performance. In contrast, the impact of continuance and normative commitment on financial and operational performance was not statistically significant. Therefore, the study concluded that only affective commitment significantly contributes to the financial and operational performance of higher educational institutions. Policymakers and human resource managers can use the findings of this study to improve institutional performance by emphasizing affective commitment.

KEYWORDS

Employee Commitment, Normative Commitment, Continuance Commitment, Affective Commitment, Organizational Performance, Financial Performance, Operational Performance

INTRODUCTION

Managing resources and achieving sustainability are vital for the performance of higher education institutions. This involves the institution's capacity to utilize its resources efficiently while driving overall organizational performance (Julasaria & Mandal, 2022). Organizational performance involves assessing both its financial and its operational results (Kaur & Kaur, 2021). Financial performance (FP) refers to an organization's ability to generate revenue, manage assets and liabilities, and meet the interests of its stakeholders and shareholders (Srivastava, 2022). Operational performance (OP) focuses on the effectiveness and efficiency of an organization's day-to-day internal operations to achieve its goals and objectives (Berglund & Sterin, 2021). It encompasses various aspects of the organization, including its people, processes, and technology (Manresa et al., 2021). Improving performance enhances competitiveness, reduces costs, and increases customer satisfaction (Adebanji et al., 2022). To evaluate an organization's FP and OP, it is important to consider each employee's

DOI: 10.4018/IJAMSE.402721

This article published as an Open Access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0/>) which permits unrestricted use, distribution, and production in any medium, provided the author of the original work and original publication source are properly credited.

performance (Kumah, 2023; Martini et al., 2020). Therefore, human resources are a critical asset in achieving superior performance through employee commitment (Hadziahmetovic & Dinc, 2020).

Currently, higher education institutions are working to improve their OP and FP. Statistics indicate that higher education performance worldwide varies considerably, with developed regions such as North America and Europe leading in research output, innovation, and university rankings (Times Higher Education, 2023). For instance, over 50% of young adults in North America and Europe have completed tertiary education, whereas in some African countries, fewer than 10% have similar qualifications (United Nations Educational, Scientific and Cultural Organization, 2022). The global gross enrollment ratio for tertiary education is approximately 38%, with significant disparities between high- and low-income countries (World Bank, 2023). Despite ongoing advancements, challenges such as access inequality, funding constraints, and quality assurance persist, influencing overall performance metrics worldwide (Organisation for Economic Co-operation and Development, 2022).

Higher education institutions in Ghana face several unique challenges that can impact performance. These challenges include inadequate funding, structural inefficiencies, and resource constraints, which can diminish employees' motivation and commitment. For instance, financial instability within these institutions often results in delayed salary payments, limited opportunities for career advancement, and insufficient incentives, all of which negatively influence commitment (Tetteh et al., 2023). Moreover, the bureaucratic nature of governance structures in Ghanaian universities can lead to administrative bottlenecks, reducing organizational responsiveness and employees' sense of involvement and engagement (Tetteh et al., 2023). Resource constraints, particularly in facilities, technology, and research funding, also hinder employees' ability to perform their roles effectively and to feel a sense of achievement, thereby reducing their commitment. Such deficiencies can foster feelings of frustration and detachment, weakening emotional attachment and perceived obligation to remain committed to the organization (Meyer & Allen, 1991). Furthermore, challenges related to political interference and frequent reforms in the higher education sector often create uncertainties that undermine staff confidence and loyalty, further eroding their commitment (Tetteh et al., 2023).

There is a significant gap in the existing literature regarding employee commitment and organizational performance, particularly in higher education institutions in developing countries. While prior studies have established a general positive relationship between employee commitment and organizational performance (Hadziahmetovic & Dinc, 2020; Kaur & Kaur, 2021), most research focuses predominantly on specific sectors such as banking, healthcare, or hospitality, with limited emphasis on higher education institutions in developing countries (Ahmad & Raja, 2021; Kale & Shimpi, 2020; Semlali & Elrayah, 2022). Thus, most empirical investigations fail to capture the unique cultural, economic, and institutional factors that shape higher education employees in developing countries (Kalitanyi, 2022). Moreover, the differential effects of each commitment component on distinct performance dimensions, financial and operational, remain underexplored in such contexts. This creates a knowledge gap in sector-specific, contextual insights into how employee commitment fosters institutional performance, particularly in resource-constrained settings.

Therefore, this study explores the effect of employee commitment on OP and FP, drawing on the Affective-Workplace Commitment Theory, Social Exchange Theory, and Organizational Identification Theory. Affective-Workplace Commitment Theory emphasizes that emotional attachment (affective commitment [AC]) to the organization motivates employees to engage in behaviors that advance organizational goals (Meyer & Allen, 1991). Social Exchange Theory posits that positive interactions between employees and organizations enhance commitment and performance (Blau, 1964). Organizational Identification Theory asserts that aligning personal and organizational goals promotes loyalty and improves performance (Ashforth & Mael, 1989). To measure this effect, this study employs the Three-Component Model and the University Performance Evaluation Scale. The research aims to address two questions:

14 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/article/assessing-the-impact-of-employee-commitment-on-operational-and-financial-performance-in-higher-education-institutions/402721

Related Content

Business Models of Sustainable Open Educational Resources (OER)

Shouhong Wang (2019). *International Journal of Applied Management Theory and Research* (pp. 1-16).

www.irma-international.org/article/business-models-of-sustainable-open-educational-resources-oer/232709

Challenges During Adolescence: Social-Emotional Perspective in a Hyperconnected World

Tripti Pandey (2025). *Improving Healthcare Quality and Patient Engagement: Management and Technology Insights* (pp. 271-304).

www.irma-international.org/chapter/challenges-during-adolescence/357962

Corporate Governance Challenges for Small and Medium Enterprises in the Constrained Zimbabwean Economy

Mufaro Dzingirai, Shingirai Sikomweand Noah Tshuma (2022). *International Journal of Applied Management Sciences and Engineering* (pp. 1-14).

www.irma-international.org/article/corporate-governance-challenges-for-small-and-medium-enterprises-in-the-constrained-zimbabwean-economy/299024

COVID-19 and the Tourism Industry: Effects, Analysis, and Policy Implications

Vikramaditya Kumar Tanejaand Pratap Chandra Mandal (2022). *International Journal of Applied Management Theory and Research* (pp. 1-16).

www.irma-international.org/article/covid-19-and-the-tourism-industry/300344

Measuring Tourist Attitudes and Consumer Behavior

Hanin Hosni, Henk Kievit, Periklis D. Drakos, George Angelakisand Gert van Dijk (2018). *International Journal of Food and Beverage Manufacturing and Business Models* (pp. 29-41).

www.irma-international.org/article/measuring-tourist-attitudes-and-consumer-behavior/210636