Interpersonal skills and organizational commitment
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Abstract:
Every managers have special skills that make them most effective as a manager and a leader in an industry. When a manager can identify their strengths, they can use that to effectively inspire their employees, enhance their managerial performance and create a healthy working environment. Managers today have to handle issues related to performance, as well as to provide their employees; feedback on a regular basis and guidance in order to assist them in improving their performance. The aim of this study is to assess the Interpersonal Skills of managers that influencing on Organizational Commitment in relation to Ceylinco Insurance, Janashakthy Insurance, Union Assurance, Sri Lanka Insurance Corporation and AIA Insurance. To achieve the goals of this research, the data were collected from stratified sample of 140 employees in Colombo District. The respondents provided the data by means of a close-ended questionnaire. Pearson’s Correlation was used for testing the hypotheses. Data analysis was conducted using SPSS Software. This study empirically examines the significant relationship between Interpersonal Skills (IS) as the independent variable and Organizational Commitment (OC) as the dependent variable. While both the variables individually have high level attributes, the Pearson’s correlation analysis explores a positively significant linear relationship between IS and OC. This implies that the OC can be predicted with the nature of IS. The correlation coefficient between the IS and OC indicates that the IS is useful to explain the variation in OC.

Keywords: Interpersonal Skills, Organizational Commitment and Insurance Industry.

1. INTRODUCTION
Managers and management staffs are perceived as one of the most important asset for an organization. In the past, they were considered as leaders who are responsible for developing and clearly communicating challenging, achievable, relevant, and measurable work goals to their subordinates. But, in this era of modern business, the roles of managers and managerial staffs are becoming more crucial from day to day. The paradigm shift has pushed the managers to implement appropriate leadership styles and managerial skills in establishing a motivating and healthier working environment within their organization.

Furthermore, they have to ensure that their employees are given the opportunity to develop themselves by providing them necessary coaching and counseling as
required. The need for thoughtful, effective communication in the workplace is paramount. Seldom does an employee work in absolute isolation, instead, workers interact with consumers, peers, and management on a daily basis; this makes interpersonal communication an essential skill for today's employees.

Today's employers look for quality skills in interpersonal communication, critical thinking, and problem-solving, not just the ability to complete job duties (Duffy et al., 2004). Consequently in the absence of effective communication, organizational goals will succumb to individualistic and personal goals (Mohamad, 2009). Effective Interpersonal Skills are essential to social interaction, and to the building and maintenance of all relationships. Poor communication skills can cause irrevocable damage to relationships; affecting productivity, satisfaction, performance, morale, trust, respect, self-confidence, and even physical health (Duffy et al., 2004). In any organization, the success of achieving its goals depends largely on the manager's communication ability and skills (Avkiran, 2000).

Insurance sector as a part of service division is now in a tough competitive situation. Also in Sri Lanka because of some changes in insurance system for example emerging and developing private companies, competition in this industry is increasing day by day. In this kind of circumstances building strong relationship with employees and retaining them need an effective interpersonal communication in all aspects.

Therefore, this study particularly focuses on selected Insurance Companies as Ceylinco Insurance, Janashakthy Insurance, Union Assurance, HNB Assurance, Sri Lanka Insurance Corporation and AIA Insurance for testing the Manager’s Interpersonal Skills (IS) that influence on Organizational Commitment (OC) in Colombo Divisional Secretariat (CDS) Division.

2. PROBLEM STATEMENT & OBJECTIVES

As employees are most important resource to contribute to achieve organization’s goals, they have to provide higher commitment in every task they perform for organizational success. There are number of insurance companies that provide insurance services to nations. Every insurance company faces higher competition globally. They strategically function to beat competition and achieve their goals, thus introducing new diverse insurance policies to attract the people. In this context, the interpersonal communication of managers is important in creating the organizational commitment of employees to carry out their targets during their field work. As such, it is useful to ascertain the relationship between IS and OC, since IS has a superior influence on success of the insurance sector.

There is lack of literature in Sri Lanka to examine the relationship between IS and OC. Thus, there exists a clear empirical gap with respect of the influences of IS on OC within the context of insurance sector. This empirical gap becomes a problem to
insurance companies to know whether their interpersonal communication is successful or not among the employees. Indeed, there is a need to evaluate to what extent the stimuli influenced on OC in insurance sector.

Therefore, the primary objective of this study is to examine the role of IS that influencing on OC among employees in the context of insurance sector in CDS Division. Further, as the secondary objective, this study also focuses on identifying the level of IS and OC in relation to insurance companies selectively in CDS Division.

3. LITERATURE REVIEW

Each and every organization mostly depends on employee’s commitment. The employee’s commitment is a main aspect of developing overall organizational performance efficiently. According to Grusky (1966), the commitment explains as “the nature of the relationship of the member to the system as a whole”. Similarly Kanter (1968) defines commitment as: “The willingness of social actors to give their energy and loyalty to social systems, the attachment of personality systems to social relations, which are seen as self-expressive”. Therefore, the employee’s commitment maintains high level of membership and provides energetic performance in dynamic organizational environment.

Barrett (2006) describes that interpersonal communication is referred to “a set of skills, knowledge about communication, and self-evaluation”. The study reveals that the competency of Interpersonal Skills consists of “self-disclosure, owned feelings and thoughts, and descriptiveness and support”. Bambacas and Patrickson (2008) argue that Interpersonal Skills include number of skills that can be brought into three categories: “leadership, the process of communication and motivation”. Interpersonal skills of leadership can be referred to the skills of “handling conflicts, running meetings, team building and promoting change”. Further, “sending messages, listening and providing feedback falls within communication process. Likewise, motivating is divided as “goal setting, clarifying expectations, persuading and empowering”. However, the study mainly focuses on Interpersonal Skills as an effective human resource function to determine overall performance in the dynamic organization.

There are studies that explore the linkage between communication skills and organizational communication (e.g., Robert and O’Reilly, 1974; Van Vuuren et al., 2007; Bambacas and Patrickson, 2008). Thus, Thornhill et al. (1996) describe the communication process has an important element to promote organizational strategy and employees’ involvement. Van den Hoff and de Ridder (2004) identify the influence of communication climate on knowledge sharing and this study finds communication climate positively associate with knowledge donating, knowledge collective and affective commitment. Van Vuuren et al (2007) argues that impact of supervisor’s communication skills on organizational commitment thus there significant effect
between communication skills and organizational commitment.

As employees are most important resource to contribute to achieve organization’s goals, they have to provide higher commitment in every task they perform for organizational success. There are numbers of insurance companies that provide insurance services to nations. Every insurance company faces higher competition globally. They strategically function to beat competition and achieve their goals, thus introducing new diverse insurance policies to attract the people. In this context, the interpersonal communication of managers is vital in creating the organizational commitment of employees to carry out their targets during their field work.

Ability of insurance companies to have a large market share depends on the performance of field officers. All insurance companies have to build valuable employee commitment and the managers of the Insurance Firms should play a vital role as their responsibility for the same. Managers can use their Interpersonal Skills with their leadership qualities to maintain good information sharing between employees. This can result in good relationship and trust between managers and employees, thus creating organizational commitment of the employees.

This study considers selective Insurance Companies (Ceylinco Insurance (CI), Janashakthy Insurance (JI), Union Assurance (UA), HNB Assurance (HNB), Sri Lanka Insurance Corporation (SIC) and AIA Insurance (AIA)) in CDS Division of Sri Lanka. Therefore, the specific research question of this study is:

“How far the role of Manager’s Interpersonal Skills influence on Organizational Commitment of Popular Insurance Companies in Colombo Divisional Secretariat Division?”

4. CONCEPTUAL FRAMEWORK & HYPOTHESIS

According to Bambacas and Patrickson (2008), variables were conceptualized as follows in order to analyze the role of Interpersonal Skills have been influencing on Organizational Commitment regarding Popular Insurance Companies.

As Bambacas and Patrickson (2008) indicate that Interpersonal Skills are positively influence on Organizational Commitment, the Hypothesis 1 (H1) of this study is:

H1: Interpersonal Skills are significantly influencing on Organizational Commitment.

![Figure 4.1 : Conceptual Framework](image-url)
IS is considered as its dimensions as the combination of Leadership, Process of Communication and Motivation as indicated by Bambacas and Patrickson (2008). OC is made with Affective Commitment (e.g., Meyer and Allen, 1991), Continuance Commitment (e.g., Meyer and Allen, 1991) and Normative Commitment (e.g., Meyer and Allen, 1991). Hence, the OC is evaluated through these measures as dimensions.

5. METHOD

5.1. Data and Sampling

Table 5.1: Sampling Framework

<table>
<thead>
<tr>
<th>Study Setting</th>
<th>Employees in Colombo District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Horizon</td>
<td>Cross Sectional Research</td>
</tr>
<tr>
<td>Unit of Analysis</td>
<td>Employees in Colombo</td>
</tr>
<tr>
<td></td>
<td>Divisional Secretariat Division</td>
</tr>
<tr>
<td>Sample Size</td>
<td>Hundred and Forty (140)</td>
</tr>
<tr>
<td>Sample Method</td>
<td>Stratified Sampling Technique</td>
</tr>
</tbody>
</table>

5.2 Method of Data Analysis and Evaluation

5.2.1 Univariate analysis

Univariate analysis is carried out for evaluating the attributes of dimensions and variables individually based on the response in the questionnaires. For this purpose, mean values and standard deviation of the dimensions and variables are taken into consideration.

Therefore, this study initially evaluates individual characteristic of dimensions and variables. Assessing the levels of dimensions and variables individually is the secondary objective of this study with the following criteria.
Table 5.2: Decision Criteria for Univariate Analysis

<table>
<thead>
<tr>
<th>Range for Decision Criteria</th>
<th>Decision Criteria</th>
<th>Decision Attribute</th>
</tr>
</thead>
<tbody>
<tr>
<td>$X_i &lt; -Z \sigma_x$</td>
<td>$X_i &lt; 3$</td>
<td>Low Level</td>
</tr>
<tr>
<td>$-Z \sigma_x \leq X_i \leq Z \sigma_x$</td>
<td>$X_i = 3$</td>
<td>Moderate Level</td>
</tr>
<tr>
<td>$X_i &gt; Z \sigma_x$</td>
<td>$X_i &gt; 3$</td>
<td>High Level</td>
</tr>
</tbody>
</table>

Where $X_i$ = mean value of a dimension/variable, $\sigma$ = standard deviation, $Z$ = value of the 95% confidence limit and $\sigma_x$ = standard error of the mean

5.2.2 Bivariate analysis

Bivariate analysis used to measure the magnitude and direction of the relationship between IS and OC. Correlation can be categories based on possible ranges in relation to appropriate decision attributes in a corresponding way. The significance level of the correlation coefficient is considered to explore the meaningful linear relationship and analyze the hypothesis.

6. RESULTS

6.1 Choice of Insurance Firms

There are several Insurance Firms available in the Colombo District. Within these, Ceylinco Insurance (CI), Janashakthy Insurance (JI), Union Assurance (UI), HNB Assurance (HNB), Sri Lanka Insurance Corporation (SL) and AIA Insurance (AIA) are selected for this research purpose. From 140 employees 30% of officers are working in CI & SL and 20% of employees are working in JI, UA, HNB & AIA (see Table 6.1).

Table 6.1: Distribution of Insurance Firms

<table>
<thead>
<tr>
<th>Organization</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ceylinco Insurance</td>
<td>30</td>
<td>21.3</td>
</tr>
<tr>
<td>Janashakthy Insurance</td>
<td>20</td>
<td>14.2</td>
</tr>
<tr>
<td>Union Assurance</td>
<td>20</td>
<td>14.2</td>
</tr>
<tr>
<td>HNB Assurance</td>
<td>20</td>
<td>14.2</td>
</tr>
<tr>
<td>Sri Lanka Insurance Corporation</td>
<td>30</td>
<td>21.3</td>
</tr>
<tr>
<td>AIA Insurance</td>
<td>20</td>
<td>14.2</td>
</tr>
</tbody>
</table>

(Source: Survey Data)

6.2 Gender Distribution

The gender distribution of the employees of Popular Insurance Firms, which are situated in Colombo D.S Division, has been represented by the sample size of 140 about 60% represents male and remaining 40% represents female (see Table 6.2).

Table 6.2: Distribution of Gender
6.3. Interpersonal Skills and Its Dimensions

6.3.1. Level of Interpersonal Skills and Its Dimensions

IS is evaluated with three dimensions: Leadership, Process of Communication and Motivation as indicated by Gary (1986). IS as an independent variable has high level attribute of the employees (Mean X1 = 4.57 and see Table 6.3). In addition, most of the employees expressed generally a common opinion regarding the variable of IS (Standard deviation = 0.436). With individual analysis, it is also noted that about all employees in this study have high level attribute for the IS.

Specifically, all dimensions of IS have high level attributes in relation to their mean values (mean values of Leadership X1.1 = 4.56, Process of Communication X1.2 = 4.48 and Motivation X1.3 = 4.66). Among these dimensions, Motivation accounts high value of mean and Process of Communication is comparatively lower than other dimension that contribute to IS.

In evaluating Leadership; Leadership Style, Handling Conflicts, Running Meetings, Team Building, and Promoting Changes are considered as indicators of Leadership. Though their mean values (4.69, 4.55, 4.53, 4.52 and 4.49, respectively) are high level attribute of the employees.

In Process of Communication as a dimension of IS; Sending Messages, Listening and Providing Feedbacks are considered as its indicators (mean value of the indicators are 4.49, 4.50 and 4.44, respectively). Results indicate that the Listening has made a high contribution to Process of Communication.

In evaluating Motivation; Goal Setting, Clarifying Expectations, Persuading, Empowering and Negotiating are considered as indicators of Motivation. Though their mean values (4.51, 4.66, 4.76, 4.71 and 4.67, respectively) are high level attribute of the employees.

Overall, all the indicators have meaningfully contributed to determining the dimensions and all dimensions have also highly contributed to the IS; and this is consistent with the specifications by Gary (1986).

Table 6.3: Overall Measures of Independent Variable

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>4.56</td>
<td>0.492</td>
</tr>
<tr>
<td>Process of Communication</td>
<td>4.48</td>
<td>0.623</td>
</tr>
<tr>
<td>Motivation</td>
<td>4.66</td>
<td>0.398</td>
</tr>
<tr>
<td>Interpersonal Communication</td>
<td>4.57</td>
<td>0.436</td>
</tr>
</tbody>
</table>

(Source: Survey Data)
6.4. Organizational Commitment and Its Dimensions

6.4.1. Level of Organizational Commitment and Its dimensions

The OC is assessed with three dimensions: Affective Commitment, Continuance Commitment and Normative Commitment. The dependent variable OC has high level attribute of the employees (Mean X = 4.29 and see Table 6.4). Notably, most of the employees expressed the common opinion regarding the variable of OC (Standard deviation = 0.518). With individual analysis, it is also noted that all employees have high level attribute for OC.

Indicatively, all dimensions of OC have high level attributes of employees in relation to their mean values (mean values of Affective Commitment X2.1 = 4.39, Continuance Commitment X2.2 = 4.25 and Normative Commitment X2.3 = 4.24). Among these dimensions, Affective Commitment of OC has high value of mean; and Normative Commitment is comparatively lower than other dimensions in contribution to OC.

### Table 6.4: Overall Measures of Dependent Variable

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affective commitment</td>
<td>4.39</td>
<td>0.520</td>
</tr>
<tr>
<td>Continuance commitment</td>
<td>4.25</td>
<td>0.721</td>
</tr>
<tr>
<td>Normative commitment</td>
<td>4.24</td>
<td>0.647</td>
</tr>
<tr>
<td>Organizational commitment</td>
<td>4.29</td>
<td>0.518</td>
</tr>
</tbody>
</table>

(Source: Survey Data)

In evaluating Affective Commitment; Organization’s Career, Organization’s Discussion, Organization’s Problem, Organization’s Attachment, and Organization’s Members are considered as its indicators (4.49, 4.67, 4.46, 4.05 and 4.29, respectively). Results indicate that the Organization’s Discussion has a high contribution to this dimension.

Similarly, the Continuance Commitment has been assessed with the indicators: Scarcity of Available, Field Disturbing, Matter of Necessity, Few Options to Leave and Leaving Organization and their mean values are 4.34, 4.10, 4.24, 4.25 and 4.31, respectively. The results indicate that Scarcity of Available has highly contributed to Continuance Commitment.

The dimension ‘Normative Commitment’ is assessed with five indicators as Staying People, Moral Obligation, Another Offer, Remaining Loyal and Jumping Organization that have the mean value of 4.03, 4.39, 4.11, 4.36 and 4.32, respectively and Moral Obligation reflects a high level attributes of the employees.

6.5. The Relationship between IS and OC
The correlation analysis is initially carried out to explore the linear relationship of IS with OC, if it exists. Results indicate that there is statistically linear significant and positive relationship ($r = 0.768$, $p < 0.01$) between IS and OC (see Table 6.5). Thereby, accept the Hypothesis 1 H1 – i.e., Interpersonal Skills significantly influences on OC.

Table 6.5: Correlation between Interpersonal Skills and OC

<table>
<thead>
<tr>
<th>Pearson Correlation: $r$</th>
<th>0.525**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sig. (2-tailed)</td>
<td>0.000</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).
(Source: Survey Data)

7. CONCLUSION, RECOMMENDATION AND IMPLICATION

This study considers IS as independent variable and OC as the dependent variable. While these variables individually have high level attributes of the employees, the Pearson’s Correlation analysis explores a positive significant linear relationship between IS and OC. The correlation coefficient ($r$) was 0.525 at the 1% level. This implies that OC for Popular Insurance Firms can be predicted with IS.

According to Grusky (1966), Interpersonal Skills can have positive effect on Organizational Commitment and this is consistent with Kanter (1968). Our study also has the same positive effect of Interpersonal Skills on Organizational Commitment.

**Recommendation:** Based on conclusion some suggestions are put forward to Insurance Managers to improve the IS of Popular Insurance Firms. Every organization managers have to improve their listening skills to empower the employees’ commitment as well as their satisfaction and performance. They should learn about the various barriers to good communication and different types of teams in organization; accordingly managers can be aware of - and reduce the likelihood of - ineffective interpersonal communication and misunderstandings. In the organization the managers should be clarified the employees ambiguities in the work place that enhance their overall work activities and increase their commitment with organization.

**Implication:** This study focuses one independent variable IS to explain OC and to explore the relationship between them. However, it is explicit that there may be other variable(s) to be considered to explain the variation of OC. Future studies IS can be devised to identify those additional variable(s) for explaining the OC. In addition, it is also advisable to extend this study by considering other Insurance Firms in Sri Lanka and other nations too for further understanding of employee’s decision making behavior.
REFERENCES


