

Understanding the Impact of Attitude on Organizational Performance

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Abstract: This conceptual paper aims to deliberate on the impact of attitude on organizational performance. Past scholars have agreed that attitude plays a significant role in determining organizational performance. Employees equipped with a positive attitude tend to assist the organization in achieving the desired goals. The attitude of employees also depends on their emotional state in responding to the work environment and other factors. Attitude is not just an action that has been taken by someone but also a psychological effect that revolves around emotions and feelings. Most studies have proven that attitude has a significant impact on organizational performance. Poor attitude of employees is linked to low organizational performance. Therefore, as performance is assessed by an organization, which is responsible for strategizing daily performance, the organization should also consider shaping the attitude of its employees. This conceptual paper further discusses the impact of attitude toward organizational performance.

Keywords: attitude, organization performance

Paper type: Conceptual paper

1. Introduction

Attitude plays an important role in organizational performance (Fanasch & Frick, 2018; Alfandi, 2019; Renz & Posthuma, 2020). High-performing organizations often exhibit positive attitudes among employees. Arinze et al. (2018) studied the impact of attitude toward organizational performance in local government services commission headquarters in Nigeria and have found that attitude is positively significant toward organizational performance. Accordingly, employee's attitude increases an organization's effectiveness and efficiency as it is the core element in achieving organizational goals. Organizational performance is defined as the result of the organization based on its aims and objectives (Connor et al., 2019; Rahmati & Izadpa, 2021). Employees are trained to have full capabilities to hold future positions in the organization and overcome the weaknesses in any job-related areas with the right attitude (Poudel et al., 2019). Tehseen et al. (2019) assert that employees' attitude will mostly affect the success or the failure of every business. Employees' positive attitude will result in higher quality tasks and play a vital role in improving the company's performance and hence putting it in the best position among competitions and staying at the peak (Breitenbach & Brandão, 2021). Thus, the achievement of the human characteristic, through speed, quantity, and quality of work, reflects the general organizational performance, and therefore directly affects the development of organizations.

There are organizations that experience losses due to the fact of unfavorable attitude among the employees and as a result those organizations consider that it is almost impossible to nurture the employees. Negative attitude among employees has been affecting organizational performance.

Two studies (Yu & Huang, 2020; Yacob et al., 2018) also found out that employees' negative attitudes will lead to poor cooperative performance, and hence resulting in failure to achieve the desired level of organizational performance. However, the scholars further added that the management can consider providing initiatives for the employees, as employees' attitudes in the organization can be shaped and developed by providing them these initiatives. Therefore, it is very essential to put an effort to manage employee's attitude timely to ensure a sustainable performance of the organization. When it comes to type of efforts to be taken into account in developing the employee's attitude, the management should have known the components that constitutes attitude that enable them to implement the right strategy in nurturing the employee's attitude. Breckler (1984) derived that attitude consists of three components—cognitive, affective and conation—that shapes the employee's attitude. The management need to harness this concept in order to achieve optimum positive attitude among the employees in order to boost their organization performance.

2. Literature Review

Attitude is a strongly held psychological commitment to continually ensure the success of a cooperative organization regardless of situational circumstances or fraudulence endeavors with the potential to create misconduct (Berberoglu, 2018; Mustaffa et al., 2020; Renz & Posthuma, 2020). Hence, there is no absolute concept that can represent attitude. Among the theories developed are Tripartite Model of Attitude by Rosenberg and Hovland (1960), Theory of Planned Behavior by Ajzen and Fishbein (1975) and Social Cognitive Theory by Bandura (1977). Scholars differ in their views on attitude; however Tripartite Model of Attitude that describes attitude, has three components—cognitive, affective, and conative—is widely adapted in the field to examine organization performance (Redzuan, 2007; Yacob et al., 2018; Mustaffa et al., 2020). As previously stated, Tripartite Model of Attitude, developed by Rosenberg and Hovland (1960), defines attitude as consisting of three components: cognitive (the psychological state of believing); affective (the psychological state of liking); and conative (the psychological state of intention to act). In his study, Kaiser (2019) identified the Tripartite model as a preferable explanation for portraying individual attitudes. This has also been empirically validated by Connor et al. (2019). The tripartite model was also employed by them to investigate nurses' attitudes, and it was chosen because it has three major variables that may define the entire attitude and is not susceptible to any limitations, as well as it comprises all components in the operational definition of an attitude. In their study to analyze client attitudes, Dapena-Baron et al. (2020) highlighted that the tripartite model of attitudes is utilized due to its recognition in psychology. Akin and Okumuş (2020) have also employed the Tripartite model in analyzing attitudes since it has played a crucial role in attitude phenomena because all of the components are entirely independent and can be coded differently. Thus, the management can apply the strategy that fits the attitude components.

Furthermore, organizations also operate in the same mechanism in terms of management, good practices are adopted, and the only thing that distinct one organization from another is the employee's attitude (Kaiser, 2019; Fishbein, 2021). Taking into consideration that the right employee's attitude is adopted in the organization, it will boost the organization to fly to new heights. Individuals can have either a positive or negative attitude, and management in an organization can clearly differentiate the types of attitude among employees. Positive employees tend to appear more enjoyable at the workplace, perform better, and have pride in delivering their tasks, and vice versa (Kaiser, 2019; Mustaffa et al., 2020). Employees equipped with positive attitude will have less complaint toward their organization, especially if the organization is a service-oriented business. In addition, they can be more resilient toward all the challenges in dealing with misbehaving customers. Positive employees are more patient in their daily tasks and are able to avoid any conflicts at the workplace. They will be more focused in completing their tasks and are often very committed towards the organization.

Every individual in the organization may have displayed different attitude as attitude may differ among employees. Everyone in this world globally has different experience and that has led to a different reaction in the way an individual responds towards something. Nevertheless, it all comes to the concept that develop someone's attitude which are cognitive, affective, and conative. Due to that, it is important that the management must implement great effort in developing their employee's attitude that suits the organization goals. Hakelius (2018) and Rogers et al. (2017) also posited that the management need to step up ahead to create a positive attitude among employees to obtain organization goals. The revenue may not be seen clearly in terms of monetary value, however, employees' attitudes will indirectly affect the organizational performance (Akin & Okumuş, 2020).

A positive attitude could also affect the productivity of the organization (Kaiser, 2019; Mustaffa et al., 2020). This makes the organization becomes more productive as positive minded employees will work harder and will prove that they are worthy for the organization. In addition to cutting costs on turnover as they can retain the employees, the organization that deals with external stakeholders will earn more benefits as their employees can retain good customer service with all the stakeholders, and thus projecting a great image for the organization. Organizational performance can also be enhanced due to more accountability among employees when they have positive attitude. It also has been found that attitude affect organizational performance in the production of products (Berberoglu, 2018; Mustaffa et al., 2020). In addition, attitude also has a meaningful and positive relationship with work performance (Khan et al., 2014; Waterbury, 2018). A consistent result is also found by Das (2018) in a study to analyze the correlation between organizational performance in the iron and steel industry and attitude. The scholar has found that the productivity of the organization increases while the management has taken initiatives to improve their employee's attitude. Despite being a heavy industrial sector, Das (2018) also found that attitude still plays a major role in determining the productivity and organizational performance. In fact, Baag et al. (2019) have studied the relationships between workplaces, employee attitudes, and performance among bank employees, and they found that employees with more favorable attitudes will have better sales performance. The scholar also found that employees can be a competitive advantage tool to the organization—an asset that is worthy to be invested in order to increase profit of the organization. Employee's attitude can be very valuable and make the organization stand out from others especially in the service sectors which requires interaction between customers and employees, as they are the image and symbol of reputation of the organization. Furthermore, they are the front liners who will make the first impression on the customer's experience. Hence, top-notch attitude is indeed needed to meet the expectations of the customers and indirectly portray the image of the organization. Lee (2017) also observes that attitude has a greater role in ensuring the organizational performance compared to skills and experience. Without positive attitude, skills and experiences will not be utilized. To sum up, previous research has indicated that attitude plays a vital role in determining organizational effectiveness.

3. Factors that influence attitude

Different psychological and environmental factors affect the employee performance (Khan et al., 2014; Renz & Posthuma, 2020). Rosenberg and Hovland (1960) have developed the Tripartite Model of Attitude consisting of main components of cognitive, affective, and conative which influence the attitude. The Tripartite Model of Attitude to study organizational performance is also supported by substantial literature (Dalege & Conner, 2016; Akin & Okumuş, 2020; Dapena-Baron et al., 2020; Mustaffa et al., 2020). The first component in attitude—cognition—is a psychological state of believing, in which the cognitive component of attitudes refers to the beliefs, thoughts and attributes that the employees associate with the organization. Beliefs and thoughts can also be developed based on the organizational culture. Thus, in a workplace, it is vital for the management to consider providing a positive organizational culture as it affects the employee's attitude towards

the organization. Positive environment will lead the employees to view their organization in a positive lens and make tedious work seems fun and enjoyable. In light of the fact that most adults now spend a large portion of their waking hours in the workplace, it would be a good thing if these hours were satisfying and rewarding in a psychological way. It will help to cultivate a positive cognitive judgements and enable a healthy working environment.

In a study conducted by Nangoy et al. (2020), they found that the positive environment will lead the organization in making the right strategic decision. Another study by Tenney et al. (2016) concluded that happy employees tend to be more competent than average. It has also been found that happy employees have better productivity and performance besides being more creative and innovative in completing their work tasks. This has been supported by Fishbein (2021) who pointed out that happy employees are not resistant to innovations; furthermore they work in team better, and support firm performance in general. Apart from that, employees with positive attitude will positively respond toward any changes and unprecedented circumstances that occur in the workplace. This is indeed a very crucial part in maintaining organizational stability.

The second component of the Tripartite Model of Attitude—*affective*—is a psychological state of liking (Abdalkarim, 2016; Martín-santana & Cabrera-suárez, 2020; Rahman et al., 2020). In the context of organization, employees who have a strong attachment in terms of feelings and emotions toward their organization will also likely to be working for any organizations for long term. Affection is also derived from the attitude-behavior theory that describes the liking or favor emotion that leads to behavioral action among employees towards their organizational performance (Castilla et al., 2018). Affection can also be influenced by many factors such as the monetary rewards offered by the organization. Employees who have been treated fairly by the organization will always be emotionally attached to their organization. (Benos et al., 2018; Rahman et al., 2020) also posit that employees who like their organization will become more productive and this positively impacts the organizational performance. An organization that manages to capture affective factor in employees' attitudes will lay a strong foundation in terms of their loyalty towards the organization. This type of employees will often work for a long term in the organization. When the employees can stay for longer term in an organization, the organization can save costs to retrain new hired employees. This has been proven by Lee (2017), stating that companies are able to save financially when they can retain their employees to work for longer years with them. In addition, the companies can have a more reliable succession planning to ensure the sustainability of the companies in the long term. This also benefits the organization as they can retain highly talented workers. It is costly to hire highly skilled workers and if an organization manages to retain them, there will be a ripple effect; not just financially, but also in terms of innovation and developing a niche segment to the company (Mincu, 2015; Akinwale, 2019; Dapena-Baron et al., 2020; Mustaffa et al., 2020; Rahmati & Izadpanah, 2021).

The third component of attitude is *conative* which is action taken by an individual. *Conative*, a psychological state of intention to act, is another sub-dimension of attitude characterized by volition or self-activation towards a goal (Chareonwongsak, 2017). In short, attitude refers to a person's intention of action, in which, it can help the management to plan and strategize the organization in a more systematic way. Employees who have high conative level will not just lay out a strategic plan, but will also ensure the plan will be executed well and produce good results. Many management executives can accomplish in the planning part, however, it takes conative part which is a strong intention to put into action to realize the plan. Overall, employees' attitudes are affected by cognitive, affective, and conative. The management must be able to tackle these three factors—cognitive, affective, and conative—to achieve optimum attitude among the employees and yield greater result and performance for the organization.

In essence, there are three main factors which are cognitive, affective and conation that can influence the employee's attitude. Each three components must be addressed in order to achieve the best out of the employees. It is imperative for the management to consider these factors in

planning to improve their employee's attitude. Besides that, the management can also take it as the factors to respond towards their employees whenever there is any unprecedented circumstances occurred in the organization. The Tripartite Model of Attitude clearly accentuates that the way employee's attitude in responding to any situation is being influenced by these three components. Thus, these three components must be taken into account first before taking any action towards their employees. In fact, when the employee's attitude can be well managed, the organization will reduce human resource issues and optimize the organization resources.

4. Impact of attitude

First and foremost, the relationship between attitude and organization performance has been examined by researchers in the fields of organizational psychology, strategic human resources management, and organizational theory. Based on the explanations and research conducted by Dapena-Baron et al. (2020) and Rahman et al. (2020), it can be drawn that attitude has a high impact toward organizational performance. Attitude plays a greater role in shaping the positive attitude among employees, and on top of that, it affects productivity and gives the organization competitive advantages. An organization that is able to instill positive attitude among employees will distinct themselves from other organizations and will be more resilient towards any unprecedented events and changes. Accordingly, in turn, organizations will be more effective and able to achieve their missions and visions. Khan et al. (2014) also conducted a study to validate the relationship between employee's attitude and textile companies' performance. The researcher concluded that employee's attitude play a major role in determining the productivity of the companies. Besides that, Botwe et al. (2016) and Watson (2018) also cited that employees' good performance is very essential for the effectiveness of the organization. In a similar vein, a research conducted by Abdalkarim (2016) on the impact of Saudi non-academic member's attitude towards higher education organization performance has found that employee's attitude is very significant in determining the organizations performance. Martín-santana and Cabrera-suárez (2020) have conducted a study on the public healthcare. They found out that employee's attitude in public healthcare plays a vital role in driving the public healthcare performance. In fact, a positive attitude, indeed, can be a motivator that may influence employees to improve their performance and productivity. Employees' attitude matters much to the survival and competitiveness of any organization, as the vision and mission of an organization can be achieved only through employees who are willing to exert effort to carry out their duties and responsibilities assigned to them. To sum up, employee's attitude is notably important in ensuring the success of the organization.

5. Contribution

This study contributes to understand employees' attitude towards organization performance. This is very significant in order to ensure sustainability of the organization in achieving its goal and having a sustainable performance. Tripartite Model of Attitude has contributed in explaining what constitutes individuals attitude and factors that affect them. The management can consider taking into consideration the three main components—cognitive, affective, and conative—in attitude in crafting the strategy to improve their employee's attitude. It is imperative that the management understand the way that their employee's attitude respond towards each steps taken in the organization. This would undoubtedly help the firm maintain a positive attitude among its employees, which will in turn benefit the company in the long run.

6. Conclusion

This paper revolves around the influence of employees' attitudes toward organizational performance. Several studies have investigated the relationship between employees' attitudes and performance results across multiple departments of a large company. Hence, it can be concluded that employees' attitudes affect organizational performance This is based on the Tripartite Attitude

Theory, in which it describes attitude as having three components: cognitive (the way the employees think about the organization); affective (the sense of belongingness towards the organization); and conative (the action that has been taken by the employees). Consistent with many past findings, there is evidence on the relationship between employee's attitudes toward organizational performance. Previous scholars have also emphasized that the management's attitude is one of the factors that contributes to the performance of the organization. This further re-affirms that when the management has the ability to manage the organization, they would in turn be favorable to all the members and able to act in a cohesive way to achieve the desired goals.

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