Organizational Commitment and Job Satisfaction

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ABSTRACT

The purpose of this paper is to examine the role Job satisfaction on Organizational commitments. In this study, Data collected from 280 Iranian employees. The present study employs a questionnaire survey approach to collect data for testing the research hypotheses. Relevant statistical analytical techniques including regression for analysis was then used. The results indicate that all three factors of Job satisfaction (Promotions, Personal relationships, and Favorable conditions of work) have positive and significant effects on Organizational commitments. The main contribution of the paper is to provide empirical evidence about the impact of Job satisfaction on Organizational commitments. Also the findings of the study are important for both practitioners and academics.

Keywords: organizational commitment, Job satisfaction, affective commitment, normative commitment, continuance commitment.

1. INTRODUCTION

In the past, organizational commitment has concentrated on individuals' affective attachment to the organization, even though it has a number of facets that influence organizational outcomes. Meyer and Allen propose that three components of commitment: affective (wanting to stay with an organization as a result of the “emotional attachment to, identification with and emotional attachment”). Normative commitment described the extent to which an employee believes he/she should be committed to an organization because they feel they ought to (normative commitment); and because they need to (continuance commitment). Meyer and Allen (1991) have found these are components of commitment can be experienced simultaneously to varying degrees. Empirical evidence suggests that levels of commitment may improve (Sturges et al., 2005) or decrease (Bambacas and Bordia, 2009) with the advent of career self-management. Mathieu and Zajac (1990) suggest that consistencies involving attitudes, beliefs and behavior and “involves behavioral choices and implies a rejection of feasible alternative courses of action” (Hulin, 1991, p. 488). Thus, these consistencies are usually seen as behavioral choices devoted to the pursuit of a common goal or goals (Hulin, 1991). With the development of the concept of commitment, an associated critical literature has arisen (see, for instance, Griffin and Bateman, 1986; Mathieu and Zajac, 1990; Meyer and Allen, 1991; Mowday et al., 1982; Salancik, 1977; Staw, 1977).

Organizational commitment has been studied extensively in terms of its components, antecedents, correlates, and consequences (Mathieu and Zajac, 1990). Meyer and Allen (1997) have found that organizational commitment consists of affective, continuance, and normative commitment. Affective commitment shows the extent to which the individual identifies with the organization (identification, involvement, and emotional attachment). Normative commitment described the extent to which an employee believes he/she should be committed to an organization and may be influenced by social norms. Continuance commitment describes an individual’s need to continue working for the organization based on the perceived costs associated with leaving (Allen and Meyer, 1990; Meyer and Allen, 1991, 1997). These three dimensions suggest that people stay with their organization because they want to (affective commitment); because they feel they ought to (normative commitment); and because they need to (continuance commitment). Meyer and Allen (1991) have found these are components of commitment can be experienced simultaneously to varying degrees.
Accordingly, the purpose of this paper is to examine the relationship between job satisfaction and organizational commitment. The paper is organized into five sections including the Introduction. The next section presents the literature review and sets out the hypotheses of this study. A section that describes the research methodology follows this. The fourth section presents the Analysis and results and finally, the fifth section concludes the study.

2. THEORETICAL FRAMEWORK AND HYPOTHESES

2.1. Organizational commitment

The construct of organizational commitment (OC) has been conceptualized in a variety of fashions. The bulk of research related to OC can be viewed in terms of attitudinal versus behavioral conceptualizations. Porter et al. (1974) defined organizational commitment as “the relative strength of an individual’s identification with and involvement in a particular organization” (Porter et al., 1974). Meyer and Allen (1984) later used the term affective commitment (AC) to describe an employee’s emotional attachment to an organization because of a belief and identification with the organization’s goals. The concept of organizational commitment has been treated as a variable of interest in its own right and a variety of definitions and measures have been proposed (Mowday et al., 1982; Meyer et al., 1998). The concept has attracted more attention recently from organizational scientists, perhaps due to changes taking place in employment practices that have arisen from the international employment marketplace and increased alternatives for skilled employees in a global economy (Sullivan and Arthur, 2006).

Organizational commitment has received a great deal of attention from organizational behaviorists (e.g. Allen and Meyer, 1990; Mowday, 1998). In sales and marketing it is considered an important central construct in understanding salesperson behavior (Brown and Peterson, 1993; Singh et al., 1996). By understanding commitment, practitioners will be in a better position to anticipate the impact of a particular policy or practice on the organization (Meyer and Allen, 1997; Bergmann et al., 2000). OC is a subjective measure that captures employees’ perceptions of their identification with their organizations’ core values, their intent to stay with their organization, and their willingness to exert more effort than expected by their organization (Mowday et al., 1979). Continuance commitment refers to the commitment employees experience towards the organization because of investments they have made or because of the costs associated with leaving the organization (Dipboye et al., 1994; Mathieu and Zajac, 1990). This form of commitment develops when employees realize that they have accumulated investments they would lose if they left the organization or because their alternatives are limited. The difference between affective commitment and continuance commitment is that employees high in affective commitment stay with the organization because they want to, while employees high in continuance commitment stay because they have to (Meyer et al., 1990). Meyer and Allen (1991) have identified a third dimension of organizational commitment, which they describe as normative commitment. This form of commitment concerns a feeling of (moral) obligation to remain in the organization. What these three dimensions have in common is that they all indicate the extent to which employees are willing to remain in an organization. Organizational commitment is essential for reaching such challenging goals (Klein et al., 1999) as these goals require more effort and typically have lower chances of success than are easy goals (Latham, 2007). Organizational commitment has been conceptualized as a psychological state or mindset that binds individuals to a course of action relevant to one or more targets, and a willingness to persist in a course of action (Cooper-Hakim and Viswesvaran, 2005). Porter et al. (1974) defined commitment as a strong belief in and acceptance of the organizational goals, willingness to exert considerable effort on behalf of the organization and a desire to maintain organizational membership. As such, commitment is different from motivation in that commitment influences behavior independently of other motives and attitudes, and may lead to persistence to a course of action even if this conflicts with motives (Meyer et al., 2004; Meyer and Herscovitch, 2001). One aspect of commitment consideration is rooted in terms of exchange or reward-cost notions where the emphasis is on the bargaining between the individual and the organization: the more favorable the exchange, the greater the individuals’ commitment to the organization (Becker, 1960). Interest in organizational commitment has been stimulated largely by its demonstrated positive relationship to work behaviors such as job satisfaction, high productivity, and low turnover (Cohen, 2003), but the field has not conducted enough studies outside the Western countries (Lee et al., 2001; Meyer et al., 2002). Herscovitch and Meyer (2002) defined organizational commitment as the degree to which an employee identifies with the goals and values of the organization and is willing to exert effort to help it succeed. The issue of organizational commitment within both private and public sector organizations has, generally, received significant research focus over the past 25 years (Meyer and Allen, 1997; Mowday, 1998; Hope, 2003). In addition, organizational commitment is viewed as an attitude of attachment to the organization by an employee, which leads to particular job-related behaviours such as work absenteeism, job satisfaction, turnover intentions, organizational citizen behaviours, work motivation and work performance. OC is an exchange agreement between individuals and the organization (Coopey, 1995). OC is an essential element of employees’ PC, which may be understood within the motivational processes of social exchange theory and the norm of reciprocity. Organizational commitment is of considerable interest to psychologists because there is strong evidence of links between high levels of commitment and favorable organizational outcomes. It is a form of psychological contract, which employees make in response to the benefits provided by the organization (Angle and Perry, 1983).
2.2. Job satisfaction
The concept of job satisfaction has been broadly studied in literature, due to the fact that many experts, managers as well as researchers, believe its trends can affect and influence work productivity, employee turnover and employee retention. Satisfaction has been classified into three main classes: intrinsic, extrinsic, and total (Weiss et al., 1967). According to Rose (2001), an employee is intrinsically satisfied if he receives no apparent reward except the activity itself, while extrinsic satisfaction is defined as the opposite concept (that is, an employee is extrinsically satisfied if he receives monetary compensation or other material rewards to modify his behavior). As a consequence of the importance of this concept, it emerges that also the main antecedents of job satisfaction have not to be ignored. Job satisfaction is a pleasurable emotional state resulting from the appraisal of one’s job as achieving or facilitating the achievement of one’s job values (Locke, 1968). Job satisfaction has been found to significantly influence absenteeism, turnover, job performance, and psychological distress (Chen et al., 2006; Spector, 1997). Lee (1988) also revealed that job dissatisfaction is among the best predictors of turnover. Additionally, Williams (1995) found that employee benefits affect their job satisfaction. Nevertheless, several antecedents of job satisfaction have been studied over the years including compensation, opportunity for advancement, leadership style, work environment, organizational structure and climate (Testa, 1999).
Job satisfaction in a narrow context might be accepted as: [..] the feelings or a general attitude of the employees in relation with their jobs and the job components such as the working environment, working conditions, equitable rewards, and communication with the colleagues (Glisson and Durick, 1988; Kim et al., 2005). Locke (1969) defined job satisfaction and dissatisfaction as “that job satisfaction is the pleasurable emotional state resulting from the appraisal of one’s job as achieving or facilitating one’s job values (Schweper, 2001)”. Job dissatisfaction is “the unpleasurable emotional state resulting from the appraisal of one’s job as frustrating or blocking the attainment of one’s values”.
Job satisfaction is defined as “the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs” (Spector, 1997). This definition suggests that job satisfaction is a general or global affective reaction that individuals hold about their job. On the other hand, Locke (1969) defined job satisfaction as a positive emotional feeling, a result of one’s evaluation towards his or her job experience by comparing between what he or she expects from his or her job and what he or she actually gets from it. Researchers in the past suggested that a person’s job satisfaction comes from how he or she feels is more important than the fulfilment or unfulfilment of his or her needs (Locke, 1976). Several determinants of job satisfaction have been established in past researches, such as organizational reward systems, power distribution, individual differences, self esteem, locus of control etc. (e.g. Chen and Silverthorne, 2008). When employees are not satisfied, they tend to shift and look for satisfaction elsewhere.

2.3. Organizational commitment and Job satisfaction
Most of the research has treated job satisfaction as an independent and organizational commitment as a dependent variable (Gaertner, 1999; Jernigan et al., 2002; Lok and Crawford, 2001; Mowday et al., 1982). As Mowday et al. (1982) suggest, commitment and job satisfaction may be seen in several ways. Job satisfaction is a kind of response to a specific job or job-related issues; whereas, commitment is a more global response to an organization. Therefore, commitment should be more consistent than job satisfaction over time and takes longer after one is satisfied with his/her job (Feinstein and Vondrasek, 2001, p. 6). Feinstein and Vondrasek (2001) analyzed the effects of job satisfaction on organizational commitment among the restaurant employees and the findings proved that satisfaction level would predict their commitment to the organization. Gaertner (1999, p. 491) also analyzed the determinants (pay workload, distributive justice, promotional chances, supervisory support, etc.) of job satisfaction and organizational commitment.
Based on the literature review and research objectives, the following hypotheses were derived:

Hypothesis1. Components of job satisfaction are positively related to affective commitment.
Hypothesis2. Components of job satisfaction are positively related to normative commitment.
Hypothesis3. Components of job satisfaction are positively related to Continuance commitment.

3. RESEARCH METHODOLOGY
3.1. Data collection and sample
The present study employs a questionnaire survey approach to collect data for testing the research hypotheses. All independent and dependent variables require five-point Likert style responses ranging from “strongly disagree” to “strongly agree”. A survey is conducted on 280 Iranian Employees in a firm of Services. Data are analyzed using principal components analysis and relationships are tested using linear regression.

3.2 Assessing reliability
The reliability of the measurements in the survey was tested using Cronbach’s alpha (α). Hair et al. (1998) stated that a value of 0.70 and higher is often “considered the criterion for internally consistent established factors. The Cronbach’s alpha coefficients in parentheses indicating the internal consistency reliability of the measures in the six factors are all above the suggested value of 0.70 (Hair et al., 1998).

4. ANALYSIS AND RESULTS
This study attempts to understand the relationships among job satisfaction and organizational commitments. Table-1 displays the means, standard deviations, and correlations of all variables. Table-2 presents the results of regression analysis regarding the effects of job satisfaction on organizational commitments.
Coefficients of Promotions, Personal relationships and Favorable conditions of work are positive and significant for affective commitment (p<0.01, p<0.05, and p<0.05, respectively). These findings indicate that Employees would achieve a higher level of affective commitment if company has well-improved Promotions, Personal relationships and Favorable conditions of work. Accordingly, the results moderately support Hypothesis 1, which states that Components of job satisfaction are positively related to affective commitment.

Coefficients of Promotions, Personal relationships and Favorable conditions of work are positive and significant for normative commitment (p<0.01, p<0.01, and p<0.05, respectively). These findings indicate that Employees would achieve a higher level of normative commitment if company has well-improved Promotions, Personal relationships and Favorable conditions of work. Accordingly, the results moderately support Hypothesis 2, which states that Components of job satisfaction are positively related to normative commitment.

Coefficients of Promotions, Personal relationships and Favorable conditions of work are positive and significant for Continuance commitment (p<0.01, p<0.01, and p<0.01, respectively). These findings indicate that Employees would achieve a higher level of Continuance commitment if company has well-improved Promotions, Personal relationships and Favorable conditions of work. Accordingly, the results moderately support Hypothesis 3, which states that Components of job satisfaction are positively related to Continuance commitment. In summary, all three Components of job satisfaction have the expected signs and also have significant effects on organizational commitment. Accordingly, the results support all of Hypotheses.

<table>
<thead>
<tr>
<th>The Variables</th>
<th>Mean</th>
<th>S.D.</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Promotions</td>
<td>4.36</td>
<td>0.93</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Personal relationships</td>
<td>4.85</td>
<td>0.89</td>
<td>0.25*</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Favorable conditions of work</td>
<td>4.48</td>
<td>1.11</td>
<td>0.28*</td>
<td>0.19*</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. affective commitment</td>
<td>5.16</td>
<td>0.69</td>
<td>0.21*</td>
<td>0.21*</td>
<td>0.56**</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. normative commitment</td>
<td>4.32</td>
<td>0.78</td>
<td>0.53**</td>
<td>0.52**</td>
<td>0.22*</td>
<td>0.24*</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>6. Continuance commitment</td>
<td>5.35</td>
<td>0.84</td>
<td>0.47**</td>
<td>0.51**</td>
<td>0.45**</td>
<td>0.18*</td>
<td>0.41**</td>
<td>1.00</td>
</tr>
</tbody>
</table>

*p <0.05; **p < 0.01

Table-2. Results of regression analyses of organizational commitments.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Affective commitment</th>
<th>Normative commitment</th>
<th>Continuance commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promotions</td>
<td>0.43**</td>
<td>0.53**</td>
<td>0.43**</td>
</tr>
<tr>
<td>Personal relationships</td>
<td>0.21*</td>
<td>0.45**</td>
<td>0.47**</td>
</tr>
<tr>
<td>Favorable conditions of work</td>
<td>0.18*</td>
<td>0.20*</td>
<td>0.51**</td>
</tr>
<tr>
<td>R2</td>
<td>0.42</td>
<td>0.38</td>
<td>0.40</td>
</tr>
<tr>
<td>*</td>
<td>11.22**</td>
<td>13.64**</td>
<td>15.28**</td>
</tr>
</tbody>
</table>

(Two-tailed test). Standardized coefficients are reported.  * p<0.05, ** p<0.01

5. DISCUSSIONS AND CONCLUSIONS
This study examines the role of job satisfaction on organizational commitments. Our results indicate that job satisfaction have positive and significant effects on organizational commitments. These findings highlight the critical roles of Components of job satisfaction in organizational commitments. The practical implication of the results is that managers need to actively improve their firm's job satisfaction to Employees would achieve a higher level of organizational commitments. Furthermore, research suggests appropriate investments in job satisfaction can enhance organizational commitments. This study has some limitations. The first limitation is the number of responses obtained from the survey was rather small. A larger number of responses would probably yield a more accurate finding and so, future research could replicate this study, with the hope that more employees have implemented OC. In addition, since this study only investigates Iranian employees, hence, the findings and conclusions drawn from this research are representative of the Iranian employees, and the findings may not generalize to other geographic regions or cultures. Future studies can also examine the proposed relationships in other countries.
REFERENCE


