

“IMPACT OF JOB SATISFACTION ON
ORGANISATIONAL COMMITMENT: A STUDY ON
PRIVATE BANKS OF CHHATTISGARH”

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ABSTRACT

Employees are one of the most important determinants and leading factors that determine the success of an organization in a competitive environment. The research is carried out to determine whether feelings of job satisfaction would lead to organizational commitment by employees.

Key words: Organizational commitment, job satisfaction, productivity, employees.

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1. INTRODUCTION:

Job satisfaction refers to “a collection of attitudes that workers have about their jobs”. These attitudes may derive from a facet of satisfaction or as an overall aspect of the job; however, the focus of our study is on job satisfaction in the most general term. It is very important to study whether employees are satisfied, because it is intuitively believed that workers who are more satisfied will likely exhibit more positive feelings, thoughts, and actions toward their job. Similarly, studying about whether employees are committed to the organization that they work for is important. By definition, organizational commitment refers to “an attitude that reflects the strength of the linkage between an employee and an organization”. The level of commitment has implications as to whether a person would stay with an organization. Commitment can be identified as three very different types, which include: affective, continuance and normative. However, in this study, the focus will be on commitment in the most general term. Organizational commitment can be ranked as: high, moderate, or low. Thus, managers are interested in maximizing their workers’ level of commitment.

It is important to study the relationship between job satisfaction and organizational commitment; because this research paper will help managers to understand how people work and study general organizational behaviors. The main interest of our research is to investigate whether a bank employee’s job satisfaction will affect his or her level of commitment in the organization. Employees experience low job satisfaction and organizational commitment, it can be very costly. This may be a result of low pay (for lower level positions) and little opportunity for advancement. When workers are dissatisfied, this may create grievances, which can lead to a lower level of organizational commitment. Another reason why we are interested in studying whether job satisfaction would lead to organizational commitment is because this may increase productivity. With an improvement in productivity, organizations will operate better and have higher growth, which is an important goal for most organizations. Thus, a manager should investigate their employees’ level of satisfaction, which can signal whether there is commitment from their workers.

Analyzing the relationship between job satisfaction and organizational commitment is particularly crucial nowadays, as people often do not work at the same organization or job throughout their lifetime. It is also sometimes hard to find suitable people for certain positions. So once an ideal candidate is chosen, organizations will like to make a great effort to retain those employees. If two employees exhibit different levels of job satisfaction and that job satisfaction can be proven to lead to organizational commitment, the employer will likely hire the employee with the higher level of job satisfaction. This is because the employer can expect the more satisfied individual to stay with the organization. Another reason as to why satisfaction will lead to commitment is that a higher level of job satisfaction may lead to a better family life and a reduction in stress. The reason is because an employee's feelings of jobs satisfaction may affect his or her emotions. This feeling will affect the worker's behaviors inside and outside the organization. When a worker is dissatisfied with his or her job, the employee may have negative emotions. The consequence is that he or she may start to think about quitting. The decision process will begin with the individual identifying and evaluating alternatives, about whether to quit or to stay on in their job. The sequence of decisions will change the employee's commitment level. Managers would be most interested in knowing about the relationship between job satisfaction and organizational commitment, because it would become clear as to how important and worthy it would be to retain their most satisfied employees. In turn, having this knowledge would motivate managers to satisfy their employees. This would ultimately benefit the organization, as it is expected that these same employees will be highly committed. When employees are committed, their personal goals may go in line with those of the organization that they work for.

2. LITRETURE REVIEW:

Job satisfaction is simply defined as the affective orientation that an employee has towards his or her work (Price, 2001). In other words, it is an affective reaction to a job that results from the comparison of perceived outcomes with those that are desired (Kam, 1998). Shortly, job satisfaction describes the feelings, attitudes or preferences of individuals regarding work (Chen, 2008). Furthermore, it is the degree to which employees enjoy their jobs (McCloskey and McCain, 1987). And also, it is possible to see a number of theories developed to understand its nature in literature. Vroom (1964), need/value fulfillment theory, states that job satisfaction is

negatively related to the discrepancy between individual needs and the extent to which the job supplies these needs. On the other hand, Porter and Lawler (1968) collect the influences on job satisfaction in two groups of internal and external satisfactory factors. According to them, internal satisfactory factors are related the work itself (such as feeling of independence, feeling of achievement, feeling of victory, self-esteem, feeling of control and other similar feeling obtained from work), whereas external satisfactory factors are not directly related to work itself (such as good relationships with colleagues, high salary, good welfare and utilities). So, the influences on job satisfaction can be also divided into work-related and employee-related factors (Glisson and Durick, 1988). Job satisfaction can be influenced by a variety of factors, for example, the quality of one's relationship with their supervisor, the quality of the physical environment in which they work, the degree of fulfillment in their work, etc. However, there is no strong acceptance among researchers, consultants, etc., that increased job satisfaction produces improved job performance. In fact, improved job satisfaction can sometimes decrease job performance (McNamara, [n.d]; War, 1998). Organizational commitment has an important place in the study of organizational Behavior. This is in part due to the vast number of works that have found relationships between organizational commitment and attitudes and behaviors in the workplace (Porter ET al., 1974, 1976; Koch and Steers, 1978; Angle and Perry, 1981). Furthermore, Batemen and Strasser (1984) state that the reasons for studying organizational commitment are related to“(a) employee behaviors and performance effectiveness, (b) attitudinal, affective, and cognitive constructs such as job satisfaction, (c) characteristics of the employee's job and role, Such as responsibility and (d) personal characteristics of the employee such as age, job tenure” (p. 95-96). Organizational commitment has been studied in the public, private, and non-profit sector, and more recently internationally. A variety of antecedents and outcomes have been identified in the past thirty years (Angle and Perry, 1981; Mowday et al (1979; Hall, 1977).

2.1 DEFINITION OF COMMITMENT:

Multiple definitions of organizational commitment are found in the literature. Bateman and Strasser state that organizational commitment has been operationally defined as “Multidimensional in nature, involving an employee's loyalty to the organization, willingness to exert effort on behalf of the organization, degree of goal and value congruency with the

Organization, and desire to maintain membership” (p.95). Mowday, Steers, and Porter (1979). Identified commitment-related attitudes and commitment-related behaviors. Porter et al. (1974) Schultz, Discuss three major components of organizational commitment as being “a strong belief in and acceptance of the organization’s goals, a willingness to exert considerable effort on behalf of the organization, and a definite desire to maintain organizational membership”. Sheldon (1971) defines commitments as being a positive evaluation of the organization and the organizations goals. According to Buchanan (1974) most scholars define commitment as being a bond between an individual (the employee) and the organization (the employer).

Meyer and Allen (1997) continue to say that employees retain membership out of choice and this is their commitment to the organization.

Continuance commitment is the willingness to remain in an organization because of the investment that the employee has with “nontransferable” investments. Nontransferable investments include things such as retirement, relationships with other employees, or things that Schultz, 4 are special to the organization (Reichers, 1985). Continuance commitment also includes factors such as years of employment or benefits that the employee may receive that are unique to the organization (Reichers, 1985). Meyer and Allen (1997) further explain that employees who share continuance commitment with their employer often make it very difficult for an employee to leave the organization. Normative commitment (Bolon, 1993) is the commitment that a person believes that they have to the organization or their feeling of obligation to their workplace. In 1982, Weiner discusses normative commitment as being a “generalized value of loyalty and duty”. Meyer and Allen (1991) supported this type of commitment prior to Bolon’s definition, with their definition of normative commitment being “a feeling of obligation”. It is argues that normative commitment is only natural due to the way we are raised in society. Normative commitment can be explained by other commitments such as marriage, family, religion, etc. therefore when it comes to one’s commitment to their place of employment they often feel like they have a moral obligation to the organization (Wiener, 1982). Meyer, Allen, & Smith (1993) say that the three types of commitment are a psychological state “that either characterizes the employee’s relationship with the organization or has the implications to affect whether the employee will continue with the organization”. Meyer et al (1993) continue to say that generally the research shows that those employee’s with a strong affective commitment will

remain with an organization because they want to, those with a strong continuance commitment remain because they have to, and those with a normative commitment remain because they feel that they have to.

As the construct develops and evolves over the years, scholars from the various disciplines give their own conceptual definitions as to how the construct should be conceptually defined.

Hall, Scheider and Nygren (1970) define organizational commitment as the “process by which the goals of the organizations and those of the individual become increasingly integrated and congruent”. Sheldon (1971) defines organizational commitment as an attitude or an orientation towards the organizations, which links or attracts the identity of the person to the organizations. Salancik (1977) defines organizational commitment as “a state of being in which an individual becomes bound by actions to beliefs that sustains activities and involvement”. Porter, Steers, Mowday and Boulian (1974), define organizational commitment as “the strength of an individual’s identification with and involvement in a particular organization”.

Organizational commitment can be defined as the strength of an individual’s identification with, and involvement in the organization (Levy, 2003). Organizational commitment is distinguished from job satisfaction in that organizational commitment is “an effective response to the whole organization, while job satisfaction is an effective response to specific aspects of the job. Researchers have also viewed commitment as involving an exchange of behavior in return for valued rewards. According to Scarpello and Ledvinka (1987), for example, organizational commitment is the outcome of a matching process between the individual’s job-related and vocational needs on the one hand and the organization’s ability to satisfy these needs on the other.

3. RESEARCH OBJECTIVES:-

- To study how the satisfaction of employee affect the commitment of employee with the organization.
- To study how the affective, normative and continuance commitment affect the job satisfaction of employees.
- To recognize the need of employees for providing training programmes.

- How individual within an organization can get opportunity to improve the satisfaction level with commitment.
- To offer valuable suggestions to improve the satisfaction level & commitment of employees.

4. HYPOTHESIS:

H0: There is no impact of Job satisfaction on organization commitment.

H1: There is impact of Job satisfaction on organization commitment.

4.1 RESEARCH PLAN

- Research Design: The research design used in the research is exploratory research and descriptive research. Exploratory research has been used initially for identification of factors and for the development of model. The descriptive research was used to collect the data, which was through questionnaire because to identify relationship between psychological ownership and employee retention descriptive research is required.
- Data Collection Method: The data has been collected using survey method.
- Research Instrument: In this research, questionnaire has been used as the research instrument.
- Measurement Scale: The scaling technique used is Likert scale 1-5.

SAMPLE PLAN

- Sampling design: The sampling design used is non-probability sampling.
- Sample Size: The sample size is 50 i.e. middle and senior management staff of different banks.
- Data Inference Method: Factor analysis through SPSS software is used in this study to check that our hypothesis i.e. null hypothesis is accepted or rejected.

Table: 1

Factor Analysis Communalities

	Initial	Extraction
V1	1.000	.870
V2	1.000	.862
V3	1.000	.454
V4	1.000	.554
V5	1.000	.666
V6	1.000	.634
V7	1.000	.660
V8	1.000	.504
V9	1.000	.722
V10	1.000	.683
V11	1.000	.738
V12	1.000	.621
V13	1.000	.603
V14	1.000	.760
V15	1.000	.714
V16	1.000	.569

Extraction Method: Principal Component Analysis.

Table: 2

Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.711	35.692	35.692	5.711	35.692	35.692

2	2.311	14.447	50.139	2.311	14.447	50.139
3	1.382	8.636	58.774	1.382	8.636	58.774
4	1.211	7.567	66.341	1.211	7.567	66.341
5	.971	6.070	72.411			
6	.798	4.986	77.397			
7	.705	4.406	81.803			
8	.603	3.766	85.568			
9	.503	3.144	88.713			
10	.435	2.717	91.430			
11	.368	2.300	93.730			
12	.289	1.806	95.536			
13	.258	1.611	97.147			
14	.222	1.390	98.537			
15	.159	.994	99.531			
16	.075	.469	100.000			

Extraction Method: Principal Component Analysis.

Table: 3

Component Matrix

	Component			
	1	2	3	4
V1	.034	.908	-.199	-.064
V2	.253	.862	-.222	-.071
DV3	.259	.026	-.575	.235
V4	.630	-.354	-.107	.141
V5	.676	-.082	.208	-.398
V6	.515	.104	.364	.475
V7	.784	.100	.103	.153
V8	.644	-.019	-.237	.181

V9	.813	-.154	.142	.133
V10	.632	.249	.152	-.445
V11	.629	-.022	-.116	-.572
V12	.617	-.420	-.112	-.226
V13	.717	.169	.025	.245
V14	-.082	.348	.795	.021
V15	.812	-.219	.050	.065
V16	.641	.358	-.062	.163

Extraction Method: Principal Component Analysis.

a. 4 components extracted.

5. INTERPRETATION:

From the above factor analysis out of 14 factors ,4 factors affect through which my null hypothesis are rejected.

Ho: There is a no significant effect between job satisfaction and organizational commitment.

Ha: There is a no significance effect between job satisfaction and organizational commitment.

6. FINDINGS:

- From the study it is found that 96% employee of banking sectors are satisfied with their job.
- Only 56% people think that emotional attachment with organization affects the satisfaction level of employees.
- Only 46% people are agree that power, perks and other benefits of the organization improves the satisfaction level.
- 62% people think that lack of facilities provided by the organization has direct affect on satisfaction level.

- From the study it is found that normative commitment has less impact on job satisfaction.
- 74% respondent thinks that the perceived cost of leaving good pay, benefits of job affects the satisfaction level.
- Most of the respondent thinks that the job satisfaction and commitment comes from nature of work assigned.
- From the study it is found that training and development programmes are the key to satisfy employees of banking sector.
- 68% people think that the employee commitment helps in the growth of the organization.
- From the research it is found that for the completion of work supervisor should be more supportive.

7 CONCLUSIONS:

As it has been observed from the above findings that job satisfaction does impact organizational commitment. This study further describes that the job satisfaction of employees leads positive sense of organizational commitment. Increased commitment will also increase their efficiency. But to increase the organizational commitment the compensation and supervisory support plays critical role, as the results show that these two are core variables in increasing commitment in banking sector. This strong positive relationship between Job satisfaction and commitment also indicates that more the employee is satisfied with his job more he is willing to intact with the organization. It means that satisfied employee is more devoted to its organization and therefore employee is unlikely to switch job and work hard for the organization.

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