

# Organizational Commitment and Job Satisfaction among Staffs in an Oil and Gas Company

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**Abstract-** *This paper explore organizational commitment relationship towards job satisfaction among staffs in an oil and gas company in Sarawak, Malaysia. Participants included 70 staffs from the engineering department of the company where they responded to a set of questionnaire containing 7 demographic questions, 62 survey items (instruments: Organizational Commitment Questionnaire, Job Satisfaction Survey, and two pre-determined answer questions) hosted by the researcher. Results indicated that only affective commitment was significant and positively related on all aspects of job satisfaction, while normative commitment was only negatively related on one aspects (operating conditions) and continuance commitment on three aspects (operating conditions, promotion, and nature of work) of job satisfaction. The most rewarding aspect of job satisfaction as a staffs in the company was "Pay" (47 responses), and the most frustrating aspect was "operating conditions" (16 responses). A highest number of the respondents were between 26 to 30 years old, Malay, Male, and worked in the company for less than 6 years. Gender was the only demographic variable to have a possible mitigating effect on organizational commitment and job satisfaction.*

**Index Terms-** Affective Commitment, Continuance Commitment, Normative Commitment, Job Satisfaction, Organizational Commitment, Oil and Gas

## I. INTRODUCTION

The price of crude oil was significantly dropped from US\$80 per barrel to US\$30 per barrel and this trending was not seen in over a long time. This sudden and trending fall has had recondite a chain of effect on the entire oil and gas industry all around the world. This cause all of the oil and gas companies in all over the world was highly impacted in terms of financial, mostly. These matters required companies to perform downsizing which includes of restructured, retrenchment and most of the employees were letting go. From the company point of view, little specific method is known to retain the one whom have a better commitment towards organization. Due to current situation occurred where unstable of crude oil price and forecasting for the next 5 years will be maintain low, many who retained are prefer to go for other industries such as manufacturing, construction,

automobile and many more. This caused the inclined of turnover intention among employees. To encounter this problem, the researcher believe that knowing the organizational commitment relationship towards job satisfaction among staffs are vital at this point to ensure Human Resource management (HRM) retaining the skilled and experience ones with the lowest turnover intention.

Many researches have been organized in the area of behavior in organization related to work ethics such as job satisfaction, organizational commitment and organizational culture [1]. The important of organizational commitment was emerged because of its association with the role behavior or behavior outside of its character in any organization such as absenteeism [2]. According to [3], they explained that the variables most general used is organizational commitment as precedents to anticipate job satisfaction which shown less determine of turnover intention.

## II. LITERATURE REVIEW

### A. Organizational Commitment

Organizational commitment refers to attitude and emotion attached to the mission and vision of an organization, to employee's role, involvement, and identification in an organization [3]. In basis, an appraisal of the conformity between an employees' own values and beliefs are aspects to measure organizational commitment of employees in the organization. Individual's willingness to commit to organizational goals is one of the characteristics of organizational commitment. When employees are provided with opportunity to learn and grow, significantly they perceived commitment to remain in their current organization is higher [4]. According to [5], commitment as "a relation and connection of the employee to the organization with multidimensional construct". Different pattern can be taken by commitment and can be controlled at distinctive constituencies in particular organization. Organizational commitment also can be divided into three elements: affective, continuance and normative.

### B. Job Satisfaction

Job satisfaction is a complex construct and describe as a personal's feeling, evaluative and affective impacts towards employee job. Many researches are present which link the job satisfaction with turnover intentions [6]. Job satisfaction and organizational commitment are the most important subjects in the

research of job-related perspective [7]. Job satisfaction can be classify using a one-dimensional model for overall job satisfaction or a multidimensional model capturing the independent aspects that influence the emotional state of job satisfaction. The different aspects are independent and should be measured separately to capture the degree of influence each has on job satisfaction. [8] Utilized seven subscales to measure independent aspects of job satisfaction.

The relationship of organizational commitment towards job satisfaction and turnover intention are more supported by many studies which perceive organizational commitment as a predictor of job satisfaction [9]. As a positive emotional reaction, it is rational to suppose that job satisfaction would be negatively related to behavioral turnover [10]. Consequences of frequent studies have given the proof of a strong negative relationship of job satisfaction with turnover intentions [11]. After an intervention to improve the level of job satisfaction, the reduction of turnover intentions were detected.

### III. METHODOLOGY

#### A. Research Design and Data Collection

Research design employed was a mixed method strategy to explore organizational commitment relationship towards job satisfaction among staffs in an oil and gas company in Sarawak. The quantitative research (descriptive research) method which was determined as main method used to gather the information needed. For this research, questionnaire was divided into four sections to examine the characteristics of the important elements in determine organizational commitment relationship towards job satisfaction among staffs in the engineering department of the company.

In this study, data was collected using a structured questionnaire which consisted of 24 subscale questions which related to the three elements of organizational commitments and 36 subscale questions which related to the nine aspects of job satisfaction. In ensuring the research was conducted smoothly, the researcher was emailed to all staffs and permission to distribute the questionnaire was approved from the head of department. All questions are written in English. The questionnaire was distributed to the selected staffs that represented the population of the engineering department in the company and the researcher explains to the participant their roles to ensure they understand the objectives and the outcome desired from this study. The participants were informed to answer and return the questionnaire to the researcher by hand within one week. It took 15 minutes for participants to answer the questionnaire on average.

#### B. Data Analysis Methods

Data from the survey were analyzed using Statistical Package for the Social Sciences (SPSS). Pearson correlation and *t*-test were used to examine the relationship between variables. The Cronbach's Alpha for job satisfaction is (0.91) and each

elements of organizational commitment: Affective (0.87), Continuance (0.79), and Normative (0.75).

### IV. RESULTS AND DISCUSSION

Male participant were the highest group of respondents for this study at 58.57%. Of the study participants, the largest age group was 26 to 30 years old at 55.71%; nearly half of the staffs were in the younger adulthood age range of 35 years old and below. The highest group of race is Malay with 57.14% followed by Chinese, Others and Indian with 24.29%, 15.71%, and 2.86% respectively. The largest percentage of the respondents, 47.14% had worked 3 to 6 years in the organization. When combined with the next highest frequent length of service, 68.57% had work less than 6 years in the organization. The sample respondents were similar to the population of staffs (provided by HRM) in gender, age, and race; thus the sample can be described as being representative of the population. The correlation matrix, as displayed in Table 1, shows the significant level and the correlations associated with the three elements of organizational commitment and the nine aspects of job satisfaction.

Table 1: Correlation between organizational commitment and job satisfaction

	OCoff	OCnorm	OCcont	JSpay	JSprom	JSsup	JSfrbe	JScrew	JSopc	JScowk	JSnow	JScomm	TotalOC	TotalIS
OCoff	1													
OCnorm	0.298	1												
OCcont	0.154	-0.088	1											
JSpay	0.286	0.057	0.204	1										
JSprom	0.383	0.265	-0.063	0.354	1									
JSsup	0.339	0.320	0.140	0.056	0.263	1								
JSfrbe	0.280	0.093	0.201	0.498	0.062	0.100	1							
JScrew	0.342	0.079	0.132	0.487	0.347	0.375	0.236	1						
JSopc	0.179	-0.069	-0.038	0.152	0.043	0.104	0.002	0.235	1					
JScowk	0.044	0.027	0.012	0.054	-0.176	0.316	0.079	0.056	0.224	1				
JSnow	0.316	0.118	-0.005	0.324	0.071	0.305	0.129	0.358	0.476	0.266	1			
JScomm	0.288	0.128	0.072	-0.022	0.010	0.247	0.152	0.387	0.283	0.189	0.462	1		
TotalOC	0.684	0.555	0.670	0.286	0.256	0.394	0.278	0.274	0.022	0.040	0.193	0.235	1	
TotalIS	0.515	0.221	0.135	0.570	0.427	0.602	0.449	0.698	0.503	0.382	0.688	0.569	0.421	1

The total Organizational Commitment towards total Job Satisfaction shows a moderate relationship (0.421) where affective commitment (0.515), normative commitment (0.221) and continuance commitment (0.135). Affective commitment is the highest correlation towards job satisfaction and were similar with other prior studies in higher education staffs, hotel managers, career counsellors, and certified rehabilitation counsellors [9]. The highest statistical correlation of affective commitment towards job satisfaction were promotion (0.383), contingent rewards (0.342) and supervision (0.339). The findings suggest that staffs of the company who perceived the promotion to be in line with the type of work they desired, were comfortable with their organizations' supervision and chances of contingent rewards, and were more likely to have an affective commitment in this organization. Based on findings of [10], also retrieved a strong relationship of affective commitment towards job satisfaction. The highest positive significant correlation of normative commitment towards job satisfaction were for supervision (0.320), promotion (0.265), and communication (0.128). The findings suggest that staff of the company who felt supported by their supervisor, enjoyed the communication at work, and had promotion options would more likely have a sense of loyalty or normative commitment in this organization.

Negative significant correlations for continuance commitment towards job satisfaction were highest for three aspects of job satisfaction which were promotion (-0.063), operation condition (-0.038), and nature of work (-0.005). The findings suggest that staffs of the company who perceived their workplace to have poor promotion options, were not pleased with the operating condition, and was not comfortable with the nature of work where more likely to have turnover intention in this organization. The researcher believe that the staffs most likely to have turnover intention are low despite this negative relationship translating the lack of promotion, poor operating condition and extreme nature of work, due to the pension or other options were worth staying for and tolerated by knowing that no workplace is ideal.

There were only seven out of nine pre-determined answer were chosen by respondents as their most rewarding aspect. Two answers were not chosen by the respondents were contingent rewards and operating conditions. The highest element of job satisfaction were chosen as rewarding aspect by respondents is pay followed by nature of work and co-workers. All of nine pre-determined answer were chosen by respondents as their most frustrating aspect. The highest element of job satisfaction were chosen as frustrating aspect by respondents is operating conditions followed by supervision and nature of work.

The *t*-test analyses found that there were significantly different between female and male correlation of organizational commitment and job satisfaction by 24.4% and 26.3% respectively at Confidence Interval (CI) at 95%. Some studies have identified that female employees were more committed and satisfied towards their organization compared to male employees [11]. Other control variables such as age, race, organization tenure, and education seemed to have very little linkage with the levels of job satisfaction. This supported by [12] when they stated that age was not related to job satisfaction.

The findings indicated that the staffs had moderate relationship between organizational commitments towards job satisfaction. Based on the observations, the type of jobs the staffs did and their workplace environment may have contributed to this finding. As results suggested that there were several aspects that shall be focusing on by management to ensure the improvement of organizational commitment to increase job satisfaction. For example, staffs perceived that promotion as one of the important aspect because they are fully understand and aware of the requirement to get promoted which are to close gaps in technical assessment, attending skill group trainings, and achieve good rating in Key Performance Indicator (KPI). Little not agree with this requirement because they felt that some of the topics to close gap in technical assessment were not related with the work they did and KPI rating was not always translating the job done. In addition supervision also contributed as one of the important aspect perceived by staffs in the company. By providing the learning opportunities of skill development for

technical managers may have implication on the organizational commitment and job satisfaction among staffs in the company.

## V. CONCLUSION

This paper presents an inclusive review on organizational commitment relationship towards job satisfaction among staffs in an oil and gas company. Through survey conducted, it was prevalent that there were significant and positively organizational commitment relationship towards job satisfaction among staffs. The incorporation of improving organizational commitment of staffs in the company would be important step in addressing the job satisfaction among them. The admixture of the results of the relationship could be part of the company success planning, employee policies, staffs training and development, and operating procedures of the oil and gas company.

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