The effect of employee satisfaction and organizational commitment: A conceptual Review

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Abstract

The main purpose of this study is to investigate the effect of employee satisfaction and organizational commitment. Accordingly, this paper attempts to review the articles and research papers based on employee satisfaction and organizational commitment on work at different institutions. In identifying the effect of employee satisfaction and their organizational commitment to work, the researcher incorporated a survey methodology in which the researcher did an in depth analysis into the relevant literature and sources. The analysis of relevant literature and discussion suggest that there is a better co-relation between these two variables namely employee commitment and satisfaction and organizational commitment.

Keywords: Job satisfaction, Employee commitment, employee–employer relationships, working environment

1. Introduction

Employee satisfaction and retention are very important issues for an organization. And also it is very essential to people who study the relationship between employee satisfaction and organizational commitment (Syptak et al., 1991). One studies have paid attention to employee satisfaction in a private religious institutions (Schroeder, 2003).

There is an interest in employee satisfaction. Roznowski and Hullin (1992) explained that after an individual is rented, knowledge of the employees’ satisfaction becomes the very essential part of data in an organization.

Robbins (1998) explained about the important of job satisfaction. A satisfied workforce gains higher outputs. Employee absenteeism, departure of good employees and incidences of destructive employee behavior are less disruptions for an organization. One of a research has been done in this area. But still there are some major controversies such as what are the main factors that contribute to employee satisfaction and dissatisfaction. Employee achievement, the work itself, job recognition, advancement and responsibility are gained the employee motivation and satisfaction. These are the intrinsic factors for the employee satisfaction (Hackman and Oldman, 1980; Herzberg, 1957). Some studies highlight wage, policies of the company and administrative as well as supervisory practices are important for employee satisfaction. These factors explained as extrinsic factors (Butler, 1982; Gruenburg, 1980; Herzberg, 1957; Seybolt, 1976).

Linkages have become progressively essential in modern society. Mowday et al. (1982), employee–employer relationships and social linkages are the important things for employee commitment to the organization. The quality of employee and employer relationships is important for an organization as well as individual and the society. These consequences include both negative and positive consequences. Turnover, low productivity, tardiness, absenteeism and theft influence for negative behaviors. Loyalty,
high productivity, dedication, punctuality and commitment has no impact to positive behavior. Positive behaviors encourage the organization’s success (Newstorm and Davis, 1997). Strong linkages are help to the wellbeing of an entity (Tyree, 1996). Wood (1976) emphasizes, “the health of a higher educational institution depends on the job satisfaction of its employees”. Problems related to job satisfaction and organizational commitments among employees within different types of organizations have been studied broadly by the researches in different countries. Spector (1997) described that job dissatisfaction and poor commitment of employees lead to negative repercussions in an organization. Employees’ absenteeism, lack of interest in the work and high employee turnover are few examples. Lack of promotional opportunities, poor working environment, employee relations and unsatisfied supervision are some of the factors that affect job satisfaction of employees. Herzberg (1959) in his motivation theory explained that some of the employees motivated to perform an activity for its own sake and personal rewards. And the other type of employee are motivated to perform an activity to earn a reward or avoid punishment. Large number of researches have been done to find out the factors that influence to the employees satisfaction and organizational commitment. (Oshagbemi 2003; Lu et al.2005; Horton 2006; Chen et al. 2006). Chen et al. (2006) developed a model of six factors to measure the satisfaction of university teachers, namely organization vision, respect, result feedback and motivation, management system, pay and benefits and work environment.

2. Purpose of the Study

The employee satisfaction is a crucial factor for the advancement of any organization. Employees’ commitment for the development of an organization and the satisfaction of their customers are greatly influenced by the employee satisfaction. Employees are considered as the internal customers of an organization. Hence their satisfaction with the existing working environment of the organization will support to achieve the long term and short term financial and non-financial goals of an organization.

Employee satisfaction has been given the minimum attention in many organizations. Most of the mangers have not recognized the importance of job satisfaction. Therefore, most of the organizations are not gaining the maximum contribution from its employees. There are many factors that affect the dissatisfaction of the employees which cause financial as well as non-financial problems to the organization.

Most of the organization focus and invest to increase their customer satisfaction and pay minimum attention on employee job satisfaction which affect one of the most important factor for the sustainable development of any organization. Continues less attention or less zero investment on human capital development will affect the organization to move away from its main goals and objectives and make them less competitive in the market. Therefore it is important to study and understand how the organizational commitment impact on employee satisfaction. Hence the purpose of this study is to identify the relationship between employee satisfaction and the organizational commitment.

3. Literature Review

The employee satisfaction is the most acceptable and the most widely used theory than any other theories of motivation (Alexander, 1985; Iredale, 1985; Schroeder, 2003; Srisawat, 1990; Thorn, 1985) explains that the motivation–hygiene theory is preferred over the alternative theories. Because it becomes a tool of the management and had motivated many empirical and theoretical studies related to employee satisfaction and commitment.
To motivate employees, it is essential to supply one or more satisfiers of Herzberg’s. Those satisfiers can be explained as motivators, comprised a sense of achievement, creative or challenging work, advancement opportunities, responsibility and recognition. These factors are helpful to develop and grow employee as a person and professional.

This theory shows that not only hygiene factors to avoid employee dissatisfaction. But it is essential to provide factors intrinsic to work it. There are numerous discussions over issues about the relationship between job satisfaction and organizational commitment. Few researchers have explained that the employee satisfaction is a predictor of organizational commitment (Dramstad, 2004; Ferris, 1986; Meixner and Bline, 1989; Porter et al., 1974; Price, 1977; Rose, 1991; Williams and Hazer, 1986). Some other studies have explained organizational commitment as a predictor of employee satisfaction (Aranya and Ferris, 1984; Aranya et al., 1984; Bateman and Strasser, 1984; Lachman and Aranya, 1986; McGregor et al., 1989). However these studies have suggested a different causal procedure between employee satisfaction and organizational commitment.

Hygiene Factors - Herzberg stated that hygiene factors relate to the environment in which the task is carried out and do not directly relate to the task. The hygiene factors are the causes of job dissatisfaction on the job and the existence of negative hygiene factors will lead to employee dissatisfaction and unhappiness. However, employee satisfaction will not be attained by improving these factors. Improving hygiene factors is preventing the impediments of Job dissatisfaction. He concluded that it is the presence of job dissatisfaction that makes employees to leave a company (Herzberg, Mausner and Snyderman, 1959). Therefore, this will be the benchmark of evaluating the implementation of hygiene factors.

Motivation Factors - Herzberg stated that the motivation factors relate directly to the task being performed. The motivational factors were the primary cause of job satisfaction and a decline in these factors would not lead to job dissatisfaction. The individual would just go back to the original neutral level (Herzberg, Mausner and Snyderman, 1959). Therefore, this will be the benchmark of evaluating the implementation of motivation factors.

The job satisfaction can be define as an employee's affect to their job based on comparing real outcomes with preferred outcomes (Cranny, Smith, and Stone, 1992). In generally it can be recognized as a multifaceted construct. It is included employee feelings about a variety of both internal and external job elements (Howard and Frink, 1996). Porter and Steers (1973) controvert that the extent of employee satisfaction is reflected in the cumulative level of met worker expectations.

There are certain features with preferential values which are expected by the employees from their jobs such as pay, promotion, autonomy etc. The importance of these preferences can be differ across individuals, but when the unfulfilled expectations are accumulated, there is less job satisfaction and then they leave the career (Feilds, 2002) indeed, some interest in employee satisfaction is focused basically on its effect on absenteeism, intentions to quit, employee commitment and real turnover (Agho, Mueller, and Price, 1993). But some studies have explained the variance in turnover is a level of satisfaction. It may be smaller than originally thought (Hom and Griffeth, 1991; Lee, Mitchell, Holtom, McDaniel, and Hill, 1999). One other study presented that employees who changed jobs and moved into a new job had higher levels of satisfaction in the new job (Riza and Ganzach, 2014). The facets of meaningful work and promotion opportunities can be identified as important predictors of intentions to leave an organization. Mathieu’s (1990) test has explained the effects of a variety of antecedents on organizational commitment were mediated by their impact on employee satisfaction (Feilds, 2002).

Aspects of the situation of work have been shown to be determinants of employee satisfaction (Arvey, Carter, and Buerkley, 1991). A broad situational factor, job level, is positively related with satisfaction with all aspects of the job. Because higher-level jobs effect to have better working conditions, promotion opportunities, pay, autonomy, supervision and responsibility (Feilds,
2002) found that perceptions that employees have about numerous aspects of their work environment (management climate, job content, reward fairness, employee influence and promotion opportunities) described job satisfaction. This study also indicates different patterns of work satisfaction at different age levels for non-college graduates (U shape), non-elite professionals (downward sloping) and elite professionals (upward sloping). Personal characteristics such as age, gender, education level, and pay grade did not contribute incrementally in explaining the variance in work satisfaction beyond that explained by variables describing the job situation. In Fields (2002) evaluation of alternative confirmatory factor models found that job satisfaction and the personality tendencies of negative and positive affectivity were empirically distinct. Job satisfaction can be described as a satisfactory favorable emotional state resulting from the administration of one’s job, an effective reaction to one’s job and an attitude towards one’s job (Weiss, 2011). According to this definition, we form attitudes towards our career by considering our feelings, beliefs, and behaviors. Cranney et al. (1992) explained that employee satisfaction is a contribution of cognitive and affective responses to the differential perceptions of employees. (Cranney, Smith, and Stone, 1992) Researchers like Porter and Lawler define job satisfaction as a one-dimensional construct; that is, you are generally satisfied or dissatisfied with your job (Porter and Lawyer, 1968). In contrast, Smith, Kendall and Hulin dispute that job satisfaction is something multidimensional; that means you may be more or less satisfied with your career, your supervisor, pay and the workplace (Smith, Kendall and Hulin, 1985). Two main theories that have always been referred in job satisfaction are Maslow’s theory of needs and Herzberg’s two factor theory. Maslow’s theory has explained five levels of individual needs. They are self-actualization and esteem needs at the top level whilst social, safety and physiological needs at the bottom. This theory has frequently been used to conceptualize employee’s motivation based on the different levels of needs. Maslow assumes that some needs are more important than other needs and must be satisfied before the other needs can serve as motivator (Maslow, 1959). However, studies dating back to Herzberg's have shown that workers satisfaction is as a result of motivation factors whereas dissatisfaction are a result of hygiene factors (Herzberg 1957). It is logical that more satisfied workers will tend to add more value to an organization. Unhappy employees will not give 100 percent of their effort for very long (Herzberg 1957) For the organization, job satisfaction of its workers means a workforce that is motivated and committed to high quality performance. Increased productivity, the quantity and quality of output per hour worked seems to be a byproduct of improved quality of working life. It is significant to note that there is no conclusive or stable literature on the relationship between job satisfaction and productivity. (Spector, 1997)

4. Discussions

To understand the causes of employee (dis) satisfaction, Frederick Herzberg (1957) conducted a study that was later revalidated in 2003 by Harvard business school. In the late 1950s, many people considered Frederick Herzberg as a pioneer in motivation theory and he did a research with a group of employees to find out what made them satisfied and dissatisfied on the job. Based on his findings, Herzberg created a two-dimensional paradigm of factors affecting employee’s attitudes about work, intrinsic (Hygiene) and extrinsic (Motivators) factors as: Hygiene Factors Salary, Supervision, Company and Administration policy, Interpersonal relationship, Job security and Working conditions: Motivation Factors Achievement and recognition, Responsibility, Work itself Growth and advancement. These factors are directly influencing for employee job satisfaction and their commitment.

Tansel and Gazioglu (2014) indicate there are four measures of job satisfaction; they are satisfaction with influence over job, satisfaction with amount of pay, satisfaction with sense of achievement and satisfaction with respect received from supervisors. The survey is rich in individual characteristics and workplace characteristics. A matched Employer-Employee survey and a rich set of questions on work conditions and management-employee relations were included in this research. The results in this research is to support the following propositions. First, the management employee relationships are not much content in large firms. However, there is also evidence that large firms are likely to compensate for their size by providing regular discussions of promotion possibilities, training needs and pay issues. Second we observe lower levels of job satisfaction in larger firms as it is
often reported in the literature. Third, the observed lower levels of job satisfaction in the large firms may be due to weak management-employee relationships. As per this study; staffing issues, pay issues, health and safety at work, chances of promotion, training needs, and management-employee relationships are influencing factors for employee job satisfaction and their commitment.

Chen et al.,(2006) has introduced an employee satisfaction model for higher education. That study had used relevant academic literature to establish a satisfactory model for the university teachers in Chin Min Institute of Technology which is a private university situated in middle Taiwan. Using a questionnaire based on the Importance of satisfaction model, 248 teachers were administered the questionnaire, to investigate and analyze their importance of satisfaction level. There are six dimensions in this model. They are organization vision, respect, result feedback and motivation, management system, pay and benefit and work environment.

An individual or an employee who is already satisfied with basic needs will focus on social needs and esteem needs. Accordingly, the college teachers who are already satisfied with physiological and safety or security needs focuses on higher salaries and fair promotion system (Chen, Yang, Shiau, and Wang 2006). Therefore, salaries and promotion system are directly influencing employee’s job satisfaction and their commitment.

Humborstad and Perry (2011) employee job attitude were measured using job satisfaction and organizational commitment. Although it has tested the turnover intention to inspect the mediating role of employee attitudes in this relationship. By this research employee job attitudes were measured by using job satisfaction and organizational commitment.

Humborstad and Perry (2011) have developed a model of the mechanisms of their empowerment that includes the variables of job attitudes. These variables of job attitudes combine employee satisfaction with affective organizational commitment.

Employee empowerment gives employees greater autonomy and responsibility in handling daily activities (Haas, 2010). It allows employees to solve problem themselves (Humborstad and Perry, 2011). Researches in the West suggest to stimulate the untapped human resources to empower employees (Spreitzer, 2008). Empowerment efforts in China need to be linked with the creation of positive attitudes for it to deliver the desired output for an organization. Positive attitudes can be created through wider communication on empowerment efforts, and stronger organizational and supervisor support (Sut, Wong and Chad 2011) Positive attitudes create pleasant working environment. In this situations can see supervisors are parsing and acknowledging employees. Therefore, the above factors can be introduced as influencing factors for employee job satisfaction and their commitment.

Cho and Park (2011) investigated the role of trust within one US federal agency, the Federal Administration, by examining the relationship among several managerial practices, trust and employee attitudes including employee satisfaction and organizational commitment. Trust is very essential for employee job satisfaction and their commitment.Cho and Park (2011) has identified three types of trusts. Basically, they have divided into two as fallows: Vertical Trustsand Horizontal trust. Vertical trust means Trust in management and Trust in supervisors. Vertical trust means Trust in management and Trust in supervisors. Horizontal trusts mean Trust in co-workers.

Trust in management has a larger effect in commitment than the other two forms. Trust in management is substantially associated with employee satisfaction and organizational commitment. Having trustworthy supervisors increase thee supervisor employee satisfaction but it does not increase commitment. Because employee consider supervisor as separate from the organizations. Trust in co-workers is positively related to satisfaction and commitment.
However, compared to trust in management, trust in co-workers is weekly related to satisfaction and commitment. Trust in management, trust in supervisor and trust in co-workers are influencing factors for employee job satisfaction and their commitment.

Bjerke, Ind and Paoli (2007) have explained that the aesthetic environment in work places creates positive feelings and the removal of existing nice environment would create dissatisfaction.

This correlates with Herzberg’s argument (Herzberg, 1957) that environment and working conditions influence people’s dissatisfaction with their work, whereas people are seldom made satisfied by a good environment – that relies primarily on the job itself. Employees working with business clients are happier when the workplace have aesthetic feature (Bjerke, Ind, and Paoli 2007).

According to Bjerke, Ind and Paoli (2007), a strong organizational culture contributes to strengthened feelings of identity among employees. The clearer the company values are defined and explained, the stronger the sense of being a part of the organization. The degree is determined by the length of time an employee work for a company, the importance of their job, the quality of employee working environment and the quality of the colleagues. Bjerke, Ind and Paoli (2007) has identified pleasant working environment, nice colleagues, and varied job tasks as motivational – and satisfaction factors. The analysis of the interviews explained that employee satisfaction seemed good. There could be an impact of physical environment on the satisfaction employees. But they didn’t think that people were so aware of the influential power of art, design and architecture.

In general, respondents believed that a nice environment created positive feelings among them and several respondents agreed that if the unique art, design and architecture at Telenor was “removed” or changed, dissatisfaction could well increase. This tie in with Herzberg’s argument (Herzberg, 1957) that environment and working conditions influence people’s dissatisfaction with their work, whereas people are seldom made satisfied by a good environment – that relies primarily on the job itself.

Several of those working with business clients mentioned a sense of pride also because of the art, design, and architecture, particularly when they had customer meetings at the company site, and when they took customers on a tour to show art, design, and architecture.

When employees identify themselves with the culture, the working environment will have a tendency to become more pleasant and this again may increase morale. Telenor says that employees seem to identify with the company and its culture, the internal co-operation may become better and new ideas welcomed. Employees who are allowed to work with a greater freedom and flexibility are more creative than the employees with less freedom and flexibility. The open space office leads to greater creativity because of the possibility to exchange ideas and thoughts with colleagues.

Nicholas and Paoli (2007) suggest that there could be a link between physical environments, creativity, and the provision of service quality. If this explained that the environment contributes to performance improvement and to a change in motivation. Physical environment motivate them to provide a better service quality to customers. A strong organizational culture leads to stronger employee performance.

Brown and Sargeant (2007) has stated age, education, gender, Occupational area and tenure, salary and fringe benefits, organizational policy and administration are influential factors for employee job satisfaction and their commitment. Brown and Sargeant(2007) found the longer employees stayed at their institution, the higher the levels of organizational commitment and employee satisfaction.

Wang and O’Reilly (2010) examined the relationships among dispositional sources of value preferences and personality attributes, organizational commitment and satisfaction. He has identified four types of models for employee job satisfaction and
their commitment. They are; Direct effects of dispositions on organizational commitment, direct effects of dispositions on organizational satisfaction, direct effects of dispositions on organizational satisfaction, which in turn explains organizational commitment and Mediation effects of organizational satisfaction on the relationship between dispositions and organizational commitment.

Wang and O’Reilly (2010) has focused on two types of organizational commitment: instrumental commitment and normative commitment (Caldwell, Chatman and O’Relly, 1990) The instrumental commitment focuses on reward-based incentives of the organization and the nature of an exchange relationship between the individual and the organization, while the normative commitment refers to individuals’ commitment to the organization because of the internal factors of the organization. These might include for example, the norms, values and culture that characterize the organization, which are shared by individuals and the organization.

The models of direct effect of disposition on organizational commitment as well as the mediation effect of organizational satisfaction on the relationship between disposition and organizational commitment.

Piketon Research and Extension Center -1998: James R. Lindner, a researcher and extension Associate of The Ohio State University conducted a research study on employees’ satisfaction at Piketon Research and Extensions center (Linder.1998).

The employees were requested to rank the importance of the following ten factors of Herzberg’s theory. They are job security, sympathetic help with personal problems, personal loyalty to employees, interesting work, good working conditions, tactful discipline, good wages, promotions and growth in the organization, feeling of being in on things, and full appreciation of work done. The research design of this study employed a descriptive survey method. The target population of this study included employees at the Piketon Research and Extension Center and Enterprise Center (centers). The centers are in Piketon, Ohio. The ranked order of factors were Interesting work – motivation factor, good wages – hygiene factor, full appreciation of work done – motivation factor, job security - hygiene factor, working condition - hygiene factor, promotion and growth - motivation factor, responsibility - motivation factor, personal loyalty to employees - hygiene factor, supervision - hygiene factor and interpersonal - hygiene factor.

Canada 2003: Employees satisfaction research was conducted in twelve different studies in Canada (Ouedraogo and Leclerc, 2013). The sample of the studies were a wide cross-section of different industries and job classes, and included lower level supervisor. The findings from this study reviewed that the top two motivators leading to employee satisfaction were achievement, and recognition for the achievement. These are the motivation factors. The top two de-motivators leading to employee dissatisfaction were bureaucratic and unfair company policies and administration, and poor supervision. These are the hygiene factors (Ouedraogo and Leclerc, 2013). The findings are in line with Herzberg’s findings on factors that satisfy and dissatisfy employees (Herzberg, Mausner and Snyderman, 1959). It is essential to note that an average wage did not lead to employee satisfaction. And also it is not lead to job dissatisfaction. An inadequate wage however resulted in employee dissatisfaction.

Herzberg’s Research: Herzberg conducted an employee satisfaction research study on 200 Pittsburgh engineers and accountants in the 1940’s. Herzberg's research used a pioneering approach, based on open questioning that was explorative approach and very few assumptions to gather and analyze details. Herzberg's combined this approach with open interviews in order to get more meaningful results than the conventional practice of asking closed (basically yes/no) or multiple-choice or extent-based questions. In his studies, he discovered that the factors that produced job satisfaction were separate and distinct from those that lead to employee dissatisfaction. However, the extrinsic factors (motivators) were the primary cause of employee satisfaction
and the intrinsic factors were the causes of dissatisfaction on the job. He concluded that it is the presence of employee dissatisfaction and unhappiness that makes employees to leave a company (Herzberg, 1957).

5. The conclusion and future research direction

Internal factors have an effect on job satisfaction and employee commitment. The focus is on factors that management can control to improve employee satisfaction and commitment. The job satisfaction survey should be conducted from time to time. In the future surveys can also focus on “External factors that have an effect on job satisfaction and employee commitment”.

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