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A Study on Inter-relativity of Job Satisfaction & Employee Commitment in Global Organisations

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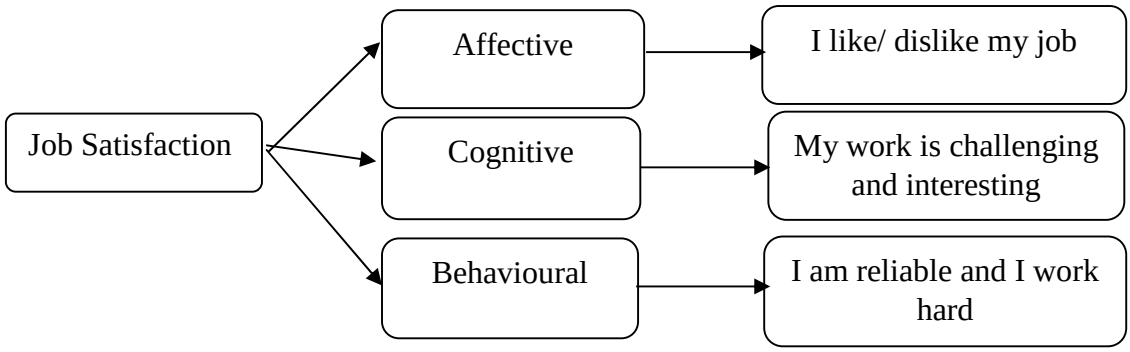
Abstract: *Personnel are of paramount importance for the success of any organisation. In the modern era of MNC culture, employees are looking more for job satisfaction than for financial gains. So, for any organisation to be successful, personnel job satisfaction has become an important factor. If employees are satisfied with organization's policies there will be lesser employee turnover rate in the organization. Therefore, the organizational commitment and job satisfaction are interrelated and are strong contributors in any organization & many a times success of the organization depends on these two factors. Employees in the MNCs experience different working cultures and employment relationships. Therefore, it can be assumed that their attitude towards their job and organization, and relationships between them, are different. This study investigates more about changing the corporate culture in order to meet their goals and initiatives and most importantly to connect employees to the company's core values and beliefs. It is important to have Person-organisation fit in order to have job satisfaction to be committed in meeting organisational objectives. Hence,* ***the primary objective of this research is to study the relationship between job satisfaction and employee commitment to the organisation.***

Keywords: Personnel Job satisfaction, Employee Commitment, Employee turnover, Organisational Success

I. INTRODUCTION

Job satisfaction or employee satisfaction has been defined in many different ways. "Job satisfaction is defined as "the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs" - Spector, 1997. This definition suggests job satisfaction is a general or global affective reaction that individuals hold about their job. While researchers and practitioners most often measure global job satisfaction, there is also interest in measuring different "facets" or "dimensions" of satisfaction. Examination of these facet conditions is often useful for a more careful examination of employee satisfaction with critical job factors.

A more recent definition of the concept of job satisfaction is from Hulin and Judge (2003), who have noted that job satisfaction includes multidimensional psychological responses to an individual's job, and that these personal responses have cognitive (evaluative), affective (or emotional), and behavioural components. Job satisfaction scales vary in the extent to which they assess the affective feelings about the job or the cognitive assessment of the job. Affective job satisfaction is a subjective construct representing an emotional feeling individual have about their job. Hence, affective job satisfaction for individuals reflects the degree of pleasure or happiness their job in general induces. Cognitive job satisfaction is a more objective and logical evaluation of various facets of a job. Cognitive job satisfaction can be unidimensional if it comprises evaluation of just one facet of a job, such as pay or maternity leave, or multidimensional if two or more facets of a job are simultaneously evaluated. Cognitive job satisfaction does not assess the degree of pleasure or happiness that arises from specific job facets, but rather gauges the extent to which those job facets are judged by the job holder to be satisfactory in comparison with objectives they themselves set or with other jobs. While cognitive job satisfaction might help to bring about affective job satisfaction, the two constructs are distinct, not necessarily directly related, and have different antecedents and consequences.



Organisational commitment has grown in popularity in the literature on industrial and organisational psychology (Cohen, 2003). Early studies on organisational commitment viewed the concept as a single dimension, based on an attitudinal perspective, embracing identification, involvement and loyalty (Porter, Steers, Mowday & Boulian, 1974). According to Porter et al (1974) an attitudinal perspective refers to the psychological attachment or affective commitment formed by an employee in relation to his identification and involvement with the respective organisation. Porter et al (1974, p 604) further describes organisational commitment as "an attachment to the organisation, characterised by an intention to remain in it; an identification with the values and goals of the organisation; and a willingness to exert extra effort on its behalf". Individuals consider the extent to which their own values and goals relate to that of the organisation as part of organisational commitment, therefore it is considered to be the linkage between the individual employee and the organisation.

It is the individual's psychological attachment to the organization. The basis behind many of these studies was to find ways to improve how workers feel about their jobs so that these workers would become more committed to their organizations. Organizational commitment predicts work variables such as turnover, organizational citizenship behaviour, and job performance. Some of the factors such as role stress, empowerment, job insecurity and employability, and distribution of leadership have been shown to be connected to a worker's sense of organizational commitment. employee experiences a 'sense of oneness' with their organization.

II. OBJECTIVES OF THE STUDY

The objective of this paper is to provide an awareness of job satisfaction and organizational commitment in Multinational Companies (MNC's) and its impact on Organisational long- term success. The focus is on the relationship between job satisfaction and organizational commitment, and the underlying variables.

III. RESEARCH METHODOLOGY

Design of the Study

Descriptive research design was used in the present study to describe a situation and its data characteristics. It is used to learn about the frequency, percentages etc. However, it never answers questions like what, where, how etc. Which is done under analytic research? Descriptive research methods are used when the researcher wants to describe specific behaviour as it occurs in the environment. There are a variety of descriptive research methods available, and once again, the nature of the question that needs to be answered drives which method is used.

Data Sources

Secondary Data: from the websites, e-journals, magazines, newspapers and books

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IV. LITERATURE REVIEW

In this research, three theories have been used to explain Job Satisfaction and Organisational Commitment and inter-relativity between them.

i) Maslow's Need Hierarchy Theory (1943)

ii) Meyer & Allen Organisational Commitment Theory (1984)

iii) Currivan's Casual Model (1999)

i) Maslow's Need Hierarchy Theory:

Maslow's hierarchy of needs is a theory in psychology proposed by Abraham Maslow in his 1943 paper "A Theory of Human Motivation" in *Psychological Review*. Maslow subsequently extended the idea to include his observations of humans' innate curiosity. His theories parallel many other theories of human developmental psychology, some of which focus on describing the stages of growth in humans. Maslow used the terms "physiological", "safety", "belonging" and "love", "esteem", "self-actualization", and "self-transcendence" to describe the pattern that human motivations generally move through. The goal of Maslow's Theory is to attain the sixth level or stage: self transcendent needs. Maslow's hierarchy of needs is often portrayed in the shape of a pyramid with the largest, most fundamental needs at the bottom and the need for self-actualization and self-transcendence at the top.

The most fundamental and basic four layers of the pyramid contain what Maslow called "deficiency needs" or "d-needs": esteem, friendship and love, security, and physical needs. If these "deficiency needs" are not met – with the exception of the most fundamental (physiological) need – there may not be a physical indication, but the individual will feel anxious and tense. Maslow's theory suggests that the most basic level of needs must be met before the individual will strongly desire (or focus motivation upon) the secondary or higher level needs. Maslow also coined the term "metamotivation" to describe the motivation of people who go beyond the scope of the basic needs and strive for constant betterment.

The human brain is a complex system and has parallel processes running at the same time, thus many different motivations from various levels of Maslow's hierarchy can occur at the same time. Maslow spoke clearly about these levels and their satisfaction in terms such as "relative", "general", and "primarily". Instead of stating that the individual focuses on a certain need at any given time, Maslow stated that a certain need "dominates" the human organism. Thus Maslow acknowledged the likelihood that the different levels of motivation could occur at any time in the human mind, but he focused on identifying the basic types of motivation and the order in which they would tend to be met.

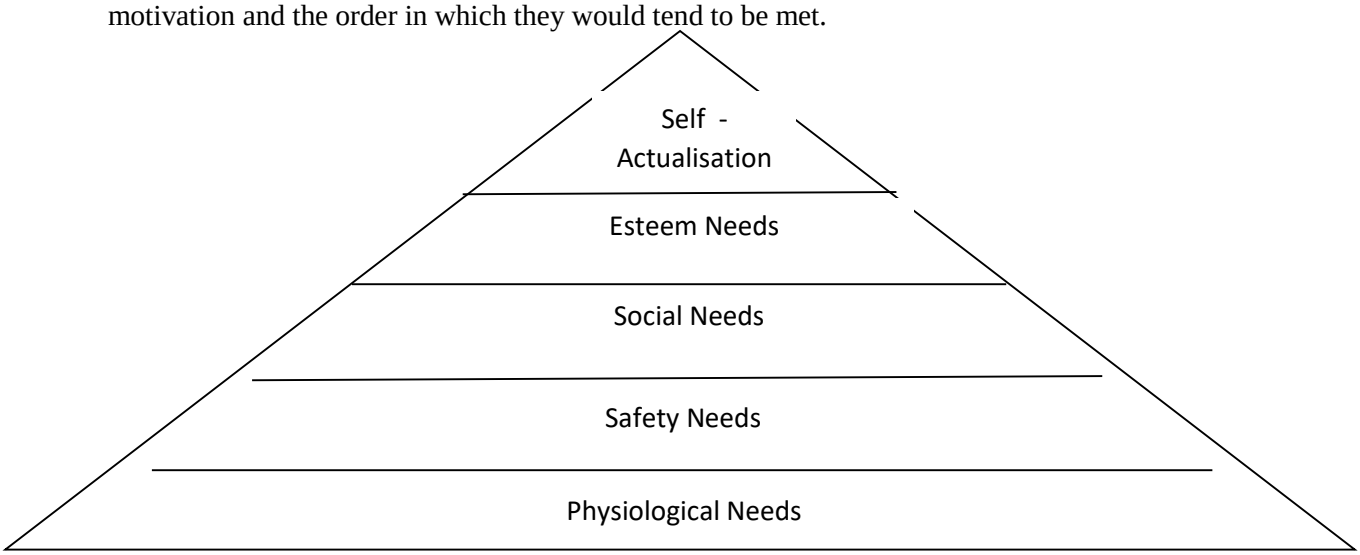


Fig: 1 Maslow's Need hierarchy theory

ii) Meyer & Allen Organisational Commitment Theory:

Meyer and Allen (1984) initially viewed organisational commitment as two dimensional namely, affective and continuance. Meyer and Allen (1984) defined the first dimension, namely affective commitment as "positive feelings of identification with, attachment to and involvement in the work organisation", and they defined the second dimension, namely continuance commitment as "the extent which employees feel committed to their organisation by virtue of the costs that they feel are associated with leaving". After further research, Allen and Meyer (1990) added a third dimension, namely normative commitment. Allen and Meyer (1990) define normative commitment as "the employee's feelings of obligation to remain with the organisation". Consequently, the concept organisational commitment is described as a tri-dimensional concept, characterised by the affective, continuance and normative dimensions (Meyer & Allen, 1991).

Definitions of the concept organisational commitment include the description by O'Reilly (1989), "an individual's psychological bond to the organisation, including a sense of job involvement, loyalty and belief in the values of the organisation". Organisational commitment from this point of view is characterised by employee's acceptance of organisational goals and their willingness to exert effort on behalf of the organisation (Miller & Lee, 2001).

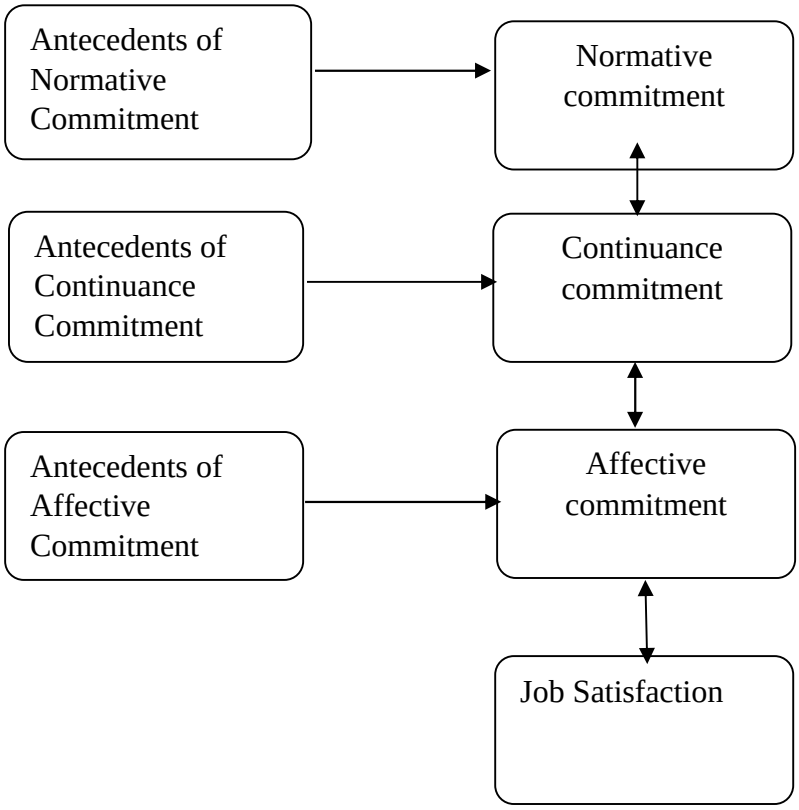


Fig:2 Meyer and Allen Organisation commitment theory

iii) The Casual Model (Currivan, 1999)

Currivan (1999) proposed ambitious research that suggested four possible causal models (satisfaction comes before commitment, commitment comes before satisfaction, satisfaction and commitment have a reciprocal relationship, and satisfaction and commitment have no significant relationship), assuming the view dominant up to now, that job satisfaction was the cause of greater organisational commitment.

In relation to the background, we can highlight the positive relationship with peer support, with superiors (supervisor support) or with pay satisfaction, and negative relationships with unclear promotion expectations (role ambiguity) and excessive workload, among other things (Currivan, 1999). With regard to behavioural outcomes, it is common to find a positive relationship with most of the behaviours that organisations desire (e.g. the intention to continue in the organisation, organisational citizenship behaviour, performance).

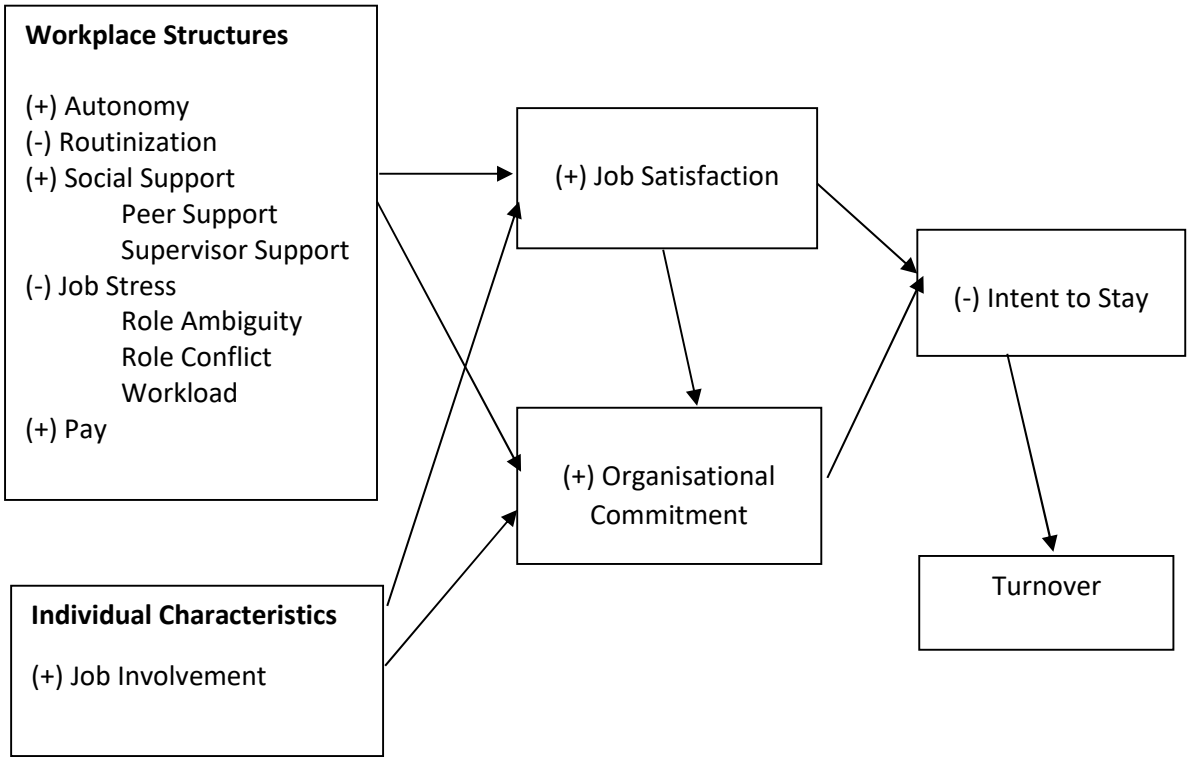


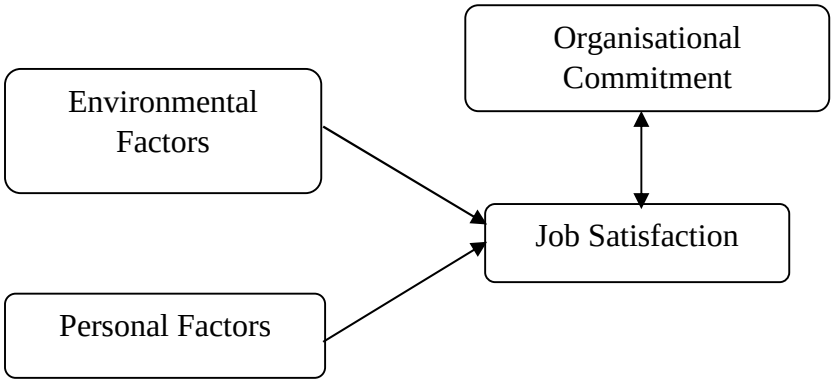
Fig:3 Currivan's Casual Model (1999)

V. THE FACTORS AFFECTING JOB SATISFACTION & ORGANISATIONAL COMMITMENT:

Job satisfaction and organizational commitment are different concepts, but several meta-analyses have concluded that there is high correlation between the two variables (Mathieu & Zajac, 1990; Meyer et al., 2002). It is difficult to separate the two concepts completely as the theory suggests that they share many factors, and it is therefore natural to wonder whether these terms actually are different. Several researches have shown a causal relationship between organizational commitment and job satisfaction, while others have shown that job satisfaction is a determinant of organizational commitment (Mathieu, 1991).

An important argument regarding job satisfaction and affective organizational commitment is the similarity of the cognitive processes. In current job satisfaction theory, the feelings and attitudes towards the job are emphasized. In affective organizational commitment, it is about the emotional connection and involvement a person has with the organization (Meyer et al., 2002).

While organizational commitment tends to develop slowly and steadily because it is affected by continuous evaluations, job satisfaction is less stable as it is affected by daily events (Porter et al., 1974).



Example stating Relationship between Job Satisfaction & Organisational Commitment:

Commitment and Satisfaction may both be caused by some other determinant(s), thus generating the observed relationships between the two variables. This situation is not unlike the one where we measure the temperature of a glass of water and the diameter of a balloon which are in the same room. There will be a strong correlation between these measures, but not because of a causal linkage between the two. The relationship exists only because both measurements respond to the temperature of the room: as the room gets warmer, the temperature of the water rises, and the air inside the balloon expands. In this way, commitment and satisfaction might both be caused by common determinants which are still poorly understood.

Job Satisfaction Factors

1) *Communication Overload and underload:* Individuals in an organization can experience communication over-load and communication under- load which can affect their level of job satisfaction. Communication overload can occur when "an individual receives too many messages in a short period of time which can result in unprocessed information or when an individual faces more complex messages that are more difficult to process." Due to this process, "given an individual's style of work and motivation to complete a task, when more inputs exist than outputs, the individual perceives a condition of overload which can be positively or negatively related to job satisfaction.

2) *Superior-subordinate communication:* Superior-subordinate communication is an important influence on job satisfaction in the workplace. The way in which subordinates perceive a supervisor's behaviour can positively or negatively influence job satisfaction. Communication behaviour such as facial expression, eye contact, vocal expression, and body movement is crucial to the superior-subordinate relationship (Teven, p. 156). Nonverbal messages play a central role in interpersonal interactions with respect to impression formation, deception, attraction, social influence, and emotional. A supervisor who uses nonverbal immediacy, friendliness, and open communication lines is more likely to receive positive feedback and high job satisfaction from a subordinate. Conversely, a supervisor who is antisocial, unfriendly, and unwilling to communicate will naturally receive negative feedback and create low job satisfaction in their subordinates in the workplace.

3) *Strategic Employee Recognition:* Employee recognition is not only about gifts and points. It's about changing the corporate culture in order to meet goals and initiatives and most importantly to connect employees to the company's core values and beliefs. Strategic employee recognition is seen as the most important program not only to improve employee retention and motivation but also to positively influence the financial situation. The difference between the traditional approach (gifts and points) and strategic recognition is the ability to serve as a serious business influencer that can advance a company's strategic objectives in a measurable way.

4) *Psychological Well-being:* Psychological well-being (PWB) is defined as "the overall effectiveness of an individual's psychological functioning" as related to primary facets of one's life: work, family, community, etc. There are three defining characteristics of PWB. First, it is a phenomenological event, meaning that people are happy when they subjectively believe themselves to be so. Second, well-being involves some emotional conditions. Particularly, psychologically well people are more prone to experience positive emotions and less prone to experience negative emotions. Third, well-being refers to one's life as a whole. It is a global evaluation.

Organisational Commitment Factors

5) *Role Stress:* Dysfunctions in role performance have been associated with a large number of consequences, almost always negative, which affect the wellbeing of workers and functioning of organizations. An individual's experience of receiving incompatible or conflicting requests (role conflict) and/or the lack of enough information to carry out his/her job (role ambiguity) are causes of role stress. Role ambiguity and conflict decrease worker's performance and are positively related to the probability of the workers leaving the organization. Role conflict and ambiguity have been proposed as determining factors of workers' job satisfaction and organizational commitment.

6) *Empowerment:* Empowerment has been considered 'energizing followers through leadership, enhancing self-efficacy by reducing powerlessness and increasing intrinsic task motivation.' A psychological view of empowerment describes it as 'a process of intrinsic motivation, perceived control, competence, and energizing towards achieving goals.' There are two prominent concepts of empowerment. The first is Structural Empowerment which comes from the Organizational/Management Theory and is described as the ability to get things done and to mobilize resources. The second is Psychological Empowerment which comes from Social Psychological models and is described as psychological perceptions/attitudes of employees about their work and their organizational roles.

7) *Job insecurity and employability:* In a study conducted by De Cuyper research found that workers who were on fixed-term contracts or considered "temporary workers" reported higher levels of job insecurity than permanent workers. Job insecurity was found to negatively correlate with job satisfaction and affective organizational commitment in permanent workers. The study also found that job satisfaction and organizational commitment were highly correlated with being a permanent worker

8) *Distribution of leadership:* The impact of the distribution of leadership and leadership support among workers and how that affected job satisfaction and commitment. The study found that there was a strong relationship between organizational commitment and the cohesion of the leadership team and the amount of leadership support. Previously held beliefs about job satisfaction and commitment among workers was that they were negatively correlated with absenteeism and turnover and positively correlated with job effort and job performance. This study examined how one leader (usually a principal) effected the job satisfaction and commitment of workers. The study found that when leadership was distributed by the 'leader' out to the workers reported higher job satisfaction and organizational commitment than when most of the leadership fell to one person. Even when it was only the perception of distributed leadership roles workers still reported high levels of job satisfaction/commitment.

Factors Affecting the Direct Relation Between Job Satisfaction and Organisational Commitment

9) *Financial Incentives:* Money has always been used to attract, maintain and motivate employees and to achieve organizational goals in the interest of the owner (Tang, Luna-Arocas & Whiteside, 2003; Tang, Luna-Arocas, Sutarso & Tang, 2004). Previous findings also suggested that money attitude both significantly moderated and mediated self-reported income and pay satisfaction relationship (Tang et al., 2004). Similarly, Lawler (1971) found that people with a high level of money need strength, have a high pay expectation, and a large discrepancy between what they receive and what they expect to receive would lead to pay dissatisfaction. Thus, it seems that for employees, who value money highly, money is their major driving force of working. There is a significant positive relationship between employees' and their organizational commitment.

10) *Career Development:* Career development is of central concern for employees and performance appraisals determine the career development for them. If employees are satisfied with the performance appraisal they probably see more a prosperous career development for themselves. Naturally, if they perceive a prosperous future within their current company they will feel more attached to their company. There is a significant positive relationship between employees' satisfaction and their organizational commitment.

11) *Job Security:* Extensive studies also proved that job security led to greater organizational commitment and job performance (Ashford, Lee & Bobko, 1989; Iverson, 1996, Morris, Lydka & O'Creevy, 1993; Rosenblatt & Ruvio, 1996).When examining employees' job satisfaction, one aspect that should be taken into account is the job's security. It follows logically that the more employees are satisfied with job security, the more they will be committed to the organizations to maintain their jobs in the organizations. Accordingly, there is a significant positive relationship between employees' satisfaction with and organizational commitment.

VI. IN MODERN ERA (MNC'S):

In today's world, Human Resource Management have become a major aspect in any company. The HR Department in any organisation will try to improve higher level of job satisfaction of employees through various techniques like awards program, job rotation, internal promotion scheme, family tours, and training processes. Job Satisfaction is in general perpetual in nature and is a continuous process. Organisations majorly measure job satisfaction in employees by increased individual productivity and reduced absenteeism, errors and turnovers. Job satisfaction is also related to one's feeling or state of mind regarding nature of their work. Job can be influenced by variety of factors like quality of one's relationship with their supervisor, quality of physical environment in which they work, degree of fulfilment in their work, etc.

On the other hand, it is said that these days it is much more common that people change jobs and companies during their career than it has been before. It is not certain that employees will stay within one company once hired for the whole work life. Now companies should pay more attention to retain the talents. When employee feels committed to the organization, he or she will not change the company easily. Secondly, it has been in the media that it is more challenging to get younger employees committed to the organization. These employees are more and more committed to their job or career rather than the organization. This will be a challenge also for the companies' HR departments in the more competitive employment market.

Regardless, the employers should consider the workers' job satisfaction and organizational commitment at an individual level rather than group level based on the employees' background. Today, it may seem that the way employers handle their employees in multicultural work environments is a success, as there is no significant difference in the way people from different cultures feel about their work. However, the job satisfaction and organizational commitment are not static, indicating that the employees' opinions change over time. There will always be a dilemma of satisfying all the employees, and it is therefore important that the management properly integrates all their employees into the company, for example through courses and other means of improving intercultural communication. In the end, it is all about accomplishing the best possible employee

job satisfaction and organizational commitment, with the purpose to avoid inefficiency, turnover and absenteeism that can reduce the company's bottlenecks.

VII. CONCLUSION

During the last few decades, the models of organisational commitment and job satisfaction, mainly studied in a classic work organisation framework, have given relevant evidence of their importance in inducing desired and undesired behaviours in organisations. In this paper, we have reviewed the main theories underlying these results. Consequently, the management and recruitment departments, based on classic models, have been introducing variables into their policies and practices aimed at increasing commitment and satisfaction. As stated above, the profiles of professional careers are changing and so are labour relations, increasing substantially the number of people who do contingent work. For individuals holding more than one job, if we ignore the role played by the attitudes and experiences associated with a second occupation, we lose very relevant information, and we will not be able to understand the dynamic of this group. This invites us to show new lines of research and further study the possible psychological interactions that cause these specific characteristics. Based on these future results, organisations will decide whether to keep the current policies or, on the contrary, whether to adapt to these new specific scenarios in which Western societies are evolving, changing the recruitment model and the possible incentives policies.

Some of the suggestions to improve Job Satisfaction and increase Organisational Commitment of employee are:

1) Provide a positive working environment
2) Reward and recognition
3) Involve and increase employee engagement
4) Develop the skills and potential of your workforce
5) Evaluate and measure job satisfaction

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