

The Impact of Organizational Commitment on Job Satisfaction and Job Performance: An Empirical Study from Pakistan

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Abstract: The purpose of the research was to understand the possible impact of organizational commitment on job satisfaction and job performance, and to expand the research findings to different organizations. The research is based on 133 selected questionnaires from the employees of 03 randomly selected commercial banks of district Multan. Regression analysis was conducted to get the results. The results revealed that there is a significant relationship among Organizational Commitment, Job Satisfaction and Job performance. It was concluded that organizational commitment had a positive impact on Job satisfaction and Job Performance.

Keywords: Organizational Commitment, Job Satisfaction, Job performance.

I. Introduction

Because of the substantial influence on work attitudes like job satisfaction, employee turnover, employee performance, and employee absenteeism, the organizational commitment has become the centre of attention for many research studies. Scholars have defined organizational commitment in different ways depending on their background and research. However, according to Mowday, Steers, & Porter [1] organizational commitment is based on three pillars:

- 1) A resilient confidence and recognition of the organization's goals and morals.
- 2) A readiness to exercise a substantial work for the organization.
- 3) A solid intention to remain loyal with the organization.

Many researchers have explored the associations of organizational commitment with job satisfaction and performance [2; 3; 4; 5; 6; 7; 8; 9; 10]. Fitzgerald et al. [11] analysed that execution of operative services essentially relies upon human resources. We should also acknowledge the influence of other variables on efficiency, like internal relationships and substructures. According to Locke [12] and Spector [13] job satisfaction is an affirmative motive state which is the result of a descendent pleasure of a worker from his job and as the affective and intellectual attitudes alleged by an employee about numerous facets of their work [14; 15; 16; 17].

The purpose of the current research was to understand the possible association of organizational commitment with job satisfaction and job performance and to expand the research knowledge to the different organizations.

II. Literature Review

2.1 Job satisfaction

According to Mosadeghrad [18], we can define job satisfaction as an employee's sentimental response to a job which is constructed on a comparison between authentic outcomes and desired outcomes. Generally, job satisfaction is known as a many-sided construct, which embraces employee feelings about both fundamental and extrinsic job elements.

According to Hoy and Miskel [19], organisational characteristics, individual characteristics, and task characteristics have an impact on job satisfaction. According to Quarstein et al. [20], before the instigation of service, individual appraises the situational faces while situational occurrences are valued later. Generally, satisfaction is the combined function of situational characteristics and situational occurrences [20]. Work itself, pay, promotion, supervision and relationship with co-workers are the situational faces which are thought to be the key factors regarding employees' satisfaction [21].

Demographic features such as age, gender, tenure, and education also have an impact on job satisfaction and there have been voluminous studies to check their impact on job satisfaction [22; 23; 24; 25; 26; 27]. According to Euske et al. [28], supposing that increase in job satisfaction indicates the high performance, or that great performers are pleased with their jobs will be hasty, that is why connection between job satisfaction and performance is still having answerable questions. Many researches indicated a fragile tie [29; 30] while the rest [31; 13] propose a probable association between satisfaction and performance. According to

Euske et al., [28] this relationship is still blurred and it cannot be presumed that satisfaction leads to extraordinary performance, or that great performers are automatically satisfied with their jobs.

2.2 Organizational Commitment, Job Satisfaction and Job Performance

Organizational commitment in relation to job satisfaction has received considerable attention in past research, researchers like: Rizzo, House and Litzman [32], Porter and Steers [33], Oliver and Brief [34] have discussed the relationship of organizational commitment with different variables.

Many researches have discussed the positive relationship between organizational commitment and job satisfaction [35; 36; 37; 5; 6; 9]. Instead, Curry et al. [38] concluded that there is no relationship between the two variables. Vandenberg and Lance [39] found that job satisfaction is created through organizational commitment. Several previous studies have examined the relationship between organizational commitment and job performance. For example, some studies confirmed that organizational commitment and job performance are highly correlated [40]. Brett et al. [7] analysed the association between organizational commitment and performance with economic reliance on work as a moderator. According to them, those with low monetary requirements have stronger relationships between organizational commitment and performance than those with high requirements. According to Putti et al. [41] there exists a bond between these two variables.

An analysis was conducted to check the relationship between organizational Commitment and job performance by Mayer and Schoorman [42], which revealed that performance was highly associated with organizational commitment. Leong et al [43] observed a fragile association between organizational commitment and job performance, on the other hand Kalleberg and Marsden [8] observed a modest correlation between these two variables. While a negative association between measures of organizational commitment and job performance was highlighted by Wright [44]. Whereas Freshly, Benkhoff [10] observed a relationship between organizational commitment and job performance.

III. Research Hypotheses

The study intended to test the following hypotheses:

- H1:** Organizational Commitment is positively associated with employees' job satisfaction.
- H2:** Organizational Commitment is positively associated with employees' job performance.

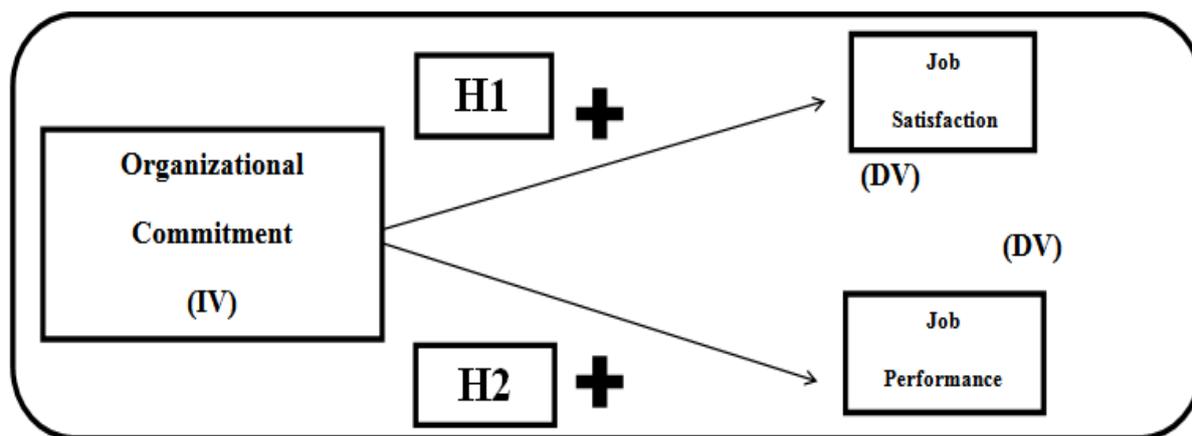


Figure 1: Relationship of Organizational Commitment with Job Satisfaction and Job Performance.

IV. Methodology

4.1 Sample and data collection

Three commercial banks were selected using the simple random sampling technique for the purpose of data collection. Then the branches of the banks were also selected by following the simple random sampling technique. 200 questionnaires were administered out of which 133 were complete and useable. The overall response rate remained 66.5%. Out of 133 respondents, 75 respondents (56.4%) belonged to Habib Bank Limited (HBL), 32 respondents (24.1%) belonged National Bank of Pakistan (NBP) and 26 respondents (19.5%) belonged to J.S. Bank. A statement of purpose was also attached with each questionnaire which explained the aims of this study and guaranteed the confidentiality of data. Out of 133 respondents, 95 respondents (71.4 %) were male, whereas 38 (28.6%) were female. Other demographic characteristics of the sample are given in Table – 1: Demographic Analysis of the Sample.

Table – 1: Demographic Analysis of the Sample

Description		Frequency	Percentage
Bank Name	Habib Bank Limited (HBL)	75	56.4
	National Bank of Pakistan (NBP)	32	24.1
	J.S. Bank	26	19.5
Gender	Male	95	71.4
	Female	38	28.6
Qualification	Masters	73	54.9
	Bachelors	55	41.4
	Others	5	3.8
Experience	0-2 years	43	32.3
	2-5 years	62	46.6
	5-10 years	15	11.3
	More than 10 years	13	9.8
Age	20-30 years	43	32.3
	31-40 years	62	46.6
	41-50 years	15	11.3
	51-60 years	13	9.8

4.2 Measures

The variables of the study were measured as follows:

4.2.1 Organizational Commitment

To measure organizational commitment Mowday et al. [1] Organizational Commitment Questionnaire (OCQ) was used. The internal validity (Cronbach's alpha) of the items was measured at 0.89, which is considered as a good measure of the intrnal validity. A seven point scale ranging from 1 (strongly disagree) to 7 (strongly agree) was employed. The average score of all items was calculated to measure the organizational commitment. This instrument and procedure has been previously used in many researchs e.g. [45; 46].

4.2.2 Job Performance

The job performance was measured on the bases of two dimensions of performance, which are:

- 1) Quality of performance
- 2) Productivity

The instrument was adopted from Stevens et al. [47]. The internal validity (Cronbach's alpha) of the items was measured at 0.79, which is considered as a good measure of the intrnal validity. A seven point scale ranging from 1 (very low) to 7 (very high) was employed. The average score of all items was calculated to measure the job performance.

4.2.3 Job Satisfaction

Job satisfaction was measured with the help of a scale developed by Van de Ven and Ferry [48]. A seven point scale was used to measure the job satisfaction ranging from 1 (highly dissatisfied) to 7 highly satisfied. Many other researches also used this scale to measure the job satisfaction e.g. Begley and Czajka [49] and Bhuian and Islam[50].

V. Results

Table 2 represents the outcomes of regression analysis, which validates the relationship of organizational commitment with job satisfaction and job performance. Value of R represents the strength of connotation between independent variable and dependent variable and R value lies between 0-1 [51]. The R value, closer to 1.00 demonstrates a strong link between independent variable and dependent variable vice versa. The outcomes of the study are as following:

- 1- Regression analysis of organizational commitment and job satisfaction shown that organizational commitment causes 37% change in job satisfaction while the rest 63% is the inexplicable variability. As R value (0.61) displayed a stout and noteworthy ($F=78.36$, $P<.05$) association between organizational commitment and job satisfaction.
- 2- Regression analysis of organizational commitment and job performance shown that 16% change in job performance is because of the organizational commitment, while the rest 84% is the unexplained variability. R value as .40 shown a reasonable ($F=25.244$, $P<.05$) association between organizational commitment and job performance.

Table – 2

Associations	R	R-Square	F	Sig
Organizational Commitment and Job Satisfaction	0.61	0.37	78.36	0.000
Organizational Commitment and Job Performance	0.40	0.16	25.20	0.000

VI. Conclusion

Results presented in Table – 2 support our H1 and H2. This study has proved the relationship of Organizational Commitment with Job Satisfaction and Job Performance in banking sector of district Multan, Pakistan. The results helped us to comprehend that organizational commitment has a positive effect on job satisfaction and job performance in banking sector of district Multan, Pakistan.

VII. Limitations and Future Research Areas

The study was limited to the banking sector of district Multan, Pakistan only. Future research efforts may be targetted to the other business sectors and districts of Pakistan. The current study utilized a sample of 133 respondents, whereas future studies may be conducted by using the larger sample sizes.

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