



## ORGANIZATIONAL COMMITMENT MEDIATES THE RELATIONSHIP BETWEEN JOB SATISFACTION AND ORGANIZATIONAL PRODUCTIVITY

Pankaj Tripathi

### Abstract

*This study aims to examine the relationship model of job satisfaction, organizational commitment, and organizational productivity. This research was conducted at the manufacturing company in Gurgaon, India with a sample of 128 employees. Testing four models of the relationship is done by using structural equation modeling with AMOS program. Results of this study show that most models fit to the data are partially mediated model of organizational commitment. This study confirmed previous research showing that states that job satisfaction and organizational commitment showed a positive and significant relationship. Organizational commitment and job satisfaction also showed a positive and significant relationship with Organizational productivity. In addition, supervisor support is stronger predictor organizational productivity than job satisfaction.*

**Key words:** Organizational Commitment, Job Satisfaction, Organizational Productivity.

### Introduction

Much research has been conducted in organizational behavior related to work attitudes such as organizational commitment, organizational productivity and job satisfaction.

### Job Satisfaction

Extensive literature concerning job satisfaction indicates that, across a variety of work settings, job satisfaction is an important work-place construct that is of concern for effective management. Job satisfaction is defined as “a pleasurable or positive emotional state resulting from the appraisal of one’s job” (including various facets of that job). Job satisfaction can be broken down into three general areas: the values that an individual has or wants, the perception of how the organization meets these values and their relative importance to the individual (Locke, 1976). Job satisfaction has been linked to positive workplace outcomes such as increased organizational commitment, with workers having high levels of job satisfaction being more likely to be committed to the organization (Brown and Peterson, 1993). Furthermore, individuals with higher levels of job satisfaction are less likely to seek

out a different job (Sager, 1994) or to leave the organization (Boles, Johnson, and Hair, 1997).

### **Organizational Commitment**

Organizational commitment is closely related to job satisfaction. While there are several ways to define organizational commitment, all of the definitions include the attachment of the individual to the organization. A meta-analysis of numerous studies of organizational commitment suggests that it may in fact be a collection of elements that need to be studied in a broader context (Eby, Freeman, Rush, and Lance, 1999). However, organizational commitment is generally considered to include three broad components: an acceptance of the organization's goals, a willingness to work hard for the organization, and a desire to remain with the organization (Steers and Porter, 1979).

### **Organizational Productivity**

Productivity is a measure of effectiveness of the transformation process indicating how the resources are being utilized. It can be interpreted as relationship between the physical resources used in production and the units of output produced in a specified period of time. From one perspective on organizational productivity, productivity may be defined as follows:  $\text{Productivity} = \text{Output} / \text{Input}$ .

### **Literature Review**

Job satisfaction and organizational commitment have been shown to be positively related to performance (Benkhoff, 1997; Klein & Ritti, 1984), and negatively related to turnover (Clugston, 2000; Mathieu & Zajac, 1990) and turnover intent (Lum, Kervin, Clark, Reid & Sirola, 1998). The vast majority of research indicates a positive relationship between satisfaction and commitment (Aranya, Kushnir & Valency, 1986; Boshoff & Mels, 1995; Harrison & Hubbard, 1998; Johnston *et al.*, 1990; Knoop, 1995; Kreitner & Kinicki, 1992; Morrison, 1997; Norris & Niebuhr, 1984; Ting, 1997) and their relationship has an influence on performance and turnover intent (Benkhoff, 1997; Clugston, 2000; Klein & Ritti, 1984; Lum, *et al.*, 1998; Mathieu & Zajac, 1990).

Several studies have been conducted which demonstrated the relationship between job satisfaction and organizational commitment. A study conducted in five Lebanese banks by Dirani and Kuchinke (2011) on the relationship between job satisfaction and organizational commitment, results showed that job satisfaction and organizational commitment were significantly correlated and satisfaction was a

predictor of commitment. This is similar to the study conducted by Malik, Nawab, Naeem and Danish (2010); Suma and Lesha (2013); Ahmad and Oranya (2010); and Tripathi. P. (2015) since they also found that there is a significant and positive correlation between job satisfaction and organizational commitment.

In a study carried out by Aydogdu and Asikgil (2011) on the employees working in the service and production industry, results showed a significant relationship between affective commitment and job satisfaction. Results also showed that there is a significant relationship between job satisfaction and normative commitment. Aydogdu and Asigil (2011) also found out a significant and positive relationship between job satisfaction and continuance commitment. In contrast, study conducted by Ahmad and Oranya (2010) showed that there is no significant correlation between job satisfaction and continuance commitment.

In the past many empirical research has indicated that there is a low correlation between job satisfaction, commitment, and the intention to leave an organization, which suggests that no direct relationship exists. There are satisfied, committed employees who decide to leave, and dissatisfied, ambivalent employees who steadfastly remain at their jobs (Nunn, 2000; Norizan, 2012).

### **Configuration Model and Hypotheses Formulation**

When testing the theory using structural equation model, Anderson and Gerbing (1988) suggested comparing the main theoretical models with other models most likely as a competing model. The first main theoretical model of interest is presented in Model 1 as a fully mediated model whereby organizational commitment mediates the relationship between job satisfaction and organizational productivity. Model 2 discusses a model in which a partially mediated model whereby organizational commitment mediates the relationship between job satisfaction and organizational productivity. In this model, job satisfaction also directly affects turnover intention.

#### **Model 1**

Structural model in Figure 1 proposes that job satisfaction affects organizational commitment, which in turn affects the organizational productivity. Previous research has developed a significant relationship between the organizational commitment and job satisfaction. Various researchers have made the case that job satisfaction is a predictor of

organizational commitment (Gaertner, 1999; Jernigan *et al.*, 2002; Lok & Crawford, 2001; Dunham *et al.*, 1994; Somers, 1993; Dougherty, Bluedorn, & Keon, 1985; Clugston, 2000). Organizational commitment is a more global response to an organization, whereas job satisfaction is more a response to a specific job or various aspects of the work. Job satisfaction is an attitude toward working conditions and organizational commitment is a desire to work fully in the organization is not only to do certain tasks.

In the first model of this study, as in most of the studies, the model suggests that job satisfaction is an antecedent of organizational commitment. In this model, job satisfaction indirectly affects organizational productivity. Based on this, the hypothesis can be constructed is

H1 Job satisfaction effects on organizational productivity are mediated by organizational commitment.



**Figure 1: Fully Mediated Organizational Commitment Model**

Model 2

Figure 2 proposes that job satisfaction directly influence organizational commitment, and organizational productivity, and the organizational commitment also mediates the effect of job satisfaction on organizational productivity. The researchers previously found that job satisfaction has a direct and positive impact on the organizational productivity. Based on this, the hypothesis can be constructed is

H2 Job satisfaction affects directly both organizational commitment and organizational productivity.



**Figure 2: Partially Mediated Multidimensional Organizational Commitment Model**

**Methods**

**Sample and Procedure**

This study use self-administered questionnaires were distributed to collect individual data on the respondents. The sample consisted of 128 employees from manufacturing industries in Gurgaon, India. The mean age of the employees was 36.44 years. 31.88% of employees were B.E. /B. Tech, 5.79% were B.C.A., 44.79% were M. Tech and 17.39% of employees were M.C.A.

**Measures**

The instruments were designed for individual level unit of analysis. Each respondent in the study was required to complete three measures: organizational commitment, job satisfaction, and organizational productivity. To examine the participants’ job satisfaction status (Camman, Fichman, Jenkins, and Flesh (1984), “job satisfaction scale” consisting of three items with 5 Likert scale as “1 = strongly disagree, 5 = strongly agree” is applied. To examine organizational productivity, Spreitzer and Mishra (1999) “organizational productivity scale” consisting of five items with 5 Likert scale as “1 = strongly disagree, 5 = strongly agree” is applied. Organizational commitment was measured using Bozeman and Perrew’s (2001), nine item scale having 5-point response category. Responses were obtained on a five point scale ranging ‘strongly disagree’ (1) to ‘strongly agree’ (5).

**Descriptive Statistics, Scale Reliabilities and Inter Correlations**

Based on theoretical and empirical estimations, bivariate correlations between organizational commitment and job satisfaction are positive. Bivariate correlations between organizational commitment and organizational productivity, job satisfaction and organizational productivity are positive. Means, standard deviation, scale reliabilities, and inter correlations between all variables are provided in Table 1.

*Table 1: Means, Standard Deviations, and Inter Correlations among the Study Variables*

<i>Variables</i>	<i>N</i>	<i>Mean</i>	<i>SD</i>	<i>Cronbach's Alpha</i>	<i>1</i>	<i>2</i>	<i>3</i>
Organizational commitment	128	2.56	.69	.82	1.000		
Job Satisfaction	128	11.88	2.11	.91	.816**	1.000	
Organizational Productivity	128	13.20	4.37	.81	.881**	.719**	1.000

*Notes: correlation is significant at the 0.01 level (2-tailed)*

**Results**

Table 2 presents the result of model 1, fully mediated organizational commitment model. Job satisfaction has a positive impact on organizational commitment. Organizational commitment have positive impact on organizational productivity. Job satisfaction effects on organizational productivity are mediated by organizational commitment, H1 is supported.

*Table 2: Result of Model 1 - Fully Mediated Organizational Commitment Model*

<i>Model 1</i>		$\beta$	<i>Critical Ratio</i>
<i>GFI = .566, CFI = .632, NFI = .534, Chi-Square = 835.180, d.f. = 117, RMR = .212, RMSE = .220</i>			
Job Satisfaction	Organizational Commitment	.559**	6.505
Organizational Commitment	Organizational Productivity	.447**	5.351

*GFI= Goodness-of-fit index, CFI= Comparative fit index, RMR= Root mean square residual RMSE=Root-mean-square error of approximation*

Table 3 presents the result of model 2, partially mediated organizational commitment model. Job satisfaction has a positive impact on organizational commitment. Organizational commitment have positive impact on organizational productivity. Impact of job satisfaction on organizational productivity is significant. Job satisfaction affects directly organizational commitment and organizational productivity, H2 is supported.

*Table 3: Result of Model 2 – Partially Mediated Multidimensional Organizational Commitment Model*

<i>Model 2</i>		$\beta$	<i>Critical Ratio</i>
<i>GFI = .636, CFI = .576, NFI = .544, Chi-Square = 816.790, d.f. = 116, RMR = .236, RMSE = .218</i>			
Job Satisfaction	Organizational Commitment	.582**	6.809
Organizational Commitment	Organizational Productivity	.638**	5.261
Job Satisfaction	Organizational Productivity	.432**	6.165

*GFI= Goodness-of-fit index, CFI= Comparative fit index, RMR= Root mean square residual RMSE= Root-mean-square error of approximation*

Structural equation model (SEM), also known as path analysis, causal modeling, or analysis of covariance structures, compares how well data fit a model that specifies relationships among variables Trimble, 2006). Multiple models can be proposed to describe a data set. SEM allows for comparison to set which one has superior fit. Indexes of

fit can be classified into two broad categories (Nasser & Takahashi, 2003). The first includes absolute indexes such as Chi-Square ( $\chi^2$ ), Chi-Square: degrees of freedom ( $\chi^2$ : df), the root-mean-square error of approximation (RMSEA), and expected cross-validation index (ECVI). The second category includes three types of incremental indexes of fit, such as normed fit index (NFI), the Tucker-Lewis index (TLI), and the comparative fit index (CFI). Stressing different indexes emphasize different aspects of fit. Consequently, in theory, obtaining different indications of model fit is possible. Table 6 presents the fit indices for the structural equation models examined in this study. The goodness-of-fit index (GFI) and adjusted goodness of-fit index (AGFI) can be classified as absolute indexes of fit because they basically compare the hypothesized model with no model at all. Although both indexes range from zero to 1.00, with values close to 1.00 being indicative of good fit (Byrne, 2001). Based on GFI value reported in Table 4, Model 1 and 2 have values 0.632 and 0.576 respectively. So we can conclude that our hypothesized model does not fit the sample data or we can say marginal fit.

Values for both normed fit index (NFI) and comparative fit index (CFI) ranged from zero to 1.00. Although a value  $> 0.90$  was originally considered representative of well fitting model, a revised cutoff value close to 0.95 has recently been advised. Based on NFI and CFI value reported in Table 4, Model 1 has value CFI and NFI 0.632 and 0.534 respectively. We can conclude that our hypothesized model 1 is marginal fit the sample data. Model 2 has value CFI and NFI 0.576 and 0.544 respectively. We can conclude that our hypothesized model 2 is marginal fit the sample data.

The root mean square residual (RMR) represents the average values across all standardized residuals, and range from zero to 1.00. Small value, say 0.05 or less is fitting model. Based on RMR value reported in Table 4, Model 1, 2, have value 0.21, 0.23 respectively. We can conclude

*Table 4: Fit Indices for Structural Equation Model*

<i>Hypothesized Model</i>	$\chi^2$	<i>d.f.</i>	RMR	RMSEA	GFI	AGFI	CFI	NFI
Model 1	835.180	117	.236	.218	.636	.520	.576	.544
Model 2	816.790	116	.212	.220	.632	.519	.566	.534

*GFI= Goodness-of-fit index, CFI= Comparative fit index, RMR= Root mean square residual  
RMSEA= Root-mean-square error of approximation, NFI= Normed fit index*

that our hypothesized model is not fit the sample data. The root mean square error of approximation (RMSEA) for fitting model is less than 0.05. Based on RMSEA value reported in table 4, our hypothesized model is not fit the sample data.

### *Discussion*

The results of this study recommend that a partially mediated organizational commitment model consistent or fit with the data is the best model. We conclude from our study results that the relationship between job satisfaction, organizational commitment, and organizational productivity is very complex. Job satisfaction is one of the factors that contribute to organizational productivity.

These findings conclude that empirically, job dissatisfaction has an indirect effect on the organizational productivity through organizational commitment. Organizational commitment is said to be an important variable in the discussion of organizational productivity because it is a popular belief that employees are more committed, so organizational productivity shell enhance.

The findings of the study also showed that job satisfaction was positively related to organizational commitment, and it is conforms the previous findings. Satisfied employees are expected to be committed to the organization and have a strong belief in achieving its objectives. The results of this study indicate that organizational commitment is directly related to job satisfaction.

Organizational commitment has been found to correlate higher with the organizational productivity. Both of these variables, namely job satisfaction and organizational commitment are considered to have a positive effect on organizational productivity. Job satisfaction and organizational commitment has always been reported to be positively associated with organizational productivity. This finding indicates that the two variables, namely job satisfaction and organizational commitment related to organizational productivity. Committed employees are a more significant personal contribution to the organization and perform better for the organization (Perryer, Jordan, Firms, & Travaglione 2010).

The implications of this study contribute to knowledge about the antecedents of organizational productivity. These findings provide additional evidence that job satisfaction does not appear to directly affect the organizational productivity. Job satisfaction has a direct

and indirect influence on organizational productivity. Although job satisfaction in Model 2 significantly positive impact on organizational productivity, but in Model 1, job satisfaction does not have impact on organizational productivity either directly or indirectly.

### ***Conclusion***

The results of this study support the basic assumption underlying this study that, when employees are satisfied with their work and feel committed to the organization. Based on the best models in this study, it can be concluded that the relationship between job satisfaction and organizational productivity is mediated by organizational commitment. This has implications not only for future research, but also to manage the organization. The findings of this study indicate that research on organizational commitment has increased and continues to become increasingly important for the researchers.

This study has several limitations. The main limitation of this study is the reliance on a small sample size. Small sample size may limit the generalizability of the respondents of this research. Our respondents came from a variety of organizations as opposed to samples taken from the two organizations. This study tested the mediation model based on cross-sectional data. The results found in this study should be regarded as tentative and require further testing before generalizations can be made. More empirical research is needed to validate the results and conclusions of this research. A larger sample size would make the results better. Longitudinal research designs that will measures organizational commitment, job satisfaction, and turnover intention variables at more than one point of time are also essential for clarifying their relationship.

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