Organizational Commitment and Job Satisfaction in Information Technology Sector

Mitali Das Mohapatra, Ipseeta Satpathy, B.C.M Patnaik

Abstract: ***The current research has been done to understand the effect of organizational commitment on job satisfaction and to investigate the demographic factors influencing job satisfaction.233 valid questionnaire responses were received from the employees of an Information technology (IT) sector organization situated in Odisha to know the impact of organizational commitment on their job satisfaction level. Correlation analysis was conducted to find out the intercorrelation between job satisfaction and Organizational commitment and regression analysis was done to know the interrelationship between two or more independent variables with the dependant variable. The findings indicated all aspects of organizational commitment were highly correlated with job satisfaction and significantly influenced job satisfaction. Descriptive analysis results showed that advancement opportunities and timely increase in salary and perks constituted the key factors for increase in level of satisfaction of the employees and secondly gender, age and job experience did not have a positive association with job satisfaction. This research also revealed that IT managers must make fair decisions and concentrate on increasing the allied benefits of their employees so that they feel satisfied and contented with their job. They feel motivated and contribute accordingly for the organization. Satisfied employees promote a sense of responsibility towards the smooth functioning of the organization and exhibit Organization Citizenship Behaviour (OCB).***

Keywords: ***Organizational Commitment (Affective, Normative, Continuance) Job satisfaction, Employee Retention.***

I. INTRODUCTION

Employees are the valuable assets of an organization so it is imperative for the organization to keep their employees happy and satisfied. Job Satisfaction and organizational commitment are two interrelated concepts which play a major role over the rate of turnover of each employee in the organisation. An employee who is happy and contented with his/her job brings in a positive effect and desirable work value in the organization thereby enhancing the productivity. This leads to less absenteeism from work and less employee turnover which reduces the cost of hiring. India is growing immensely in the Information Technology sector and contributing immensely to the GDP, urban employment and exports. IT sector is more knowledge oriented, rigorous in its nature of work which includes 24*7 work hour's policy, employees are expected to be more flexible and adaptable and moreover the need of the hour is to come up with more solutions which are creative to cater to the issues of business.

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The present research has been taken up to know the effect of organizational commitment on job satisfaction for the employees in IT sector.

A. Job satisfaction:

The concept of job satisfaction was identified by Locke (1976) after dealing with more than 3000 studies relating to one or more factors affecting job satisfaction. Job satisfaction refers to a positive emotional state of an individual when a person is happy and content with the job, provided the job values bring in compatibility with the needs (Hoppock 1935) .Job Satisfaction refers to a collection of feelings favourable and unfavourable and all the emotions with which the employees relate themselves and their work in a particular organisation. It is an employee's interpretation of values towards his work. (Newstrom 2007). When employee's expectations meet with the goals of the organization, they tend to perceive support, consider the organization climate as positive and thus exhibit positive behaviour. (Pelin kanten and Funda Er Ulker 2013) .As we know the Indian IT industry has emerged as the fastest growing industries and has built a valuable niche for itself, this sector also provides employment opportunities to 2.5 million people contributing to the Indian economy (NASSCOM Annual Report 2015) IT industry generates a lot of importance especially because the costs involved for people are higher than the capital costs. Different metrics and management practices are necessary for this intensively growing industry (MM Joy 2018) In the recent years demand, supply, recruitment and retention of the employees have been the greatest challenge for this industry as professionals tend to change their jobs frequently commonly termed as "Job hopping" despite being paid well. These unprecedented challenges have put a lot of pressure for the human resource managers as well as executives. As of now retention of the employees is the major concern and main objective of the organisations (S.Chaudhuri 2018). Segregation of the factors influencing job satisfaction can be classified as: A) Job content factors (Factors controlled by individuals) B) Job context Factors (Factors controlled by organization) Job content factors have been classified by Keith Davis and John W. Newstrom in his book "Human Behaviour at work" (1985) these factors are related to intrinsic motivation. These are the internal rewards which a person feels when he accomplishes his job. Some of them are responsibility, achievement, recognition, self confidence, innovation, career development, recognition, mastery, specialization, decision making and competitiveness etc.

Job context factors are called as maintenance factors and have been defined in the same book. These can also be understood as organisation policy factors

related to extrinsic motivation. They are flexible work hours, maternity leave, paid holidays, fringe benefits, weekend working initiatives, overtime compensation, economic support, crèche facilities, relationship with co-workers and supervisor, family insurance and canteen facilities.

B. Organizational Commitment:

The term commitment means "engagement or involvement that restricts freedom of action". Employee commitment has been the most challenging concept in Management and Organization Behaviour (Cohen 2003, Cooper, Hakim and Visweswaran 2005).It is "the core predictor of an employee's attitude and strong indicator of turnover behaviour".(Mathieu Zajac ,1990). Allen and Meyer (1990) in their research discussed about the most important dimensions of commitment which is broadly categorized as – continuance, normative and affective commitment. Affective commitment establishes a sentimental relationship with the organisation. In simpler terms, employees stay with a firm because they are emotionally attached with the firm. They build a psychological attachment with the organization and do not want to leave. It is the commitment that makes the employees feel valued in the organisation and they act as ambassadors to the organisation they are working for. Employees have appositive affection and have the desire to see the organization grow. They take pride being a part of the organization (Cohen, 2003).Continuance Commitment states that a consciousness of the costs connected with leaving the organisation. It is the employees need to stay at the organisation. (Meyer et al; 1993) Mainly continuance commitment would relate to unavailability of work alternatives and compensation for work. For example sometimes the workers feel a requirement to stay in the organisation as their salary and the other fringe benefits would not rise if they move in to any other organisation.(Allen and Meyer,1996,1990).Normative commitment means responsibility or commitment to do the work and to stay in the organisation. The employees tend to remain engaged with the organization. If they leave the organisation, it creates a gap in the skills or knowledge which increases the pressure on their co workers. (Allen and Meyer, 1996, 1990)

C. Relationship between organizational commitment and job satisfaction:

Job satisfaction is considered as one of the major factors that has effect on Organisational Commitment, together with employee morale and the organizational efficiency. If these factors are positively related, it would ultimately increase the employee's performance and motivation. Organisational commitment has a positive association with job satisfaction and vice-versa. (Yucel, 2012). In the study (Y. Markovits et al., 2007) it was found out that affective commitment was important with respect to extrinsic and intrinsic levels of job satisfaction. Job satisfaction is positively associated to organizational commitment (Brown and Peterson, 1993).There is a indicative relationship between the various facets of organizational commitment, in both male and female and job satisfaction. But, there is no association between job satisfaction, organizational commitment and among three approaches of organizational commitment (Nath Gangai, K. and Agarwal, R., 2015) The measured variables like monetary rewards, career advancement opportunities, organizational environment and activities relating to training and development have a mutual relationship with job satisfaction and it was concluded that achieving maximum job satisfaction would lead to increase in organizational commitment and reduce the employee turnover in software organizations (Jan, N.A et al; 2015)

II. OBJECTIVES OF THE STUDY

- ✓ To find out the impact of organizational commitment on job satisfaction in IT sector.
- ✓ To know the factors that influence job satisfaction in IT sector.

III. HYPOTHESES

- ✓ H1: Gender and job satisfaction do not hold a significant relationship among IT employees.
- ✓ H2: There is no significant influence of job satisfaction on age of the employees.
- ✓ H3: Work experiences of the employees have a positive relationship on job satisfaction.

We conducted chi-square test to find out the extent of job satisfaction varies with employees' gender, age and working experience of the employees. For our first hypothesis the chi-square value was 0.169 which was statistically not significant so we rejected and concluded that there is no association between job satisfaction and gender of the employees. In the similar manner for our second hypothesis chi-square value was 0.931 which was greater than the significance level so we rejected the null and accepted the alternate hypothesis. In our third hypothesis chi-square value was 0.05 so we concluded that positive association exists between working experience and job satisfaction of the employees.

IV. METHODOLOGY

The present research included 233 samples out of a total population of 4000 employees employed in Bhubaneswar, Odisha, India. For the present research we have adopted convenient sampling technique which is non-probabilistic sampling methods. Personally data was collected by visiting the organization. Total of 400 forms/questionnaires were provided to the employees working for the particular organization. 320 questionnaires were received. After eliminating the incomplete questionnaires and outliers 233 were retained for the research. The information about the employees was collected from the database of the organization. The employees were asked to fill up the questionnaires diligently to avoid biasness. The questionnaire was divided in to 2 different sections, first enquiring the demographic details of the respondents and the second asked the questions with respect to the factors affecting commitment towards the organization and satisfaction level of the job on a five-point measuring Likert scale. There were total 25 items in the second section. All responses were scaled on five-point Likert scale,

"1=strongly agree to 5=strongly disagree", with lower scores specify more job satisfaction. The demographic details about the respondents who participated in this survey reflected that maximum of the respondents were female (58.4%). Majority of the respondents belonged to 25-29 years of age group. 39.5% respondents were graduates, 23.6% were postgraduates, and 16.3% were diploma holders, 15.5% had professional courses to their credit and only 5.2% were PhD holders. 39.5% being the majority were from software tester domain. The demographic details also depict a major portion of the workforce i.e. 36.9% had 4-7 years of work experience in the present company. Cronbach's alpha for the instrument was 0.925. Univariate analysis for each item in the questionnaire was done which indicated the average mean and standard deviation for each item. The mean satisfaction values of the various facets of job satisfaction could be concluded that "My current job meets my career objectives" having a mean score of 2.85 contributes the most satisfaction level to the employees followed by "My organization provides me basic allowance schemes", with a mean score of 2.82 denotes that it is the second most important element for satisfaction level of employees. "My current salary meets my qualification" and "My supervisor provides me with actionable suggestions on what I can do to improve" have the lowest mean score of 1.75.

V. ANALYSIS AND RESULTS

Taking the help of the theoretical research model proposed by (N.Valaei and S.Rezaei,2016) we have considered the nine factors affecting job satisfaction (Spector,1997).All the nine facets have been considered as individual constructs namely pay ,promotion, teamwork, rewards, communication, supervision, fringe benefits, nature of work, operating procedure. All the 25 items of the questionnaire have been placed under one of these constructs identified.

Table I: Items of the questionnaire placed under a construct identified

Item	Construct identified
"My organization offers satisfactory promotion opportunities." "My organization practices satisfactory increment and salary schemes".	Promotion Fringe Benefits
"My salary is equitable to my job responsibilities."	Payment
My current salary meets my qualification."	Payment
"I feel underutilized in my job."	Nature of job
"My organization rewards me with performance bonuses on timely completion of projects."	Rewards
"My organization practices a sound appraisal procedure."	Fringe Benefits
"My current job meets my career objectives."	Nature of job
"My organization provides me basic allowance schemes."	Nature of job
"The amount of work expected of me is reasonable."	Operating Procedures
"I am very clear with the mission of the company."	Communication
"My supervisor provides me with continuous feedback to help me achieve the goals."	Supervision
"My current job gives me an opportunity to use my skills and abilities."	Nature of job
"I have adequate IT skills for my job."	Operating Procedures
"When I have questions or concerns, my supervisor is able to address them."	Supervision
"My supervisor gives support through recognition of my work."	Supervision

"My supervisor provides me with actionable suggestions on what I can do to improve."	Supervision
"My supervisor encourages exchanges of ideas as and when required."	Supervision
"My colleagues give me opportunities to contribute ideas from various perspectives."	Teamwork/ Co-workers
"My colleagues always share information and knowledge to enhance the quality of my performance."	Teamwork/ Co-workers
"My colleagues always give moral and technical support to perform my task."	Teamwork/ Co-workers
"My colleagues often motivate me to perform better."	Teamwork/ Co-workers
"My supervisor promotes an atmosphere of teamwork."	Supervision
"There is a good communication flow from me to my Seniors."	Communication
"My colleagues are always willing to cooperate with me."	Teamwork/ Co-workers

Each of the items that existed in the questionnaire was placed under Spector's identified factors influencing job satisfaction. Further from the above factors only six of them were identified as affective, normative and continuance commitment and were arranged as shown in fig I. This division is purely based upon the literature review.

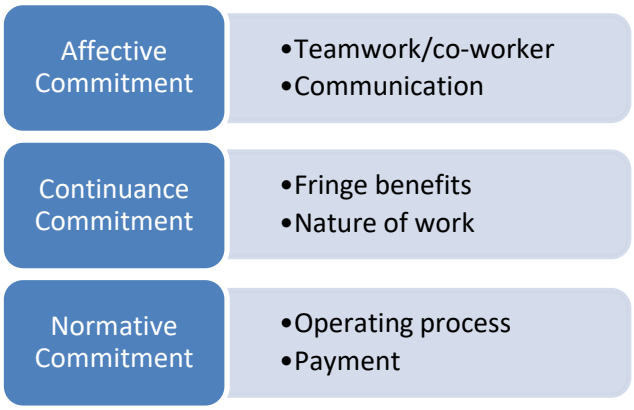

Fig – I (Source: Author's own)

D. Correlation Analysis:

In order to establish relationship between the two variables an intercorrelation matrix was done. It was observed based on the present results that job satisfaction is highly and positively associated with affective commitment as r value was 0.786, continuance commitment where r value was 0.886 and normative commitment where r was .870. Also the results indicated there is a significant association among the three dimensions of commitment and job satisfaction. The results show that all aspects of Organisational Commitment namely affective commitment, continuance commitment and normative commitment are positively correlated with job satisfaction indicating higher the job satisfaction, higher would be the organizational commitment.

Table – II Correlation between job satisfaction and Organizational Commitment

		Job satisfaction	Affective Commitment	Continuance Commitment	Normative Commitment
Pearson's Correlation	Job satisfaction	---	.786**	.886**	.870**
	Affective Commitment	.786**	---	.520**	.524**
	Continuance Commitment	.886**	.520**	---	.828**
	Normative Commitment	.870**	.524**	.828**	---

E. Regression Analysis:

In order to find out the interrelation between two or more exploratory variables (independent variables) with a scalar response (dependant variable) we go for multiple linear regression analysis. Here job satisfaction has been considered as dependant variable and all the three types of commitment as independent variables. The R value 0.979 denotes 97.9% association between Job Satisfaction and Organisational Commitment. The R square value denoted 0.959 which is 95.9% variance which is indeed a very high score.

Table – III Model summary indicating the R value and R square value and adjusted R square value.(Part-a)

Model	R value	R square value	Adjusted R square value	Standard error of estimate	Change of statistics				
					R square change value	F change value	DF1	DF2	Significant change in F
1	.979[a]	.959	.959	.12713	.959	17819.173	3	229	.000

Analysis of Variance (ANOVA) was also conducted and the p value came to 0.000[a] which represents the model just fit for the data.

Table IV: Co-efficient indicating standard error, beta value and p value. (Part-b)

Coefficients[a]						
Model		Unstandardized Co-efficients		Standardized Co-efficients	t-value	Significant value
		B	Standard error	Beta		
	Constant	.040	.034		1.179	.240
	AC	.459	.018	.405	25.392	.000
	CC	.368	.021	.418	17.241	.000
	NC	.272	.021	.311	12.794	.000

The findings of the regression analysis co-efficient table shows that normative, affective and continuance commitment (p = .0000) is significantly influencing the job satisfaction of the employees. The standardized beta co-efficient of affective is 0.405, continuance is 0.418 and normative is 0.311 which is positively associated with job satisfaction.

Based on the beta values obtained in the above table, the following regression equation can be formed as Y = 0.040 (constant) + 0.459 (Affective) + 0.368(Continuance) + 0.272 (Normative)

Similarly, we have taken the collective average of all the three commitment in X-axis and grand average in Y-axis and plotted in a graph.

Total of Affective commitment = 1.89
Total of Continuance commitment = 2.40
Total of Normative commitment = 2.40
Grand average = (1.89+ 2.40+ 2.40)/3 = 2.23

We have plotted the average scores of affective, continuance and normative commitment in the X-axis and grand average of them in Y-axis. It reflects the total score of affective commitment is less than normative and continuance commitment. Please refer to fig II.

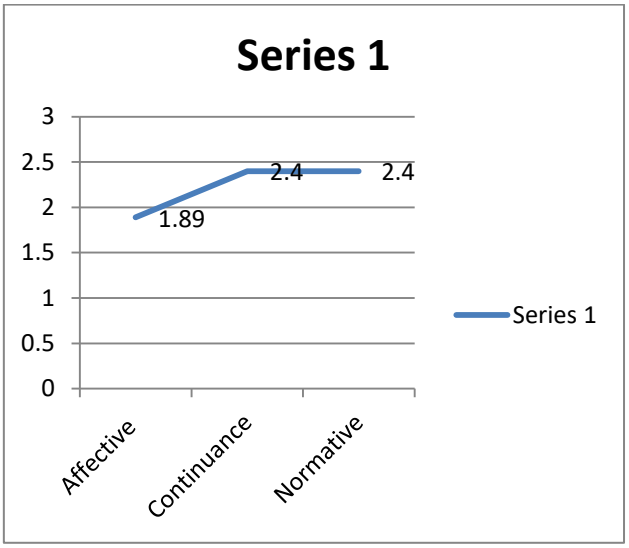

Fig – II Line graph representing the affective, continuance and normative commitment (Source: Author's own)

VI. CONCLUSION

This research finds out demographic factors like gender and age of the employees have a non-significant association with job satisfaction which implies that increase in the age or differences in gender does not necessarily make an impact on job satisfaction level of an employee however it leads to reduction in continuance commitment. Secondly, the findings state that the current job of the employee meets his career objectives and the organization provides basic allowance scheme. It is therefore recommended for the IT companies' managers to make fair decisions and concentrate on increasing the allied benefits of their employees which would instinctively reduce bureaucracy. Managerial implication of this research is it will help the companies to investigate the level of commitment of their employees and would boost them in adopting policies which would enhance employee's satisfaction and retain them in the company. This research would serve valuable for HR practioners, industry persons, organizations who are making efforts to keep their employees satisfied and happy. The degree to which employees are satisfied with their jobs can be understood from multiple job perspectives like supervision, payment, promotion; nature of the job etc.This research would help the managers to make better decisions in implementing policies to enhance commitment level of the employees. Regression analysis findings reflected that affective, normative and continuance commitment had a significant influence on job satisfaction. So we can say that when there is a unit rise in affective commitment it will lead to increase in job satisfaction by 0.459 units, a unit increase in continuance commitment will lead to rise in job satisfaction by 0.368 units and a unit rise in normative commitment will lead to increase in job satisfaction by 0.272 units. Another important finding is the total score of affective commitment is less as compared to the score of normative and continuance commitment. This indicates the employees are emotionally less connected with the organization. Employers must strategize their policies in adherence to the values and goals of the organization so that there is a strong desire to remain associated with the organization. However majority of the respondents were from the middle level so it cannot be generalized at all levels of the organization.

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