



A Study of Job Satisfaction, Organizational Commitment and Demographic Characteristics in Banks

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ABSTRACT

Job satisfaction and Organizational commitment are most frequently measured organizational variables in both research and applied settings and that has been widely studied in organizational behaviour and organizational psychology. Job satisfaction can be an important indicator of how employees feel about their jobs and a predictor of work behaviors such as organizational citizenship behaviour, absenteeism, and turnover. Also, commitment to organization is linked to very important work-related factors: employee turnover, absenteeism and performance. Age and tenure are considered the important antecedents of organizational commitment. This study is an attempt to assess the relationship shared between organizational commitment and job satisfaction along with investigating the role of demographic characteristics of bank employees. The result shows positive direct relationship between job satisfaction and affect commitment.

Banking sector plays a crucial role in the economic growth of developing countries like India. For the success of banking, it is very important to manage human resource effectively and to find whether its employees are satisfied or not. Only if they are satisfied, they will work with commitment and project a positive image of the organization. Based on a survey, the study attempts to gain insights into the satisfaction level from the perspective of the bank employees. Factors including salary of employees, performance appraisal system, promotional strategies, employee's relationship with management and other co- employees, training and development program, work burden and working hours are found important for improving job satisfaction of bank employees.

KEYWORDS

Job Satisfaction, Organizational Commitment, Organizational Citizenship Behaviour

INTRODUCTION

Banking sector plays a crucial role in the economic growth of developing countries like India. For the success of banking, it is very important to manage human resource effectively and to find whether its employees are satisfied or not. Only if they are satisfied, they will work with commitment and project a positive image of the organization. Job satisfaction can be an important indicator of how employees feel about their jobs and a predictor of work behaviors such as organizational citizenship behaviour, absenteeism, and turnover. Also, commitment to organization is linked to very important work-related factors: employee turnover, absenteeism and performance.

Job satisfaction has been found significant in motivating employees and influencing their attitude towards their organization. Mowday et al. (1979) suggested that job satisfaction is affected by

organization and individual factors. Also many researchers have argued that favourable employee attitude towards organization in turn leads to higher acceptance of organization goals. Job satisfaction can be understood as how employee feels about their jobs and its different aspects. It explains extent to which employee is content with the rewards he/she gets out of his/her job. Porter et al. (197) defines organizational commitment as a strong belief in and acceptance of organization goals and values, willingness to exert considerable effort on behalf of the organization and a definite desire to maintain organizational membership. Many empirical researches in past indicates that satisfied employee develops a stronger organization and work commitment as Banking sector in India is one of the most important sector contributing towards growth and development of the economy.

Literature Review:

Organizational commitment has a significant place in literature on employee attitude. Many researchers have found relationships between organizational commitment and attitudes and behaviors in the workplace. Lumley (2010) said that organization commitment is useful in understanding employee's dedication towards his/her organization. According to Meyer and Allen's (2007) three-component model of commitment, individual's commitment towards the organization has three different components representing different psychological states. Based on

previous studies of organizational commitment Meyer and Allen's research indicated that an employee's commitment to the organization can be categorized as affective, continuance and normative commitment.

Commitment can be seen as an emotional attachment towards the organization (affective commitment), acknowledgement of the consequences of leaving the organization (continuance commitment), and an ethical responsibility to stay with the organizations (normative commitment). It is believed that affectively committed employees will continue to work with great devotion on voluntary basis, continuance

commitment ensures that employees retain their organizational membership, however those who are normatively committed usually feel obligation on their part to stay in the organization.

Developing a better perception of the progression associated with organizational commitment has an effect on employees and organizations (Mathieu and Zajac, 1990) They agreed that the level of employees' organizational commitment will be enhanced if they are better motivated through both extrinsic rewards and intrinsic rewards. Katz & Kahn (1978) held opinion that organizational commitment is assumed to reduce workplace deviant behaviour, which include lethargy and turnover. They also said that employees who are committed to their organization may be more willing to participate and are more creative or innovative, which often guarantee an organization's competitiveness in the market. Employees who are committed to their organizations may easily accept and hold on to the organizational objectives (Valentine et al., 2002)

The term job satisfaction refers to the attitudes people hold about their work. Positive and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006). Locke (1976) defined job satisfaction as "... a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience." It is the difference between what an employee values and what the situation provides. Job satisfaction is a worker's sense of achievement and success on the job. It is generally perceived to be directly linked to productivity as well as to personal well-being. Job satisfaction implies doing a job one

enjoys, doing it well and being rewarded for one's efforts. Job satisfaction further implies enthusiasm and happiness with one's work. Job satisfaction is the key ingredient that leads to recognition, income, promotion, and the achievement of other goals that lead to a feeling of fulfillment (Kaliski, 2007). There are four primary factors that determine job satisfaction (Robbins, 2003). The first determinant is equitable rewards, which refers to the pay and promotion systems that employees perceive as fair and in line with their expectations. When employees perceive their promotion and pay systems to be fair and to be based upon pay standards and individual skill levels, they are most likely to experience a feeling of satisfaction. The second determinant is supportive working conditions. Another determinant is to have mentally challenging work. Jobs that are boring, dull, and have little challenge often create boredom with employees. Contrasting, jobs that are too challenging and demanding often create feelings of failure and frustration. Employees like jobs that can give them opportunities where they can use their capabilities, knowledge, and skills and jobs that offer a variety of tasks, freedom, and feedback. Finally, the last determinant is supportive colleagues. While Locke (1976) presented a summary of job satisfaction dimensions that have been established to contribute significantly to organizational commitment, the particular dimensions represent characteristics associated with job satisfaction. The dimensions are work itself, pay, promotions, recognition, working conditions, benefits, supervision and co-workers.

Empirical studies on the relationship between job satisfaction and organizational commitment. A number of previous researchers have reported mixed findings on the relationship between job satisfaction and organizational commitment. Dirani and Kuchinke (2011) produced results indicating a strong correlation between job satisfaction and job commitment and that satisfaction was a reliable predictor of commitment. Louis (1995) examined the relationship between job satisfaction and organizational commitment among 109 workers and reported that there are positive relationship between organizational commitment and job satisfaction.

Research Objectives:

- To study the relationship between job satisfaction dimensions and organizational commitment?

Descriptive research design was used for the study and structured questionnaire was used to collect data from respondents. Judgmental sampling was used to select 10 banks while simple random sampling method was employed to select seven (10) respondents from each bank totaling seventy (100) as sample size from selected banks in Gujarat. The instruments used in this study are: Organizational Commitment Scale (OCS): This scale will be used to measure respondents' organizational commitment levels. It was developed and validated by Allen and Meyer (1990). It is a 5-point Likert type rating scale with the following degree of response: Strongly agree (5); Agree (4); Uncertain (3); Disagree (2); and Strongly disagree (1). It consists of 24 items: items 1- 8 measure affective commitment; 9-16 measure continuance commitment, and 17-24 measure normative commitment. The aggregate scores of respondents as well as their composite scores for each of the three factors were computed. The reliabilities coefficients reported to range from .78-.81 (affective commitment); .54-.75 (continuance commitment) and .67-.78 (normative). Job Satisfaction Questionnaire: Job Satisfaction Questionnaire measured with five items taken from William & Anderson (1991). JSQ scale reported $\alpha = .7$ for Cronbach scale reliability estimate. The average score on the items was the participant's score of overall job satisfaction.

The result shows that the predictors variables (pay, work condition, work group, supervision and promotion) were significant joint predictors of organizational commitment ($F(5, 64) = 211.440$; $R^2 = 0.943$; $P < .01$). The predictor variables jointly explained 94.3% variance of organizational commitment. Work condition ($\beta = 0.399$; $t = 4.914$; $P < .01$) was significantly independent predictor of

organizational commitment. This implies that good work condition has significant impact on organizational commitment. Robbins (2008) suggested that the quality of the supervisor-subordinate relationship will also have a significant positive influence on the employee's commitment. Also here supervision ($\beta = 0.296$; $t = 1.364$; $P < .01$) has positive impact on organizational commitment.

CONCLUSIONS

The study examined relationship between job satisfaction dimensions and organizational commitment among banks employees of selected banks in Gujarat. The result revealed that job satisfaction dimensions have positive significant relationship with organizational commitment. The result also revealed that work condition and supervision were significant predictors of organizational commitment. This indicates that work conditions and mentoring are the significant motivators for bank staff. The result shows that pay, work group, and promotion don't have significant impact on organization commitment. The study therefore recommends that management of banks need to develop strategies related with improvising the working conditions commitment by improving the conditions attached to their job and given them assurance of job security as well as good mentoring relationship.

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