

# Organizational Commitment and Employee Satisfaction - A Study

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## Abstract

Commitment was reframed as an asset that could and should be harnessed to achieve higher organizational performance. Organizational commitment is defined as a view of an organization's member's psychology towards his/her attachment to the organization that he/she is working for. Organizational commitment plays a pivotal role in determining whether an employee will stay with the organization for a longer period and work passionately towards achieving the organization's goal. This paper empirically studies about the impact of organizational commitment on employee satisfaction, statistical tools has been adopted such as averages, percentages and ANOVA and the sample size has been considered for the study as 100 employees of R-Info Tech, Hyderabad, it also discussed the concept of organizational commitment and how impacts employee satisfaction and business success.

**Keywords:** Organizational Commitment, Employee, Organization, Goal, Employee Satisfaction

## Introduction

Organizational commitment is determined and helps predict employee satisfaction, employee engagement, distribution of leadership, job performance, job insecurity, and similar such attributes. An employee's level of commitment towards his/her work is important to know from a management's point of view to be able to know their dedication to the tasks assigned to them on a daily basis. Satisfied employees are assets to any organization. It is important to value people who demonstrate commitment and assurance towards the organization. Organizations enhance their support to the benefit of the employees.

## Theory of Organizational Commitment

A distinguished theory in organizational commitment is the Three-Component Model (TCM). According to this theory, there are three distinct components to organizational commitment:

1. **Affective Commitment:** This is the emotional attachment an employee has towards the organization. This part of TCM says that an employee has a high level of active commitment, then the chances of an employee staying with the organization for long are high. Active commitment also means, an employee is not only happy but also engaged in the organizational activities like, participation in discussions and meeting, giving valuable inputs or suggestions that will help the organization, proactive work ethics etc.
2. **Continuance Commitment:** This is the level of commitment where an employee would think that leaving an organization would be costly. When an employee has a continuance in commitment level, they want to stay in the organization for a longer period of time because they feel they must stay because they have already invested enough energy and feel attached to the organization – attachment that is both mental and emotional. For example, a person over a period of time tends to develop an attachment to his/her workplace and this may be one of the reasons why an employee wouldn't want to quit because they are emotionally invested.
3. **Normative Commitment:** This is the level of commitment where an employee feels obligated to stay in the organization, where they feel, staying in the organization is the right thing to do. What are the factors that lead up to this type of commitment? Is it a moral obligation where they want to stay because someone else believes in them? Or is it that they feel that they have been treated fairly here and that they do not wish to take the chance of leaving the organization and finding themselves in between the devil and the deep sea? This is a situation where they believe they ought to stay. It is important to understand that the level of commitments depends on multiple factors and can vary from one individual to another. For example, hypothetically consider, an individual is working with a lucrative market research firm and is being paid handsomely. In this situation, there are chances that the individual would have affective commitment where he/she is happy about staying in the company, but can also have continuance commitment because he/she doesn't want to give up the pay and comfort that the job brings. Finally, given the nature of the job the individual would feel the necessity to stay in the job which would lead to normative commitment.

### Review of literature

1. **PSUWC (2013)** specified that organizational commitment can be classified into three namely, affective commitment, continuance commitment and normative commitment. In affective commitment, the employee feels a strong emotional attachment to the organization because he/she believes in the organization

2. **Olajide (2000)** specified that continuous learning is one of the best employee motivators. Training can help fill the gap between lack of skills and better productivity after training needs are accessed. One-way managers can initiate motivation is to give relevant information on the consequences of their actions on others
3. **Akintoye (2000)** mentioned that salary, wages and condition of service: Employees should be well paid and as when due. Also the organization needs to have a good pay structure that allows workers to be paid according to the performance.

### **Objectives of the Study**

1. To study the concept and theories of organizational commitment
2. To study the impact of organizational commitment on employee satisfaction

### **Null Hypothesis**

H<sub>0</sub>: The attributes of Organizational commitment have no significant impact on employee satisfaction.

### **Research Methodology**

#### **Study area**

The study has been undertaken at R-InfoTech, Hyderabad

#### **Methods of Data Collection**

The study is basically descriptive and empirical in nature. Therefore, the data for the study has been collected both from the primary data and secondary data. The primary data has been collected by administering a structured interview schedule among the selected respondents at R-InfoTech, Hyderabad

#### **Sample Size**

100

#### **Sampling Method**

Convenience Sampling

## Statistical Techniques

The collected data which has been collected processed, tabulated and calculated with the help of computers. The data has been analyzed and discussed with the help of averages, percentages, ANOVA. The data has also been presented with the help of appropriate bar and pie diagrams.

## Data analysis and Interpretation

**Table 1: Demographic divide-gender**

Gender	Respondents	(%) Respondents
Male	72	72
Female	28	28
Total	100	100(%)

## Interpretation

The table above depicted that 72 percent of the respondents working at R-Info-tech and remaining 28 percent respondents are female employees.

**Table2: Organizational Commitment**

	SA	A	N/N	DA	SDA	Total
My values and the values of this company are quite similar	3	6	4	2	1	16
I share many of the values of my organization	3	4	1	3	1	12
I feel very little loyalty to this company	1	2	3	4	1	11
I am proud to work for this company	3	9	4	3	2	21
I am willing to work harder	4	5	3	1	1	14
I would take any job in order to continue working for this company	2	4	2	3	1	12
I would turn down another job for more pay in order to stay with this company	4	4	3	2	1	14
Total	20	34	20	18	8	100

**Table 3: ANOVA**

<i>Source of Variation</i>	<i>SS</i>	<i>df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
<b>Rows</b>	<b>13.88571</b>	<b>6</b>	<b>2.314286</b>	<b>1.575365</b>	<b>0.197465</b>	<b>2.508189</b>
<b>Columns</b>	<b>49.14286</b>	<b>4</b>	<b>12.28571</b>	<b>8.363047</b>	<b>0.000226</b>	<b>2.776289</b>
<b>Error</b>	<b>35.25714</b>	<b>24</b>	<b>1.469048</b>			
<b>Total</b>	<b>98.28571</b>	<b>34</b>				

ANOVA to find out whether attributes of Organizational commitment has any significant impact on employee satisfaction.

**Table 3: Hypothesis Testing**

$\alpha = 0.05$	Accept $H_1$
Between Rows:	
F calculated value= 1.575365 (at Degree of Freedom 6, 24)	
Table Value: 2.508189	
Since F cal value is < than F table value	Accept $H_0$
Between Columns:	
F calculated value=8.363047 at (Degree of Freedom 4, 24)	
Table Value 5.050329	
Since F cal Value > Table Value	Accept $H_1$

### Conclusion

1. With regards to the find out whether there is any significant impact of organizational commitment on employee satisfaction, Null Hypothesis has been rejected. Hence, it has been inferred that there is a significant impact of organizational commitment on employees at R-Info Tech, Hyderabad
2. Organization must delegate tasks diligently, offer incentives and encourage innovation through developing trust among the employees.
3. Majority of the respondents of R-Info Tech are male employees, it indicates that there is a scope for women employees to take job at the above mentioned organization.

## References

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