Study on Relationship Between Organizational Commitment and its Determinants among Private Sector Employees of Pakistan

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Organizational commitment is one of the widely researched areas among researchers, psychologists and human resource management practitioners. The objective of the present study is to analyze the relationship between work motivation, overall job satisfaction and organizational commitment among Pakistani workforce. The focus of the study is towards analyzing the general behavior of the private sector employees towards work motivation and job satisfaction which may build higher levels of organizational commitment. The sample size consists of 191 male and female employees which were randomly selected. Data collected were analyzed by the application of statistical tests i.e., Pearson correlation and multiple regression using SPSS 13.0. Results showed that positive and significant relationship exists between work motivation, overall job satisfaction and organizational commitment. Although both independent variables are strongly associated with organizational commitment, the impact of job satisfaction on organizational commitment is relatively stronger than that of the work motivation on organizational commitment. Managerial implication of the study is to focus more on motivating employees for promoting organizational commitment on their part.

1. Introduction

Pakistan’s economy is among the developing economies of the world. With the increasing levels of development, the working environment has also become more competitive. Employers, now, demand for more skilled, trained and qualified workforce since the organizational output and productivity is highly dependent on the employees’ performances (Currall et al. 2005). Such employees, in return, also look for the attractive packages. And to retain performers has remained a dilemma for the human resource management practitioners (Sumita, 2004). Moreover variation exists in terms of pay packages, working conditions, incentives, recognition and fringe benefits for the employees (Lavy, 2007).

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These differences vary and depend upon the industry one is serving, the company policies, location, one’s qualifications and outputs. Private firms, multinationals and local companies face various challenges while operating in such unstructured market setup in Pakistan. It ultimately impacts the employees’ satisfaction with the current job and increases frustration among the employees.

Thus the focus is towards maintaining overall job satisfaction among the employees to achieve the higher levels of organizational commitment so that employees’ productivity is increased. Human resource literature identifies various variables which may affect employees’ performances. Brudney and Coundry (1993) in their study pay for performance describe various variables that could affect performance. These are job and agency characteristics, attitudes towards merit pay, organizational trust and commitment, importance of monetary rewards, linkage between pay and performance and fairness of pay system. Nanda and Brown (1977) have tried to identify the factors important in analyzing the performance of employee at the time of hiring and they found that employees’ productivity depends on many factors including level of job satisfaction and motivation. Balfour and Wechsler (1996) pointed out that overall organizational commitment is an appropriate and significant aspect to focus for organizational productivity and performance. Another approach for managing employees’ performances is designing incentive programs more tactically in a way where organizational commitment is also addressed. Such incentives could be short term focused on driving employee behavior toward achievement of a specific productivity (Feldman & Landsman, 2007). Thus various efforts focusing on the correlates of pay satisfaction have centered on various individual and organizational variables (Schwab & Wallace, n.d.).

Organizational commitment has been one of the widely researched areas in the field of management in relation to different job related variables but in Pakistan very few studies have explored this concept. Various researches identify multiple factors affecting organizational commitment among employees but the present study focuses its relationship with work motivation and overall job satisfaction of the private sector employees. The present study intends to facilitate management practitioners and employers of Pakistan in determining the level of organizational commitment among their employees in comparison with the work motivation and the overall job satisfaction.

The objective of this study is to analyze relationship between work motivation, overall job satisfaction and organizational commitment among Pakistani workforce. Furthermore the study further investigates the strength of relationship and association that exists between the independent variables which are work motivation and overall job satisfaction on the dependent variable i.e., organizational commitment by testing the hypothesis of statistical significance.

This study inquires the following research questions as adopted from Ayeni & Phopoola (2007):

1. What is the association between work motivation, job satisfaction and organizational commitment?

2. What is the strength of association between work motivation, job satisfaction and organizational commitment?
2. Literature Review

In today’s global economy, organizations incorporate programs like total quality management, employee involvement, job enrichment, skill-based pay, gain sharing plans to gain a competitive edge (Lawler, 1992; Lawler, et al. 1992). The objective of such interventions is to increase the firm productivity by controlling employee behaviour on the job and actively contribute towards achieving organizational objective, and thus building strong organizational commitment (Lawler, 1986). One of the core objectives of the management is to increase the efficiency by getting maximized productivity at the minimum cost. However, motivation is considered to be crucial for good performance (Sumita, 2004). Thus job performances are typically determined by the motivation to work hard and high motivation means greater efforts and higher performances (Mitchell, 1982). Thus, it can be said that motivation is to push workers towards improved performance and increased productivity (Tung, 1981). Also the managements’ concern has increased for the employees for keep them motivated on the job (Mitchell, 1973). Employers use a wide range of motivational techniques including monetary incentives, goal setting, job enlargement, behavior modification, participation, award and recognition plans, discipline, and counseling (Porter & Perry, 1982).

As stated by Meyer & Becker (2004), Pinder (1998) provided an impressive definition of work motivation that “it is a set of energetic forces that originates both within as well as beyond an individual’s being, to initiate work-related behavior, and to determine its form, direction, intensity, and duration”.

There are multiple theories in management that discusses the work motivation. Maslow’s need hierarchy theory is also widely considered by the management practitioners while referring job satisfaction and motivation. Maslow’s theory constitute of five levels: physiological needs, safety needs, social needs, self esteem needs and self actualization. The theory has been used to motivate employees based on the level of needs the employee is looking to fulfill (Sarmad, 2007). Locke and Latham (1990) presented a goal-setting theory which has substantial impact in the field of work motivation. It states that people’s performance will be maximized when they set specific goals and exactly understand what behaviour will lead to the accomplishment of the goal. This theory is based on the concept ‘self-efficacy’ which means an individual is capable for performing a hard task.

Whereas Herzberg stated in his two factors theory stated that there are two categorizes of motives for the employees known as satisfiers and dissatisfiers. He related intrinsic factors with job satisfaction and extrinsic factors with dissatisfaction (Gagne, 200; Sarmad, 2007). Expectancy theory is also considered a highly rational theory of work motivation (Mitchell, 1973). A common theme among all such theories is that work motivation may be generated by many different ways. These could be rewards, pay raise, promotions, sense of accomplishment, appreciation, etc. All these motivational factors are characterized into intrinsic and extrinsic motivational factors (Guzzo, 1979; Mitchell, 1982; Gagne, 2005).

Meyer & Herscovitch (2001, p. 301) defined commitment as follows: “Commitment is a force that binds an individual to a course of action that is of relevance to a particular target”.

Commitment is a more responsive approach by an organization, and job satisfaction is more of a response to specific facets of the job. Job satisfaction is placed as a central
concept in work and organizational psychology, which mediates the relation between working conditions on the one hand and organizational and individual outcomes on the other hand. Although intuitively convincing, working conditions, as the major cause of job satisfaction, have been challenged (Dormann & Zapf, 2001). Performance pay may be part of a human resource innovations associated with high-performance workplaces. Such workplaces may create greater feelings of belonging, esteem, satisfaction and commitment (Green & Heywood, 2007).

Organizational commitment has been defined and measured in several different ways and it has been related with many job related variables. Allen & Meyer (1990) developed a measure of organizational commitment with three major components: i) Affective component of organizational commitment refers to employees’ emotional attachment, identification and involvement in the organization; ii) the Continuance component refers to commitment based on the costs that employees associate with leaving the organization; and iii) Normative commitment reflects an employee’s feeling of obligation to remain with the organization, i.e. persons with a strong sense of normative commitment remain in organizations because they feel they ought to do so (Sarmad, 2007; Ayeni, et al. 2007, Omar, et al. 2007).

When employees are sure that they will grow and learn with their current employers, their level of commitment to stay with that particular organization is higher (Opkara, 2004). In order to make employees satisfied and committed to their jobs, there is a need for strong and effective motivational strategies at various levels of the organization. Ayeni and Phopoola (2007) has found a strong relationship between job satisfaction and organizational commitment. According to them Job satisfaction is mostly determine how well the organization meets employees expectations.

The relationship between job satisfaction and organizational commitment is very crucial now-a-days because people now often do not prefer to stay with the same organization for long. It has become hard for the organizations to exercise influence on the employees for retaining them. If employees exhibits different levels of job satisfaction and if this satisfaction leads to the organization commitment, obviously organizations would want to hire employees with the higher levels of organizational commitment. Employers normally expect that people with higher levels of job satisfaction will have higher levels of organizational commitment. The reason why satisfaction will lead to the commitment is that a higher level of job satisfaction may lead to good work life and reduction in stress (Cote & Heslin, 2003).

Similarly, if employees are highly satisfied with their work, coworkers, pay, and supervision and derive high level of overall job satisfaction with their jobs they are more likely to be committed to the organization than if they are not satisfied. The focus on these two key concepts cannot be over stated because job satisfaction and commitment are primary determinants of employee turnover, performance, and productivity (Opkara, 2004). Committed and satisfied employees are normally high performers that contribute towards organizational productivity (Samad, 2007).
3. Study Design

The design of the study is discussed in the following two sections.

8.2 3.1. Conceptual Framework

Organizational commitment is considered to be one of the foremost important and crucial outcomes of the human resource strategies. And the employee commitment is seen as the key factor in achieving competitive performance (Sahnawaz & Juyal, 2006). Significant relationship has been identified between job satisfaction and organizational commitment (Narimawati, 2007). Sarmad (2007) also tried to determine the level of influence job satisfaction facet will have on the organizational commitment.

The conceptual framework for this study has been adopted from Ayeni & Phopoola (2007). They have studied the relationship between work motivation, job satisfaction and organizational commitment. The current study is aimed at testing the same relationship by using Pakistani data. The independent variables are work motivation and overall job satisfaction whereas organizational commitment is the dependent variable.


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8.5 3.2. Research Hypothesis

The research hypotheses of this study are:
H01: The work motivation is positively associated with the organizational commitment.
H02: Overall job satisfaction is positively associated with the organizational commitment.

4. Research Methodology

This study analyzes the association between work motivation, overall job satisfaction and organizational commitment. The present research do not intend to study any industry or firm specific human resource policies nor the organizational commitment of any specific group; rather the focus of the study is towards analyzing general employee attitudes of private sector employees on work motivation, job satisfaction and organizational commitment.

The survey tool is developed and modified in consideration of previous studies and keeping in view the local conditions of Pakistani firms. Few questions like organizational commitment and work motivation were adopted from two previous researches (Moon, 2000; Drago, et al 1992). Some questionnaire items were adopted from MSQ-Minnesota Satisfaction Questionnaire which has been widely used by management practitioners in analyzing job satisfactions. Responses were collected on likert scale from 1 to 5 where “1” stands for strongly disagree till “5” which means strongly agree.

Study questionnaire includes total of 26 questionnaires, six items are included to know the respondents demographics, eight items for work motivation, four questions are asked for job satisfaction while eight inquiries are made to catch response on the variable organizational commitment.

The survey questionnaire used in this study is self administered and is either given by hand or through Email, enclosed with a covering letter for the respondents. The covering letter is carefully drawn to convey the research objectives to persuade respondents to give fair responses. Respondents names were not asked to give them assurance that their responses will be kept confidential. The questionnaires were mostly placed at the office premises where the employees actually work. The survey target group included both male and female employees. Simple random sampling methodology has been adopted for this research mainly for two reasons. The first is that this research does not intend to study the conceptual framework on any particular age group, industry and company that may affect the organizational commitments. Rather the focus is to see the private sector employees’ behavior with regards to work motivation, overall job satisfaction and organizational commitment. Secondly, employees sometimes are very sensitive to give such information as they think sharing such information might harm their job status. Moreover the local environment in Pakistan is highly unfriendly towards research oriented activities. So taking sample size and selection through other techniques like cluster sampling or stratified sampling could make it difficult to reach to the desired sample size. And the best way to get fair responses was reaching to employees themselves rather than going through their company management. Such type of technique has also been successfully followed by Igalens & Roussel (1999).

A total of 350 questionnaires were distributed to different private sector employees out of which 214 responses were collected back; 23 questionnaires were incomplete and were thus excluded from the study thus leaving 191 responses for analysis. CS-Pro was used to data entry while analysis was done using SPSS 13.0. The cronbach’s alpha
for job satisfaction, work motivation and organizational commitment is calculated which is 0.822, showing the highest level of reliability of the data. Almost 76% of the respondents were male employees and 23% respondents were female employees.

5. Analysis and Findings

Two statistical tools were applied to the data; correlation and linear regression. Correlation is not the same as linear regression but the two are related. Linear regression found the best predict of work motivation and overall job satisfaction towards organizational commitment. The correlation quantified the magnitude and direction of the relationship between work motivation, overall job satisfaction and organizational commitment. The correlation matrix between dependent and independent variables are shown in table 1 below. The analysis revealed that there are positive and significant relationships between work motivation and job satisfaction with organizational commitment. The correlation of work motivation and job satisfaction is found to be strongly and positively associated with the organizational commitment (work motivation, \( r = 0.625 \) and job satisfaction, \( r = 0.652 \)). However, the job satisfaction is more strongly associated with organizational commitment as compared to work motivation (work motivation: \( r = 0.625 > \) job satisfaction: \( r = 0.652 \)). It means that if the work motivation and job satisfaction is increasing the organizational commitment may also increase. Furthermore, in case organizational commitment is negative, the independent variables (work motivation and overall job satisfaction) will also decline.

<table>
<thead>
<tr>
<th></th>
<th>Organizational Commitment</th>
<th>Overall Job Satisfaction</th>
<th>Work Motivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Commitment</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>191</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall Job Satisfaction</td>
<td>.652(**)</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Sig. (2-tailed)</td>
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</tr>
<tr>
<td>N</td>
<td>191</td>
<td>191</td>
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</tr>
<tr>
<td>Work Motivation</td>
<td>.625(**)</td>
<td>.618(**)</td>
<td>1</td>
</tr>
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<td>Pearson Correlation</td>
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<tr>
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<tr>
<td>N</td>
<td>191</td>
<td>191</td>
<td>191</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed).

To validate the statistical results from correlation, linear regression analysis is also calculated in the table 2 as given below. It also shows that work motivation, overall job satisfaction are significantly associated with the organizational commitment (at 99% confidence level) and we may predict organizational commitment depending upon work motivation and overall job satisfaction of the employees. Thus results indicate support for the first and second research hypothesis. We accept the hypothesis and that work motivation and job satisfaction are significantly related to the organizational commitment.

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**Table 2. Regression Analysis**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
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<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td>(constant)</td>
<td>-.314</td>
</tr>
<tr>
<td></td>
<td>Overall Job Satisfaction</td>
<td>.525</td>
</tr>
<tr>
<td></td>
<td>Work Motivation</td>
<td>.552</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Organizational Commitment

The regression coefficients are shown in the table above. The intercept, -0.314, is representing the estimated average value of organizational commitment when work motivation and overall job satisfaction are zero. Thus employees having no motivation and job satisfaction will have severe impact on the organizational commitment of the employees. The slope of independent variables also exhibits useful information for the implication purposes. The slope of overall job satisfaction, which is 0.525, means change in organizational commitment is 0.525 when job satisfaction increases by 1. The slope of work motivation (0.552) shows that organizational commitment on an average is increased by 0.552 when work motivation is increased by 1.

**Model Summary (b)**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.711*</td>
<td>.505</td>
<td>.499</td>
<td>.59869</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Work Motivation, Overall Job Satisfaction
b. Dependent Variable: Organizational Commitment

**ANOVA (b)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>68.835</td>
<td>2</td>
<td>34.418</td>
<td>96.024</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>67.385</td>
<td>188</td>
<td>.358</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>136.220</td>
<td>190</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Work Motivation, Overall Job Satisfaction
b. Dependent Variable: Organizational Commitment

The results from the table above indicate that work motivation and job satisfaction could significantly contribute towards the $R^2$ value. Based on the $R^2$ value of 0.505, these two variables could explain 55% variation in the employees' organizational commitment. An examination of these two variables indicated that the job satisfaction represented the strongest effect on organizational commitment with the standard beta of 0.552 followed by the work motivation with beta of 0.525. Thus the statistical results prove that positive and strong linear relationships exist between dependent and independent variables.

Linear regression line that predicted organizational commitment from work motivation and overall job satisfaction by minimizing the sum of the square of the vertical distances
of the points from the regression line. $R^2 = 0.505$ measure goodness of the linear regression given as under:

Organizational Commitment = (-0.314) + OJB (0.552) + WM (0.525).

It shows linearity of the data that helped to predict a best fitted model as the residuals (difference between observed and expected values) is low or close to zero.

The correlations results proved that the independent variables work motivation and overall job satisfaction are positively associated with the organizational commitment. These results are in line with the previous research many studies in general and in specific with Drago et al, 1992; Moon, 2000; Crewson, 1997; Campbell, 2007; Samad, 2007; Opkara, 2004; & Ayeni, C. O., & Phopoola, S. O. 2007).

Until we obtain better and clear answers as what influence the motivation of the employees it would be difficult to keep the employees motivated. There are different variables to which work motivation and job satisfaction may relate. Some scholars say to link performance and motivation with the financial rewards but then later a number of non-financial instruments were found to be very effective in motivating and increasing job satisfactions (Sumita, 2004). Some scholars found that with more interesting complex jobs with autonomy have positive relations both to performance and to job satisfaction and well-being. Some individuals feel honored if delicate with responsibility and authority to perform complex tasks. Such employees in order to meet the expectation perform outwardly and it ultimately increasing work motivation and job satisfaction. When people perform effectively at these jobs, they experience satisfaction of the basic psychological needs and have positive attitudes toward their jobs (Gagne, 2005). The effect of such contextual factors like the culture and background of employees also needs to be studied. For future research multiple relationships between work motivation and overall job satisfaction could be studied and may also relate to different other variables like job nature, working conditions, and promotion and organization vision.

6. Conclusion

This study shows that work motivation, overall job satisfaction and organizational commitment are significantly related (for private sector employees), organizations would only need to increase and maintain two variables (work motivation and job satisfaction) to achieve the positive effect on the organizational commitment. In other words for increasing organizational commitment, the controlling variables are work motivation and job satisfaction for the private sector employees. Thus human resource managers should remain focused on increasing job satisfaction and increasing work motivation of the employees.

The ways to improve work motivation and overall job satisfaction may vary from job nature, organization and individual to individual. Increased commitment will result to efficiency and greater outputs which every organization desire for.
7. References


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