

**Impact of Job Satisfaction on Facet of Organizational Commitment
(Affective, Continuance and Normative Commitment):
A Study of Banking Sector Employees of Pakistan**

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Abstract: Employees are an organizations human capital. Being, an important asset of an organization, employee's satisfaction is imperative to the organization. Organizations are concerned about the job satisfaction and organizational commitment of the employees. These are important considerations in the organizations like banking sector where employees have to face much stress especially at the workplace. Stress impact organizations and make them suffer in form of declined organizational commitment and job satisfaction. Job satisfaction is an important employee attitude that defines attitudinal behavior of employees at the workplace. The reason to conduct this study was to empirically investigate the impact of job satisfaction on the facets of organizational commitment (affective commitment, continuance commitment and normative commitment. This study found a positive impact of job satisfaction on all the three aspects of organizational commitment (affective, normative and continuance commitment). This study also revealed that increase in job satisfaction increase the facets of the organizational commitment (affective, normative and continuance commitment). Analysis showed that in this study job satisfaction has a greater predictability for affective, then for normative and continuance commitment. Data was collected through questionnaire which is developed from empirical studies. Respondents from different cities of Punjab were contacted for the survey purpose. Respondents of the survey were the employees of banking sector of Pakistan, who were selected through convenience sampling. Correlation and regression analysis were used through SPSS-17th edition.

Key words: Job Satisfaction • Organizational Commitment • Affective Commitment • Continuance Commitment • Normative Commitment • Banking Employees • Pakistan

INTRODUCTION

Employees are an important investment for the organization. Therefore, it is the need to manage them properly [1]. Employees' commitment towards an organization is important concepts that help organization to retain the valuable employees and to get the competitive advantage [2]. Job satisfaction is the largely researched topic to determine organizational behavior [3]. Management and organization always has the concern towards employees' organizational commitment [2].

Human Resource is an asset for any organization as it helps organization to succeed [4]. Job satisfaction is an imperative for every organization [5]. It is a greatest and

essential issue for today's Human Resource Managers of an organization, as it provides a "strategic links" between satisfaction of employees towards job and their productivity. It plays an important role in retaining employees [6].

Job satisfaction is regarded as the "emotional state of happiness" which gives an insight about how employees feel their obligation to come to workplace and how they feel their selves compelled to perform well at the workplace in order to get what an employee expected from that specific job [7].

Job satisfaction is also an employee satisfaction towards his/her job that "how much they are interested in their assigned tasks and duties" [8].

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Need of Study: Banking sector is taken as the most stressed sector especially in context of Pakistan [2]. They also stated that employees work hard and work for the long time as compared to other institutions. Research done on employees in banking sector regarding the study variables are very less [2]. Therefore, this study will try to fill the gap that is found in literature. The objective of the study is to find the impact of job satisfaction on facets of organizational commitment.

Problem Statement: Organizational commitment is an important attribute that is regarded by every organization. Banking sector, which is considered to be the most stressed sector, the need arises to check the impact of employee's job satisfaction towards the affective commitment, continuance commitment and normative commitment (being the three important facets of organizational commitment).

Research Questions: How Job Satisfaction impact and influence Facets of Organizational Commitment (Affective, Continuance and Normative Commitment)?

Literature Review:

Job Satisfaction: Job satisfaction is defined as an "employee's response towards their work experiences" [9]. Also, job satisfaction is "an employee's emotional state towards job [10].

[11] reported that employees having the greater affection and belongingness towards the organization, experience high job satisfaction. He defined job satisfaction as it is actually the "difference between what one's expectations from job are and what one's get from that job in reality."

It is stated by [12] that motivated and satisfied employees towards job and who are highly committed towards the organization shows a longer span of time with that organization.

Organizational Commitment: As found by Meyer and Allen [13] "employee's emotional attachment with the organization also increases the organizational commitment."

Types of Organizational Commitment: The more researched areas are continuance and affective commitment but normative commitment on the other side is less researched (Abdullah and Ramay) [2].

Affective Commitment: Affective commitment is an employee sentimental attachment, sense of belonging and participation in the organization (Meyer and Allen) [13]. Emotional attachment, belongingness and involvement in the organization constitute affective commitment as found by Meyer and Allen [13]. It is also defined by some other researchers Dunham *et al.* [14] that affective commitment is actually an individual belongingness and sentimental affection with organization and its goals and objectives. These researchers and Meyer and Allen [15] have reported that affective commitment is sentimental affection with the organization and its goals and objectives and want to stay with the organization as found by.

According to them it is a situation where an individual employee wanted to be with the organization and continues his/her association with that organization. It is also defined by as Cohen [16] "optimistic fondness toward the organization, reproduced in a longing to observe the organization success in its aims and objectives and an emotion of satisfaction at being element of the organization".

Continuance Commitment: Commitment founded on the expenses that individual link towards leaving the organization (Meyer and Allen) [13]. It deals with the commitment of an employee to further continue work in the organization due to the inter-employee relationships and associations and other non-transferable funds and investments like allowance and retirement fund or retirement remuneration (Reichers) [17].

Normative Commitment: It is defined as "an employee's feelings of obligation to remain with the organization" (Meyer and Allen) [13]. Employee takes it as an obligation to be related to the organization, similarly individual employees takes it a responsibility to stay with the organization as found by Abdullah and Ramay [2] that it is a kind of an obligation on part of an employee that makes him/her to stay with the organization).

Answer to Research Question "How Job Satisfaction impact and influence Facets of Organizational Commitment (Affective, Continuance and Normative Commitment)" can be addressed through following literature

Job Satisfaction and Affective Commitment: As reported by Akpınar *et al.* [18] and Yew [19] there exists a positive relationship between job satisfaction and affective commitment. Increase in job satisfaction increases the affective commitment.

Other authors Allen and Meyer [20] and Iverson and Roy [21] also found that job satisfaction is an important and considerable antecedent of affective commitment. This means that job satisfaction is an important variable that can predict affective commitment.

Many authors Michaels [22], Price and Mueller [23], Taunton *et al.* [24], Williams and Hazer [25] have reported that logically it seems true that job satisfaction level of employees do affect their affective commitment.

According to Patrick and Sonia [26] there exists a statistically significant and positive relationship between job satisfaction and affective commitment.

- Hence, the research hypothesis can be stated as:

Hypothesis 01: Job Satisfaction has significant positive impact on Affective Commitment.

Job Satisfaction and Continuance Commitment:

According to some researchers there is a negative relation between job satisfaction and continuance commitment (Hackett *et al.*) [27], (Konovsky and Cropanzano) [28].

- Hence, the research hypothesis can be stated as:

Hypothesis 01: Job Satisfaction has significant positive impact on Continuance Commitment.

Job Satisfaction and Normative Commitment: The research hypothesis can be stated as:

Hypothesis 01: Job Satisfaction has significant positive impact on Normative Commitment.

Job Satisfaction and Affective and Continuance Commitment: Pepe [29] also found that there exists positive significant impact of job satisfaction on affective and continuance commitment. Job satisfaction helps increase the continuance and affective commitment among the employees of the organization. According to Mathieu and Zajac [30] job satisfaction has been positively related to affective and continuance commitment.

Job Satisfaction and Affective, Continuance and Normative Commitment:

There is also a positive relationship between job satisfaction and three constructs of affective, continuance and affective commitment as Colakoglu *et al.* [31] found that there is a significant positive relationship between job satisfaction and sub-constructs of affective, normative and continuance commitment.

Theoretical Framework:

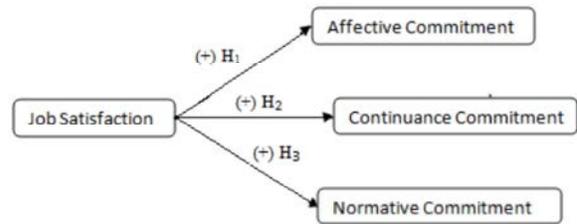


Fig. 1: Proposed Hypothesized Model

MATERIALS AND METHODS

This study is taken in banking sector of Pakistan. A convenience sampling was used to collect the data. Personal visits were also made for the purpose of survey. A scale of job satisfaction and facets of organizational commitment are taken from the empirical studies.

Empirical Finding:

Reliability Analysis: Reliability is “an ability of an apparatus, machine, or system to consistently perform its intended or required function or mission, on demand and without degradation or failure.” (Business Dictionary) [32].

Table 1 shows that the constructs have the reliable scale to be used for the study. As it is clear from Table 1, reliability analysis of job satisfaction shows that the cronbach’s alpha for job satisfaction is.814, which is an acceptable range. Similarly, reliability analysis of Affective Commitment shows that it has a reliability of.812, which is gain a high reliability. As found by Murphy and Balzer [33] Cronbach’s coefficient greater than 0.7 is acceptable, Table 5.1 shows that the Continuous Commitment and Normative Commitment have the reliability of.787 and.710, represent that the scale is reliable to use. Thomas [34] reported the finding of Nunnally and Bernstein [35] and Gefen *et al.* [36] that a cut off greater than.707 is acceptable. This leads us to the conclusion that continuance and normative commitment has an acceptable cronbach’s alpha at.787 and.710 respectively.

Correlation: Table 5.2 shows affective commitment and job satisfaction has significant positive correlation at.673, this means that increase in job satisfaction increases the affective commitment and/or vice versa. Job satisfaction and continuance commitment has the correlation of.482, which is positively significant. This also means that increase in job satisfaction increases the continuance commitment to the extent below the affective commitment. Similarly, job satisfaction has a significant positive correlation with normative commitment, which is .551,

Table 1: Reliability Analysis

Constructs	No. of Items	Cronbach's Alpha
Job Satisfaction	7	.814
Affective Commitment	7	.812
Continuance Commitment	7	.787
Normative Commitment	6	.710

Table 3: Correlation

	Job Satisfaction	
Affective Commitment	Pearson Correlation	.673**
	Sig. (2-tailed)	.000
	N	89
Continuance Commitment	Pearson Correlation	.482**
	Sig. (2-tailed)	.000
	N	89
Normative Commitment	Pearson Correlation	.551**
	Sig. (2-tailed)	.000
	N	89

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

Table 4: Mo Summary-Job Satisfaction and Affective Commitment

R Square	Adjusted R Square	Std. Error of the Estimate
.454	.447	.81907

a. Predictors: (Constant), JS
 b. Dependent Variable: AC

Table 5: Coefficients^a-Job Satisfaction and Affective Commitment

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	1.540	.409		3.763	.000
	JS	.687	.081	.673	8.498	.000

a. Dependent Variable: AC

Table 6: Model Summary-Job Satisfaction and Continuance Commitment

R Square	Adjusted R Square	Std. Error of the Estimate
.232	.224	.93918

a. Predictors: (Constant), JS
 b. Dependent Variable: CC

showing that the increase in job satisfaction increases the normative commitment to that extent above continuance commitment and below the affective commitment.

These findings are consistent with the finding reported by Colakoglu *et al.* [31] that job satisfaction and sub-constructs of organizational commitment (affective, continuance and normative commitment). This study also has consistent findings with different authors such as Akpinar *et al* [18]; Allen and Meyer [20]; Price and Mueller [23]; Yew [19]; Williams and Hazer [25]; Patrick and Sonia [26] that increases in job satisfaction increases the affective commitment. Similarly, job satisfaction also impact affective and continuance commitment as reported by (Pepe) [29].

Therefore, these findings lead to accept all three hypotheses that states:

Research Hypothesis 01: Job Satisfaction has significant positive impact on Affective Commitment.

Research Hypothesis 02: Job Satisfaction has significant positive impact on Continuance Commitment.

Research Hypothesis 03: Job Satisfaction has significant positive impact on Normative Commitment.

Regression Analysis: Regression analysis section includes the regression analysis between independent variable (job satisfaction) and dependent variables (affective commitment, continuance commitment and normative commitment and organizational commitment).

Job satisfaction and Affective Commitment:

Interpretation: It is shown from Model Summary Table 5.4 that model is highly significant. Value of Adj R²=44.7% depict that how much variability is explained by the dependent variable affective commitment in independent variable job satisfaction.

Interpretation: It is shown from Coefficients table 5 the coefficient for constant is 1.540 and for job satisfaction is .687. It is clearly shown from table that these coefficients are significantly related with the variable. This table also shows that increase in job satisfaction increase the affective commitment and/or vice versa.

Job Satisfaction and Continuance Commitment:

Interpretation: It is shown from Model Summary Table 6 that value of Adj R²=22.4% depict that how much variability is explained by the dependent variable normative commitment in independent variable job satisfaction.

Interpretation: It is shown from Coefficients Table 5.7 the coefficient for constant is 2.338 and for job satisfaction is .476. It is clearly shown from table that these coefficients are significantly related with the variable. This table also shows that increase in job satisfaction increase the continuance commitment and/or vice versa.

Job Satisfaction and Normative Commitment:

Interpretation: It is shown from Model Summary Table 5.8 that value of Adj R²=29.6% depict that how much variability is explained by the dependent variable normative commitment in independent variable job satisfaction.

Table 7: Coefficients^a-Job Satisfaction and Continuance Commitment

Model		Unstandardized		Standardized		
		Coefficients		Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.338	.469		4.983	.000
	JS	.476	.093	.482	5.132	.000

a. Dependent Variable: CC

Table 8: Model Summary-Job Satisfaction and Normative Commitment

R Square	Adjusted R Square	Std. Error of the Estimate
.304	.296	1.838

a. Predictors: (Constant), JS

b. Dependent Variable: NC

Table 9: Coefficients^a-Job Satisfaction and Normative Commitment

Model		Unstandardized		Standardized		
		Coefficients		Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.782	.395		7.048	.000
	JS	.480	.078	.551	6.161	.000

a. Dependent Variable: NC

Interpretation: It is shown from Coefficients Table 5.9 the coefficient for constant is 2.782 and for job satisfaction is .480. It is clearly shown from table that these coefficients are significantly related with the variable. This table also shows that increase in job satisfaction increase the normative commitment and/or vice versa.

CONCLUSION

There exists a significant relationship among independent variable (Job Satisfaction) and independent variables (Affective Commitment, Continuance Commitment, Normative Commitment and Organizational Commitment).

Correlation matrix showed that the job satisfaction has a significant positive relationship with the dimensions of organizational commitment, i.e. affective commitment, continuance commitment and normative commitment. Correlation matrix also showed a significant positive correlation between job satisfaction and organizational commitment.

This shows that increased job satisfaction leads to an increased affective, continuance and normative commitment among the employees of banking sector in Pakistan.

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