THE IMPACT OF EMPLOYEE COMMITMENT ON EMPLOYEE SATISFACTION ROLE OF EMPLOYEE PERFORMANCE AS A MODERATING VARIABLE

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Abstract

Employee commitment always plays a very key role in improving the organizational satisfaction and the organizational satisfaction can be measured through a number of ways e.g company work performance, employee turnover, absenteeism etc. Employee commitment can be boosted through their involvement in assessment construction and providing them chance for better attentive the whole procedure of the organization performance measurement e.g employee commitment. On the bases of data which was collected from the three major cities of Pakistan (Lahore, Faisalabad, Karachi), it was acknowledged that organizational performance can be enhanced by involving employees in decision making that will ultimately increase their commitment in the organization that will also affect their performance and enhance their satisfaction level gradually.

Keywords: Employee Commitment, Employee Performance, Employee Satisfaction

1. INTRODUCTION:

Today it becomes necessary for every organization to have full level of its employee commitment in order to have outstanding performance on long term basis. Currently employees act like entrepreneurs when they work in a team and every member of the team tries his level best to prove one the best amongst all others. Those things increase their commitment level in the organization that ultimately increases the performance of their employees. In past organizations provide job security to its employees to improve their commitment level in the organization and to improve their productivity. Higher level of employee commitment in the organization for individual projects or to the business is assumed as a major reason for better employee performance that leads to organizational success. The employee performance can also be increased when the employees are more satisfied with their
job and duties as well. Their satisfaction may depend on the rewards system, the organizational culture, employee knowledge sharing and so many other factors too.

1.2 Review of the Literature and Hypothesis Development:

1.2.1 Employee Commitment:

There are so many researches have been done on finding the new methods to how to increase the commitment of the employees in the organization (Porter, Mowday, & Steers, 1982), as a result of these researches the organizational performance is dependent upon the organizational commitment. Voluntary turnover and different working behaviors' studies are playing a supporting role for employees' performance, organizational citizenship and absenteeism (Mowday et al., 1982; Meyer, Gellatly, Goffin, Paunonen, & Jack-son, 1989; Shore & Wayne, 1993; O'Reilly & Chatman, 1986; Mowday et al., 1982). However managerial perceptions of employee's commitment have not yet been taken into considerations irrespective of a lot of research in this area. All previous studies based employee mainly on the employee self-reports of commitment. Also managers are also contributing towards the commitment of the employees. These contributions are may also has an effect on the allocation of rewards on their behalf. The perseverance of this study was to prepare a solid method to judge the effectiveness of the employee commitment in the organization.

The focus of studying the psychology of the organizations is lower down the subjective assessment techniques in the organizations and to enhance correctness or these measures practically (Murphy & Cleveland, 1991). As a consequence, researchers have been focusing on the behavioral side of employee evaluation through job behavior aspects (Werner, 1994). Extensive, very different and effective side of managerial thinking’s regarding the employees has been found which are not still addressed till now. This found a gap to find out the focus on rewarding employees personal attributes such as employee commitment. Initially, mainly the focus is on the appraisal systems on the personal characteristics that then makes the measures beneficial in the organization (Werner, 1994). Then, there is recent research evidence those personal aspects like temperament and employee performance is considered important (Werner, 1994; Borman, 1987; White, Pulakos, Borman, & Oppler, 1991). As a result, this becomes very significant in apprehending the check on the relationship between managerial perceptions and personal attributes of the employees.

A lot of research indicates that people often judge others on different basis like gender, race, and profession (Bem and Allen, 1974; Abelson, 1976). According to Fisk and Taylor (1984), it is better to enhance the structural development of the organization and then making them public for all the employees. Norman (1963) suggested that social psychology is resulted in the form of committed persons in the organizations. Persons evaluate each other based on the commitment level he has which is his distinct characteristic (Cantor and Mischel, 1979).
Feldman's (1981, 1986) provides a frame-work by work on cognitive procedures for understanding how employee commitment can be used to develop the organizational assessments.

To understand the concept of employee commitment through organizational perceptions is to look at the related theory. A lot of different ways are there to define the organizational commitment in general (Morrow, 1983; Meyer & Allen, 1984; Mowday et al., 1982). Meyer and Allen (1984) indicated that employee investment in the organization may increase their commitment to the organization. Meyer & Allen (1984) also suggest another aspect of the organizational commitment that as a result of emotional attachment with the organization may also increase the commitment level of the employees. Two most famous measures of affective commitment are the Affective Commitment Scale (ACS) (Meyer & Allen, 1984) and the Organizational Commitment Questionnaire (OCQ) (Mowday et al., 1982). According to Meyer and Allen (1991), consistency of the employee services in any organization can be enhanced through both affective and continuance commitment which represents psychological states. The employees who want to be committed in the organization due to their primary focus will only still remain committed (Meyer & Allen, 1991: 67). A reasonable literature is available that is supporting the uniqueness of continuance and effectiveness of the commitment (Angle and Lawson, 1993; Meyer and Allen, 1984; Hackett, Bycio and Hausdorf, 1994; McGee and Ford, 1987; Meyer, Gellatly and Allen, 1990; Shore and Barksdale, 1991).

1.2.2 Employee Satisfaction:

Women are now taking a significant part in the total employment from the last decade all around the world. Women domination is now becoming as a usual thing in all occupations (Jacobs, 1992; Fields & Wolff, 1991). Due to increase in the qualified women force, the organization are now preferring that hiring the women is more beneficial for the organization and this is going to be predicted that that ratio will increase drastically over the coming years (Reskin & Roos, 1990; Blum, Fields & Goodman, 1994). According to Jackson, Brett, Sessa, Cooper, Julin and Peyronnin, (1991), the organizations can increase their productivity by increasing the team works in the organization of male female mix. It is on the side of the managers to make the groups or teams according to the human nature of the employees for achieving the best results (Jackson, Stone and Alvarez, 1993). One of the benefits of group working is that if these groups are formed on equal basis and according to the will of the members of the groups, the group conflicts can be decreased and the their performance can be increased (Gilbert, 1989; Fox, Ben- Nahum & Yinon, 1989; Kirchmeyer, 1995; Jackson et al., 1991; O'Reilly, Caldwell and Barnett, 1989; Korsgaard & Morris, 1993). This benefit can only be achieved when the employees are more satisfied while working in teams of their similar attitudes (Jackson et al., 1991), and also the employees can be satisfied by the way of gender and by increasing the information available to the employees (Pfeffer, 1983; Cox, 1993). Heilman (1983), Hitt and Barr (1989), Liden and Parsons (1986) found that mixed work groups can be more task oriented and have more commitment & result oriented. Cox (1993) and Jackson et al., (1993) had researched on the factors that may affect the performance of the mixed groups team environment,
one is the dissatisfaction level among them. The studies also show that the workers can be more satisfied by the way of their job titles and sharing on the job (Bielby and Baron, 1986).

Literature indicates that the employees can be more satisfied by the way of exact composition of their gender groups by the way of forming their work groups (Smith, 1992; O'Reilly et al., 1989; Tsui, Egan & O'Reilly, 1992). Job satisfaction among both male and female can be increased by the way gender composition of the groups (Konrad, Winter & Gutek, 1992). According to the studies of Wharton and Baron (1987, 1991), in case of homogenous groups, the employees can be more satisfied as compared to those groups of which are formed on equal basis of men and women. Tsui et al., (1992) indicated according to his own research that employees who work in groups can only be satisfied more if the number of men is more as compared by the women. The studies also show working in groups make the employees more satisfied (Wharton and Baron, 1987, 1991; Tsui and associates, 1992). There are so many other factors too also that are going to affect the employee satisfaction levels during working (Konrad, 1992). Gender composition is more important as compared to the groups that are going to effect the job satisfaction of the employees (Wharton, 1987; Baro, 1991). Grouping in occupation is a different view and work group is a different view (Jacobs, 1992; Bielby and Baron, 1986). Organizational affiliation can also be affected by the group formation and employee satisfaction and this thing make is possible to find that there should be relationship between job satisfaction and employee commitment (Tsui et al., 1992; Cox, 1993; Kossek & Zonia, 1993).

1.2.3 Employee Performance:

There have been a lot of debates among the industrialists and researchers in the current era about identifying the factors that are affecting the employee performance. Taylor (1911) was one of the earliest contributors who had identified the factors that are going to influence the performance of the employee during working and in overall scenario. He identified the concept of economic man which was meant that the income level or the reward system existed in the organization is the mainly the factor that may improve the performance of the employees. After that so many researchers had contributed in that concept. The most famous were Huselid (1995), Pfeffer (1994), Arthur (1994). They all gave a boost in that literature to improve the employee performance. Theorists had identified 4 major factors that may affect the employee performance. These are:

- Job Autonomy
- Organizational Support
- Training
- Justice in the Organization

- Employee Performance and Job Autonomy:
Job autonomy can play an important role in enhancing the performance of the employee in the organizations. Job autonomy creates a sense of responsibility among the employees of the organization (Dean, Colarelli & Konstans, 1987). They show an increasing impact of job autonomy on the employee performance and the absence of job autonomy in the organizations creates so many problems like decrease in productivity, performance and increase in stress. The employee performance cannot be increased merely by increasing the focus on the authority, discipline and control in the organizations (Hart & Willower, 1994). The employee performance cannot be increased without increasing the commitment and engagement of the employees in the working environment (Meyer and Allen, 1997). Empowering employees to define their responsibilities and keeping them involved in the decision making can have a positive impact on their performance (Agarwal & Ferratt, 1999; Durham, Grube, and Castaneda, 1994).

- **Organizational Support and Performance:**

  The sense of ownership in the organization that the company is giving importance their views and giving them importance is collectively called as organizational support and the existence of that also increase the employee performance (Fasolo, Eisenberger & Davis LaMastr, 1990). The employees can give extra ordinary effort to the productivity of the organization when the organization is giving them full support (Fasolo et al., 1986). When the importance is given to the employees in the organizational, it will ultimately affect the employees’ commitment and also the productivity of the organization also increased (DeCotiis and Summers, 1987). The organizational performance and commitment is positively effect by giving the employees a sense of importance and by solving their problems (Iversion and Buttitge, 1999).

- **Training and Performance:**

  The training given to the employees improve their performance by the way of development in their skill (Harel and Tzafrir, 1999). McEvoy (1997) also concludes that training of the employees can improve their commitment level, knowledge sharing and their honor to work in the organization. Burke and Day (1986) found that the managers’ performance can also be increased in the organization by the way of providing them training. The cost of training is basically the company’s investment that provides it benefit for a long time period. The reason for this is that the employee’s morale will increase and they will become more committed while performance their tasks in the organization (Bartel, 1994).

- **Organizational Justice and Performance:**

  The organizational justice has been a very hot topic from a long time period till now and all level of researchers and also among the professional society. The organizational justice when achieved in its true sense, it may affect the employee performance, their commitment level in the organization and also their level of efforts towards achievement of their goals (Folger and Cropanzano, 1998).
There are two different categories of justices that are provided by the scholars. These are: distributive justice and procedural justice (Folger & Cropanzo, 1998; Folger, 1977). How the returns of the organizations are distributed among the employees and among the owners of the organization is something which is related to distributive justice such as pay system, compensation system, performance evaluation and promotion of the employees on equal basis. When the employees feel that the organization is distributing its returns among the employees on fair basis, this means that there is organizational justice (Folger & Cropanzano, 1998). The situation of inequity is a major cause of employee dissatisfaction, lack of commitment and ad negative performance (Brief, 1998).

According to Brockner & Greenberg (1990) and Folger (1977) when the duties and responsibilities are assigned fairly and outcomes are divided through a proper channel and a defined procedure is used, it is called as procedural justice in the organization. When the employees are involved in decision making and while defining the tasks and the organization is giving them their rewards without getting them asked about that, it is called procedural justice (Folger and Cropanzano, 1998). The employees’ commitment to the organization is dependent upon the level of procedural justice in the organization (Konovsky and Cropanzano, 1991). Different studies show that the procedural and distributive justices are very important one for the improvement of the employee performance and commitment and the procedural justice is the most important one (Folger and Cropanzano, 1998; Barling and Phillips, 1993). Welboume (1998) stats that procedural justice and distributive justice have both different dimensions for which they should be applied. Procedural justice is the major issue in case of higher returns and profits while distributive justice is the major concern in case of lower returns.

1.2.3 Schematic Diagram:
The schematic diagram of the above mentioned variables is given below:

![Schematic Diagram]

Fig 1: Effect of employee commitment on employee satisfaction keeping employee performance as moderating variable.

1.2.3 Hypothesis:

H0: Employee satisfaction can be enhanced through increasing employee commitment.
H1: Employee performance does not affect the relationship of the employee commitment and employee satisfaction.

H2: Employee performance has an moderating effect in the relationship of the employee commitment and employee satisfaction.

2. RESEARCH DESIGN:

2.1 Research objectives:
The objective of the research is to find the relationship of employee satisfaction and employee commitment keeping employee performance as moderating variable. Here, employee commitment is an independent variable, employee performance is moderating variable and employee satisfaction is dependent variable. The idea behind our research is to check the impact of employee commitment on employee satisfaction keeping employee performance as moderating variable.

2.2 The Purpose of Research:
It is an exploratory research that can be appropriate for any kind of organization whether it is a public or private organization. The idea can be beneficial to all those organizations those have proper employee recognition and human resource management process in their working that will ultimately leads to employee commitment and at last leads to higher organizational performance.

2.3 Type of Investigation:
It is a causal type of investigation. We have basically tried to find the effect of employee commitment on employee satisfaction keeping employee performance as moderating variable in an organization. The researcher interference is minimal in our study. That also has a great impression on the precision of the results.

2.4 Study Setting:
The research was directed in non-contrived study settings or in other words we can say that in a natural environment that shows the results is real case.

2.5 Unit of Analysis:
The study was organized in Lahore, Faisalabad and Karachi region. The main focus was on the registered organizations. Questionnaires were filled out from the individuals belonging to different public and private organizations.

2.6 Sampling Design:
Convenient sampling was used for data collection. Total 300 questionnaires were duly distributed and collected after completing from Lahore, Faisalabad and Karachi. Likert 5 point scale having two extreme ends.

2.7 Time Horizon:
It was a cross-sectional study; mainly the focus was on measuring the impact of employee commitment on employee’s satisfaction keeping employee performance as moderating variable.

2.8 Data Collection:
Questionnaires are used to measure the employee commitment on employee satisfaction keeping employee performance as moderating variable. The questionnaires are then analyzed through SPSS software.

3. SAMPLING:
In this research, data is collected from public and private sector employees from Lahore, Faisalabad and Karachi. The total 300 respondents were approached for data collection. Out of these 300 respondents, 275 were answered correctly and 25 questionnaires were discarded. So total sample size of our research was 275 employees in public and private organizations. Among 275 respondents 170 were male and 105 were female employees related to Human Resources, Information Technology, Audit & Accountancy, Finance, Marketing, Procurement, Budgeting and Technical Departments.

4. DATA ANALYSIS:
The data was collected through questionnaires are then entered in Statistical Package for Social Sciences (SPSS). Following tools were used for analysis:

4.1 Descriptive Statistics:

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Var1</td>
<td>2.54</td>
<td>1.047</td>
<td>275</td>
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<tr>
<td>Var2</td>
<td>2.80</td>
<td>1.201</td>
<td>275</td>
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<tr>
<td>Var3</td>
<td>2.88</td>
<td>1.001</td>
<td>275</td>
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<tr>
<td>Var4</td>
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<td>1.081</td>
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<td>Var5</td>
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<td>1.138</td>
<td>275</td>
</tr>
<tr>
<td>Var6</td>
<td>2.87</td>
<td>1.291</td>
<td>275</td>
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<tr>
<td>Var7</td>
<td>2.93</td>
<td>1.012</td>
<td>275</td>
</tr>
<tr>
<td>Var8</td>
<td>2.79</td>
<td>.992</td>
<td>275</td>
</tr>
<tr>
<td>Var9</td>
<td>3.02</td>
<td>1.014</td>
<td>275</td>
</tr>
<tr>
<td>Var10</td>
<td>3.25</td>
<td>1.041</td>
<td>275</td>
</tr>
<tr>
<td>Var11</td>
<td>3.17</td>
<td>.893</td>
<td>275</td>
</tr>
<tr>
<td>Var12</td>
<td>2.80</td>
<td>1.017</td>
<td>275</td>
</tr>
<tr>
<td>Var13</td>
<td>2.27</td>
<td>.768</td>
<td>275</td>
</tr>
<tr>
<td>Var14</td>
<td>2.67</td>
<td>.844</td>
<td>275</td>
</tr>
<tr>
<td>Var15</td>
<td>2.65</td>
<td>.834</td>
<td>275</td>
</tr>
<tr>
<td>Var16</td>
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<td>.885</td>
<td>275</td>
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<tr>
<td>Var17</td>
<td>3.15</td>
<td>.905</td>
<td>275</td>
</tr>
<tr>
<td>Var18</td>
<td>3.33</td>
<td>1.044</td>
<td>275</td>
</tr>
<tr>
<td>Var19</td>
<td>2.76</td>
<td>.990</td>
<td>275</td>
</tr>
<tr>
<td>Var20</td>
<td>2.89</td>
<td>.817</td>
<td>275</td>
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</table>
### 4.2 T-Test:

<table>
<thead>
<tr>
<th>Var</th>
<th>T</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>95% Confidence Interval of the Difference</th>
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<tr>
<td>r1</td>
<td>40.2</td>
<td>65</td>
<td>.000</td>
<td>2.542</td>
<td>2.42 - 2.67</td>
</tr>
<tr>
<td>r2</td>
<td>38.7</td>
<td>03</td>
<td>.000</td>
<td>2.804</td>
<td>2.66 - 2.95</td>
</tr>
<tr>
<td>r3</td>
<td>47.7</td>
<td>96</td>
<td>.000</td>
<td>2.884</td>
<td>2.76 - 3.00</td>
</tr>
<tr>
<td>r4</td>
<td>42.1</td>
<td>17</td>
<td>.000</td>
<td>2.745</td>
<td>2.62 - 2.87</td>
</tr>
<tr>
<td>r5</td>
<td>46.8</td>
<td>91</td>
<td>.000</td>
<td>3.218</td>
<td>3.08 - 3.35</td>
</tr>
<tr>
<td>r6</td>
<td>36.9</td>
<td>06</td>
<td>.000</td>
<td>2.873</td>
<td>2.72 - 3.03</td>
</tr>
<tr>
<td>r7</td>
<td>48.0</td>
<td>69</td>
<td>.000</td>
<td>2.935</td>
<td>2.81 - 3.05</td>
</tr>
<tr>
<td>r8</td>
<td>46.6</td>
<td>13</td>
<td>.000</td>
<td>2.789</td>
<td>2.67 - 2.91</td>
</tr>
<tr>
<td>r9</td>
<td>49.4</td>
<td>07</td>
<td>.000</td>
<td>3.022</td>
<td>2.90 - 3.14</td>
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<tr>
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<td>51.7</td>
<td>07</td>
<td>.000</td>
<td>3.247</td>
<td>3.12 - 3.37</td>
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<tr>
<td>r11</td>
<td>58.8</td>
<td>43</td>
<td>.000</td>
<td>3.167</td>
<td>3.06 - 3.27</td>
</tr>
<tr>
<td>r12</td>
<td>45.7</td>
<td>16</td>
<td>.000</td>
<td>2.804</td>
<td>2.68 - 2.92</td>
</tr>
</tbody>
</table>
5. CONCLUSION:
In the table the effect of the impact of employee commitment on employee satisfaction keeping employee performance as a moderating variable is measured. The table shows that there is a moderate level of interdependence between these variables. So we will reject alternate hypothesis and accept null hypothesis.

6. LIMITATION OF THE RESEARCH:
In this research we have questionnaires for our data collection and only the impact of employee commitment on employee satisfaction having employee performance as moderating variable was judged. Further study can also be done on the other factors that may have direct or indirect impact on employee performance and satisfaction. We used cross sectional method in this research which means that research will conduct once a time. But we can also use Longitudinal Method for the better results by making comparison of previous research with the
current research. It will more helpful for the researcher and the organizations to take better decisions for achievements of the strategic goals.

REFERENCES:


