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## A STUDY ON ORGANIZATION COMMITMENT AND JOB SATISFACTION IN SELECTED BUSINESS PROCESS OUTSOURCING (BPO) ORGANIZATIONS IN TIRUCHIRAPPALLI

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### ABSTRACT

*The purpose of this study is to analyze the relationship between job satisfaction and organizational commitment. Employees' productivity is largely related to their level of job satisfaction and in fact, the turnover rate can be reduced with a higher level of organizational commitment. Therefore, it is important for an organization to study the relationships between these two variables. The database was collected from the organization through a well-structured questionnaire. The questionnaire consists of personal data, Questions related to the dimension organization commitment and job satisfaction in Selected BPOs in Tiruchirappalli. Hence the sample size for the study is 110 respondents by adopting Purposive sampling technique.*

**Key words:** Organization Commitment, Job Satisfaction, BPOs

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### 1. INTRODUCTION

Human resources are undoubtedly the most important resources in an organization. The very existence of an organization will be at stake without the efficient human resources, its goal remains unattainable unless its human resources are motivated, satisfied and are committed to the organization. The root source of quality and productivity gains is the employees. It is very important for organizations to see employees as the fundamental source of improvement. The need for ensuring spirit of cooperation, sense of commitment and satisfaction within the organization's sphere of influence had never been such an impending necessity. It becomes very important for people to love what they do and enjoy what they do, the 'enjoyment' factor not only motivates the employee but also increases the efficiency on whole. At present times when organizations are facing tough challenges in retaining their key employees, it has become imperative to add elements in job that keeps employees attached to what they

do and stick them to work where they work. This need has been not less important in third world countries like ours where the popular term 'brain-drain' is squeezing companies out of their skilled manpower, intelligent executives and visionary managers.

On the other front job satisfaction and organizational commitment have a great impact on the successful performance of an organization? Satisfied and committed employee identifies with the goals and values of the organization, and they put in that extra-effort that plays the crucial role in leading the competition. Job satisfaction is in regard to one's feelings or state of mind regarding the nature of their work. Job satisfaction can be influenced by a variety of factors e.g., the quality of relationship with their supervisor, the quality of the physical environment in which they work and degree of fulfilment in their work, etc. It can also be discovered through examining the employee's values. It is good not only for employees but employers, too to increase productivity and decreases staff change day by day. Job satisfaction is the contentedness of individuals with their job. Employee job satisfaction is an attitude that people have about their jobs and the organizations in which they perform these jobs. Methodologically, we can define job satisfaction as an employee's affective reaction to a job, based on a comparison between actual outcomes and desired outcomes (Mosadeghrad, 2003b). Job satisfaction is generally recognized as a multifaceted construct that includes employee feelings about a variety of both intrinsic and extrinsic job elements. It encompasses specific aspects of satisfaction related to pay, benefits, promotion, work conditions, supervision, organizational practices and relationships with co-workers (Misener, 1996).

## **2. ORGANIZATION COMMITMENT**

In organizational behavior and industrial and organizational psychology, organizational commitment is the individual's psychological attachment to the organization. The basis behind many of these studies was to find ways to improve how workers feel about their jobs so that these workers would become more committed to their organizations. Organizational commitment predicts work variables such as turnover, organizational citizenship behavior, and job performance. Some of the factors such as role stress, empowerment, job insecurity and employability, and distribution of leadership have been shown to be connected to a worker's sense of organizational commitment.

Organizational commitment can be contrasted with other work-related attitudes, such as job satisfaction, defined as an employee's feelings about their job, and organizational identification, defined as the degree to which an employee experiences a 'sense of oneness' with their organization.

Organizational scientists have also developed many nuanced definitions of organizational commitment, and numerous scales to measure them. Exemplary of this work is Meyer and Allen's model of commitment, which was developed to integrate numerous definitions of commitment that had been proliferated in the literature. Meyer and Allen's model has also been critiqued because the model is not consistent with empirical findings. There has also been debate surrounding what Meyers and Allen's model was trying to achieve.

## **3. FACTORS THAT IMPACT JOB COMMITMENT**

### **3.1. Role Stress**

Dysfunctions in role performance have been associated with a large number of consequences, almost always negative, which affect the well-being of workers and functioning of organizations. An individual's experience of receiving incompatible or conflicting requests (role conflict) and/or the lack of enough information to carry out his/her job (role ambiguity) are causes of role stress. Role ambiguity and conflict decrease worker's performance and are positively related to the probability of the workers leaving the organization. Role conflict and ambiguity have been proposed as determining factors of workers' job satisfaction and organizational commitment.

### **3.2. Empowerment**

Empowerment in the workplace has had several different definitions over the years. It has been considered 'energizing followers through leadership, enhancing self-efficacy by reducing powerlessness and increasing intrinsic task motivation.' A psychological view of empowerment describes it as 'a process of intrinsic motivation, perceived control, competence, and energizing towards achieving goals.' There are two prominent concepts of empowerment. The first is Structural

Empowerment which comes from the Organizational/Management Theory and is described as the ability to get things done and to mobilize resources. The second is Psychological Empowerment which comes from Social Psychological models and is described as psychological perceptions/attitudes of employees about their work and their organizational roles. A study done by Ahmad et al. found support for the relationship between empowerment and job satisfaction and job commitment. The study looked at nurses working in England and nurses working in Malaysia. Taking cultural context into consideration, the study still showed a positive correlation between empowerment and job satisfaction/commitment.

### **3.3. Job Insecurity and Employability**

In a study conducted by De Cuyper research found that workers who were on fixed-term contracts or considered "temporary workers" reported higher levels of job insecurity than permanent workers. Job insecurity was found to negatively correlate with job satisfaction and affective organizational commitment in permanent workers. The study also found that job satisfaction and organizational commitment were highly correlated with being a permanent worker.

### **3.4. Distribution of Leadership**

A study conducted by Hulpia focused on the impact of the distribution of leadership and leadership support among teachers and how that affected job satisfaction and commitment. The study found that there was a strong relationship between organizational commitment and the cohesion of the leadership team and the amount of leadership support. Previously held beliefs about job satisfaction and commitment among teachers was that they were negatively correlated with absenteeism and turnover and positively correlated with job effort and job performance. This study examined how one leader (usually a principal) effected the job satisfaction and commitment of teachers. The study found that when leadership was distributed by the 'leader' out to the teachers as well workers reported higher job satisfaction and organizational commitment than when most of the leadership fell to one person. Even when it was only the perception of distributed leadership roles workers still reported high levels of job satisfaction/commitment.

### **3.5. Job satisfaction**

Job satisfaction is perhaps the most important aspect in professional field in order to excel. As far as the recent survey held all over the world, number of job dissatisfaction has spread rapidly among people coming from all age and income brackets. The statistics were quite striking as most people are not satisfied with their jobs and the numbers are steadily rising.

With the rise in worker dissatisfaction, the main focus would be to avoid this situation. First and foremost thing that one should be aware of is that there are various kinds of job satisfaction. But, most of the surveys that we come across investigate about overall satisfaction. This only happens when any person take into account everything related to a job. Overall job satisfaction is nothing but an amalgamation of both intrinsic and extrinsic satisfaction.

## **4. REVIEW OF LITERATURE**

### **4.1. Javad Eslami and Davood Gharakhani (2012)**

Examine the role Job satisfaction on Organizational commitments. In this study, Data collected from 280 Iranian employees. The present study employs a questionnaire survey approach to collect data for testing the research hypotheses. Relevant statistical analytical techniques including regression for analysis was then used. The results indicate that all three factors of Job satisfaction (Promotions, Personal relationships, and Favorable conditions of work) have positive and significant effects on Organizational commitments. The main contribution is to provide empirical evidence about the impact of Job satisfaction on Organizational commitments. Also the findings of the study are important for both practitioners and academics.

### **4.2. E.J. Lumley, M. Coetzee, R. Tladinyane & N. Ferreira (2011)**

Explores the relationship between employees' job satisfaction (as measured by the Job Satisfaction Survey) and organisational commitment (as measured on the Organisational Commitment Scale). A

cross-sectional survey was conducted on a convenience sample of 86 employees at four information technology companies in South Africa. Correlational and stepwise regression analyses revealed a number of significant relationships between the two variables. The findings add new knowledge that can be used to improve organisational practices for the retention of valuable staff members in the information technology environment.

#### **4.3. Ebru Gunlu, Mehmet Aksarayli, Nilüfer Sahin Perçin, (2010)**

Identifies the effects of job satisfaction on organizational commitment for managers in large-scale hotels in the Aegean region of Turkey and, in addition, to examine whether there is a significant relationship between the characteristics of the sample, organizational commitment, and job satisfaction. Two structured questionnaires were administered to large-scale hotel managers in the tourism industry. The survey instruments were adopted from the validated Minnesota Job Satisfaction and Organizational Commitment Questionnaire of Meyer-Allen. The data were analyzed using Statistical Package for Social Sciences version 13.0.

The findings indicate that extrinsic, intrinsic, and general job satisfaction have a significant effect on normative commitment and affective commitment. In addition, the findings suggest that the dimensions of job satisfaction do not have a significant effect on continuance commitment among the managers of large-scale hotels. When the characteristics of the sample are regarded, age, income level, and education have a significant relationship with extrinsic job satisfaction whereas income level indirectly affects affective commitment.

Although job satisfaction is found to affect organizational commitment, practitioners should not disregard the fact that there is an interactive relationship between the two factors; otherwise, the organizations might be at risk. In addition, the governmental support is very important in minimizing the effects of seasonality problem in tourism.

#### **4.4. John O. Okpara, Pamela Wynn, (2008)**

Examines the impact of ethical climate on job satisfaction and organizational commitment in Nigeria, and to discover the extent to which unethical practices among managers have impacted upon managerial practices in Nigeria. The study followed a descriptive research design using survey methods with statistical treatment. Using the business directory of companies in Nigeria, a sample of 409 managers was drawn using a systematic random sampling technique. Multiple regression analysis and Pearson's product moment correlation were used to assess the influence of ethical climate types on job satisfaction and organizational commitment.

The findings revealed that there was a relationship between organizational ethical climate and facets of job satisfaction. It was also found that ethical climate types explained 58 percent of the variation in overall job satisfaction. Also, the correlation between ethical climate types and organizational commitment was positive and significant. This implies that favorable organizational ethical climate would encourage commitment and job satisfaction.

### **5. NEED FOR THE STUDY**

Organizational commitment refers to “an attitude that reflects the strength of the linkage between an employee and an organization”. The level of commitment has implications as to whether a person would stay with an organization. Commitment can be identified as three very different types, which include: affective, continuance and normative. However, in this study, the focus will be on commitment in the most general term. Organizational commitment can be ranked as: high, moderate, or low. Thus, managers are interested in maximizing their workers’ level of commitment.

It is important to study the relationship between job satisfaction and organizational commitment, because this study will help managers to understand how people work and study general organizational behaviours. The main interest of the research is to investigate whether an employee’s job satisfaction will affect his or her level of commitment in the organization.

### **6. STATEMENT FOR THE PROBLEM**

The purpose of this study is to analyze the relationship between job satisfaction and organizational commitment. Employees’ productivity is largely related to their level of job satisfaction and in fact, the

turnover rate can be reduced with a higher level of organizational commitment. Therefore, it is important for an organization to study the relationships between these two variables.

**7. OBJECTIVES FOR THE STUDY**

- To study the personal profiles and its association with employee organization commitment and Job satisfaction.
- To analyze the present level of employee organization commitment in the organization.
- To identify the level of job satisfaction among the employees in the organization.
- To identify the strength of relationship between employee organization commitment and employee job satisfaction.

**8. RESEARCH METHODOLOGY**

The universe for the study is employees working BPO organizations in Tiruchirappalli, for more than 24 months in same organization. A sample design is a definite plan for obtaining a sample from a given population. It refers to the technique or the procedure that researcher would adopt in selecting items for the sample. Sample design may as well lay down the number of items for the sample. Sample design may as well lay down the number of items to be included in the sample. i.e the size of the sample. The researcher determined the Sample design before data was collected. The study is descriptive in nature. The database was collected from the organization through a well-structured questionnaire. The questionnaire consists of personal data, Questions related to the dimension organization commitment and job satisfaction in Selected BPO’s in Tiruchirappalli. Hence the sample size for the study is 110 respondents by adopting purposive sampling technique.

The primary data was collected afresh for the first time and thus happen to be original character. The primary data was collected with the help of the questionnaire. The secondary data, on the other hand, are those which have been already collected by someone else and which have been already passed through the statistical process. The researcher collected the secondary data from journal, Books and from internet and web site of selected BPO’s. The collected data have been consolidated, tabulated and analyzed by using relevant statistical tools like, Correlation, ANOVA and Multiple regressions. The SPSS 20 package was utilized for analyzing the data. The interpretation of the study is done by using tables, graphs and charts to give meaningful results.

**9. RESULTS AND DISCUSSIONS**

Relationship between Organization Commitment and Job Satisfaction

		<b>Organization Commitment</b>	<b>Job Satisfaction</b>
Organization Commitment	Pearson Correlation	1	.469**
	Sig. (2-tailed)		.000
	N	110	110
Job Satisfaction	Pearson Correlation	.469**	1
	Sig. (2-tailed)	.000	
	N	110	110

The above table shows the correlation between organization commitment and Job satisfaction. The dimensions organization commitment and Job satisfaction has positive relationship. The strength (.469) of relationship between organization commitment and Job satisfaction is moderately strong and it is significant at (.005) level.

Cause and Effect between Predictors and Organization Commitment - Model Summary

Model	R	R Square	Adjusted R Square	F (Sig)	Std. Error of the Estimate
dimension 1	.883	.780	.758	35.161 (.000)	.291

**9.1. Predictors**

(Constant), Career, Difficult to leave, Leave workplace, Family in organization, emotionally attached, Loyalty, Personal belonging, Sense of obligation, Sense of belonging, Owe a great deal

**9.2. Dependent Variable: Organization Commitment.**

The model summary table shows R for this model is .883. This means that 88.3 percent of the variation in Organization Commitment (dependent variable) can be explained from the 10 independent variables. The table also shows the adjusted R-square for the model as .758. The F ratio = 35.161. The statistical significance is .000 - the “Sig”. So we can reject the null hypothesis that no relationship exists between the two variables.

**10. COEFFICIENTS**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.534	.150		-3.558	.001
Career	-.099	.101	-.059	-.980	.329
Difficult to leave	.165	.046	.226	3.553	.001
Leave workplace	.076	.050	.096	1.530	.129
Family in organization	.084	.059	.092	1.434	.155
Emotionally attached	.123	.055	.148	2.229	.028
Loyalty	.227	.062	.191	3.676	.000
Personal belonging	.250	.049	.272	5.076	.000
Sense of obligation	.096	.057	.092	1.682	.096
Sense of belonging	.217	.055	.215	3.922	.000
Owe a great deal	.240	.055	.237	4.345	.000

To determine if one or more of the independent variables are significant predictors of organization commitment, we examine the information provided in the coefficient table. Out of ten independent statements, 6 independent variables are statistically significant and the remaining 4 independent are not statistically significant. The standardized coefficient beta column reveals that Difficult to leave, Loyalty, Personal belonging, Sense of belonging and Owe a great deal contribute maximum towards the organization Commitment.

**10.1. Cause and Effect between Predictors and Job Satisfaction**

Model	R	R Square	Adjusted R Square	F (Sig)	Std. Error of the Estimate
Dimension	.895	.801	.776	32.460 (.000)	.291

**10.2. Predictors**

(Constant), promotion, supervisor is competent, Enjoy working, meaning to work, fair chance for promotion, supervisors is fair, job responsibilities, enjoy the people, sense of pride, chances for being promoted, conflict, enjoy my job

**10.3. Dependent Variable: Job Satisfaction**

The model summary table shows R for this model is .895. This means that 89.5 percent of the variation in Job Satisfaction (dependent variable) can be explained from the 12 independent variables. The table also shows the adjusted R-square for the model as .776. The F ratio = 32.460. The statistical significance is .000 - the “Sig”. So we can reject the null hypothesis that no relationship exists between the two variables.

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.279	.119		-2.349	.021
Promotion	.051	.061	.062	.840	.403
Supervisor is competent	.061	.046	.079	1.339	.184
Enjoy working	.088	.061	.096	1.442	.152
Meaning to work	.241	.061	.229	3.972	.000
Fair chance for promotion	.016	.052	.022	.319	.751
Supervisors is fair	.091	.053	.114	1.710	.090
Job responsibilities	.131	.051	.146	2.554	.012
Enjoy the people	.150	.058	.184	2.593	.011
Sense of pride	.094	.042	.113	2.273	.025
Chances for being promoted	.109	.053	.139	2.048	.043
Conflict	.102	.043	.160	2.396	.019
Enjoy my job	.026	.072	.020	.358	.721

To determine if one or more of the independent variables are significant predictors of organization commitment, we examine the information provided in the coefficient table. Out of twelve independent statements, 6 statements are statistically significant and the remaining six statements are not statistically significant. The standardized coefficient beta column reveals that Meaning to work, Job responsibilities, Enjoy the people, Sense of pride, Chances for being promoted and Conflict.

## **11. FINDINGS**

- Age classification of the respondents' shows that majority of the respondents (66.4%) belonged to the age group below 25 years.
- Gender of the respondent's shows that majority of the respondents (90%) were male.
- Marital status of the respondent's shows that majority of the respondents (84.5%) were unmarried.
- Out of the various designated employees in the organization majority of them (43.6%) were middle level.
- Income distribution of the respondent's shows that majority of the respondents (50.9%) belonged to the income group Rs.150, 000 and above.
- 89.1% of respondents strongly agreed that they would be happy if they spent the rest of their career in this organization.
- 44.5% of the respondents strongly Agreed that even if they wanted to, it would be difficult for them to leave the organization.
- 45.5% of the respondents agreed that they felt that it would not be right for them to leave their workplace now
- 69.1% of respondents strongly agreed that they felt as if they belong to the family in the organization.
- 65.5% of respondents strongly agreed that they felt attached to the organization emotionally.
- 65.5% of the respondents strongly agreed that their loyalty to the organization is deserved.
- 45.5% of respondents Strongly Agreed and Agreed respectively that it means a great deal to them personally to belong to the organization.
- 60% of respondents Agreed that they have a sense of obligation to the people of the organization that prevents them from leaving.
- 68.2% of respondents strongly agreed that working here gives a strong sense of belonging.
- 49.1% of respondents strongly agreed that they felt that they owe a great deal to the organization.
- 45.5% of respondents strongly agreed that they felt there are many chances for promotion in their job.
- 47.3% of respondents strongly agreed that they felt their supervisor is competent for the job he/she does.
- 61.8% of respondents agreed that they enjoy working with their colleagues.
- 53.6% of respondents agreed that they always felt there is meaning to their work.
- 40.9% of respondents strongly agreed that they feel if they do their job well, there is a fair chance that they can be promoted.
- 50.9% of respondents agreed that they feel that their supervisor is fair to them.
- 50.9% of the respondents strongly agreed that they like their job responsibilities.
- 51.8% of the respondents agreed that they enjoy working with the people here.
- 47.3% of respondents Agreed that when they do their job, they feel a sense of pride.
- 50.9% of the respondents agreed their chances for being promoted here satisfy them.
- 36.4% of the respondents agreed that there is no conflict between/among their coworkers.

- 79.1% of respondents strongly agree that they enjoy their job.

## **12. SUGGESTIONS**

- The top level peoples in the organization should make the employees to feel that their organization is like a family.
- The organization should take necessary steps to increase the job satisfaction level of employees by giving periodic incentives.
- The top level peoples should believe if the job satisfaction is checked at appropriate time and main the optimum level of job satisfaction, will result in increase of employee loyalty and result in organization commitment.
- The employees should have sense of belonging towards the organization.
- There should be clear promotion policy.

## **13. CONCLUSION**

The results obtained from the study shows that there is a positive relationship between job satisfaction and organizational commitment. For an organization to be successful, its managers must ensure that their employees have a high level of job satisfaction in order to mutually have a high level of organizational commitment. The employees tend to feel fairly satisfied with their current job. However, the lower positioned employees tend to have a lower satisfaction than those with a higher status. To address this problem, managers should focus on increasing the employees' job satisfaction in factors such as: the work itself, benefit programs, rewards, work conditions, and promotions. These can influence the way a person would feel and perceive about their jobs. Indeed, managers may also apply job rotation so each employee will have an opportunity to perform different tasks using various skills and talents. By using this method, it may be able to further increase the interests the employees would have in their job.

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