

# An Empirical Study of Relationship between Job Satisfaction and Organizational Commitment in Pharmaceutical Sector

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## Abstract:-

This study investigated the relationship between job satisfaction and organizational commitment and its sub dimensions. This study investigated the nature of relationship of demographic factors and job satisfaction with organizational commitment. A sample of 400 sales employees were selected randomly from Pharmaceutical sector in Haryana. Job Satisfaction Questionnaire by Dr. B.C. Muthayya and Organizational Commitment Questionnaire of Allen and Meyer was used to collect data. Pearson's product moment correlation and multiple regression was used to analyze the data. The results of correlation and regression analysis shows that there is positive and significant relationship between factors of job satisfaction (favorable working condition, promotional opportunities, work-life balance, & interpersonal relations) affective and normative commitment. This study is source of information for pharmaceutical companies and sales managers so that they can give better working conditions, promotional opportunities, flexible working hours, job clarity, better interpersonal relations so that employees can remain satisfied, and committed with organization.

**Keywords:** - job satisfaction, organizational commitment, affective commitment, normative commitment, continuance commitment.

## 1. Introduction:-

Salesperson organizational commitment have received considerable attention due to the importance that sales managers are placing to retain sales employees. In today's changing word, competition has increased, technologies has improved so much that every organization is struggling to survive and trying to make profits. And it is becoming tougher to retain efficient sales employees in their organization compared to old times.

In Pharmaceutical sector, there are many MNCs and local manufacturing companies employing sales employees or Medical Representatives. But to retain committed and efficient employees is tough as sales employees also get attracted towards the organization which are giving those good working conditions, higher salary, bonus, promotional opportunities, carrier advancement, and good relations with superiors. These all are factors of job satisfaction and can be said antecedents of organizational commitment. If an employee is satisfied with his or her job then he/she will be committed to their organization. And a committed employee can lead to an organization towards survival and success. An organization can compete with rest of the word if it has committed employees in it.

There are numerous study conducted on job satisfaction and organizational commitment which say that there is significant relationship between job satisfaction and organizational commitment. But a very few studies have been conducted in Pharmaceutical sector in India and in Haryana. Here we will see is there any relationship between factors of job satisfaction and sub dimensions of organizational commitment which are affective, normative and continuance commitment.

### 1.1 Organizational commitment:-

Organizational commitment has received substantial attention in the past due to its impact on work attitudes i.e. job satisfaction, performance, absenteeism, and turnover intentions. In sales and marketing, organizational commitment is considered an important central construct for understanding salesperson behavior (Brown and Peterson, 1993; Singh *et al.*, 1996). (Allen and Meyer 1996) stated, “Organizational commitment as a psychological link between an employee and his or her organization that makes it less seemingly that the employee can voluntarily leave the organization”. Organizational commitment at the early stages of employment is difficult to predict but there is study conducted on it and they found that training, satisfaction, and perceived reward equity are antecedents of organizational commitment (Chu-Mei Liu 2006).

Meyer and Allen (1997) told us three component model of commitment, there are three “mind-sets” which characterizes an employees’ commitment to the organization that are; affective, continuance, and normative commitment. Affective commitment refers to employees’ perception of the emotional attachment or identification with the organization. Continuance commitment’ judgment of employees whether the costs of leaving the organization are greater than the costs of staying. Normative commitment is the employees’ perception of their normal obligation to the organization. So, it is very important to retain effective employees in the organization. Sales managers should focus on three specific mechanisms in order to predict salesperson’s organizational commitment. (1) Supervisor relationship (2) sales organization’s characteristics and (3) sales task characteristics (Scott B. Friend, Danny N. Bellenger, and James S. Boles 2009).

Many studies have conducted which correlate with organizational commitment. Propensity to trust, perceived trustworthiness of supervisor, peers, & organization is related to organizational commitment. The organization that are perceived as being trustworthy are likely to have employees with higher level of involvement in organization (Ranjeet Nambudri 2012). Employees should try to enhance their bond with the union in anticipation to increase the commitment level of employees (Tumpa Dey 2012). However, studies regarding commitment and gender are also conducted but results showed gender is not stronger influencer but achievement motivation is strong predictor of organizational commitment (Adepeju Ogungbamila 201

### 1.2 Job satisfaction: -

Robbins (2005) defined job satisfaction as a collection of feelings that an individual holds towards his or her job. Job satisfaction has been observed to affect levels of job dissatisfaction, absenteeism, grievance expression, low morale, high turnover, quality improvement, and participation in decision-making. Job satisfaction is understood as positive attitude toward one’s work when tangible and/or intangible rewards fulfill expectations. The happier folks are inside their job, the more satisfied they are said to be. (Thesaurus of Psychological Index Terms, 2005). There are seven variables that can effect salesman’s job satisfaction which includes (1) Closeness of supervision, (2) Frequency of Communication, (3) Involvement in Setting Standards, (4) Inter Personal Variables i.e. (role ambiguity and role conflict), (5) Innovativeness of salesmen, (6) Authority Structure and (7) Salesmen influence over supervisory standards bear a significant positive relationship to his overall job satisfaction. (Gilbert A. Churchill, Jr. Neil M Ford, Orville C Walker, 1976). (Mosammod Mehamud, Parvin; MM Nurul Kabir) also found out that working conditions, fairness, promotion, and pay are key factors affecting pharmaceutical company employees’ job satisfaction. Money is good motivator. If we increase salary and compensation to motivate employees, that will increase their overall performance and will lead to job satisfaction.

Job satisfaction is a set of favorable and unfavorable feelings with which employees view their work (Davis and Newstrom). Kano’s model confirms that three categories of factors have different impact on the formation of job satisfaction that are (1) Basic factors (Dissatisfiers) (2). Excitement factors (Satisfiers) and (3) Performance Factors (Hybrid). Basic Factors are the minimum requirement that cause dissatisfaction if not fulfilled but do not lead to job satisfaction if fulfilled. Excitement factors are that increase satisfaction if fulfilled but do not cause dissatisfaction if they are not fulfilled. Performance factors lead to satisfaction if performance is high and to lead to dissatisfaction if performance is low. (Kano, N 1984), (Kurt Matzeler; Mathias Fuchs and Astterd K. Schvurd 2004). The two factor theory of Herzberg further stresses that a worker can be satisfied and dissatisfied simultaneously due to distinct component in the working

environment. Thus, employee satisfaction is composed of numerous facets and each facet has distinct levels of satisfaction and dissatisfaction. Industry experience, HR Policies, Supervisory Satisfaction, compensation policies, and career development have moderation effect on job satisfaction (Dr. Keynoor Purani, Dr. Sunil Sahadev 2005). Job Satisfaction of males and females are different in view of their jobs. Women receive less from their work in terms of intrinsic rewards, while experiencing great role conflict and role ambiguity than males. But they are more loyal and honest than men (Charles M. Furtell 1980). On the other hand, men sales manager as compared to women had higher scores on overall extrinsic job satisfaction. Younger men managers were less satisfied with their job in general, Social Service and achievement in particular. (Loreta, Gustainiene Auskey Endriulaitiene 2009).

Job satisfaction is most important predictor of the intention of employee to remain employed in the organization. Job satisfaction is the degree of pleasure in the job. If an employees' needs are fulfilled in that job through tangible or intangible rewards then he is happy with his job that means he is satisfied.

## 2. Literature review:-

### Relationship between Job Satisfaction and Organizational Commitment:-

Most of the researches treated job satisfaction as an independent and organizational commitment as a dependent variable. The relationship between job satisfaction and organizational commitment is one of the most commonly investigated relationship in sales management literature. The positive relationship between job satisfaction and organizational commitment can be seen in literature. If employees are satisfied with their jobs and pay then they feel committed to their organization. Job Satisfaction affects organizational commitment directly and turnover intention indirectly among nurses. (Lille Num; John Karvin; Kathleen, Clark; Frank Roid and Wendy Sirola 1998). (Sinem Aydogdu, Baris Asikigil, 2011) also conducted research to gain better understanding of relationship between job satisfaction, organizational commitment and Turnover Intention. There is strong relationship between job satisfaction and three dimensions of organizational commitment. (James Boles, Ramana Madupalli, Brian Rutherford John Andy Wood 2007) also examines, the relationship between various facets of salesperson job satisfaction and organizational commitment and they found that of all job satisfaction domains, job satisfaction with company policies and work tasks are important to all salespersons regardless of gender and will significantly influence a salesperson's affective commitment. Further, various facets of satisfaction such as pay promotion are more important to men than to women.

In case of Job Satisfaction of private and public sector, Public sector employees' affective and normative commitment are more influenced by intrinsic and extrinsic job satisfaction than private sector employees. Private sector employees are more logical in their employment choices beliefs and attitudes. Thus they are less influenced by on the job experiences. (Yannis Markovits, Ann J. Davis, Doris Fay, and Rolf Van Dick 2010) There is significant positive relationship between job satisfaction, demographic factors, and organizational commitment. Supervision pay, overall job satisfaction, age and job tenure are significant predictors of commitment (**Syeed Mohammad Szeem 2010**). On the other hand (Gianfranco Walsh; Henier Evanschitzky; and Maren Wunderlikh 2006) suggested that not all the moderators i.e. age, gender and loyalty influence the satisfaction-loyalty link.

Based on the literature review and research objectives, the following hypotheses were derived:

**Hypothesis1.** Factors of job satisfaction are positively related to affective commitment.

**Hypothesis2.** Factors of job satisfaction are positively related to normative commitment.

**Hypothesis3.** Factors of job satisfaction are positively related to Continuance commitment

## 3. Research Methodology:-

Data was collected through questionnaires from 400 sales employees or Medical Representatives from four zones of Haryana on the basis of random convenience sampling method. The three component model of commitment was developed by Meyer and Allen (1990). The second instrument used for this study is job satisfaction questionnaire that was framed by Muthayya (1973) taken from the thesis written by Dr. Hawa

Singh (1995) named as Organizational Health of Haryana Tourism Corporation in Relation to commitment, job satisfaction and some allied attributes . Questions are framed in such a way that the answers reflects the opinion and thoughts of the respondents with regard to various factors of job satisfaction.

Factor analysis was applied on the Job Satisfaction Questionnaire. Principal Component Analysis (PCA) is widely used for factor extraction, which is first phase of Exploratory Factor Analysis. Factor weights are computed in order to extract the maximum possible variance, with the successive factoring continuing until there is no further meaningful variance left. The factor model must then be rotated for analysis. Four factors were obtained from factor analysis with KMO score of .892 and all four factors explained 64.65% variance. These four factors are favorable working conditions, motivational factors, work-life balance, and promotional opportunities. Reliability of job satisfaction scale is (cronbach's alpha=0.730) and organizational commitment reliability (cronbach's alpha = 0.604) Alpha reliability coefficients for each scale is favorable condition (0.912), motivational factor (0.901), work life balance (0.742), and of promotional opportunities (0.605).alpha reliability of sub dimensions of organizational commitment is affective commitment (0.775), normative commitment (0.744) and continuance commitment is (0.673).

#### 4. Results:-

The maximum number of respondents (57.5%) are between the ages of 25-30. And the lowest number of respondent (0.3%) are in the above 50 years of age category. It also reveals that our study includes more of young sales employees having 0-5 years of work experience in that particular organization and falls under the category of 1,00,000-3,00,000 per annum basic salary.

(Table 4.1)

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
<b>Organizational commitment</b>	400	2.42	4.17	3.4477	.32174
<b>Job satisfaction</b>	400	2.18	4.53	3.5625	.63385
<b>Affective commitment</b>	400	1.88	4.75	3.5541	.66869
<b>Continuance commitment</b>	400	1.75	4.63	3.2903	.62275
<b>Normative commitment</b>	400	2.13	4.50	3.4988	.52966

Table 4.1 shows mean and standard deviation of variables in the study. Mean tells the average value and standard deviation tells us how far observations are from the sample average. Mean score of job satisfaction is high which is 3.56 and mean score of continuance commitment is lowest 3.2. It means job satisfaction is on positive side as it is greater than ideal mean score of 3. Mean score of affective commitment is also high means if employees are satisfied then there will be affective among employees who wanted to remain committed to due to emotional attachment and identification with organization.

Standard deviation of organizational commitment (0.32) is low it means variability is less in organizational commitment is less than variability in job satisfaction (.63)

(Table 4.2)

**Correlation among factors of job satisfaction and organizational commitment**

Variables	Affective commitment	Normative commitment	Continuance commitment	Organizational commitment
<b>Job satisfaction</b>	0.728**	0.582**	-0.407**	0.561**
<b>Favorable working condition</b>	0.440**	0.328**	-0.248**	0.324**
<b>Promotional opportunities</b>	0.661**	0.433**	-0.359**	0.464**
<b>Work-life balance</b>	0.012	0.153	-0.076	0.043
<b>Interpersonal relations</b>	0.165**	0.092	-0.150**	0.068

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

Table 4.2 explains correlation among job satisfaction, four factors of job satisfaction (favorable working condition, promotional opportunities, work-life balance, and interpersonal relations) and organizational commitment (affective, normative, and continuance). There is positive significant relation between job satisfaction and affective commitment that is 0.728 at  $p < 0.01$ . The four factors of job satisfaction are correlated positively with affective and normative commitment but negatively correlated with continuance commitment. Work life balance is related positively to affective and normative commitment but the relation is low and not very high.

Overall job satisfaction is also correlated positively to overall organizational commitment, affective, normative commitment but related negatively to continuance commitment.

(Table 4.3)

**Regression analysis between Affective commitment and factors of Job Satisfaction**

Predictors	Beta	T	p value
<b>Favorable working condition</b>	0.294	14.934	0.000
<b>Promotional opportunities</b>	0.442	22.468	0.000
<b>Work-life balance</b>	0.008	0.407	0.684 (p value > 0.05 is not significant)
<b>Interpersonal relations</b>	0.110	5.60	0.000
<b>R<sup>2</sup> = 0.658</b>			
<b>F = 189.84</b>			

Table 4.3 presents results of regression analysis. There is positive significant relation between favorable working conditions and affective commitment ( $\beta = 0.294$ ,  $t = 14.934$ ,  $p = 0.000 < 0.05$ ), positive relation between promotional opportunities and affective commitment ( $\beta = 0.442$ ,  $t = 22.468$ ,  $p = 0.000 < 0.05$ ), positive relation between interpersonal relations and affective commitment ( $\beta = 0.110$ ,  $t = 5.60$ ,  $p = 0.000 < 0.05$ ) but work life balance is not related significantly to affective commitment ( $\beta = 0.008$ ,  $t = 0.407$ ,  $p = 0.684 > 0.05$ ). Work life balance is not significant predictor of affective commitment.  $R^2$  is 0.658 it means 65.8% variance in affective commitment is due to factors of job satisfaction. So, H1 is confirmed that job satisfaction and its factors are related positively to affective commitment.

(Table 4.4)

**Regression analysis between normative commitment and factors of Job Satisfaction**

Predictors	Beta	T	p value
Favorable working condition	0.174	7.936	0.000
Promotional opportunities	0.229	10.477	0.000
Work –life balance	0.081	3.697	0.000
Interpersonal relations	0.049	2.222	0.027
<b>R<sup>2</sup>= 0.326</b>			
<b>F =47.836</b>			

Table 4.4 shows regression analysis between normative commitment and factors of job satisfaction. Favorable working condition and normative commitment ( $\beta= 0.174$ ,  $t= 7.936$ ,  $p= 0.000<0.05$ ), promotional opportunities ( $\beta= 0.229$ ,  $t= 10.447$ ,  $p=0.000<0.05$ ), work life balance ( $\beta=0.081$ ,  $t= 3.697$ ,  $p=0.000<0.05$ ), and interpersonal relations ( $0.049$ ,  $t= 2.222$ ,  $p=0.027<0.05$ ) are related positively to normative commitment.  $R^2$  is 0.326 means 32.6% in normative commitment is due to factors of job satisfaction. It means H2 is also confirmed that job satisfaction and its factors are related positively to normative commitment.

Table 4.5 shows regression analysis between continuance commitment and factors of job satisfaction. Favorable working condition ( $\beta= -0.154$ ,  $t= -5.578$ ,  $p=0.000$ ,  $p<0.05$ ), promotional opportunities ( $\beta= -0.224$ ,  $t= -8.075$ ,  $p=0.000$ ,  $p<0.05$ ), work life balance ( $\beta= -0.047$ ,  $t= -1.699$ ,  $p=0.090$ ,  $p>0.05$ ), and interpersonal relations ( $\beta=-0.094$ ,  $t= -3.376$ ,  $p=0.001$ ,  $p <0.05$ ) are negatively related to continuance commitment. Work life balance is not significant predictor of continuance commitment.  $R^2$  is 0.219, it means 21.9% variance in continuance commitment is due to factors of job satisfaction. So, H3 is not supported with results.

(Table 4.5)

**Regression analysis between continuance commitment and factors of job satisfaction**

Predictors	Beta	T	p value
Favorable working condition	-0.154	-5.578	0.000
Promotional opportunities	-0.224	-8.075	0.000
Work-life balance	-0.047	-1.699	0.090 is not significant ( $p>0.05$ )
Interpersonal relations	-0.094	-3.376	0.001
<b>R<sup>2</sup>= 0.219</b>			
<b>F= 27.652</b>			

**Conclusion:-**

As a conclusion, it is clear that job satisfaction and factors of job satisfaction are positively related to organizational commitment and its sub dimensions except continuance commitment in sales employees of pharmaceutical sector. There is negative correlation between job satisfaction factors (favorable working

conditions, promotional opportunities, work-life balance, and interpersonal relations) and continuance commitment. The result of regression analysis also told that there is strong relationship between job satisfaction, affective and normative organizational commitment.

This study is important for employers and employees. Human resource is an asset for an organization. The success of an organization depends on motivated, satisfied, and committed employees. So, in this competitive business environment sales managers should make changes in their organization to promote their employees by providing favorable working conditions, promotional opportunities, giving work life balance and improving interpersonal relations, encouraging employees to use their own skills and abilities help them to have a sense of self-pride, a sense of competence and a sense of self confidence that increases job satisfaction and also the factors like job variety and clear job description lead to higher job satisfaction. Employees having a high job satisfaction are expected to be committed to the organization.

So, the importance of job satisfaction and organizational commitment should not be forgotten. An employee who is satisfied then it is expected that employee will be committed. Every employee has different kinds of needs and expectations and it is impossible to satisfy every need and expectation of the employees. Both employee and employer should try to generate a working condition that they will work in a happy, motivated, and productive atmosphere to reach organization's goals.

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