

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1. Literature Review**

##### **2.1.1 Organizational Commitment**

The concept of organizational commitment has been explained and measured in different ways. Organizational commitment means as the level of individual association to an organization, because individual is willing to dedicate significant time and effort to the organization without monetary purposes (Bang, 2013). Organizational commitment is the circumstance in which an employee sides with an organization and aims to maintain the membership within the organization. Meyer and Allen (1996) developed a model of organizational commitment consisting of various components. Then, Cho & Huang (2012) provide the definition of each component respectively:

1. Affective commitment refers to a commitment to an organization that is driven only by emotional attachment and identification with the organization.
2. Normative commitment is the feeling of perceived or moral obligation to stay with one's organization.
3. Continuance commitment is an attachment based on a perceived lack of alternative employment opportunities, and the investments made by an employee who will be sacrificed by leaving the organization.

Commitment is an attitude reflecting an employee's loyalty to the organization, and an ongoing process where the organization members express their concern for the organization, its

success and well-being. Organizational commitment is determined by a number of factors, including personal factors, such as age, tenure in the organization, disposition, internal or external control attributions. Organizational factors, such as: job design and the leadership style of one's supervisor and non-organizational factors such as availability of alternatives. Mowday, Porter, and Steer (1982) see commitment as attachment and loyalty and they describe three components of commitment. Further, Tella et al (2007) and describe clearly about that components of commitment:

1. Identification with the goals and values of the organization.
2. A desire to belong to the organization.
3. A willingness to display effort on behalf of the organization.

Organizational commitment is defined as one of the fundamental factors affecting the success of the companies. Organizational commitment is the bond an employee has with the organization employee works with and the degree to which employee can identify their selves with the values of the organization (Gangai & Agrawal, 2014). High organizational commitment can help the employee gets rewarded by transferring the authority, as a result of employee loyalty to the company. In addition, low organizational commitment, may cause rumors, objections and complaints, which in return harms the company itself, may result in the decline of trust of the customers and may end in financial losses (Sabharwal, 2009).

Northcraft (1996) in Tella et al (2007) describes that commitment is an attitude reflecting an employee's loyalty to the organization, and an ongoing process through which organization members express their concern for the organization and its continued success and well-being. Organizational commitment is determined by a number of factors, including personal factors,

such as age, tenure in the organization, disposition, internal or external control attribution. Organizational factors, such as: job design and the leadership style of one's supervisor, then, non-organizational factor that is availability of alternatives. All these things affect subsequent commitment.

### **2.1.2 Attitude towards Work**

Attitude is a positive or negative feeling or mental state of readiness, learned and organized through experience that give special influence on a person's response to people, objects and situations (Hettierararchchi & Jayarathna, 2014). This definition has certain implications for managers. First, attitudes are learned. Second, attitudes define one's predispositions to certain aspects of the world. Third, attitudes provide emotional basis of one's interpersonal relationship and identification with others. Fourth, an organized and closed attitude towards the core of personality. Some attitudes are persistent and enduring. However, attitude may change depends on the psychological.

According to Pickens (2005) attitude is a mindset or a tendency to act in a particular way due to both an individual's experience and temperament. Besides that, attitude could help us to define how we see situations, as well as define how we behave toward the situation or object. Attitudes toward work in the context of current research mean one's feelings towards activities, roles, duties, tasks, job, one is performing at work place. This can be thought as a mature way of thinking about one's job. Attitudes are evaluative statements that may be favorable or unfavorable ones. The evaluative statements that relate to the objects, people, or events further depend upon three variables, which are:

1. An affective, the affective component includes feelings, values, and emotional states;

2. A cognitive, the cognitive component is made up of beliefs whether something is true or false;
3. A behavioral component, the behavioral component is comprised of intentions and the decision to act.

From this perspective, attitudes fall between stimuli (object, people, and process). According to this tripartite approach, all responses to objects or stimuli are subject to the person's attitude towards the object (Vliet, 2002).

Attitude towards works are the feelings we have on various aspects of the work environment. Several elements that influence the attitude towards works are personality, person-environment fit, job characteristics, psychological contract, organizational justice, work relationship, and stress. Ricketta (2008) said that work attitude refers to the evaluation or personal interests of job-related targets. Attitude towards work of employees plays a significant role in the organizations. It has been proved that employees who consider work as a source of learning are more committed and satisfied with their jobs.

### **2.1.3 Job Satisfaction**

According to Odembo (2013), job satisfaction is the psychological state of how individuals feel about work, the attitude about the various intrinsic and extrinsic elements of the work and the organization in which they operate. The elements of job satisfaction are related to salary, promotion, benefits, work environment, and supervision. Therefore, job satisfaction can be interpreted as a function that is positively related to the extent to which personal needs are met in the work situation. Muchemi (2012) argues that employees are the most satisfied and highly productive people when their work gives them security from the economy, recognition of their efforts to clean up complaints policy, opportunity to contribute ideas and suggestions,

participation in decision making and managing affairs, clear task definition and responsibilities and opportunities for promotion, benefits, healthy payment structures, incentive plans and profit-sharing activities, health and safety measures, social security, compensation, communication, communication systems and mutual respect.

Robbins (2013) stated that when an employee feels unhappy with their job environment, employee would become less productive. If the employee feels satisfied with his/her job, they will bring a positive attitude to his/her personal life and people inside and outside the company. Employees who have achieved satisfaction in their job will work with higher motivation and handle their job in a positive way. Job satisfaction is increasingly becoming important in the workplace. Employers recognize that the “happier” their employees are, the better will be their attitudes towards the work, the higher their motivation, and the better will their performance is.

One of the consequences of job dissatisfaction is burnout-inclined stress. This kind of stress is an individual experience and specific to the work context. It happens in a gradual process, where an individual detaches himself or herself from work and other meaningful personal relationships as a response to job dissatisfactions, which manifest to prolonged stress and physical, mental, and emotional strain. Therefore, it is clear that job satisfaction is important for employee individual, because a satisfy employee will be happier and more stress-free compared with those who are not satisfy, both in job or personal life.

Employee's satisfaction is considered as human resource strategies in the organization. According to Simatwa (2011), job satisfaction means a function, which is positively related to the degree to which one's personal needs are fulfilled in the job situation. Kuria (2011) states that employees are the most satisfied and highly productive when their job offers them security from

economic strain, recognition of their effort, clear policy of grievances, opportunity to contribute ideas and suggestions, participation in decision making and managing the affairs, clear definitions of duties and responsibilities and opportunities for promotion, fringe benefits, sound payment structure, incentive plans and profit sharing activities, health and safety measures, social security, compensation, communication, communication system and finally, atmosphere of mutual trust and respect. Job satisfaction means a pleasant emotional state because of work.

Job satisfaction is a result of employee's perception of how well their job provides those things that are viewed as important. Luthan (1998) as cited in Tella (2007) defined that there are three important dimensions to job satisfaction:

1. Job satisfaction is an emotional response to a job situation, because it cannot be seen, only can be inferred.
2. Job satisfaction is often determined by how well the results meet or exceed expectations. For example, if organizational participants feel that they work harder than others in the department but receive fewer awards, they may have a negative attitude toward work, employers, and or co-workers. On the other hand, if they feel well treated and paid fairly, they tend to have a positive attitude towards work.
3. Job satisfaction is some interrelated attitude that is the most important characteristic of a job about people who have effective response.

Luthan (1998) also revealed that job satisfaction is affected five specific dimensions of work as follows:

- a. Salary

Amount of wages received and the degree to which this can be considered as the proper thing compared with others in the organization. Employees view salary as a reflection of how the management views their contribution to the company.

b. Promotion

Promotion is a factor related to the presence or absence of the opportunity to gain career advancement during the work. This opportunity has a different effect on job satisfaction.

c. Supervision

Supervision is the ability of an employer to provide technical assistance and supportive behavior to subordinates who experience problems at work.

d. The Work Itself

Employees tend to more satisfied with the work that give them an opportunity to do the job with their skills and ability, freedom to do the job, and feedback about their job.

e. Co-workers

Partners are reminder where co-workers who are good, and its social support is a factor related to the relationship between employees either leader or colleagues with the same or different job responsibilities.

According to this theory, the measurement of a person's job satisfaction is calculated from the difference between something that should have been felt and something that has come true, that if satisfaction is gained more than desired then people will be more satisfied.

#### **2.1.4 Employee's Job Performance**

Jamal (2007) describes that work performance is a function performed by employees within the framework of normal limits and existing resources. Job performance is categorized into two different aspects, namely aspects of behavior and aspects of results. These two aspects are interrelated but not very similar. The results aspect is the result of employee behavior. It means work performance is summed up because of a series of behaviors. Chang and Hsieh (2018) job performance is the quality or quantity of work contributed by an employee. Hence, job performance refers to the results or objectives that employees achieve from their work within a certain period.

Borman and Motowidlo (2001) in Chang and Hsieh (2018) divided performance into task and contextual performance. Task performance is the effectiveness of office work that performs activities that contribute to the organizational core of the organization. Contextual performance is performance that is not formally required as part of the job but helps to create the social and psychological context of the organization. Contextual performance has two aspects i.e. Interpersonal facilitation includes cooperative actions, attention, and assistance that help peer performance. Moreover, job dedication includes self-discipline, motivation such as working hard, taking initiative, and following rules to support organizational goals (Van Scotter, 1996).

Dessler (2007) argued that the core of managing the human resource is how to manage the performance of the employee. Employee performance should be well managed in order to



achieve organizational goals. Successful organizations are particularly adept at engaging their workforce to achieve goals that benefits the organization itself as well as individual through performance management (Snell & Bohlander, 2010). If the performance management done effectively, it can deliver thoroughly the information of the organization, drive employees to achieve results and implement organization strategy. Performance management is about ensuring that an employees' performance supports and contributes to the organization's strategic aims. Dessler (2007) indicates that there are six factors of performance, as follows:

a. Quality

Quality covers accuracy, precision, and the level of employees' performance can be accepted.

b. Productivity

Productivity means quantity and efficiency that are gained from the job in a period.

c. Knowledge about the Job

Knowledge about the job is about practical skills and informational technique that is used in the company.

d. Trustworthiness

Trustworthiness is about the level in which employee can be trusted toward completing the tasks.

e. Availability

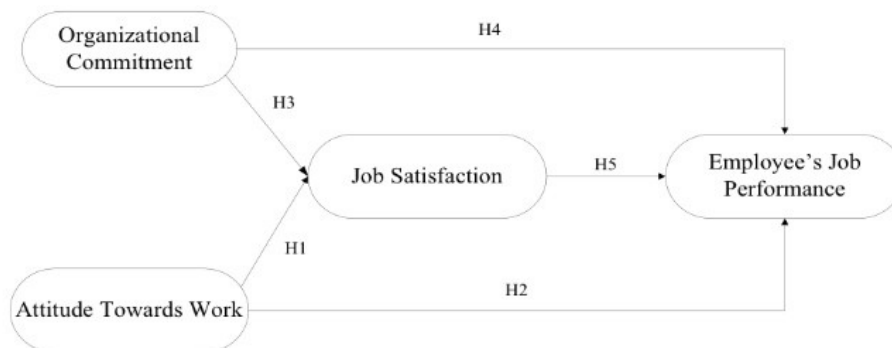
Availability is about employees' attendance to the office whether on time or not, observing in determining break time, and overall attendance lists.

f. Independence

Independence is about how far employee can handle the job with a little help or without supervision.

## 2.2. Theoretical Framework

This research is aiming to investigate or to reveal the relationship between organizational commitment and attitude towards work on employee's job performance through job satisfaction.



*Figure 2.1 Full Framework Model*

## 2.3. Relationship between Variables

### 2.3.1 Relationship between Attitude towards Work to Job Satisfaction

Attitude to the work is an employee's feeling on various aspects of the work environment. Several elements that influence attitudes toward work are personality, environmental-person match, job characteristics, psychological contracts, organizational justice, employment

relationships, and stress. Related to job satisfaction, Riketta (2009) refers to the functions of attitudes as the energizing and facilitative effects of positive affect as one component of satisfaction at the workplace. Job satisfaction is a person's general attitude to work. A high level of job satisfaction means giving a positive attitude to the job. Otherwise, it is dissatisfaction towards the job and shows a negative attitude. While, Tella et al. (2007) states that job satisfaction is associated with several attitudes including attitudes about job characteristics, compensation and benefits, status, social security, opportunities for advancement, technological challenges, and respect. Based on the above, this study predicts:

**H<sub>1</sub>:** Attitudes toward work have a positive significant effect on job satisfaction

### **2.3.2 Relationship between Attitude towards Work to Employee's Job Performance**

The attitude of performance problems has attracted extensive research from all areas of behavioral science. Arguments that support attitudes toward work lead to performance usually referring to an attitude function as a behavioral guideline and facilitator or refer to an attitude function as a motivational effect of personal interest or identification in organization (Meyer & Becker, 2004). While, Ahmad et al. (2010) could not found the significant effect of attitude towards work on employee's job performance. Better work attitude leads to better job performance. From the explanation above, then the hypotheses proposed is as follows:

**H<sub>2</sub>:** Attitudes towards work has a positive significant effect on employee's job performance

### **2.3.3 Relationship between Organizational Commitment towards Job Satisfaction**

Many authors have defined the concept of organizational commitment in several ways. Some experts see that commitment to the organization as a power of involvement in an organization. Commitment is demonstrated through conformity between personal values and

organizational goals or through behavioral exchanges to valuing rewards (Meyer and Allen, 1984). In another literature, Morrow (1983) described commitment as trust and acceptance of organizational values and goals, willingness to exert effort toward the achievement of organizational goals, and a strong desire to maintain organizational membership.

Ahmad et al. (2010) observes that there is no significant effect of organizational commitment to job satisfaction. While, Sharma and Bajpai (2010) argued that organizational commitment is proven as a catalyst to improve employee satisfaction. Therefore, Markovits et al. (2007) and Sharma and Bajpai (2010) were some of the researchers that supported if organizational commitment is a predictor of job satisfaction. This study attempts to contribute to the literature that supports organizational commitment as a significant predictor of job satisfaction. From the explanation above, then the hypotheses proposed is as follows:

**H<sub>3</sub>:** Organizational commitment has a positive effect towards job satisfaction

#### **2.3.4 Relationship between Organizational Commitment towards Employee's Job Performance**

Many researchers have conducted various studies to examine the relationship between organizational commitment and employee performance. Khan et al (2010) found a positive relationship between organizational commitment and job performance. While, Wright (2007) found negative relationship between organizational commitment and job performance, related to a positive relationship between organizational commitment and performance, Khan et al. (2010) established a research on employees working in oil and gas sector of Pakistan and examined positive and significant relationship between these two variables. Qaisar (2011) believe that the

variation of results is due to the way commitments have been conceptualized. From the explanation above, then the hypotheses proposed is as follows:

**H<sub>4</sub>:** Organizational commitment has a positive effect toward employee's job performance

### **2.3.5 Relationship between Job Satisfaction towards Employee's Job Performance**

Springer (2011) revealed that job satisfaction was correlated with employee performance. There is statistically significant positive relationship between job satisfaction and employee performance. Springer (2011) suggested that managers could improve employees' performance through applying managerial strategies in order to increase job satisfaction and work motivation.

Yvonne et al. (2007) determined that there is relation between job satisfaction and job performance. Job satisfaction of the respondents was measured in terms of the degree of satisfaction with work itself, co-workers, and supervision, while, job performance that was evaluated by their manager was measured in term of goal emphasis. The study found that job satisfaction was associated with job performance whereby all the three dimensions of job satisfaction were correlated with dimensions of performance. From the explanation above, then the hypotheses proposed is as follows:

**H<sub>5</sub>:** Job satisfaction has a positive effect towards employee's job performance

## **2.4 Previous Research**

Ahmad et al. (2010) utilized survey data collected from 310 employees of 15 advertising agencies in Pakistan to test the effect of organizational commitment and attitude towards work on job satisfaction and impact of organizational commitment and attitude towards work on performance. The results of their research show a weakness of relationship between job

satisfaction and performance where organizational commitment has a strong positive relationship with performance, and attitudes toward work have a strong positive relationship with job satisfaction. The research also found that there is insignificant impact of organizational commitment on job satisfaction and attitude towards work on job performance. There are 28 indicators are selected to test the dependency of job satisfaction on attitude towards work & organizational commitment and interdependency between job satisfaction and performance. This study use SPSS 15.0 to analyze and test the data. This study explains that employees with greater organizational commitment will perform well and employees who have a good attitude toward work will be very satisfied compared to employees who are less inclined to their work.

Khan et al. (2010) investigated the impact of organizational commitment on employee job performance of 153 public and private sector employees. This study shows a positive relationship between organizational commitment and employee performance. Three dimensions of organizational commitment, normative commitment and employee's job performance was positive and highly significant. Employees' job performance found significant impact on affective commitment where as employees job performance has highly significant effect on continuance commitment. The regression of this study showed highly significant impact of organizational commitment on employee job performance. It means all of the dimensions of organizational commitment showed significant affects on job performance.

Hettiararchchi & Jayarathna (2014) identified the impact of the work related attitudes on the job performance of the employees of tertiary and vocational education of government sector in Sri Lanka. This research was collected from 323 employees of technical education and vocational training of government in Sri Lanka. This study was using SPSS 20.0 to analyze and to test the data. The method used in this analysis was regression analysis and correlation analysis.

This research found positive relationship between job satisfaction and job performance. The correlation between job satisfaction and job performance is significant. Their previous research found that job satisfaction might had an impact on several work related outcomes like job performance. Empirical data in this study found positive relationship between organizational commitment and job performance. Organizational commitment also positively related to employee outcomes, such as job satisfaction, attendance, pro-social organizational behavior, and job performance. The finding in this research indicates that the performance of the employee working in the private sector is significantly higher than employee who is working in the public sector.

Gangai & Agrawal (2014) examine the relationship between components of organizational commitment and job satisfaction among employee at EN Reality solution Pvt. Ltd. in Lucknow, UP, India. The objectives of this study are to investigate role of job satisfaction influence organizational commitment among the employees, and find out the job satisfaction and organizational commitment among gender. he results shown that there is a highly significant correlation among factors of organizational commitment, including both gender. But, there is no significant correlation between job satisfaction and organizational commitment and among three dimensions, only continuance commitment and normative commitment is significant correlation with job satisfaction. This study is using SPSS 16.0 to analyze the data and the present study was employed 50 samples out of 200 populations in EN Reality solution Pvt. Ltd. in Lucknow, UP, India. 50 samples was taken through convenience sampling technique. The sample consists of 31 males and 19 females. The employees were included managerial level, executive level, supervisors, coordinator and middle level staff in the organization.

Simatwa (2011) focus on the factors influencing job satisfaction, job dissatisfaction, and strategies of improving job satisfaction among female principals. This study adopted a descriptive survey and correlation design. The population consists of 20 female principals, 20 deputy principals, and 200 heads of department, 20 boards of governor's chairpersons, 20 parents-teachers association chairpersons, and 2 district quality assurance officers. To collect the data Simatwa used questionnaire, interview, document analysis, and observation. Based on this research having a good relationship with the teachers and the board of governors, provision of promotion and having the autonomy in attending seminars, workshops and conferences, good Kenya certificate of secondary education examination results, recognition by the society and the education stake holders are the factors that affecting job satisfaction. Then, the factors that influenced job dissatisfaction are negative attitude by the society, terms, and conditions of headship, poor performance in the Kenya certificate of secondary education examination and lack of advancement in career and presence of political influence in the school management.

Bang et al. (2013) examine the mediating role of job satisfaction in the relationship between motivation and affective commitment in non-profit organization. They used 214 samples who volunteered at 22 non-profit organizations in Midwestern state, USA. This study is using SEM analysis to support the partial mediation role of job satisfaction. The factors of motivation have significant direct impact on affective commitment and job satisfaction as mediated the relationship between values and affective commitment. Even though, motivation affects the level of organizational commitment, volunteers who are motivated by their values will be more satisfied with their volunteer experience and consequently more committed to non-profit sports organizations.



Cho & Huang (2011) investigated the influence of organizational commitment and professional commitment on professionals' intention to leave their organizations for professional advancement. There are 500 members of Hong Kong Association but the total responses collected were only 265 with response rate of 53 percent. This research were measured by seven-point scale from 1 (highly disagree) to 7 (highly agree) in a self-reported questionnaire. The findings of this research showed this strategy would be effective in the retention of professionals. In addition, there is an interaction effect between organizational continuance commitment and professional commitment such that high level of professional commitment would also diminish the negative impact of organizational commitment on intention to leave the organization for professional advancement.

Tella et al. (2007) revealed that a correlation exists between perceived motivation, job satisfaction, and commitment, although correlation between motivation and commitment was negative. The correlation that exists in this study among perceived work motivation, job satisfaction, and organizational commitment corresponds who reported that motivation improves workers' performance and job satisfaction. This study report there is a relationship exists between job satisfaction and organizational commitment. This research used a descriptive survey design and the population of this study is all research and academic libraries in Oyo state. A census of 5 research and 4 academic libraries was taken. The total sampling technique was used to select 200 library personnel. There were 200 participants, 82 were females, and 118 were males. To analyze the data, this research is using Pearson Multiple Correlation.

Sabharwal (2009) explore and compare the job satisfaction rates of faculty members employed in research institutions with special attention paid to differences across gender and disciplines. The study used the data from survey of doctorate recipients, which is collected

survey of doctoral awardees and funded by the National Science Foundation. Across all discipline, this study found that female members expressed lower levels of satisfaction when compared with male faculty members. Based on the hypothesis, women will have lower level of job satisfaction than their male peers even when controlling for these types of variables. In the science and health fields, men were significantly less satisfied than women. In the engineering and social fields, there was no significant difference in satisfaction level for women and men. This study focus on analyzing job satisfaction by gender across discipline while controlling for a variety of demographic, institutional, and career variables. The results of this study are using a measure of overall job satisfaction to implement policies for change might be misleading.

Pickens (2005) explains how understanding the psychology of attitudes and perceptions can help to manage employee performance. This book defines how we see the situation as well as define how we behave towards the situation or object and this chapter reviewed several social psychology concepts that are important for managers. These factors can influence and bias the perceptions.

Vliet & Hellgren (2002) investigates the aspects of the psychological climate that are consequential to an employee's attitudes, performance, and health. This research is obtained from questionnaires survey and interview study. The questionnaires study was conducted at private company and large agency in the public sector, but the interviews were only conducted in private company. 422 questionnaires were distributed, 272 questionnaire in public sector and 150 questionnaires are for private company. From public sector, 195 were returned and got the response rate of 75%. From private company, 92 questionnaires were returned and got the response rate of 61%. The study was measured with multiple indicators and responses given on

Likert type scales ranging from 1 (strongly disagree) to 5 (strongly agree). This study is using MANOVA (Multivariate Analysis of Variance) to test direct effects of gender and organization.

Odembo (2013) investigate the factors that affect employee satisfaction and seeks to investigate the influence of talent development on employee satisfaction at Airtel Kenya Limited. This research study takes a sample size of 50 employees with the population of 250. The sample size is limited, the study only target 20% of the total employees. Odembo collected primarily data through questionnaires and use SPSS to analyze the variables. The qualitative will be analyzed using content analysis.

Springer (2011) examines the relationship among the variables to determine the effects of job motivation and job satisfaction on job performance in bank employees. The result of this research has a positive correlation between job motivation and job performance and there is positive correlation between job satisfaction and job performance. Job motivation and job satisfaction was found to significantly predict job performance. The other factors did not have significant relationship with job performance including gender, salary, and stress. Manager can improve bank employee's job performance by applying managerial strategies to increase job motivation and job satisfaction.

Sharma and Bajpai (2010) define that organizational commitment score is high for public sector organization as compared to private sector organization. Public sector organizations provide higher level of perceived job security and there is a well-defined system to hire and retrench employees from the organization. On the other hand, private sector organizations are not able to provide this kind of psychological security to employees. This study found a significant positive linear relationship between job satisfaction and organizational commitment. Higher level

of commitment among employees will definitely generate higher level of job satisfaction among employees. Committed employees are more prone to higher level of job satisfaction.

Qaisar et al. (2011) indicate the effect of affective, continuance and normative commitments on job performance of police officers is significantly positive and those officers who have strong commitment in all three dimensions can perform better. These results are in accordance with some of previous studies who found positive impact of three components of organizational commitment on performance of personnel in different work settings. However, results also contradict with findings of few researchers who found that continuance commitment among employees correlate negatively with their performance. However, it can acquire better performance results by attaching employees for affective commitment, increasing sunk costs for employees if they leave organization for continuance commitment and increasing their obligation level for building normative commitment.

Chang & Hsieh (2018) discuss how to improve job performance through the reduction of job stress and finding ways to relieve job stress. The authors try to see that happiness as a variable that can relieve job stress and improve job performance. The feedback of 252 respondents, 162 males and 90 of them are females found that job stress could affect the job performance.

Syafrizal (2011) investigate the influence of job satisfaction on turnover intention and employee performance, turnover intention on employee performance, and the influence of job satisfaction to employee performance through turnover intention. Sample that used in this research is 149 employees in Horison Hotel Semarang. The hypotheses result shows that job satisfaction has negative impact on turnover intention. Turnover intention has negative impact on employee performance, then, job satisfaction has a positive impact on employee performance.