

The Influence of Employee's Job Satisfaction Factors on Organizational Commitment

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Abstract This research aims to examine about organizational commitment in relation to the job satisfaction factors. Research is conducted on the production employees of PT Jaya Readymix Concrete (JRC) which amounted to 47 people. Data is This collected from the questionnaire that was given directly to the respondent. Analysis techniques used in research is regression analysis between factors of employees' job satisfaction as independent variables, which consists of the ability utilization, compensation, relationship with co-workers, working conditions, recognition and achievement with organizational commitment as dependent variables. Based on the results of the regression analysis of linear regression model equations, we derived a formulation as follows: $Y = -1.012 + 0.184X_1 + 0.581X_2 + 0.080X_3 + 0.118X_4 + 0.136X_5 + 0.165X_6 + e$. Results show that the job satisfaction factors simultaneously have a significant effect on organizational commitment in JRC with the coefficient of determination (R^2) is 0.967, and that compensation is the dominant variables influencing employee's organizational commitment in the production department at JRC.

Keywords Job Satisfaction, Organizational Commitment

1. Introduction

Commitment as one of the most popular work attitudes has gain practitioner's attention and researchers[1,2]. For example, research has found that the greater the individual commitment to the organization, the greater their efforts in completing their work[3]. Organizational commitment includes a sense of job involvement, loyalty, and trust in the organization's values. To that end, the organization has an important role in increasing individual commitment, namely to ensure the individual is motivated and satisfied with their work[4].

Organizational commitment is an important indicator to measure the degree and extent to which an employee is in favor of organizational goals[5]. In addition, job satisfaction is also a reflection of the feelings of employees towards their work. This is evident in employees' positive attitude to the work that they have and the work environment. Conversely, an unsatisfied employee would exhibit a negative attitude toward their work in one form or another[6,7].

PT. JRC, which located in Surabaya, Indonesia is one of the major companies in Indonesia that are engaged in the ready mix concrete. Production has

Highest turnover is occurred in 2006 amounting to 20.88%. Even though from year to year turnover rate continues to decline, especially in 2010 which has the lowest employee turnover rate of 10.43% the value is still remains quite high. This indicates that there are problems related to employee satisfaction in their work and its impact on organizational commitment of employees in the JYC, especially in the production department.

2. Literature Review

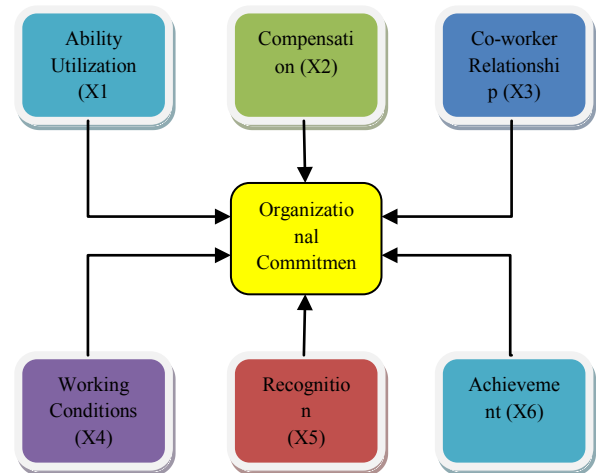
The theory underlying the relationship between job satisfactions with organizational commitment is expectancy theory proposed by Victor H. Vroom[8], which states, "The power that motivates a person to work hard in his job depends on the mutual relationship between what people want and need from the results of that employment." How much a person believes the company will provide gratification as a reward for their effort. When confidence is expected to be large enough to give them satisfaction, then someone would work hard and committed to the company or organization, and vice versa.

There are three aspects of commitment: (1) affective organizational commitment, (2) continuance organizational commitment, and (3) normative organizational commitment [9]. Of the three approaches, we could view commitment as a psychological condition that characterizes the relationship between employees and organizations and has implications for the individual's decision to stay or leave the organization. However, the nature of the psychological conditions for each form of commitment is very different. Employees with strong affective commitment remain in the organization because they want to; employees with a strong ongoing commitment would remain in the organization because they need to, while employees who have a strong normative commitment remain in the organization because they ought to[10].

Previous study[11] concluded that job satisfaction has a positive relationship with the employee's commitment to the company. Some experts also mentioned the relationship between job satisfaction with the commitment of employees [12], they suggest that job satisfaction as a component of organizational commitment that brought a sense of comfort to someone, which arise from the compatibility of their self-values with their work. Therefore, it could be inferred that if employees feel satisfied with what he earned from a job or a workplace, they tends to show high commitment to the company where he/she works. Furthermore, employees who have a high commitment will have a strong desire to keep working on the organization [13]. Individuals would fully involve themselves in their work as an act of contributing to the achievement of organizational goals.

Research on the influential factors of job satisfaction on organizational commitment that has been reviewed in this section concludes that both intrinsic job satisfaction and extrinsic job satisfaction generally have a significant

relationship with the employee's commitment to the company[11]. Based on these studies, the following is the conceptual framework of this study as set out in Figure 1.



organizational commitment (Y), and the independent variables (X_n), namely the ability utilization (X_1), compensation (X_2), co-workers relationships (X_3), working conditions (X_4), recognition (X_5), and achievement (X_6). The results of regression analysis are shown in Table 2 below:

Table 2. The Regression Analysis Result

Variables	Regression Coefficient (B)	Std. Error	Standardized Beta	Sig.
Ability Utilization (X_1)	0.184	0.074	0.167	0.017
Compensation (X_2)	0.581	0.077	0.461	0.000
Co-workers relationships (X_3)	0.080	0.020	0.131	0.000
Working Condition (X_4)	0.118	0.050	0.118	0.022
Recognition (X_5)	0.136	0.066	0.122	0.046
Achievement (X_6)	0.165	0.062	0.152	0.011
Constant = -1.012 F = 195.053 R Square = 0.967 Sig = 0.000 R = 0.983				

Based on the results obtained from the regression analysis model, we obtained the multiple linear regression equation as follows:

$$Y = -1.012 + 0.184X_1 + 0.581X_2 + 0.080X_3 + 0.118X_4 + 0.136X_5 + 0.165X_6 + e$$

The results of regression analysis with the above equation shows that the contribution of the independent variables (X_n) on the dependent variable is organizational commitment (Y), as indicated by the magnitude of the coefficient of multiple determination (R^2) are 0.967. This means that 96.7% level of organizational commitment is determined by changes in all the independent variables under study, thus the remaining 33% level of organizational commitment is determined by other variables not examined in the regression model.

bilities of each employee need to be specified clearly, so that the company could provide fair compensation in accordance with the magnitude of the burden of responsibility hold by each employee.

In order to enhance employees' general ability, manager should give more opportunities for employees to solve work problems with the full support of the company. This is important as employees could develop their ability better within the company, would build a loyalty to the company, since they has gained good experience within the company.

Employee's job satisfaction in relation with their career advancement within the company also needs to be maintained and to be improved better to make employees feel proud to have a career in the company. Things to note in regard with this are the opportunity of the employee to demonstrate their potential within the company. Active involvement needs to be supported by the company so that employee could explore their potential skills better.

In order their relation with co-workers, companies need to pay attention on the opinions given by employees about their job problems. Every employee should be given the opportunity to express their opinions so that they feel valued by a company[15]. Companies need to provide guidelines for better working rules of cooperation among employees so that every employee can work well with their colleagues.

With regard to improve employees' recognition better, manager must pay attention to the employee's work progress[16]. This attention would make employees feel valued as their work is recognized as part of an effort to achieve organizational goals. Attention from managers would increasingly improve employee closeness to their manager so that a sense of responsibility and commitment to the company would be higher.

Finally, to improve the satisfaction on working condition s, the company could provide a comfortable working atmospheres, especially regarding security and safety issues because of the employee's job is quite risky[17]. The company's attention to this condition would make employee have a higher commitment to company because the company pays great attention to the employee.

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