

Mediation Effect of Job Satisfaction in the Relationship of Organizational Culture and Organization Commitment- Using Process Macro

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Abstract:

Now-a-days in this IT competitive scenario, it has become quite natural to hear the word job hopping. Most of the IT employees' often move from one job to another job. This study is an attempt to find the commitment levels of IT employees in the present scenario. The main objective of the study is to find the impact of organizational culture on the commitment levels of employees' and also to find the mediation effect of job satisfaction in the relationship of organizational culture and organization commitment. The sample units have been selected from the region of Hyderabad, Telangana State as it is one of the major IT hubs in India. The sample size of 463 was collected. SPSS Process Macro, Regression is being used for the analysis part. The regression analysis showed significant positive association between organizational culture and organization commitment. The results also showed significant association between organizational culture and job satisfaction. The result of Process Macro showed that job satisfaction mediates in the relationship of organizational culture and organization commitment.

Keywords: Job satisfaction, organization commitment, organizational culture

1. Introduction:

The IT sector plays a major role in today's competitive world. The IT sector is one of the largest contributors for the GDP in India. Presently, job hopping has become a very common concept observed. Many of the IT employees' seems to change their jobs very frequently. This led to the present study. This study is an attempt to know the present status of organizational culture and its impact on the employees' organization commitment. The researcher also studied the mediation role of job satisfaction in relationship of organizational culture and organization commitment.

2. Review of Literature:

The organizations' providing supportive working climate made the employees' to contribute at a high standard in achieving the organizational goals and this simultaneously lead to their job satisfaction (Dr. B.Muthukumar, Vidhya and Aswathy 2016). The organizational climate was having significant impact on the outcomes (Krishnamurthy, syed and Varalakshmi 2017). The leadership styles, organization commitment, quality management practices had significant impact on the performance of the employees' and the organizational culture played a partial mediating role (Ghaith et al 2017). Transactional leadership has significant impact on organizational commitment and the

mediation effect of organizational culture was partial in the relationship of transactional leadership and organizational commitment (Shy et al 2016).

3. Research Methodology:

The present study is based on both the primary data and secondary data. The primary data is collected by using structured questionnaire. The data is collected from IT professionals of Hyderabad, Telangana. The Sample size is 463. The questionnaire is being distributed to 700 employees' but the received response is 513 and among the received 463 was found suitable for the research. The questionnaire is divided into two parts. The first part is related to personal information of the respondent and the second part is related to the questions on the variables of the present study. The demographic variables include age, gender, education, experience, marital status, working hours and the shift system of the employees'. The variables used in the study are job satisfaction, organizational culture and organization commitment.

The questionnaire is scaled by 5 point likert scale. The scale is rated with strongly agree 5, agree 4, neutral 3, disagree 2 and strongly disagree 1 for the positive question and vice versa for the negative type of question. The data is being collected by means of personal interview and Google forms. The secondary data related to IT sector is collected from the web sites.

3.1. Conceptual frame work of the study:



Figure: 1: conceptual frame work.

The above figure 1 depicts the conceptual frame work of the present identified from the past literature. In this study, there are three variables one is independent variable organizational culture, the other is the dependent variable organization commitment and mediating variable is job satisfaction.

3.2. Objectives of the study:

- To assess the organizational culture of the companies
- To assess the organization commitment levels of the IT employees’.
- To assess the relationship between the organizational culture and organization commitment levels of the employees’.
- To study the job satisfaction levels of the IT employees’
- To know the association of job satisfaction in relationship of organizational culture and organization commitment.

3.3. Statement of the Problem:

At present we often see more number of employees’ in the IT sector often changing the organizations. Here is the point which leads to the question of organizational culture, job satisfaction and organization commitment. Job satisfaction is the important component which is expected by every employee and the organization expects committed human resources. The present study is an attempt to know the job satisfaction levels and organization commitment levels of the employees’ and also to investigate the role of job satisfaction in the relationship of organizational culture and commitment.

3.4. III.4 Hypotheses of the study:

- H₁: There is significant association between organizational culture and organization commitment levels of the employees’
- H₂: There is significant association between organizational culture and job satisfaction levels of the employees’
- H₃: There is significant association between job satisfaction levels of the employees’ and their organization commitment.
- H₄: Job satisfaction levels of the employees’ mediate in the relationship of organizational culture and organization commitment.

4. Data Analysis:

The data collected is edited, coded and fed into the software SPSS. Descriptive statistics, ANOVA, Correlation, Regression and Process Macro are used for analysis. ANOVA is applied for testing the significant mean differences of the demographic variables with that of the three variables in the study. Correlation is used for assessing the interrelatedness of the three variables. Regression is used for assessing the association of the variables with one another. Process Macro plugin is used for testing the mediation effect of the job satisfaction in between organizational culture and organization commitment.

4.1. IV.1. Descriptive statistics:

Table: 1 : Demographic profile of the respondents

Demographic variable	No. of respondents	Percentage
Gender		
Male	266	57.5
Female	197	42.5
Age		
21-30	364	78.6
31-40	95	20.5
41-50	2	0.4
Above 50	2	0.4
Education		
UG	213	46
PG	248	53.6
Others	2	0.4
Experience		
0-1	55	11.9
2-5	295	63.7
6-10	83	17.9
11-15	24	5.2
Above 15	6	1.3
Marital status		
Married	255	55.1
Unmarried	203	43.8
Others	5	1.1
Working hours		
0-6	10	2.2
7-8	6	3.5
9-10	410	88.6
10-12	27	5.8

Shift system		
Day	277	59.8
Night	145	31.3
Others	41	8.9

Table 2 : ANOVA for testing the significant mean differences of demographic variables with that of the organization commitment and job satisfaction.

Demographic variable		Organizational commitment	Job satisfaction
Age	Mean	4.164	4.1403
	SD	0.64810	0.63002
21-30	Mean	3.9286	3.9889
	SD	0.77762	0.64818
31-40	Mean	3.333	3.3571
	SD	0.4714	0.50508
41-50	Mean	3.0833	2.7143
	SD	2.0034	2.02031
50 and above	Mean	4.394	5.461
	SD	0.005	0.001
F value			
P value			
Gender	Mean	4.0559	4.0788
	SD	0.73210	0.63206
Male	Mean	4.1722	4.1280
	SD	0.62832	0.67187
Female	Mean	4.1722	4.1280
	SD	0.62832	0.67187
t-value		-1.670	-0.886
P value		0.040	0.732
Education UG	Mean	4.2544	4.1505
	SD	0.56980	0.64405
PG	Mean	3.9749	4.0552
	SD	0.75987	0.65134
Others	Mean	4.4167	4.2143
	SD	0.58926	.90914
F value		0.229	0.909
P value		0.795	0.404
Marital status	Mean	4.1121	4.074
	SD	0.67867	0.62735
Married	Mean	4.1053	4.145
	SD	0.69256	0.63586
Unmarried	Mean	3.7667	3.5429
	SD	1.2725	1.6456
Others	Mean	3.7667	3.5429
	SD	1.2725	1.6456
F value		0.289	2.569
P value		0.749	0.078
Experience 0-1	Mean	4.0272	4.0633
	SD	0.65354	0.65246
2-5	Mean	4.1916	4.1466
	SD	0.65156	0.64760
6-10	Mean	4.0727	4.1376
	SD	0.69211	0.49941
11-15	Mean	3.4466	3.6310
	SD	0.79408	0.74281
16 and above	Mean	3.6111	3.4762
	SD	0.99256	1.1163
F Value		5.687	5.196
P value		0.000	0.000
Working hours	Mean	4.4662	4.0857
	SD	0.24589	0.38214
0-6	Mean	4.2806	4.1395
	SD	0.52905	0.31749
7-8	Mean	4.0743	4.0880
	SD	0.70317	0.66136
9-10	Mean	4.3496	4.2590
	SD	0.62499	0.68300
11 and above	Mean	4.3496	4.2590
	SD	0.62499	0.68300
F value		2.341	0.607
P value		0.073	0.611
Shift system	Mean	4.0635	4.0850
	SD	0.7140	0.65144
Day	Mean	4.4784	4.2857
	SD	0.35244	0.38839
Night	Mean	4.0610	4.0209
	SD	0.69298	0.82162
Others	Mean	4.0610	4.0209
	SD	0.69298	0.82162
F value		5.914	2.342
P value		0.003	0.097

The above table 2 depicts significant difference of demographic variables with the means of organization commitment and job satisfaction levels of the employees'. It is very clear from the

above table 2 that the age of the employees' have significant mean difference with organization commitment and job satisfaction.

The gender has significant mean difference with the organization commitment but not with the job satisfaction. The females are found to have greater commitment level than that of the males.

Education and marital status of the employees' do not have significant mean difference with organization commitment and job satisfaction'. The Experience and working hours of the employees' was found to have significant difference with the means of organization commitment and job satisfaction levels. The shift system of the employees' was significant with the mean

of organization commitment but not with the job satisfaction levels. The people working in the night shift were found to have high commitment than that of day shift.

IV.2.H1: There is significant association between organizational culture and organization commitment levels of the employees'.

Regression is used for analyzing this hypothesis. In this the dependent variable is organization commitment and independent variable is organization culture. The results are tabulated below in table 3.

Table: 3 Regression for assessing the relationship of organizational culture and organization commitment.

Variable	Unstandardized Coefficients		Standardized Coefficients	t	P	ANOVA		R	R square
	B	Std. Error	Beta			F	P		
(Constant)	1.411	0.202	0.532	6.990	0.000	181.524	.000 ^b	0.532	0.283
Organizational culture	0.656	0.049		13.473	0.000				
a. Dependent Variable: organization commitment									
b. Predictors : constant, organizational culture									

The R square value is 0.283. This means that 28.3 % of organization commitment is explained by organizational culture. The impact of organizational culture was very low on organization commitment. The P value is less than 0.01 at 1% level of significance indicating that there is significant positive association between organizational culture and organization commitment. The coefficient of organizational culture is 0.656, which means that

there will be 0.656 increase in organization commitment for every one unit increase in organizational culture.

Regression equation for Organization commitment is:

$$\text{Organization commitment} = 1.411 + 0.656(\text{organizational culture})$$

IV.3. H2: There is significant association between organizational culture and job satisfaction levels of the employees'.

Table: 4: Regression test is for assessing the relationship between organizational culture and job satisfaction levels of the employees'.

Variable	Unstandardized Coefficients		Standardized Coefficients	t	P	ANOVA		R	R square
	B	Std. Error	Beta			F	P		
(Constant)	0.710	0.157	0.712	4.523	0.000	475.271	.000 ^b	0.712	0.508
Organizational culture	0.825	0.038		21.801	0.000				
a. Dependent Variable: Job satisfaction									
b. Predictors : constant, organizational culture									

In this analysis dependent variable is job satisfaction and independent variable is organizational culture. The R square value is 0.508; this means that 50.8% of the job satisfaction is explained by the organizational culture. The coefficient of organizational culture is 0.825. This means that job satisfaction increases by 0.825 when the organizational culture increases by one unit. The P value is less than 0.01 at 1% level of significance. This indicates

that there is significant positive association between organizational culture and job satisfaction. The regression equation for job satisfaction is as follows:

$$\text{Job satisfaction} = 0.70 + 0.825(\text{organizational culture})$$

IV.4. H3: There is significant association between job satisfaction levels of the employees' and their organization commitment.

Table: 5: Regression for assessing the relationship of job satisfaction levels of the employees' and their organization commitment.

Variable	Unstandardized Coefficients		Standardized Coefficients	t	P	ANOVA		R	R square
	B	Std. Error	Beta			F	P		
(Constant)	1.263	0.156	0.651	8.074	0.000	338.714	.000 ^b	0.651	0.424
Job satisfaction	0.693	0.038		18.404	0.000				
a. Dependent Variable: organization commitment									
b. Predictors : constant, job satisfaction									

In this analysis the dependent variable is organization commitment and independent variable is job satisfaction. The R square value is 0.424; this means that 42.4% of organization commitment is explained by job satisfaction. The coefficient of job satisfaction is 0.693, which means that for every one unit of increase in job satisfaction leads to 0.693 increase in organization commitment. The P value is less than 0.01 at 1% level of significant. Hence, it can be concluded that there is significant

positive association between job satisfaction and organization commitment. The impact of job satisfaction on organization commitment of the employees' is moderate.

$$\text{Organization commitment} = 1.263 + 0.693(\text{job satisfaction})$$

IV.5. H4: Job satisfaction levels of the employees' mediate in the relationship of organizational culture and organization commitment.

Table: 6: Process Macro Analysis Report:

Model	Variables	R -Square	coefficients	t-value	p-value	LL	UL
Organizational culture → job satisfaction	constant	0.5076	0.7098	4.5230	0.000	0.4014	1.0182
	Organizational culture		0.8252	21.8007	0.000	0.7508	0.8996
Organizational culture → job → satisfaction organization	Constant	0.4329	0.9929	5.4084	0.000	0.6321	1.3537
	Organizational culture		0.1700	2.7536	0.0061	0.0487	0.2914
	Job satisfaction		0.5888	11.0442	0.0000	0.4840	0.6936

commitment →							
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Table 7: Direct and Indirect Effects:

Direct effect of Organizational culture on Organization commitment		
Direct Effect	LL	UL
0.1700	0.0487	0.2914
Indirect effect of Organizational culture on Organization commitment		
Indirect Effect	LL	UL
0.4859	0.3702	0.6091

Table 6 depicts the result of the process macro. The first model is the association of Organizational culture with the job satisfaction. The R square value is 0.507 and the p value is significant. The UL and LL doesn't include zero. The second model is the mediation of job satisfaction. The R square value is 0.4329 which seems to be reduced after the mediation effect. The UL and LL doesn't include zero and the P value remains significant.

Table 7 shows the direct and indirect effects of independent variable on dependent variable. The direct effect is 0.1700 and indirect effect is 0.4859. Here, the direct effect is less than the indirect effect. The total effect is $0.1700+0.4859=0.6559$.

From the above it can be concluded that the Mediation effect of job satisfaction is partial in the relationship of organizational culture and organization commitment.

5. Discussion:

The organizational culture was found to be significant with organization commitment and job satisfaction mediated between culture and commitment. The companies have to know the areas of dissatisfaction and have to bring changes so as to make the employees' satisfied. Organizational culture should be made more supportive for the employees' in making them to contribute more for the achieving objectives.

6. Conclusion:

The IT companies should bring changes in the existing culture, so that it supports them in putting more efforts. Since, the job satisfaction levels of employees' are mediating in between culture and commitment, the organizations should see that their employees' are satisfied. In turn the satisfaction levels increases the commitment levels of the employees'.

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