



## DECLARATION

I hereby declare that the project is based on my original work except for quotations and citations which have been duly acknowledged. I also declare that it has not been previously or concurrently submitted for any other degree at USM or any other institutions.

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**ORGANIZATIONAL COMMITMENT: A MEDIATOR IN THE  
RELATIONSHIP BETWEEN JOB SATISFACTION AND JOB  
PERFORMANCE IN THE ELECTRONICS AND MANUFACTURING  
INDUSTRIES IN BAYAN LEPAS INDUSTRIAL ZONE, PENANG**

**LEM YAL MING**

**Research report in partial fulfillment of the requirements for the degree of**

**MBA**

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## **ABSTRAK**

Adalah menjadi tumpuan utama para penyelidik dan pengurus syarikat untuk mencari cara yang paling berkesan untuk meningkatkan prestasi bekerja para pekerja syarikat dalam keadaan ekonomi yang serba sengit ini. Kajian ini bertujuan untuk menyelidik hubungan antara prestasi bekerja dan faktor-faktor yang dipercayai akan mempengaruhinya. Antara faktor-faktor tersebut adalah kepuasan bekerja dan komitmen pekerjaan. Tujuan utama kajian ini adalah untuk menyiasat kesan pengantaraan komitmen pekerjaan dan pengalaman bekerja ke atas hubungan antara kepuasan bekerja dan prestasi bekerja. Pendekatan kuantitatif telah dipilih untuk kajian ini dan sebanyak 166 borang soal selidik telah diterima dan diprocess. Dalam pada itu, aturcara statistik SPSS telah digunakan untuk menganalisa data-data yang telah dikumpulkan. Hasil kajian menunjukkan kepuasan bekerja, komitmen pekerjaan, dan pengalaman berkerja para pekerja memainkan peranan yang penting dalam usaha meningkatkan prestasi berkerja. Cara-cara meningkatkan kepuasan bekerja dan komitmen pekerjaan turut akan dicadangkan di akhir kajian ini.

## **ABSTRACT**

Increasing job performance of the employees is always a main focal point of researchers and practitioners in today's competitive business environment. This research attempts to investigate the relationship between job performance and its antecedents, namely job satisfaction and organizational commitment. The main objective of the research is to study the mediating effect of organizational commitment on the relationship between job satisfaction and job performance. Besides, this research also intends to study the relationship between job satisfaction and job performance and also the moderator effect of work experience on the relationship between job satisfaction and job performance. Quantitative approach is adopted for this research and a sample of 166 respondents is collected through questionnaires method. SPSS statistical tool is used to test the descriptive and regression statistics. Results shows that job satisfaction is significant related to job satisfaction. Besides, organizational commitment mediates the relationship between job satisfaction and job performance. Last but not least, work experience also moderates the relationship between job satisfaction and job performance. Recommendation and area for future research concludes the research.

# CHAPTER 1

## INTRODUCTION

Chapter 1 is the preface of this research. It consists of basic information which will enlighten readers on how and why the research is being conducted. It consists of background of study, motivation of study, problem statement, research questions, research objectives, significant of study, definition of key terms, and organization of chapters.

### 1.1 Background of Study

Competitive advantage is an essential factor for organization survivability in today's intense business environment. An organization with competitive advantage generally positions itself on top of its rivals from the same industry, thus able to earn a persistently higher rate of profit compared to others. It is widely published that competitive advantage can be attained by implementing well structured business strategies such as differentiation, overall cost leadership, and focus (Haag & Cummings, 2008).

However, the emergence of intensified global competition, deregulation, and technical advances saw that the age of predictability is being replaced with the age of uncertainty. The collective strength of these factors has triggered an avalanche of change, one that many organizations have failed to survive. Managers soon realized

that business strategies alone are not enough to guarantee success. In recent years, both researchers and practitioners have started to acknowledge the importance of human resource management and organizational behavior in achieving competitive advantage (Pfeffer, 1994; Noe, Hollenbeck, Gerhart, & Wright, 1997; Bernardin, 2007). Consequently, human resource is becoming an increasingly important asset to organizations and is integral to their success.

Over the years, researchers have identified job performance as an extremely important factor which is closely related to organizational outcomes and success (Campbell, 1990; Campbell, McCloy, Oppler, & Sager, 1993). Hence, it is imperative for the managers to go into great length to identify the most effective and efficient way to improve the job performance of their employees. Past researches have seen that job satisfaction, organizational commitment (Yousef, 1998; Yousef, 1999; Narimawati, 2007), leadership behavior (Yousef, 1998), turnover intention (Narimawati, 2007), and job involvement (Chughtai, 2008) are being identified as the antecedents of job performance.

With due reasoning and consideration, this research attempts to study relationship between job performance and its antecedents, namely job satisfaction and organizational commitment. In addition, the research will also study the demographic effect of work experience on the relationship. A systematic approach in conducting a quantitative research on the above area of study will be adopted and presented in the rest of the chapters.

## **1.2 Motivation of Study**

From the various sources cited on the job performance and its antecedents, one article published a few years back in a local newspaper presented an interesting thought which is worth further study. The article mentioned that happy employees tend to be more productive and are able to perform their tasks better (Gostick & Elton, 2007). In addition, job satisfaction and organizational commitment are said to be the two important factors which have major influence on employees' happiness level. In the same article, the author believed that job satisfaction and organizational commitment are strongly interrelated. However, organizational commitment is perceived to have relatively greater impact on job performance than job satisfaction.

Employees' demographics presented another source of research interest for both academicians and practitioners. Employees, regardless the scale of the organization, consist of individuals from different gender, age, working experience, position and so on. Managing employees is always a challenging task, let alone those with less work experience. This research takes special interest on work experience demographic because employees with less work experience, in particular young and recent graduates, who usually equipped with energy, ambition, creativity, innovation, and dedication towards both life and job, are considered a valuable asset to any organization. Japanese organizations for example, are fully aware of their value, prefer to hire young and recent graduates who they can mould (Balliga & Jaeger, 1984). In addition, they cooperate with local university authorities to offer scholarships or jobs to undergraduates ever since late 1970's and early 1980's (Che Rose & Kumar, 2007). Hence, it is imperative for the managers to recognize the

importance of this group of employees to the organization by understanding how do they think, behave, and act.

The research also takes particular interest on the cross section effect of global financial crisis on the area of study. Recent newspaper report cited the Malaysia has shed around 26,000 jobs since the global financial crisis back in September 2008 and the number is likely to hit some 40,000 to 50,000 jobs later this year, 2009. Then Deputy Prime Minister, Datuk Seri Najib Razak also mentioned that Malaysia's unemployment rate would rise to 4.5% in year 2009 from 3.7% the year before (thestar online, 2009). As United States is rapidly going into the recession mode due to weakening US dollars, US-based and multinational organizations operating in Malaysia may take similar action to their counterparts, responding to the weak economy by cutting their expenditures, reduce workforce, and so on. It is believed that the phenomenon will more or less impact the result of the research.

As such, this research attempts to validate the mediator role of organizational commitment in the relationship between job satisfaction and job performance. Furthermore, the moderator role of work experience on the relationship will also be investigated. Finally, this research will also touch on the cross section effect of global financial crisis on research.

### **1.3 Problem Statements**

Job satisfaction can be defined as a pleasurable or emotional state resulting from the appraisal of one's job or job experiences (Locke, 1976), while organizational commitment can be referred as employee's psychological attachment to the organization (Mowday, Porter, & Steers, 1982). We can reason that by allocating extra resources to increase both the job satisfaction and organizational commitment level of the employees, management can expect a sharp increase in employees' productivity and performance. This will result in positive organization outcomes such as increase of customer satisfaction, increase of revenue, enhanced competitive advantage, and so on.

The earlier article posits that satisfied employee with low commitment level may not have the initiative to put in extra effort in his or her job. On the other hand, a committed employee but with low satisfaction level may be the top performer in the organization, yet he or she might quit the organization in the search for a more satisfying work environment (Gostick & Elton, 2007).

For example, an employee who is satisfied with his or her pay and work environment maybe too content with the job in the way that he or she might not want to take initiative to propose and conduct improvement activities which may contribute to the organization success. Contrary, an employee who is committed, may not satisfy with his or her superior or salary, and is constantly looking for a better work opportunity elsewhere.

Looking at the other perspective, organizational commitment may act as catalyst on a satisfied employee towards higher job performance. An employee who is both satisfied and committed with his or her job may perform the tasks assigned better compared to those who is only satisfied but does not committed to his or her job. For example, a process specialist who is satisfied with the pay package and career advancement opportunities available in the organization and at the same time feel obligated to commit to the organization because of the training resources provided during his or her years in the organization, is more likely to perform well in the tasks given compared to those who is only satisfied with the job. With that, the second perspective is adopted throughout the research.

Hence, even though both the job satisfaction and organizational commitment have a considerable impact on the job performance, their degree of effect are said to be different. Organizational commitment may have relatively greater impact on job performance than job satisfaction. With the above reasoning, this research is intended to study the relationship between job satisfaction and job performance. Most importantly, this research will also investigate and validating the mediating effect of organizational commitment on the above relationship.

The attention will next shift to the role of work experience in the above relationship. The work experience is an important control variable in the explanatory models of productivity and performance (Ilmakunnas, Maliranta, & Vainiomaki, 1999). Employees with less work experience are usually consisting of those young and recent graduates. This group of employees are usually in a disadvantaged position in securing a good job as they do not have the necessary experience and

know how in the industry. Furthermore, the work experience may also effect affect their job performance.

However, despite of the lack of work experience, there is an entirely different outlook on them which should be considered by organizations (GeekInterview.com, 2008). One of the main characteristics of the group of employees is aggressiveness. They will become more aggressive in doing tasks assigned to them to compensate for their lack of experience. Aside from being aggressive, they are also well known to be risky in doing tasks due to their “nothing to lose” mindset. Being risky is often thought as a bad thing by experienced individuals since they know they might end up of being inefficient. In addition, being creative is also their distinct behaviour. They may have another alternative that could increase the productivity, compared to those experienced employees who are often content with the fact that they already have specific processes that will work. Last but not least, this group of employees may demand a lesser salary compared to the employees with experience. Another source also mentioned that they could be assimilated more easily into the organizational culture without having to unlearn the culture of their earlier employer (Barnes, 2004).

Putting aside potential of low performance level due to the lack of experience, employees with less work experience are perhaps the hidden jewel in any organizations. It is interesting to study the moderating effect of work experience on the relationship between job satisfaction and job performance. This study will complement the mediating relationship which is mentioned in the first part of the section.

The following problem statements summed up the intention of the research:

1. What is the relationship between job satisfaction and job performance?
2. Does organizational commitment mediate the relationship between job satisfaction and job performance?
3. Does work experience moderate the relationship between job satisfaction and job performance?

#### **1.4 Research Questions**

Few research questions can be further derived from the problem statements above:

1. What is the job satisfaction level in the sample?
2. What is the organizational commitment level in the sample?
3. What is the relationship between job satisfaction and job performance?
4. Does organizational commitment mediate the relationship between job satisfaction and job performance?
5. Does work experience moderate the relationship between job satisfaction and job performance?

## **1.5 Research Objectives**

By referring to the problem statement and research questions, few research objectives are formulated:

1. To identify the job satisfaction level of the respondents.
2. To identify organizational commitment level of the respondents.
3. To discover the relationship between job satisfaction and job performance.
4. To identify the mediating effect of organizational commitment in the relationship between job satisfaction and organizational commitment.
5. To analyze the moderating effect of work experience on the relationship between job satisfaction and job performance.

## **1.6 Significance of Study**

This research is expected to bring considerable implication in knowledge development and operational benefits to both the researchers and practitioners. It focuses on human resource management and organizational behavior field, in particular the area of job satisfaction, organizational commitment, and job performance.

The majority of previous studies have concentrated largely on the relationship between job satisfaction and organizational commitment to job performance (Shore & Martin, 1989; Yousef, 1997; Narimawati, 2007). This research studies the relationships by looking into the different dimension where it attempts to analyze the

mediating effect of organizational commitment on the relationship between job satisfaction and job performance. In addition, as much of the research in this area has been carried out in the West, it would be interesting to investigate the relationship in the context of Malaysia, more specifically, electronics and manufacturing industry in the Bayan Lepas Industrial Zone, Penang.

From the research, managers are able to understand the job satisfaction and organizational commitment level among the employees in which the samples are being taken. This is particularly helpful as managers will be given the rough picture of the state of organizational behavior among the employees and are more likely to take interest in these fields.

Next, by investigating the mediating effect of organizational commitment on the relationship between job satisfaction and job performance, researchers and practitioners are likely to be provided with an in-depth knowledge on the relationship between job performance and its antecedents. Job satisfaction alone might not enough to guarantee higher job performance and must be supplemented by other factors such as organizational commitment. For researchers, the findings may pave the way for future research on those variables influencing job performance which has not been studied before. As for the practitioners, this research presented a right tool to them to identify the most effective and efficient way to improve the job performance of their employees, so that resources can be channeled to the correct area for the above cause.

As mentioned, the research also attempts to investigate the moderator role of work experience on the relationship between job satisfaction and job performance. With the increasing emphasize that organizations put to hire, train, develop, and retain employees with less work experience, this research presented a good opportunity for researchers and practitioners alike to study and understand the relationship. The finding can complement the earlier finding on the mediating relationship, providing managers with valuable information on this group dedicated individuals. Greater benefits are bound to be achieved if managers are able to digest the findings and make use of them to increase the job performance of the employees, which will eventually benefit of the organizations.

Finally, with the looming global financial crisis since end 2008, this research presented an excellent platform to study the cross section effect of the global financial crisis on the human resource management and organizational behaviour field. It is expected to give an insight to researchers and practitioners alike on the employees' reactions in this trying period.

## **1.7 Definition of Key Terms**

Job Satisfaction – A pleasurable or emotional state resulting from the appraisal of one's job or job experiences (Locke, 1976)

Organizational Commitment – Employee's psychological attachment to the organization (Mowday, Porter, & Steers, 1982)

Job Performance – The ability of an individual to perform his or her job well  
(Campbell, 1990)

Work experience – The experience that a person has working, or working in a  
specific field or occupation.

## **1.8 Organization of Chapters**

The research is organized into five chapters, namely introduction, literature  
review, research methodology, data analysis, and finally discussion and conclusion.

## **CHAPTER 2**

### **LITERATURE REVIEW**

Chapter 2 reviews the scholarly literature on the key terms which will be used throughout the research. The interrelationship between all variables will also be discussed. The literatures come from various channels such as internet, reference books, and journals. Results of the review may range from theories, findings, arguments, to areas for future study which will facilitate the research process. This chapter consists of job satisfaction, job performance, organizational commitment, relationship between job satisfaction and job performance, relationship organizational commitment and job performance, relationship between job satisfaction and organizational commitment, and finally relationships between job satisfaction, organizational commitment, and job performance.

#### **2.1 Job Satisfaction**

Job satisfaction describes how content an individual is with his or her job. The happier the person is with his or her job, the more satisfied he or she is said to be. Job satisfaction has been defined as a pleasurable emotional state resulting from the appraisal of one's job, an affective reaction to one's job, and an attitude towards one's job (Brief & Weiss, 2001; Weiss, 2002).

The antecedents of job satisfaction are also examined by a number of studies. One of the sounding studies in this regard is Herzberg's two-factor theory of job satisfaction. He distinguished between factors leading to satisfaction and those leading to dissatisfaction (Herzberg, 1966). The factors that increase satisfaction are recognition for achievement, work environment, advancement, and so on. On the other hand, organizational policy and administration, supervision, salary, and interpersonal relationship influence dissatisfaction. In addition, empirical research shows that leadership, either democratic or autocratic, pay, working conditions, and workload factors are determinants of job satisfaction (Nolan, Nolan, & Grant, 1995).

When an employee experiences a discrepancy between what was expected and what was received in one or more of these facets, the employee may experience a decrease in job satisfaction, especially if these facets were viewed as important by the employee (Robinson & Rousseau, 1994). Many studies use different facets of satisfaction to predict employee attributes such as performance, organizational commitment, and service quality (Dienhart & Gregoire, 1993; Yousef, 1998; Oshagbemi, 2000). Thus, it is reasonable to assume that job satisfaction plays a considerable important part in the effort to achieve a greater organization wide success.

## **2.2 Job Performance**

Job performance measures whether a person performs his or her job well. Job performance is an individual level variable that is something done by an employee.

This differentiates it from a higher level variable such as organizational performance (Campbell, 1990; Campbell, McCloy, Oppler, & Sager, 1993).

Job performance and organizational outcomes and success are significantly related. A higher employee job performance is fundamental in ensuring that favorable organizational outcomes are achieved. However, job performance is not the only factor which will result in favorable organizational outcomes as they are also determined by other factors as well.

Take sales industry for an example, a favorable organizational outcome is a certain level of revenue generated through the sale of goods or services. The ability to generate revenue depends on the performance of the employee. When the employee performs the job well, more sales can be completed. However, factors other than employee's job performance can also play the part in influencing the outcome. Sales might slump due to economic conditions, changes in customer preferences, production bottlenecks, and so on. In these conditions, employee performance can be adequate, yet sales can still be low.

Since there is growing acknowledgement that people is the most important asset in an organization, hence it is reasonable to conclude that job performance is an essential factor in achieving competitive advantages.

### **2.3 Organizational Commitment**

Organizational commitment has received substantial attention in past research due to its significant impact on work attitudes such as job satisfaction, job performance, absenteeism, and turnover intentions. Organizational commitment has been defined differently by different scholars depending on their backgrounds. Definition of Meyer and Allen is used for this research. They defined organizational commitment as employee's feeling of obligation to stay with the organization (Allen & Meyer, 1990). The feelings resulting from the internalization of normative pressures exerted on an individual prior or following entry to the organization. Prior research indicated employee's commitment to the organization can be characterized into three facets (Meyer & Allen, 1991), namely affective commitment, normative commitment, and continuance commitment. These components of organizational commitment are not mutually exclusive as an employee can simultaneously be committed to the organization in an affective, normative, and continuance sense, at varying levels of intensity (Meyer & Herscovitch, 2001).

Affective commitment is defined as employee's positive emotional attachment to the organization. An employee who is affectively committed strongly identifies with the goals of the organization and desires to remain as a part of the organization. This employee commits to the organization because he or she "wants to". The most desirable profile of organizational commitment amongst employees, especially those involved in the services industry which demands continuous good service, is affective commitment (Meyer & Allen, 1991). In a separate research, higher education institutions prefer the lecturers to have the affective commitment

because this will create a positive identification feeling and involvement in the organization so that the sense of pride can be developed (Narimawati, 2007).

Factors which help create intrinsically rewarding situations for employees are found to be antecedents of affective commitment. These factors include such job characteristics such as task significance, autonomy, identity, skills variety, feedback concerning employee job performance, perceived organizational support or dependence, and the degree that employees are involved in the goal setting and decision making processes (Steers, 1977; Mottaz, 1988).

Normative commitment on the other hand exists when the individual commits to and remains with an organization because of the feeling of obligation. The employee stays with the organization because he or she “ought to”. These feelings may derive from many sources. For example, the organization may have invested considerable resources in training an employee who then feels a moral obligation to put in extra effort on the job and stay with the organization to repay the debt. It may also reflect an internalized norm, developed before the person joins the organization through family or other socialization processes, that one should be loyal to one’s organization. The feeling of moral obligation is measured by the extent to which a person feels that he or she should be loyal to his or her organization, making personal sacrifice to help it out and not criticize it (Wiener & Vardi, 1980).

Continuance commitment exists when the individual commits to the organization because he or she perceives high costs of losing organizational membership. The costs include economic costs and social costs. The employee

remains a member of the organization because he or she “has to”. Examples of economic costs are retirement investments, career investments, acquired job skills which are unique to a particular organization, years of employment in a particular organization, pension accruals, and other benefits that make it too costly for one to leave and seek employment elsewhere. Social costs on the other hand are close work relationships with co-workers, involvement in the community in which the employer is located, and so on.

Organizational commitment can be seen as the important factor by an organization seeking to achieve competitive advantages over the rivals. Managers’ biggest challenge in today’s competitive business world is to increase employees’ commitment level. In this environment, the future belongs to those managers who can best manage change, but to manage change they must have committed employees (Dessler, 1993). Committed employees give a big contribution to their organization because they perform and behave with the aim to achieve organization’s goals. Furthermore, employees who are committed to their organization are happy to be part of the organization members, believe in and feel good about the organization and what it stands for, and intend to do what is good for the organization (George & Jones, 1996). In addition, organizational commitment is important since committed employees tend to be more willing to make personal sacrifices for their organizations (Jaworski & Kohli, 1993).

Organizational commitment is determined by a number of factors, including personal factors such as age, tenure in the organization, disposition, internal, and external control attributions; organizational factors such as job design and supervisor

leadership style; and lastly, non-organizational factors such as availability of alternatives (Nortcraft & Neale, 1996).

## **2.4 Relationship between Job Satisfaction and Job Performance**

The linkages between overall job satisfaction and job performance have received substantial attention in the past literatures (Shore & Martin, 1989; Igarria, 1991; Birnbaum & Somers, 1993). There are contradicting findings on the relationship between job satisfaction and job performance. While some literatures suggested that job satisfaction and job performance are related, others concluded that job satisfaction shows a negligible relationship with job performance.

Job satisfaction can be an important indicator of how employees feel about their jobs and a predictor of work behaviors such as job performance, organizational citizenship, absenteeism, intentions to quit, and turnover. Research has shown that job satisfaction or dissatisfaction leads to a number of consequences. People who have a sense of belonging and are satisfied in their job feel that they are valued and meaningful responsible to perform their job toward the organization's goals (Yousef, 2000; Saari & Judge, 2004; Wegge, Schmidt & van Dick, 2007).

The rather in-depth explanations on the link between job satisfaction and job performance were described by a few authors. They posit that feeling and job satisfaction will affect the development of routine interaction patterns which are built by the concerned individuals. Through daily socialization with other persons,

employees will develop relation in the work place which then becomes routine patterns. Those patterns control expectation and behaviour will result in positive attitude to produce the individual job performance (McGregor, 1992; Narimawati, 2007).

The most recent research showed that there is positive and significant influence of the job satisfaction towards the job performance in an empirical study on lecturers in the private universities in West Java and Banten, Indonesia. However, low influence of job satisfaction on job performance showed that the job satisfaction is a subjective factor from each individual and moreover, there are many dimension that establishing the factor of the job satisfaction (Narimawati, 2007).

As mentioned, it were also noted in some literatures that job satisfaction has a rather tenuous correlation to job performance (Iaffaldano & Muchinsky, 1985; Locke, 1994; Judge, Thoresen, Bono, & Patton, 2001). Some even came forward to state that there is no real relation between job satisfaction and job performance (Ostroff & Cheri, 1995). This is vital piece of information to researchers and businesses, as the idea that job satisfaction and job performance are directly related to one another is often cited in the media and in some non-academic management literature. In short, the relationship of job satisfaction to productivity is not necessarily straightforward and can be influenced by a number of other work-related constructs, and the notion that “a happy worker is a productive worker” should not be the foundation of organizational decision making.

Even though job satisfaction may not have direct relationship with job performance, but the author believe that in improving the job satisfaction of the employees, organization can create a healthy, satisfying, and constructive working environment, which proved to be a great notion in ensuring organization success.

## **2.5 Relationship between Organizational Commitment and Job Performance**

The absence of commitment can reduce organizational effectiveness (Chow & Holden, 1998). Committed employees evaluate their organization positively and perceive it as supportive and helpful. Hence they tend to work more effectively by giving the good things back to the organization (Duanruedee, 2001). Employees who are committed are less likely to quit and accept other jobs. Thus the costs of high turnover are not incurred as they are less likely to quit and accept other jobs, thus increasing organization productivity (Schuler & Jackson, 1996). In addition, committed and highly skilled employees require less supervision. Close supervision and a rigid monitoring control process are time-consuming and costly. Furthermore, a committed employee perceives the value and importance of integrating individual and organizational goals. The employees think of his or her goals and the organization's goals in personal terms (Ivancevich, Konopaske, & Matteson, 2008). All these favorable job related behaviors are closely tied higher job performance, aligned with the numerous empirical studies that organizational commitment possesses strong, positive, and influence on the performance (Steers, 1977; Wiener & Vardi, 1980; Benkhoff, 1997).

As mentioned, organizational commitment consists of three facets, namely affective commitment, normative commitment and, continuance commitment. An employee has a commitment profile that reflects high or low levels of all three of these mindsets, and that different profiles have different effects on workplace behaviour such as job performance, absenteeism to turnover (Meyer and Herscovitch, 2001). Studies on organizational commitment have provided strong evidence that affective and normative commitments are positively related and continuance commitment is negatively connected with organizational outcomes such as performance and citizenship behaviour (Hackett, Bycio, & Handsdoff, 1994; Allen & Meyer, 1996; Meyer, Allen, & Smith, 2003). Affective commitment has been proved to have positive and strong correlation with the individual performance. The affective bond to the organization will cause the particular employee to possess the sense of pride to become members of the organization (Narimawati, 2007). Normative commitment shows weaker and positive influence while continuous commitment shows weaker and negative effect in some cases studied (Meyer, Paunonen, Gellatly, Goffin, & Jackson, 1989).

Same as the relationship between job satisfaction and job performance, research examining the organizational commitment and job performance link has also produced conflicting results. Previous research suggested that organizational commitment is having the modest relationship with job performance (Leong, Randall, & Cote, 1994; Kalleberg & Marsden, 1995; Becker, Billings, Eveleth, & Gilbert, 1996).

## **2.6 Relationship between Job Satisfaction and Organizational Commitment**

Since the Hawthorne studies, job satisfaction and organizational commitment have received a great deal of attention from both academicians and practitioners (Russ & McNeilly, 1995; Fletcher & Williams, 1996; Kontoghiorghes & Bryant, 2004). This is largely due to their significant impact on organization and individual behaviours. One could argue that a high satisfaction with various facets of the job might lead to a high commitment to the organization (Freund, 2005; Wu & Norman, 2005; Al-Hussami, 2008). It was found that employee attitudes toward satisfaction and commitment are indicators to the solidarity between organizational members and management (Tonges, Rothstein, & Carter, 1998).

Satisfaction with various facets of the job directly and positively influences affective, continuance, and normative commitments. It is consistent with findings of previous studies (Hackett, Bycio, & Hausendorf, 1994; Iverson and Roy, 1994; Hunt, Chonok, & Wood, 1995). A research conducted in tourism industry in Sarawak showed that the three most important factors to motivate employees are interesting work, job security, and opportunities for advancement and development (Lew, 2007). Satisfaction towards salary was found to have a significant positive relationship with affective commitment. Satisfaction towards supervision showed significant positive relationships with normative commitment.

Job satisfaction and organisational commitment share many common antecedents. However, whether job satisfaction influences organizational commitment, or whether organizational commitment results in job satisfaction, is an

area of contention among researchers. Some studies suggested that organizational commitment is an antecedent of job satisfaction (Bateman & Strasser, 1984; Vandenberg & Lance, 1992), some view job satisfaction as an antecedent of organizational commitment (DeCotiis & Summers, 1987), while others view satisfaction and commitment as correlates (Mathieu & Zajac, 1990).

The position taken in this study is to view job satisfaction as an antecedent of organisational commitment. This is based on the argument that job satisfaction is derived from only a subset of the personal and organisational factors such as job and job facets that determine organisational commitment. As such, it is a micro determinant of organizational commitment which is seen as more macro in its orientation of the individual to the organisation (Williams & Hazer, 1986). Furthermore, job satisfaction reflects immediate affective reactions to the job and job facets and forms soon after organisational entry. Organisational commitment, on the other hand, develops more slowly after the individual possesses a firm understanding of not only the job and job facets, but also the organisation's goals and values, performance expectations and their consequences, and the implications of maintaining organisational membership (Mowday, Porter & Steers, 1982). This type of understanding underpinning that organizational commitment is not immediate; it requires exposure to a variety of organisational components outside of the job itself. Consequently, organisational commitment is seen as forming and stabilising sometime after organizational entry, with the more immediate formation of job satisfaction acting as one of its many determinants (Vandenberg & Lance, 1992).