

## The influence of organizational commitment on employees' job performance: The mediating role of job satisfaction

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ABSTRACT

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The impact of organizational commitment on employees' job performance has been studied extensively in the West, while few studies have been conducted in non-western countries. Moreover, there are not many studies about the effects of job satisfaction on this relationship. The purpose of this research is to study the effect of organizational commitment on job performance through the mediating role of job satisfaction. For the purpose, four hypotheses were developed, the first three predicted positive relationships between organizational commitment, job satisfaction and job performance and the last one suggested the mediating effect of job satisfaction. 547 employees in Vietnamese enterprises were surveyed. The results of the study supported all the hypotheses. Accordingly, organizational commitment had a positive impact on job performance; organizational commitment had a positive impact on job satisfaction; job satisfaction had a positive impact on job performance when organizational commitment was controlled. The strength of the relation between organizational commitment and job performance was significantly reduced when job satisfaction was added to the model, suggesting the mediating role of job satisfaction. In the light of the findings, it is suggested that merely positive relationship between organizational commitment and job performance may not automatically lead an employer to achieve the outcome - job performance. Therefore, the secret of success lies in improving job satisfaction through solutions to enhance organizational commitment, thereby increase job performance.

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### 1. Introduction

Organizational commitment has attracted the interest of organizational psychologists since 1960s (Becker, 1960). Various theories on organizational commitment have been proposed: one-side-bet theory (Becker, 1960; Suliman & Iles, 2000), affective dependence theory (Porter et al., 1974), multi-dimension organizational commitment theories (O'Reilly & Chatman, 1986; Meyer et al., 1990), two-dimension organizational commitment theory (Cohen, 2007), and combined theory (Somers, 2009). Despite the existence of diverse theories on organizational commitment, fundamentally most authors agree with the three components of organizational commitment (affective, normative, continuous) proposed by Meyer and Allen (Meyer & Allen, 1984, 1997; Allen & Meyer, 1990). They stated that commitment should be considered a psychological state as it refers to employees' acceptance of work relations. This acceptance is fundamental to their continuance to be a member of the organization. There are three forms of organizational commitment: (a) affective commitment, referring to the emotional attachment of an employee with the organization, (b) normative commitment, emphasizing the importance of obligations, and (c) continuous commitment, referring to employees' awareness of the consequences of leaving the organization. Job satisfaction is a variable to measure employees' positive or negative feelings of their job or work experience (Locke, 1976). It reflects an employee's self-rating of his fit to the job (Spector, 1997; Aziri, 2011). The term job satisfaction refers to the attitude and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction (Armstrong,

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2006). Job satisfaction represents a feeling that appears as a result of the perception that jobs enable the material and psychological needs (Aziri, 2011). The relation between organizational commitment, job satisfaction and job performance has been confirmed in various studies, but its strength varies. Most studies found a positive relation between organizational commitment and job performance, with higher commitment leads to enhanced performance (Abdul Rashid et al., 2003; Rotenberry & Moberg, 2007; Fu & Deshpande, 2014). Organizational commitment affects both in-role performance and extra-role performance (Mowday et al., 1982). With regards to the strength of the relationship, Mowday et al. (1982) found an average relation between organizational commitment and in-role performance (Mowday et al., 1982; Mothieu & Zajac, 1990). Meanwhile, Farh et al. (1989) found a significant positive correlation between organizational commitment and sale performance in a Taiwanese sample ( $r=0.13$  with sale's self-rates and  $r=0.08$  with manager's rates). A similarly weak correlation was found by other authors in American samples (Becker, 1992; O'Reilly & Chatman, 1986; Riketta, 2002). Various studies support the positive impact of job satisfaction on job performance. Employees who are satisfied with their job work better (Ahmad et al., 2010; Petty et al., 1984; Judge et al. 2001). The relation between organizational commitment and job satisfaction is more complex than with job performance, since it can be a two-sided relation. Researchers have been flexible in choosing the independent and dependent variable from these concepts. When considered as an independent variable, job satisfaction increases organizational commitment. When employees are satisfied with payment, fairness at work, promotion opportunities and manager's support, they are more likely to be committed to their organization (Eslami & Gharakhani, 2012; Tuu & Liem, 2012; Anh & Dao, 2013). However, the other way is also true: organizational commitment increases job satisfaction, committed employees work hard for their organization's vision and benefits (Vandenberg & Lance, 1992). This attitude affects budget emphasis and behaviors of managers, leading to their choice of reward system for employees. In this way, organizational commitment is not the result of employees' attitude towards their work, but it is the cause of changes, many of which are likely to increase their job satisfaction. Bateman and Strasser even proposed that organizational commitment influences job satisfaction, which in turn determines employees' turnover (Bateman & Strasser, 1984). The relationship between organizational commitment, job satisfaction and job performance has been confirmed in many studies. However, little has been known about the underlying mechanism of this relationship. This study aims to explain the influence of organizational commitment on job performance through the mediating role of job satisfaction on a sample of Vietnamese employees. Since both organizational commitment and job satisfaction influence job performance, and the positive impact of organizational commitment to job satisfaction has been supported in previous studies, we proposed a mediation relation between organizational commitment, job satisfaction and job performance. In line with previous studies, in this study, we proposed 4 hypotheses about the relation between organizational commitment, job satisfaction and job performance as following:

- H1: Organizational commitment has a positive impact on employees' job performance.  
 H2: Job satisfaction has a positive impact on employees' job performance.  
 H3: Organizational commitment has a positive impact on job satisfaction.  
 H4: Job satisfaction mediates the impact of organizational commitment on job performance.

The graphical form of the conceptual framework is presented in Fig. 1A and Fig. 1B:



**Fig. 1A., 1B.** Model to analyze mediation effect of job satisfaction on the relation between organizational commitment and job performance

## 2. Materials and Methods

### 2.1. Sample

Data were collected from 547 employees either at their workplace or at home. Mean age of the sample was 29.2, average working duration was 6 years. Of 546 employees, 54.2% were female, 20.4% were managers. With regards to the educational background of participants, 33.5% had graduated from high school, 6.6% had vocational degree, 51.6% had college degree, 8.3% had master/PhD degree.

## 2.2. Scales

- Organizational commitment: Organizational commitment was measured by the Commitment scale by Allen and Meyer (Allen & Meyer, 1990). The scale includes 18 items measuring 3 types of organizational commitment: affective, normative and continuance commitment. Items were rated on a 5-point Likert scale. The scale's reliability was acceptable by Cronbach alpha = 0.92.

- Job performance: We adopted 3 items measuring job performance developed by Heilman et al., 1992 used and reported by Sy et al., 2006. The 3 items were designed for supervisors to evaluate their employees' performance. In order for employees to self-rate their job performance, we modified the items into: (1) I am very competent, (2) I get my work done very effectively, and (3) I have performed my work well. The scale reliability was acceptable with Cronbach alpha = 0.77.

- Job satisfaction: We used the job satisfaction scale by Seashore et al., 1982. The scale reliability was acceptable with Cronbach alpha = 0.84.

## 2.3. Data analysis

Besides common statistical measures, to test the mediating effect of job satisfaction, we used the PROCESS macro developed by Hayes, 2013.

## 3. Results

In this study, we used the 4-step process to establish mediation as proposed by Frazier et al. (2004). The first step is examining the relation between organizational commitment (the predictor) and job performance (the outcome) (see Path c in Fig. 1A). The second step is to show that organizational commitment (the predictor) has a positive impact on job satisfaction (the mediator) (see Path a in Fig. 1B). The third step is to show that job satisfaction (the mediator) is related to job performance (the outcome). This is Path b in Figure 1B, and it is estimated controlling for the effects of the predictor on the outcome. The last step is to show that relation between organizational commitment (the predictor) and job performance (the outcome) is significantly weaker when job satisfaction (the mediator) is added to the model ( $c' < c$ ).

**Step 1:** Organizational commitment has a positive impact on employees' job performance

**Table 1**

Model Summary for effect of organizational commitment on employees' job performance

R	R-sq	MSE	F	p
0.263	0.069	0.281	42.106	0.000

**Table 2**

Total effect of organizational commitment on employees' job performance

	Coeff	SE	t	p
<b>Constant</b>	3.236	0.101	31.953	0.00
<b>Organizational commitment</b>	0.202	0.031	6.489	0.00

Model Summary show that organizational commitment has significant effect on job performance:  $p=0.000$ . Organizational commitment account for 6.9% of the variance of job performance. Organizational commitment has a significant effect on the job performance (confidence interval values LLCI and ULCI are the same sign,  $p = 0.00 < 0.05$ ) with regression coefficients  $c = 0.202$ . Thus, the hypothesis that organizational commitment has a positive impact on employees' job performance is accepted

**Step 2:** Organizational commitment has a positive impact on job satisfaction

**Table 3**

Model summary for effect of organizational commitment on job satisfaction

R	R-sq	MSE	F	p
0.571	0.326	0.253	234.679	0.00

**Table 4**

Effect of organizational commitment on job satisfaction

	Coeff	SE	t	p
<b>Constant</b>	2.035	0.109	18.711	0.00
<b>Organizational commitment</b>	0.489	0.0319	15.319	0.00

The effect of organizational commitment on job satisfaction was significant:  $p=0.000$ . More organizational commitment would enhance job satisfaction. Organizational commitment explains 32.6% of the variation in job satisfaction (Table 3). Organizational commitment has significantly impacted job satisfaction (confidence interval values LLCI and ULCI are same

sign,  $p = 0.00 < 0.05$ ) with regression coefficient  $a = 0.489$  (Table 4). Therefore, the hypothesis that organizational commitment has a positive impact on job satisfaction is accepted

**Step 3:** Job satisfaction has a positive impact on job performance when organizational commitment is controlled

Considering the linear regression model with the output variable as job performance combining with such predictive factors as organizational commitment and job satisfaction, the results shows that the model is statistically significant with  $F(2,500) = 29.821$ ,  $R^2 = 0.0922$ ,  $p = 0.000 (< 0.05)$  (Table 5). This value is higher  $R^2$  of the impact of organizational commitment on performance ( $R^2 = 0.0692$ ). It means that job satisfaction and organizational commitment explains job performance better than organizational commitment alone. In other words, job performance can be improved much better with job satisfaction than with just organizational commitment. Thus, job satisfaction has a positive impact on job performance when organizational commitment is controlled.

**Table 5**

Model Summary for effect of job satisfaction on job performance when organizational commitment is controlled

R	R-sq	MSE	F	p
0.304	0.092	0.275	29.821	0.000

**Table 6**

Effect of job satisfaction and organizational commitment on job performance

	Coeff	SE	t	p
Constant	2.898	0.136	21.280	0.000
Job satisfaction	0.166	0.049	3.340	0.001
Organizational commitment	0.121	0.040	3.002	0.003

Table 6 shows a positive and significant correlation of job satisfaction with job performance ( $p = 0.001$ ). Job satisfaction's regression coefficient in linear regression model with output variable as job performance after controlling the effect of the organizational commitment is 0.166 ( $b = 0.166$ ).

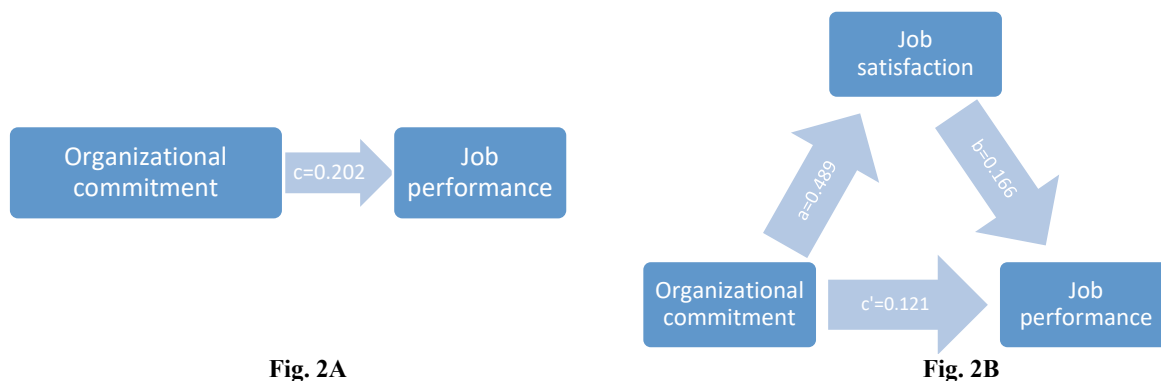
**Step 4:** The strength of the relation between organizational commitment and job performance is significantly reduced when job satisfaction is added to the model

**Table 7**

Indirect Effect (Sobel test)

Mediator	Effect	SE	Z	p
Job satisfaction	0.081	0.025	3.256	0.001

The direct effect of organizational commitment on job performance when having job satisfaction (Table 6) shows that organizational commitment has a significant correlation with job performance ( $p = 0.003$ ) with regression coefficient  $c' = 0.121$ . This direct regression coefficient is smaller than the total regression coefficient ( $c' = 0.121$  smaller than  $c = 0.202$ ) (Table 1). So, job satisfaction mediates the relation between organizational commitment and job performance. Testing the effect size of indirect effect using Sobel test showed that the indirect effect of job satisfaction was significant:  $t = 0.081$ ,  $Z = 3.256$ ;  $p = 0.001$ . The indirect effect accounted for 2.2% to 8.7% of the variance of job performance. So the Sobel Test results also establish the mediating effect of job satisfaction. In other words, organizational commitment increases job satisfaction, which in turn increases job performance. The stronger an employee is committed to his organization, the more satisfied he is with his job, and the better he performs in his tasks. Job satisfaction mediates the relation between organizational commitment and job performance. Fig. 2A and Fig. 2B analyze mediation effect of job satisfaction on the relation between organizational commitment and job performance:



**Fig. 2A, 2B.** Mediation effect of job satisfaction on the relation between organizational commitment and job performance

#### 4. Discussion

This study has found that job satisfaction mediated the impact of organizational commitment on job performance. Organizational commitment influences job satisfaction, which in return affects job performance. The mediation effect could be explained from the perspective of need fulfilment. Organizational commitment provides gradual need fulfilment, as it addresses employees' emotional attachment and sense of responsibility to the company. Job satisfaction, on the other hand, relates to the fulfilment of instant needs such as working condition, income, relationship with coworkers and managers, and promotion opportunities. In high-pressure, instable jobs, the fulfilment of immediate needs affects job performance more directly than the fulfilment of gradual needs. As a result, the impact of organizational commitment on job performance is actualized through the impact of job satisfaction on job performance. This study has also found that organizational commitment increases job satisfaction, thus providing additional support for the positive relation between organizational commitment and job satisfaction (Porter et al., 1974; Bateman & Strasser, 1984; Meyer et al., 2002; Pool & Pool, 2007). This impact can be explained by the psychological basis of organizational commitment. O'Reilly & Chatman, 1986 believed that one attached to an organization for three reasons: (i) for extrinsic reward, (ii) for the need to belong to a group, and (iii) for aligning with organizational values. The first reason - extrinsic rewards - leads to compliance. The second reason - the desire for affiliation - leads to identification. The third reason - congruence with organizational values - leads to internalization (Kelman, 2017). As such, different levels of organizational commitment lead to different levels of job satisfaction. Compliance and internalization lead to satisfaction with working conditions, salary, welfare, promotion opportunities. Identification leads to satisfaction with supervisors and colleagues. Explaining the relation between organizational commitment and job performance, Meyer et al found that employees with higher organizational commitment had higher expectation of job performance, which turned out to be higher job performance in reality (Meyer et al., 1993). Employees with high organizational commitment tend to feel that they can manage greater workload. Committed employees also do their jobs better than less committed ones, since they participate in and think about the job more. Findings of this study were in line with previous findings related to the impact of organizational commitment on job performance.

#### 5. Conclusion

Organizational commitment has significant impacts on employee's performance at work. Commitment might enhance or inhibit employees' willingness to do the job, as such it affects their job productivity and quality. However, the relation between organizational commitment and job performance is more complicated than a direct relation: it is influenced by job satisfaction. As such, organizations need to enhance employees' commitment in order to promote their job satisfaction and work performance.

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