

The Effect of Job Satisfaction on Employees' Intention to Leave by Mediation of Organizational Commitment; Evidence from a Petrochemical Company

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ABSTRACT

To retain the existing human resource, especially the expert and active ones, is of the main goals of each organization. The management tries to maintain the human resources by increasing their job satisfaction. Lack of attention to employees' job satisfaction leads to numerous problems of the most important is job turnover. Given this fact that most of the factors affect the job satisfaction similarly affect the organizational commitment, according to scholars, there exists a significant relationship between them. Accordingly, after reviewing the literature relating to job satisfaction and turnover, the purpose of this study was to examine the mediating role of organizational commitment in the relationship between job satisfaction and intention to leave. In doing so, 224 employees of warehouse and logistics of Razi Petrochemical Company were investigated by distributing the questionnaires and 200 well-qualified ones were returned. Gathered data was analyzed using the structural equation modeling technique. Research results indicated that the tested model is goodly fitted to data, and all the four hypotheses were statistically confirmed. In general, results of this study indicated the efficiency of proposed model for decreasing the under-study employees' intention to leave. Finally, some practical and research implications were provided for the statistical population, which can be utilized considering the research limitations.

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Introduction

Maintaining existing human resources, especially skilled and active human resources are considered as one of the main objectives and priorities of each organization. In order to proper enjoying of the human resources, necessity to study various and complex aspects of the individuals is considered which includes emotional, instinctual, cultural, social, and economic features. Human Resources management is to identify, select, hire, train, and develop human resources in order to achieve the objectives of the organization (French, 1986:354). Since maintaining measures are the complementary of measures and processes to attract and mobilize human resources management system, even if the recruitment, selection, appointment, training and other personnel actions to be done properly and appropriately, regardless the maintenance of staff, the results of management actions will not be dramatic.

Among efforts of management to preserve human resource are the reduction of employee dissatisfaction and the creation of job and organizational satisfaction for employees. Measures that reduce dissatisfaction and create employee satisfaction lead to organizational health and effort of most people to fulfill their obligations. Lack of attention to the issue of job satisfaction and organizational commitment of employees leads to problems for the organization that one of the most important problems is employees turnover especially specialized employees. The importance of job satisfaction is due to the fact that most people almost spend half of their waking hours at work.

The results show that employees with higher job satisfaction are in good condition in terms of physical and mental strength (Chandan, 1997: 45).

But since the purpose of the study is to investigate the mechanism of mediation of organizational commitment, indirect effect of job satisfaction on desire to leave the organization through organizational commitment and its components have also been investigated. Williamson and Anderson have defined commitment as the severity and extent of individual participation in the organization, a sense of belonging to the organization and job and a sense of identity. Given that most of the factors that affect job satisfaction are effective on organizational commitment, it seems that there is a significant relationship between them. Williams and Hazer (1986) argue that there is a causal relationship between job satisfaction and organizational commitment. Accordingly, the current study considered the organizational commitment as a mediator variable, and the following goals and assumptions are specified to test.

Literature review

Job satisfaction

Several definitions are provided for job satisfaction that some of them are mentioned. Arnold and Feldman (1988: 86) define job satisfaction as a set of positive attitudes that people have towards their jobs. Greenberg et al. (1990) consider job satisfaction as positive and negative emotions, beliefs and attitudes of each individual to the job, or cognitive, perceptual and value reactions of person than his job. Davis (1991) considers job satisfaction as a set of compatible and incompatible feeling that employees look at their work with them.

Chandan (1997) considers job satisfaction as a degree of positive emotions and attitudes that people have towards their jobs.

Usually, employees prefer jobs that thereby are able to use the available opportunities for enhancing their skills and abilities as well as they like jobs that have specialty and about doing good works, they get feedback. These features cause the person feels a sense of satisfaction subjectively. Employees want to promotion policies of position and payment system to be in such a way that they think it is fair. When employees consider the compensation system is fair and they believe that salaries are paid based on skill levels, job satisfaction increases.

Employees always pay attention to facilities or arrangements in the work environment from the individual perspective; they prefer the working environment to be healthy, safe, quiet, clean, and untarnished. Finally, individuals will receive a result more than money of their work. For most employees, work is more than money and can meet their social needs (social relations). So no surprise that having intimate partners and support life causes to increase job satisfaction (Robbins, 1997).

Organizational commitment

In the past decades, the concept of organizational commitment has allocated an important place in research on organizational behavior. However, there isn't agreement, consensus on how to define organizational commitment and determine its indicators. In addition, the use of multiple words to describe this unit phenomenon adds to this confusion. Porter et al. (1974) have defined organizational commitment, depending on the severity of an individual's identification with a particular organization and the level of involvement and his cooperation with the organization.

O'Reilly and Chatman (1986) define organizational commitment as support and continuity to the goals and values of an organization and for the organization and away from its tool values (a means to achieve other goals). Hunt and Morgan (1994) raised organizational commitment at both micro and macro levels. Commitment at the micro level is the commitment to organizational specific groups, including working groups, supervisors, senior management and commitment in macro level is commitment to the organization as a system. Organizational commitment represents a condition that employees of organization represent the organization's goals and they wish to remain as a member of that organization (Robbins, 1997).

Intention to leave

Meyer et al. (1993) define intention to leave the organization as conscious intention to search for job opportunities and alternatives in other organizations. Also, intention to leave the organization is interpreted as the individual mental likely to permanent leaving of organization in the near future (Vandenberg and Nelson, 1999). Mobley et al. (1979) found that behavioral intentions to stay or leave an organization are effectively connected with the conduct of leaving the organization. In fact, the intention to leave the organization is an effective predictor for actual dropout rate of employees in organizations. Also, intention to leave the organization is considered as a predictor of real leaving the organization (Randhava, 2007).

The desire to leave the organization is considered in many studies and defined by Mobly et al. (1979) as "the process of thinking, planning, and turnover intention" (as cited in Lambert et al., 2008).

Ajzen (1975) in his attitude theory assumes that the best predictor of behavior is to measure the intention to exert a behavior. According to the classical model of leaving the organization, intention to leave the organization is a function of desirability and perceived ease of leaving the organization. Overall, personal factors (like negative relation of age and official hiring with intention to leave), inter-organizational (such as job condition) and external (such as economy conditions), determines likelihood of organization to be leaved by employees (Kuean et al., 2010).

Research model and hypotheses development

In the field of optional turnover, there is a strong relationship between job satisfaction and intention to leave the organization (Griffeth et al., 2000). Job satisfaction is a multidimensional construct that includes the satisfaction of a job, supervisor, colleagues, payment terms, promotion programs, and politics of company and sense of job security. Job satisfaction reduces turnover rate and increase organizational commitment. Therefore, organizations should pay attention to job satisfaction of employees because it has a strong relationship with other critical outcomes (MacIntosh and Doherty, 2010).

Among the variables that correlated with organizational commitment is job satisfaction. Research of Meyer and Allen (1993) showed that there is a positive relationship between job satisfaction and organizational commitment. It is generally assumed that job satisfaction will lead to organizational commitment. Williams and Hazer (1986) have noted that there is a causal relationship between job satisfaction and organizational commitment, and job satisfaction is precondition of organizational commitment. In general, positive relationship between job satisfaction and organizational commitment has been repeatedly reported by researches (such as Tett and Meyer, 1993).

Organizational Commitment is known as an effective factor on intention to leave the organization, even organizational commitment with more influence and stability than job satisfaction can act in making decision to leave the organization. A number of studies have confirmed that organizational commitment has a negative effect on turnover of employees. The results of some meta-analysis studies have shown that low commitment has relationship with turnover and high commitment with stay in the organization (Tett and Meyer, 1993). According to these arguments and on the basis of explanations about CRM system, research hypotheses are codified as follows.

- H₁:** employees' job satisfaction affects their intention to leave
- H₂:** employees' job satisfaction affects their commitment to organization
- H₃:** employees' organizational commitment affects their intention to leave
- H₄:** job satisfaction affects the employees' intention to leave through organizational commitment

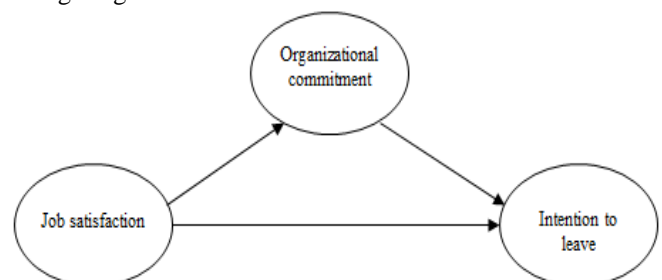


Figure 1. Research conceptual model.

Research method

The current study is to find the implications for improving job satisfaction and organizational commitment in order to retain the employees, and so, it is an applied-descriptive research. Data were collected through questionnaires including the items for job satisfaction, organizational commitment, and intention to leave anchored on a Likert-type scale. Gathered data were analyzed by conducting structural equation modeling. Statistical population of this research is comprised of procurement employees of Razi Petrochemical Company. Given the size of statistical population (1000), the statistical sample (164) was determined by Cochran's formula. Given this fact that some of the questionnaires are probably not returned, 220 questionnaires were distributed, and 200 well-qualified ones were returned.

Research findings

Analyzing the measurement tool

The questionnaire's reliability was evaluated by Cronbach's alpha coefficients. As shown in the following table, all the alpha reliability values of main variables are greater than .70 and the questionnaire's reliability is confirmed.

Table 1. internal consistencies or research variables.

Variable	Component	Item	Component alpha	Overall alpha
Job satisfaction	-	3	-	.843
Organizational commitment	Affective	4	.879	.804
	Continuous	4	.679	
	Normative	4	.612	
Intention to leave	-	4	-	.718

Then, the construct validity of the questionnaire was evaluated through confirmatory factor analysis. Earlier, we evaluated and confirmed the CFA model fit indices ($\chi^2/ df= 2.477$; $GFI= .855$; $CFI= .904$; $RMR= .068$; $RMSEA= .079$) before calculating the factor loadings. To assure that all the factor loadings are statistically significant and construct validity of questionnaire is confirmed we compared the p-values with the critical value of .05, and consequently, two of the factor loadings of continuous commitment were eliminated from the upcoming analyses.

Testing the hypotheses

After investigating the reliability and validity of CFA model, we tested the hypotheses using the structural model. This was accomplished by using path coefficients and related p-values.

Before this, we investigated the goodness of fit indices to assure that the overall validity of model is good, and consequently, its coefficients can be explained.

As it can be seen in figure 2, all the model indices are greater than their respected critical values, and so, the model fitness is confirmed. The structural model with path coefficients is presented in the following.

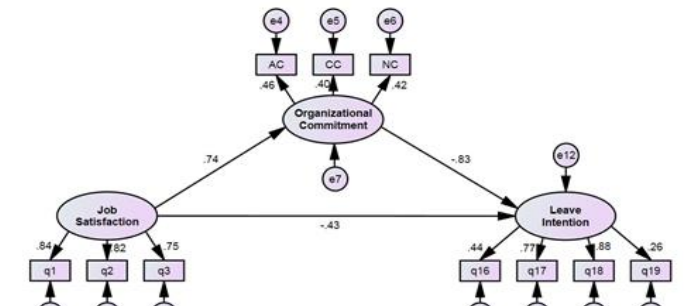


Figure 2. Structural model along with path coefficients ($\chi^2/ df= 2.649$; $GFI= .91$; $CFI= .93$; $RMR= .066$; $RMSEA= .035$).

Based on the values of above model and table 3, we tested the research hypotheses. The effect of independent variables can be seen in figure 2 and their respected p-values are provided in table 3. It should be noted that if the confidence level for a path is lower than .05 the corresponding hypothesis is supported. The following table shows that all the direct and indirect paths are statistically significant. It should be noted that the mediation hypothesis was tested by conducting the 4-step procedure of Baron and Kenny (1986) and it was determined that the effect of independent on dependent variable is significantly decreased in the presence of mediator variable (greater than .10). On this basis, all the hypotheses are supported. In the next section, these findings are concluded, and accordingly, some practical implications are made.

Table 2. Results for confirmatory factor analysis.

Variable	Item	Co.	FL	p-value	Result	
Job satisfaction	1	-	.71	.000	Sig.	
	2	-	.71	.000	Sig.	
	3	-	.87	.000	Sig.	
Organizational commitment	4	Affect.	.73	.000	Sig.	
	5		.69	.000	Sig.	
	6		.86	.000	Sig.	
	7		.93	.000	Sig.	
	8	Contini.	.21	.064	Non-sig.	
	9		.12	.091	Non-sig.	
	10		.99	.000	Sig.	
	11		.47	.043	Sig.	
	12	Normat.	.27	.001	Sig.	
	13		.53	.000	Sig.	
	14		.46	.000	Sig.	
	15		.83	.000	Sig.	
	Intention to leave	16	-	.42	.002	Sig.
		17	-	.84	.000	Sig.
		18	-	.87	.000	Sig.
19		-	.27	.000	Sig.	

Table 3. Results of hypotheses testing.

No.	Hypothesis	Path coefficient	p-value	Result
1	Job satisfaction → intention to leave	-.43	.000	Supported
2	Job satisfaction → organizational commitment	.74	.000	Supported
3	Organizational commitment → intention to leave	-.83	.000	Supported
4	satisfaction → commitment → intention to leave	-.61	-	Supported

Discussion and conclusion

This study sought to investigate the influence of job satisfaction on intention to leave the organization through increase organizational commitment and provide applied research and recommendations to improve it. For this purpose, the conceptual model from Allen and Meyer (1997) and Ketin (2006) was used where job satisfaction and its components are considered as independent variable and variable of organizational commitment as a mediator to influence the intention to leave the organization. So by using these variables, direct and indirect effect of job satisfaction on the willingness of employees of logistics and warehouses sector of Razi Petrochemical Company to turnover was evaluated. Accordingly, this research had four hypotheses that all four were approved. The coefficient of effect of job satisfaction on the willingness of employees to leave the organization was -.43, the effect of job satisfaction on organizational commitment .74, the effect of organizational commitment on the intention of employees to leave the organization -.83 and the indirect effect of job satisfaction on intention to leave the organization -.61, respectively.

The researchers considered lack of job satisfaction as the main cause of turnover. But their study showed that organizational commitment affects intention to turnover, a result that had not been achieved before. They also concluded that compared to job satisfaction, organizational commitment can better predict employees' turnover (e.g., Arnold and Feldman, 1988). Therefore, in general, it can be said that the result of first hypothesis in this study is consistent with those cases in the literature and the results of these similar studies. In foreign studies, the positive relationship between different dimensions of job satisfaction and organizational commitment is verified (e.g., Cook and Wall 1980; McFarlin and Sweeney, 1992; and Morrison, 1997). Accordingly, the results of this study are in line with the results of mentioned studies. Other studies also show that reduction of organizational commitment can cause the intention to leave (Kim, 1996; Baker, 1994; Arnold and Feldman, 1988). Prior to the study of Porter et al. (1974), researchers considered lack of job satisfaction as the main cause of turnover. But then it became clear that compared to job satisfaction, organizational commitment can better predict employee turnover (Arnold and Feldman, 1988). Therefore, the third hypothesis test result is consistent with the results of all the domestic and foreign studies expressed.

Practical suggestions

The results showed that job satisfaction affects organizational commitment. Considering this issue, it can be offered to organizations to keep their qualified and expertise employees committed them using software tools such as job characteristics. Results of statistical analysis showed that the effect of job satisfaction on intention to leave the organization is -.43, while the effect of organizational commitment on this variable is -.83. This indicates while the importance of both variables, it should pay special attention to employees' commitment to the organization. Therefore, it is suggested to managers of set to be increased the other factors of organizational commitment. Some of these cases can be the creation of a favorable organizational climate, the balance between work and personal life, and the reward system calculated to induce a sense of organizational justice to employees. The results of this study indicated that organizational commitment by a factor of -.83 affect the intention of employees to leave the organization.

This shows that job satisfaction leads to reduce the intention to leave the organization when simultaneously "soft approach of human resources activities (to obligate the staff)" and "hard approach of organizational activities (design job)" are used. Thus, Razi Petrochemical Company management and other similar companies must create harmony between the two and provide required organizational context for the better implementation of sub-process of job satisfaction and organizational commitment.

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