

Organizational Commitment of Employee on Automotive Manufacturing Company and Its Relationship with Job Satisfaction

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ABSTRACT

Job satisfaction and organizational commitment are important to be examined as they are associated with many positive outcomes. This study aims to examine the relationship between organizational commitment and job satisfaction. The sample in this study is permanent employee of automotive manufacturing company as much as 68 respondents and . used quantitative method. Relationship hypothesis proposed was analyzed using product moment pearson and resulted a very significant positive relationship between organizational commitment and job satisfaction, with correlation coefficient $r = 0,849$ and significance level $p = 0,000$ ($p \leq 0,01$). The contribution of each organizational commitment is also shown in this study used linear regression analysis, while affective commitment is highest contribution to job satisfaction.

Keywords: *Organizational Commitment, Job Satisfaction, Employee of Automotive Manufacturing Company*

INTRODUCTION

Every industry and organization demanded more competitive and survive to be the best in face of various developments in the era of globalization. Automotive production in the world continues to grow rapidly, and Indonesia is one of the most potential automotive markets in the world. In addition to domestic needs, Indonesia also has been exporting cars and motorcycles with a large number. With the high of that production and sales, the competition among automotive company in Indonesia become so tight as to create products that can meet market tastes and able to influence consumer decisions in making purchases (Ministry of Trade of RI , 2014).

Every company in the automotive manufacturing industry is inseparable from the obstacles, both in the employees themselves and the company. According to Agfian (2015), human resources that play a role in the manufacturing industry often get pressure in the form of productivity demands and high efficiency demands. Automotive manufacturing industries also tend to employ hundreds to thousands of employees. Working conditions in

automotive manufacturing companies tend to be more vulnerable to noise, density, hot temperatures, and various consequences of interaction between coworkers and between superiors and subordinates.

According to George and Jones (2012), every individual has different thoughts and feelings that can impact on how employees determine attitudes on their work. The success of realizing an optimal company can depend on how the attitude of each employee in his role in an organization. Thus, every automotive manufacturing company is expected to maintain the mental attitude of every employee, one of which is the attitude of employees to job satisfaction.

Job satisfaction is an important element to be studied. A person with a low level of job satisfaction may experience negative feelings when thinking about their duties or while engaging in their task activities, thus it is not only affect employee welfare but also an impact on company performance which is less than optimal (Colquitt, Lepine, & Wesson, 2015).

Job satisfaction is defined comprehensively by Locke (in Luthans, 2011), that is involving cognitive, affective, and evaluative reactions or attitudes and states it is a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. According to Spector (1997), job satisfaction consist of nine aspects, there are *pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, coworkers, nature of work, and communication*.

Job satisfaction can be influenced by any factors. Karakus, Ustuner, and Toprak

(2014), show that job satisfaction is influenced by factors of organizational justice and burnout of employees. Murray, Duncan, and Griffiths (2015), show that job satisfaction is influenced by organizational identification with employee engagement as mediation. Job satisfaction can also relate to how a person's attitude when faced with various pressures in his work. According to research results by Siu (2002), employees will increasingly feel job dissatisfaction when organizational commitment of employees is low. Organizational commitment of employees are able to maintain employee perceptions and attitudes towards the level of job satisfaction.

Meyer and Allen (1997), defined organizational commitment as a psychological state that characterizes the employee's relationship with organization, and has implications for the decision to continue membership in the organization. According to Meyer and Allen (1997), organizational commitment consists of three components model that are: 1) *Affective Commitment* refers to the employee's emotional attachment to, identification with, and involvement in the organization. Employees with a strong affective commitment continue employment with organization because they want to do so. 2) *Continuance commitment* refers to an awareness of the costs associated with leaving the organization. Employees whose primary link to the organization based on continuance commitment remain because they need to do so. 3) *Normative Commitment* reflects a feeling of obligation to continue employment.

Employees with a high level of normative commitment feel that they ought to remain with the organization.

Thus, any employee who chooses to stay in the organization may be motivated by different nature, perhaps due to consideration of emotional attachment, economic and social considerations, consideration of a sense of duty to the organization, or because of all three considerations.

Research on organizational commitment with job satisfaction has been widely studied in the academic sector (Mabasa & Ngirande, 2015; Amir, 2002), oil company sector (Idris & Manganaro, 2017; Arishanti, 2007), public administration sector (Suma & Lesha, 2013), the financial sector (Mohamed, Kader, & Anisa, 2012), as well as the health sector (Top & Gider, 2013). Thus, the researcher is interested to further investigate organizational commitment with job satisfaction in different sectors, ie automotive manufacturing sector in Indonesia.

The organizational commitment and job satisfaction of the automotive manufacturing employees are important to be examined because the automotive sector is one of the 10 largest export commodities in Indonesia, so that the automotive manufacturing company becomes one of an important sector that plays a role in helping the economy of the State (Ministry of Trade of RI, 2014).

H1. there is relationship between organizational commitment with job satisfaction on employees of automotive manufacturing companies.

METHODS

Sample

Sample in this study amounted to 68 peoples, consisting of men and women with minimum one year working period. Sample were taken in automotive manufacturing companies on production and staff position located in Bekasi and Karawang Industrial area by using *a non-probability sampling*. They also provided important demographic data. Demographic data such as sex, age, marital status, tenure, and education status can be seen in Table 1.

Table 1: Demographic variables: sex, age, marital status, tenure and education status

Variable	Categories	Frequency	%
Sex	Women	55	80,9
	Men	13	19,1
Age	21 – 40 years	56	82,4
	41 – 60	12	17,6
Marital Status	Married	21	30,9
	Single	47	69,1
Tenure	1 – 10	40	58,8
	>10	28	41,2
Education Status	Senior High School	33	48,5
	Diploma	8	11,8
	Bachelor	22	32,4
	Master	2	2,9

Measures

Hypothesis testing is done by using *product moment pearson* to examine the relationship between organizational commitment with job satisfaction, and *regression analysis* to examine contribution from each component of organizational commitment to job satisfaction after linearity test.

Data collection techniques in this study using questionnaire method. The questionnaire is consisting of 24 items for Job satisfaction scale and 17 items for

Organizational commitment scale. Both of these questionnaires using Likert scale format with option of answer 5 (Strongly Agree), 4 (Agree), 3 (Neutral), 2 (Disagree), and 1 (Strongly Disagree).

Job satisfaction scale in this study is based on aspects of job satisfaction according to Spector (1997), consisting of pay, promotion, supervision, frings benefits, contingent rewards, operating conditions, coworkers, nature of work, and communication with reliability of $\alpha = 0.916$. While, organizational commitment scale in this study is based on organizational commitment components proposed by Allen and Meyer (1997) consisting of affective commitment, continuance commitment, and normative commitment with reliability of $\alpha = 0.926$.

Table 2: Cronbach's alpha reliability coefficients

Cronbach's coefficient alpha variable (s)	Number of items	alpha
Job satisfaction (JS)	24	0,916
Affective commitment (AC)	5	0.885
Continuance commitment (CC)	5	0.702
Normative Commitment (NC)	7	0.848
Organizational commitment(OC)	17	0.926

RESULT AND DISCUSSION

This study aims to empirically examine the relationship organizational commitment and job satisfaction on employee of automotive manufacturing company. Based on data from 68 employees in Bekasi and Karawang, it shown that the hypothesis in this research is accepted. There is a very significant relationship between organizational commitment with job satisfaction on employees of automotive manufacturing

companies with correlation coefficiency (r) 0,849 (p 0,000; $p \leq 0,01$).

Diržytė, Patapas, Smalskys, and Udavičiūtė (2013), agreed that organizational commitment has a very significant positive relationship with job satisfaction, where the higher the organizational commitment the higher the job satisfaction. Otherwise, the lower the organizational commitment, then the job satisfaction will also be lower.

This result also similiar with Thamrin's research (2012), to employees in five expedition companies, shown that organizational commitment has a significant positive relationship on job satisfaction and employee performance.

According to Jex and Britt (2014), employees with high organizational commitment levels tend to work harder and exert more effort than employees who have low organizational commitment levels. Hard work can make employees feel more productive with their work and increasingly continuously contribute to the company, so that employees will feel satisfaction in their work, especially if the good performance is rewarded as a reward by the company.

It also corresponds to one of the job satisfaction theories, that is the two-factor theory by Herzberg (in George and Jones, 2012), which states that individuals can sense job satisfaction because of the challenges, responsibilities, achievements, and opportunities for growth. In addition, employees with high organizational commitment levels also tend to become involved in work experience through the interactions and psychological attachments that are intertwined with colleagues and superiors and values held during their

presence within the company. The interactions and values established within the company can be factors that affect employee job satisfaction levels (George & Jones, 2012).

Affective commitment has the highest correlation with job satisfaction with correlation coefficient (r) 0,850.

Normative commitment has correlation with coefficient (r) 0.776. While continuance commitment has the lowest correlation with job satisfaction (r) 0.673. Relationship between organizational commitment and job satisfaction can be seen in Table 3.

Table 3: Correlation between JS with OC, AC, CC and NC (N=68)

		Job Satisfaction (JS)	Organizational commitment (OC)	Affective commitment (AC)	Continuance commitment (CC)	Normative commitment (NC)
JS	Pearson correlation Sig.(2 tailed)	--	0.849**	0,850**	0,673**	0,776**
OC	Pearson correlation Sig.(2 tailed)	0.849**	--	0.912**	0.829**	0.963**
AC	Pearson correlation Sig.(2 tailed)	0,850**	0.912**	--	0.604**	0.835**
CC	Pearson correlation Sig.(2 tailed)	0,673**	0.829**	0.604**	--	0.735**
NC	Pearson correlation Sig.(2 tailed)	0,776**	0.963**	0.835**	0.735**	--

**Statistical significance at $p < 0.01$

Furthermore, regression analysis result can be seen in Tabel 4 – 6 to see contribution from each of organizational commitment to job satisfaction.

Table 4: Contribution of Affective commitment (AC) to Job satisfaction (N=68)

R	R Square	Adjusted R Square	Std. Error of the Estimate		
0.850	0.722	0.717	6.659		
Unstandardized		Standardized			
B	Std. Error	Beta	t	Sig.	
Constant	38.284	3.777		10.135	0.000
AC	2.665	0.204	0.850	13.083	0.000

Table 5: Contribution of Continuance Commitment (CC) to Job satisfaction (N=68)

R	R Square	Adjusted R Square	Std. Error of the Estimate		
0.673	0.453	0.444	9.340		
	Unstandardized	Standardized			
	B	Std. Error	Beta	t	Sig.
Constant	34.561	7.131		4.847	0.000
CC	2.831	.383	0.673	7.386	0.000

Table 6: Contribution of Normative Commitment (NC) to Job satisfaction (N=68)

R	R Square	Adjusted R Square	Std. Error of the Estimate
0.776	0.603	0.597	7.954
	Unstandardized	Standardized	

	B	Std. Error	Beta	t	Sig.
Constant	41.657	4.588		9.080	.000
NC	1.939	.194	.776	10.011	.000

Table 4 indicates that affective commitment has contributed significantly in the variability of job satisfaction by 72% from total variability. The regression model implied in this study was found statistically significant ($p < 0,000$; $p \leq 0,01$).

Table 5 indicates that continuance commitment has contributed significantly in the variability of job satisfaction by 45% from total variability. The regression model implied in this study was found statistically significant ($p < 0,000$; $p \leq 0,01$).

Table 6 the result of linear regression indicates that normative commitment has contributed significantly in the variability of job satisfaction by 60% from total variability. The regression model implied in this study was found statistically significant ($p < 0,000$; $p \leq 0,01$).

Thus, from the linear regression analysis result, it can be concluded that affective commitment is the highest contribution to job satisfaction. This finding is supported by Arishanti (2007), which shows that affective commitment has the greatest and dominant influence on job satisfaction. According to Meyer and Allen (1997), individuals with affective commitment choose to remain in the organization because they feel they want to do it. This is because they feel a bond of positive emotions inherent in him as long as there is in the company.

Meanwhile, continuance commitment is lowest contribution to job satisfaction. This finding is supported by Shurbagi and Zahari (2013), show that all organizational commitment components have a significant positive relationship with job satisfaction, but continuance commitment has the lowest contribution than other component. According to Colquitt, Lepine, and Wesson (2015), a person with continuance commitment feel that there are the total amount of investment have made in mastering their work roles or fulfilling their organizational duties. They are staying in company because lack of employment alternatives and will lose many thing (economy, friend, pension, etc) if leaving the organization.

Subsequently, it also found that empirical mean of respondents' job satisfaction is 86,56, and empirical mean of organizational commitment is 59,65. This is indicating that job satisfaction and organizational commitment on employees of automotive manufacturing companies in this study are in the medium category.

Furthermore, respondents with age 41 - 60 years old have job satisfaction level higher than respondent age 21 - 40 years. This is supported by the research of Irshad and Naz (2011) which states that job satisfaction is influenced by the age factor. The older they get, the more time they have to evaluate their relationship with the organization. Employees in their twenties tend to focus more on low-wage jobs, low-skilled positions, and more frequent change their jobs (Hamilton & Hamilton, in Papalia, Feldman, & Martorell, 2012).

Meanwhile, empiric mean analysis shown that the higher the educational status of respondents, the lower the average job satisfaction and organizational commitment of employees. This finding is supported by Lok and Crawford (2004), that educational status has a negative relationship with job satisfaction and organizational commitment. Employees with higher levels of education tend to have low job satisfaction and commitment levels, where they tend to be followed by higher expectations. According to George and Jones (2012), based on the discrepancy model, when employee expectations about an ideal job are high, and these expectations are not met, employees will feel dissatisfaction.

CONCLUSION

Based on the result of hypothesis test, it can be concluded that there are positive and very significant relationship between organizational commitments with job satisfaction on employee of automotive manufacturing company, which means hypothesis of this research is accepted. It also shown that based on mean empiric, job satisfaction and organizational commitment of employee in this research is in medium category.

SUGGESTION

Future researchers are suggested to conduct research on respondents in middle adulthood and married, which is based on this research result, have high level on organizational commitment and job satisfaction. Then add other variables such as perceived organizational support, psychological capital, work stress,

organizational culture, turnover intention, and expand the sample research on the other sectors such as state-owned employees or social institutions.

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