

Impact of Job Satisfaction on Organizational Commitment in the Pharmaceutical Industry of Karachi

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Abstract

This study aims to study job satisfaction and the Organizational Commitment in the pharmaceutical industry of Karachi. A 28 item survey was used to collect the data and the data were collected from 282 employees of the pharmaceutical industry of Karachi. Multiple Regression Analysis was used as the statistical technique. Results indicated that the co-workers' attitude, compensation, work it-self, promotional opportunities, supervisor's support and the communications significantly predicts the organizational commitment in the Pharmaceutical sector of Karachi.

Keywords: Job Satisfaction, organizational commitment, pharmaceutical sector, Karachi.

1. INTRODUCTION

Creating a sustainable competitive edge had never been as difficult as it is in the twenty first century. The managers are now suggesting the importance of the Human Resources for creating the sustainable competitive edge. The realization of the importance of the human resources has raised the questions about the ways of increasing the efficiency and effectiveness of the human resources. A long search in the path to find the ways of increasing the efficiency and the effectiveness of the human resources resulted in the discovery that the increment in the level of job satisfaction can be helpful in increasing the level of Organizational Commitment of the employees.

The increased level of organizational commitment raises the levels of efficiency and effectiveness of the human resources and is thus in turn helpful in creating a sustainable competitive edge.

Few researchers (Azeem 2010; Suma and Lesha 2013) have studied the relationship between the job satisfaction and the organizational commitment; however no study has been conducted to test the relationship between the job satisfaction and the organization commitment in the pharmaceutical industry of Karachi. Therefore the basic scope/purpose of the study is to measure the impact of job satisfaction facets namely compensation, co-workers' attitude, supervisor's support, work it-self, promotional opportunities and communication on the organizational commitment in the pharmaceutical industry of Karachi and to suggest the measures that can increase the level of organizational commitment among the employees of the pharmaceutical industry of Karachi.

2. LITERATURE REVIEW

2.1 Facets of Job Satisfaction

Ashraf, Joarder and Al-Masum (2008) argued that compensation is significantly associated with job satisfaction. Gallardo, Sanchez-Canizares, Lopez-Guzman, and Jesus (2010) also found compensation to be significantly related to the job satisfaction. Saba (2011) used compensation as the facet of job satisfaction. Malik, Nawab, Naeem and Danish (2010) also used pay as the determinant of job satisfaction while studying the job satisfaction and the organizational commitment.

Suma and Lesha (2010) used satisfaction with the co-workers as the facet of job satisfaction while studying the job satisfaction and the organizational commitment. Kabir and Parvin (2011) also argued

that satisfaction with co-workers have positive association with the job satisfaction.

Lam, Baum, and Pine (2001) suggested that the work itself significantly predicts the job satisfaction. Whereas Malik et al. (2010) used work it-self as a determinant of job satisfaction while studying the organizational commitment. Ghayas and Siddiqui (2012) also used work it-self as the facet of job satisfaction while studying the job satisfaction and the turnover intentions.

Al-Ahmadi (2002) suggested that supervision is the determinant of job satisfaction. Chen (2006) supported the arguments of the supervision being a determinant of job satisfaction. Malik et al. (2010) used supervision as a determinant of job satisfaction while studying the organizational commitment. Joseph, Ng, Koh, and Ang, (2007) found promotional opportunities to be associated with the job satisfaction. Westlund and Hannon (2008) used promotional opportunities as a determinant of job satisfaction. Azeem (2010) used promotional opportunities as a facet of job satisfaction while studying the organizational commitment.

Ali and Haider (2012) suggested the existence of significant association between the communication dimensions and the Job Satisfaction. Ghayas and Siddiqui (2012) also used communication as the facet of job satisfaction. Saleem, Majeed, Aziz and Usman (2013) also found communication to be significantly related with the job satisfaction.

2.2 Job Satisfaction and Organizational Commitment

Al-Aameri (2000) suggested that job satisfaction has strong correlation with the organizational commitment. Azeem (2010) asserted that the job satisfaction is a significant predictor of the

organizational commitment. Khan, Razi, Ali, and Asghar (2011) also confirmed the existence of positive association between the two variables. Suma and Lesha (2013) also found significant correlation between the job satisfaction and the Organizational commitment.

2.3 Job Satisfaction Facets and Organizational Commitment

Malik et al. (2010) suggested significant relationship between the pay and the organizational commitment. Azeem (2010) supported the argument that pay is a significant predictor of organizational commitment.

Suma and Lesha (2013) argued the existence of positive relationship between the satisfaction with the co-workers and the organizational commitment. Azeem (2010) also found significant correlation between the two variables.

Malik et al. (2010) suggested positive association between the work it-self and the organizational commitment. Azeem (2010) also supported the arguments of the existence of positive relationship between the two variables. Suma and Lesha (2013) also found work it-self to be positively correlated with the organizational commitment.

Malik et al. (2010) advocates the existence of correlation between the supervisor's support and the organizational commitment among the public sector university teachers in Pakistan. Azeem (2010) confirmed that supervisor's support is a significant predictor of the organizational commitment. Suma and Lesha (2013) also found positive association between the two variables.

Azeem (2010) found promotional opportunities to be correlated with the organizational commitment. Suma and Lesha

(2013) also found positive correlation between the promotional opportunities the organizational commitment.

Zeffane, Tipu, and Ryan (2011) suggested positive association between the communication and the commitment. Lumley, Coetzee, Tladinyane, and Ferreira (2011) used communication as the determinant of job satisfaction while studying the organizational commitment.

3. Methodology

Twenty four items were adapted from Job Satisfaction Survey (JSS) for measuring the six facets of job satisfaction. The survey was developed by Paul Spector in the year 1985. In order to measure the Organizational Commitment, four items were adapted from the scale developed by Currivan (1999). Cronbach alpha test was used to test the reliability. Fornell and Larcker (1981) asserted that an instrument is considered to be reliable if the value of alpha is 0.7 or greater. The test indicated that all the variables used in the research were reliable as the value of Cronbach's alpha for compensation is 0.967, coworkers' attitude is 0.970, supervisor's support is 0.972, work itself is 0.969, communication is 0.967 and promotional opportunities is 0.968. Whereas the alpha value of the dependent variable organizational commitment is 0.967. As the research focuses only on the pharmaceutical sector therefore purposive sampling was used to select the respondents and the data were gathered from the 282 employees working in the pharmaceutical sector of Karachi. Multiple Regression Analysis was used as the statistical technique to test the relationship between the dependent and the independent variables.

4. RESULTS

4.1 Demographic Results

Table 1. *Demographic Results*

Demographics	Category	Respondents	
Percentage			
Age	21 – 30 years	82	29%
	31 – 40 years	72	26%
	41 – 50 years	65	23%
	Above 50 years	63	22%
Gender	Male	211	75%
	Female	71	25%
Level of Education	Below Bachelors	49	17%
	Bachelors	135	48%
	Masters	72	26%
	MS/M.Phil	26	09%
	PhD	0	0%
Income Level (PKR)	20,000 or less	61	22%
	20,001 – 30, 000	83	29%
	30,001 – 40, 000	58	21%
	40,001 – 50,000	42	15%
	More than 50,000	38	13%
Tenure	Less than 1 year	112	40%
	1 – 5 years	127	45%
	6 - 10 years	37	13%
	Above 10 years	6	2%
Years in Industry	Less than 1 year	96	34%
	1 – 5 years	107	38%
	6 - 10 years	56	20%
	Above 10 years	23	08%

Table 1 shows the demographic results. Percentages of respondents are mentioned with respect to different categories of age, gender, education, income level, years of services and tenure.

4.2 Model Specification and Regression Analysis

Model specification was checked through the RAMSEY RESET Test. The value of Chi-square Likelihood Ratio was 0.6592 which indicates that the model was correctly specified. Whereas normality was tested through the Jarque-Bera test, the p-value of the Jarque-Bera test was 0.113340 which indicates that the residuals were normally distributed. Moreover, Breusch-Pagan-Godfrey test was used to test the homoscedasticity, the sig value of F-Statistics was 0.2211, hence the data were homoskedastic. Multicollinearity was tested through the VIF, the VIF values for all the variables were less than 2 (VIF Values: Comp = 1.073, CA = 1.006, WS = 1.028, SS = 1.009, PO = 1.032 and COMM = 1.043) which suggests that multicollinearity does not exist in the data.

The results of the multiple regression analysis indicated that all the facets of the job satisfaction used in the study have significant positive impact on the organizational commitment. Compensation has the highest β value (β value = 0.3112, sig value = 0.000, SE = 0.047) and thereby has the strongest association with the organizational commitment as compared to the other facets of the job satisfaction. The compensation is followed by the Supervisor's Support (β value = 0.3009, sig value = 0.00, SE = 0.044), Work it-self (β value = 0.2469, sig value = 0.000, SE = 0.046), Promotional Opportunities (β value = 0.1389, sig value = 0.002, SE = 0.046), Co-workers' Attitude (β value = 0.132, sig value = 0.003, SE = 0.045), and Communication has the lowest β value (β value = 0.125, sig value = 0.007, SE = 0.046) and thereby it is concluded that it has significant but weak relationship with the organizational commitment.

The Adjusted R^2 was 0.387 which indicates that the 38.7 % of the variance in the dependent variable organizational commitment can be explained by the facets of the job satisfaction. The F-statistics was 30.637 and the sig value was 0.000 which indicates that the model was statistically fit.

5. CONCLUSION

As the purpose of the study was to examine the impact of job satisfaction facets on the organizational commitment therefore the relationship between the facets of the job satisfaction with the organizational commitment is tested through the multiple regression analysis. All the studied facets of the job satisfaction namely compensation, co-workers' attitude, supervisor's support, promotional opportunities, work it-self and communication have significant impact on the organizational commitment. Hence in order to increase the commitment in the staff, the managers in the pharmaceutical industry of Karachi must focus on increasing the levels of the studied facets of the job satisfaction. As the study is conducted in pharmaceutical industry of Karachi, therefore future researchers may conduct similar studies in other sectors and cities as well.

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