

A Cross – Cultural Study of Job Satisfaction and Organizational Commitment of Bank Employees of Iran and India

Baqer Kord

Associate Professor in Management Department, University of Sistan and Baluchestan, Zahedan, Iran.

ABSTRACT

The study was planned to ascertain the relationships between job satisfaction and organizational commitment and also compare the mean scores of job satisfaction and organizational commitment of bank employees. The sample size consists of 800 employees working in Bank and they were selected randomly from Iran (Zahedan) and India (Aligarh). Job satisfaction questionnaire and organizational commitment scale were used to collect data. To analyze the data Pearson correlation and independent "t" test were used and results illustrated that affective commitment, continuance commitment, normative commitment sub-scales and total scores of organizational commitment have significant correlation with job satisfaction, and also the results revealed that Indian bank employees have higher mean scores on job satisfaction questionnaire in comparison with Iranian counterparts. Eventually the results showed that there is not any significant difference between two groups on affective commitment, continuance commitment sub-scales, and total scores of organizational commitment scale. But there was significant difference between the mean scores of two groups on normative commitment; the mean scores of normative commitment of Iranian bank employees were bigger than Indian bank employees.

KEY WORDS: Job Satisfaction, Organizational Commitment, Bank Employees, Iran and India.

INTRODUCTION

The vast body of research done on job satisfaction reflects various factors that contribute to workers' satisfaction with their jobs. Locke (1976) categorized three different approaches that have been used to study job satisfaction. In the 1920s the focus on physical working conditions, physical arrangement of the work, and pay were emphasized. The human relations aspects of job satisfaction which explored the social role of the work group and the impact of good supervisory relationships were emphasized in the 1930s. The next trend emerged in the late 1950s and early 1960s and examined the features of the work itself that produce job satisfaction.

Ivancevich and Donnelly (1968) defined job satisfaction as "the favorable viewpoint of the worker toward the work role he presently occupies". A succinct definition given by Spector (1997) states that "Job satisfaction is simply how people feel about their jobs and different aspects of their jobs". Also, job Satisfaction is defined by Weiss, Dawis, England and Lofquist (1967) "as the actual satisfaction of the individual with intrinsic and extrinsic reinforcers" concerned with his/her job. Dodd-McCue and Wright (1996) indicate that the research literature reporting on the predictor variables of job satisfaction, seem to lack in the clarification of organizational and job characteristics as causal factors. The literature on job satisfaction divides causal factors of job satisfaction into three distinct groups (Furnham, 1992). These are: (1) *organizational characteristics*: these concern such things as the reward system, supervision and decision-making practices, perceived quality of supervision (Wyatt & Marriott, 1956; Locke, 1976, Tosi, Rizzo & Carroll, 1990); (2) *specific aspects of the job*: these refer to aspects such overall workload, skill variety, autonomy, feedback and the physical nature of the work environment (Locke, 1976; Hackman & Oldham, 1980); and (3) *individual characteristics*, these refer to personal characteristics such as self-esteem, ability to tolerate stress, as well as general life satisfaction (Murray, 1938; Maslow, 1954; Lawler, 1973; Locke, 1976). The job characteristic model proposes that the way workers perceive task attributes, such as having variety in their jobs or receiving recognition, is associated with job satisfaction (Hackman & Oldham, 1975). If workers perceive task attributes positively, they are more likely to find their work meaningful and be satisfied with their jobs. The intrinsic satisfaction received from the job motivates workers' performance.

Organizational commitment has been variously and extensively defined, measured, and researched but it continues to draw criticism for lack of precision and concept redundancy (Meyer and Allen, 1997; Morrow, 1983; Reichers, 1985). For example, organizational commitment may be seen as part of a larger cluster of constructs describing the individual-organizational relationship that includes organizational identification, job loyalty, job attachment, and job involvement (Scott, Corman, and Cheney, 1998). The employment environment within industry and commerce has changed dramatically over the past two decades. The concept of organizational commitment has enjoyed a great deal of research interest in the past two decades. For this reason, many organizations are turning from a control model to a commitment model in managing their workforce (Walton, 1985). This is because employees who are committed to their employing organization have

*Corresponding Author: Baqer Kord, Associate Professor in Management Department, University of Sistan and Baluchestan, Zahedan, Iran.
Email: baqerkord@yahoo.co.uk

been shown to enhance organizational effectiveness through their high levels of job performance and work quality and low levels of tardiness, absenteeism and turnover (Mathieu, Zojac, 1990; Randal, 1990). Organizational commitment conceptualized as an attitudinal variable is defined as the relative strengths of an individual's identification with and involvement in a particular organization. It is characterized by (a) a strong belief in and acceptance of the organizations goals and virtues, (b) a willingness to exert considerable effort on behalf of the organization and (c) a strong desire to maintain relationship and membership in the organization (Mowday, Porter, and Steers, 1982).

Review of Literature

A number of researchers suggest that job satisfaction has a special significance for an understanding of the effects of various antecedent constructs on commitment. Previous studies investigating causal models of organizational commitment and turnover (Price & Mueller, 1981; Taunton, Krampitz & Wood, 1989; Williams & Hazer, 1986) have suggested that the effects of various antecedents on commitment are mediated through job satisfaction. Job satisfaction is predicted to have a positive effect on commitment as has been consistently shown in previous research on the determinants of commitment (Allen & Meyer, 1996; Michaels, 1994; Mottaz, 1988; Williams & Anderson, 1991). Although a majority of writers have adopted job satisfaction as an antecedent of commitment (Williams & Hazer, 1986; Price & Mueller, 1981). Job satisfaction was found to be an important predictor of organizational commitment (Sonia, Pamela, & Marilyn, 1997). Sikorska (2005) found that job satisfaction was a strong predictor of commitment; also he explained that higher levels of organizational commitment were associated with greater job satisfaction.

Outcomes of different researches have showed complex effects of job satisfaction on organizational commitment, and the study of these variables are more complex in the cross-cultural context of Iran and India, so the lack of review of literature on this subject in Iran and India, is the necessity of conducting this research is obvious in the traditional context of Iran and India which is one of the developing countries, furthermore this small piece of the research wants to show:

OBJECTIVES OF THE STUDY

1. To find out the correlation between the mean scores of job satisfaction and organizational commitment.
2. To find out the difference between the mean scores of Iranian and Indian bank employees with regard to job satisfaction scores.
3. To find out the significant difference between the mean scores of Iranian and Indian bank employees with regard to organizational commitment.

RESEARCH METHODOLOGY

Sample

In present research the sample size consist of 800 employees working in Bank that they currently serve as bank manager, executive manager, accountant, and cashier. There are 800 members (200 Managers, 200 Executive Managers, 200 Accountants, and 200 Cashiers) in this state organization and all were selected at random from Iran (Zahedan city: Bank Meli Iran, Sepah Bank, Tejarat Bank, Mellat Bank, Refah Kargaran Bank & Bank of Keshavarzi) and India (Aligarh city: State Bank of India, Allahabad Bank, Indian Bank, Punjab National Bank & Canara Bank) nationalized banks for this study.

Tools Used:

Job Satisfaction Questionnaire:

The Job Satisfaction Questionnaire was developed by Singh (1989). There are 20 items and each item to be rated from very dissatisfied to very satisfied. Assigning: 1. means very dissatisfied, 2. means dissatisfied, 3. means neutral, 4. means satisfied, and 5. means very satisfied. The standardized alpha reliability was reported 0.96.

Organizational Commitment Scale (OCS)

The level of organizational commitment was assessed with the help of organizational commitment scale developed by Khan and Mishra (2002). The organizational commitment scale in consist of 18 items, with five alternative responses, namely, strongly agree, slightly agree, undecided, slightly disagree and strongly disagree. The 18 items comprising the three sub-scales are affective commitment, continuance commitment and normative commitment. The median coefficients for all of the 3 sub-scales ranged between 0.83 to 0.93 and the same for organizational commitment scale was found to be 0.87. All these coefficients were higher than as reported by Allen and Meyer (1996) and are significant at 0.001 level of significance.

RESULTS

To determine the relationship of organizational commitment and sub-scales on job satisfaction the Pearson Correlation has been applied, the result is as follow:

TABLE 1
Pearson Correlation between Job Satisfaction and Organizational Commitment with Sub-scales (n=800)

Variables	Affective commitment	Continuance commitment	Normative commitment	Organizational commitment scale
Job satisfaction	.341(**)	.294(**)	.427(**)	.455(**)

**Correlation is significant at the .01 level

The Table.1 indicates that sub-scales of affective commitment, continuance commitment, normative commitment, and total scores of organizational commitment have significant correlation with job satisfaction ($r=.341$, $r=.294$, $r=.427$, and $r=.455$, $p<.01$).

To find out the difference between the mean scores of Iranian and Indian bank employees with regard to job satisfaction scores independent "t" test was applied and the results are as below:

TABLE 2
Independent Sample t-test Between Bank Employees of Iran and India on Job Satisfaction (n=800)

Country	S.D	Mean	t value	Test Verdict
Iran	12.41273	66.5650	-6.277*	Significant
India	15.27431	72.7425		

* $p<.001$

As it is shown in Table 2, the two groups were compared with regard to job satisfaction questionnaire. Because of ($p<.001$), there is significant difference between two groups. That is, Indian bank employees have higher mean scores showing higher job satisfaction in comparison with Iranian counterparts.

To find out the difference between the mean scores of Iranian and Indian bank employees with regard to organizational commitment scores independent "t" test was applied and the results are as below:

TABLE 3
Independent Sample t-test Between Bank Employees of Iran and India on Organizational Commitment Scale and Sub-scales (n=800)

Variables	Country	S.D	Mean	t value	Test Verdict
Affective commitment	Iran	5.88140	23.0250	.440	Insignificant
	India	5.69975	22.8450		
Continuance commitment	Iran	4.70661	19.8650	.771	Insignificant
	India	5.36039	19.5900		
Normative commitment	Iran	3.08504	21.1175	3.641*	Significant
	India	4.17508	20.1725		
Organizational commitment scale	Iran	10.32904	64.0075	1.792	Insignificant
	India	11.72613	62.6075		

* $p<.001$

As seen in table.3 there is not any significant difference between the mean scores of Iranian and Indian bank employees on affective commitment, continuance commitment, and total scores of organizational commitment scale. But results illustrate that there is significant difference between the mean scores of Iranian and Indian bank employees on normative commitment, the mean scores of normative commitment of Iranian bank employees are bigger than Indian bank employees.

DISCUSSION AND CONCLUSION

To determine the effect of organizational commitment scale and sub-scales on job satisfaction the Pearson Correlation were applied. The results indicated that sub-scales of affective commitment, continuance commitment, normative commitment, and total scores of organizational commitment had significant correlation with job satisfaction. The answer of the second question is in conformity with research of Allen & Meyer (1996); Michaels (1994); Mottaz (1988); Williams & Anderson (1991). A majority of writers have adopted job satisfaction as an antecedent of commitment (Williams & Hazer, 1986; Price & Mueller, 1981). Sikorska (2005) found that job satisfaction was a strong predictor of commitment; also he explained that higher levels of organizational commitment were associated with greater job satisfaction. The results of the present research revealed that there is a strong relationship between job satisfaction and organizational commitment ($r=.455$, $p<.01$).

The findings suggest that job satisfaction of Iranian bank employees is lower than Indian bank employees it may be attributed to situational factors which have been shown to affect job satisfaction. This approach argues that job satisfaction comes from the nature of the job or work environment (Judge, Locke, & Durham, 1997). One situational factor associated with job satisfaction is the job level. Because higher level

jobs generally are more complex and require greater skill diversity, they often have better working conditions and benefits. Furthermore, Indian bank employees were more satisfied with the work in which they have greater interest and the level of contact with co-workers other people, the working condition of Indian bank employees is more convenient than Iranian bank employees, also Indian employees are happier than their Iranian counterparts. The working hours of bank employees of Iranian is longer than Indian bank employees, so longer working hours make exhaustion the employees and decrease the work satisfaction. Another reason that Indian bank employees are more satisfy with their work is due to benefits of promotion, while Iranian bank employees get less promotion and benefits, because their qualification is lower than Indian bank employees and occupational skills of Iranian bank employees is less than Indian bank employees.

Socio-economic condition may be important factor which might have its impact on job satisfaction, so rate of inflation is one of the indexes that is related to socio-economic condition and it also has impact on job satisfaction. Therefore, the rate of inflation in Iran and India is different. Sheibany (2006) argued that prices increased by 12.1% in 2006 in Iran. Indices, which are considered as proxy for inflation, also confirm the decrease in the level of prices in 2005. According to the Central Bank of the Islamic Republic of Iran (2008), after 2006 the rate of inflation has risen, so the last estimate of the rate of inflation in 2008 is more than 20%. While, Indian Economy (2008) reported that by July 2008, the key Indian Inflation Rate, the Wholesale Price Index, has risen above 11%, its highest rate in 13 years. This is more than 6% higher than a year earlier and almost three times the RBI's target of 4.1%. The above statistics show that the rate of inflation in Iran is higher than India; also the living cost in Iran is higher than India. So, if the rate of inflation and the cost of living increase the rate of dissatisfaction will be increased.

Having more than one occupation and work overload are the causes of job dissatisfaction, thus employees who have more than one occupation are less satisfy than those employees who are stick to one job. Actually, in Iran bank employees also work in different occupations and are facing greater work overload. Therefore, they are dissatisfied with their work because of not getting much benefit from present job in the bank.

Results of this study showed that there was not any significant difference between the mean scores of two countries on affective commitment, continuance commitment, and total scores of organizational commitment scale, but there was significant difference between the mean scores of normative commitment of bank employees between Iran and India. Iranian bank employees have more normative commitment with their organization; because normative commitment comes from the values of the employee. They believe that they owe it to the organization to remain because of a sense that this is the right thing to do. The Iranian employees cannot quit their organization because they feel obligations from others to remain in their work place and Iranian employees are greatly concerned about what others would think to them for leaving. Another reason that Iranian employees have more normative commitment is that they face pressure from their colleagues and others to stay with organization. Therefore, the mentioned reasons are not appeared in Indian employees. This research showed different results of the banking sector in Iran and India. The results correlation showed that organizational commitment has a strong relationship with job satisfaction. By comparing the job satisfaction of Iranian and Indian employees of bank, it was found that Iranian bank employees are less satisfied with their job. This paints a bleak picture for the development of government banks in Iran because the management skills of employees' professionals are necessary for the country to promote and maintain sustainable economic growth. The study found that Iranian bank employees hold negative perceptions about their pay and promotion policies, which generates low job satisfaction, while their Indian counterparts hold favorable opinions about pay and promotion policies. The different perceptions of the employees may stem primarily from the discrepancy in the cost of living in the two countries. The results of this study clearly showed that Iranian bank employees are not much satisfied with their salary and job than their Indian counterparts, the salary and wage of bank employees of Iran is low, it is suggested that government should increase the rate of salary of employees to enhance their job satisfaction.

REFERENCES

- Allen, N., & Meyer, J. 1996. "Affective, continuance and normative commitment to the organization". *Journal of Vocational Behavior*, 49, 252-276.
- Central Bank of the Islamic Republic of Iran. 2008. *Inflation Rate*. Public Relations Department. <http://www.cbi.ir>
- Dodd-Mc Cue, D., & Wright, G. B. 1996. Men, women, and attitudinal commitment: the effects of workplace experiences and socialization. *Human Relations*, 49(8), 1065-1092.
- Furnham, A. 1992. *Personality at work*. The role of individual differences in the workplace. London: Rowledge, pp. 423.
- Hackman, J. R., & Oldham, G. R. 1975. Development of the job diagnostic survey. *Journal of Applied Psychology*, 60, 159-170.
- Hackman, J., Oldham, G. 1980. *Work Redesign*, MA: Addison-Wesley.

- Indian Economy. 2008. **Indian Inflation Rate through the Roof**. <http://www.economywatch.com>.
- Ivancevich, J. M., & Donnelly, J. H. 1968. Job satisfaction research: A manageable guide for practitioners. *Personnel Journal*, 47, 172-177.
- Judge, T. A., Locke, E. A., & Durham, C. C. 1997. The dispositional causes of job satisfaction: A core evaluation approach. *Research in Organizational Behavior*, 19, 151-188.
- Khan, S. M., & Mishra, P. C. 2002. **Construct Validation of Multi Dimensional Organizational Commitment Scale**. (Unpublished Manuscript). Department of Psychology, Lucknow University, Lucknow.
- Lawler, E. E. 1973. **Motivation in work organizations**. (Monterey, CA, Brooks/Cole).
- Locke, E. 1976. The nature and causes of job satisfaction. In M. D. Dunette (Ed.), *Handbook of industrial and organizational psychology*, (pp. 1297-1349). Chicago: Rand McNally.
- Maslow, A. H. 1954. **Motivation and Personality**. New York: Harper & Row.
- Mathieu, J. E. & Zajac, D. M. 1990. "A review and meta-analysis of the antecedents' correlates and consequences of organizational commitment". *Psychological Bulletin*, 108, 171-199.
- Meyer, J. P., & Allen, N. J. 1997. **Commitment in the Workplace: Theory, Research, and Application**. Thousand Oaks, CA: Sage Publications, Inc.
- Michaels, P. 1994. "An expanded conceptual framework on organizational commitment and job satisfaction for sales force management". *Journal of Business and Society*, 7(1), 42-67.
- Morrow, P. C. 1983. Concept redundancy in organizational research: The case of work commitment. *Academy of Management Review*, 8 (3), 486-500.
- Mottaz, C. 1988. "Determinants of organizational commitments". *Human Relations*, 41 (6), 467-482.
- Mowday, R. T., Porter, L. W., & Steers, R. M. 1982. **Employee-organization Linkages: The Psychology of Commitment, Absenteeism, and Turnover**. New York: Academic Press.
- Murry, H. 1938. **Explorations in personality**. New York: Oxford University Press.
- Price, J., & Mueller, C. 1981. **Professional Turnover: The Case of Nurses**. New York, Medical and Scientific Books.
- Randall, D. M. 1990. The consequences of organizational commitment: Methodological investigation. *Journal of Organizational Behavior*, 11(5), 361-378.
- Reichers, A. E. 1985. A review and re-conceptualization of organizational commitment. *Academy of Management Review*, 10 (3), 465-476.
- Scott, C. R., Corman, S. R., & Cheney, G. 1998. Development of a structuralizing model of identification in the organization. *Communication Theory*, 8 (3), 298-336.
- Sheibany, E. 2006. **Monetary and Exchange Policies**. The 16th Seminar of "Role of appropriate Fiscal and Monetary Policies for Realization of Macroeconomic Policies of the 4th Development Plan (Growth, Inflation and Un-employment)", 16-17 May 2006 in Iran Banking Institute.
- Sikorska, S. E. 2005. Predictors of organizational commitment among staff in assisted living. *Gerontologist*, 45(2), 196-205.
- Singh, S. 1989. **"Organizational Stress and executive behavior"**. Unpublished Research Monograph, Shri Ram Centre for Industrial Relations & Human Resources, New Delhi.
- Sonia, A., Pamela, A. R., & Marilyn, C. 1997. Decentralization as a Determinant of Autonomy, Job Satisfaction, and Organizational Commitment among Nurse Managers. *Nursing Research*, 46 (1), 52-58.
- Spector, P. E. 1997. **Job Satisfaction**. Thousand Oaks, CA: Sage Publications, Inc.
- Taunton, R., Krampitz, S., & Wood, C. 1989. "Manager Impact on retention of hospital staff, Part 1". *Journal of Nursing Administration*, 19 (3), 14-19.
- Tosi, H. L., Rizzo, J. R., & Carroll, S. J. 1990. **Managing organizational behavior**. Cambridge: Blackwell Publishers.
- Walton, R. 1985. From control to commitment in the workplace. *Harvard Business Review*, 63, 2, 77-84.
- Weiss, D. J., Dawis, R. V., England, G. W., & Lofquist, L. H. 1967. **Manual for the Minnesota Satisfaction Questionnaire**. Minneapolis, MN: The University of Minnesota Press.
- William, L., & Anderson, S. 1991. "Job satisfaction and organizational commitment as predictors of organizational citizenship and in-role behaviors". *Journal of Management*, 17(3), 601-617.
- Williams, L. J., & Hazer, J. T. 1986. "Antecedents and consequences of satisfaction and commitment in turnover models: a re-analysis using latent variable structural equation methods". *Journal of Applied Psychology*, 71(2), 219-231.
- Wyatt, S., & Marriot, R. 1956. **"A Study of Attitudes to Factory Work"**. (London: Medical Research Council reported in Lawernace, et al. *Organizational Behavior and Administration* (Homewood, Illions: Irwin Inc, 1961).