



# Investigation of Structural Relationship between Organizational Climate and Job Satisfaction and Organizational Commitment among Employees of Paknam Company

Rahman Aminyan

Organizational Psychologist- Lecturer in the University of Science and Application, Iran.

**Abstract:** *This study aimed to investigate the structural relationship between organizational climate and job satisfaction and organizational commitment. The sample consisted of 120 Paknam Company employees, selected by stratified randomized sampling method. Research tools included Organizational Climate Questionnaire (OCDQ) developed by Halpin and Craft in 1963, the Job Satisfaction Inventory (JDI) developed by Wysocki & Kromm in 1961, and the Organizational Commitment Questionnaire (OCQ) developed by Allen and Meyer in 1991. The results show that supportive organizational climate increases organizational commitment. In addition, supportive organizational climate increases organizational commitment through effect on job satisfaction, and supportive organizational climate increases job satisfaction and job satisfaction increases organizational commitment.*

**Keywords:** *Organizational climate, Job satisfaction, Organizational commitment.*

## INTRODUCTION

Organizations have an influence on various areas of our daily lives. We are in contact with many organizations and we are either members of the organization or clients of the organizations most of the time. For this reason, the current era can be called the era of organization, because organizations meet human goals that these goals cannot be met by individuals (Mahdad, 2010). The most important factor for productivity in the organization and ultimately the community is human resources. Employees are the most valuable asset of organizations. It is the human resources that can meet the goals of the organizations. Thus, recognizing the human resources' behavior is a crucial issue. However, this recognition and maintenance of human resources does not involve keeping people in the organization, but involves linking them with the organization and creation of solidarity between the employees and the organization. The employees who have been forced to stay in the organization for many years and stay in the organization for a long time may not only be beneficial to the organization but also often harm the organization (Rijo, 2007). Therefore, paying attention to the morale and motivation of the employees has a high priority. When employees are joining organizations, a set of job demands, needs, and expectations, are raised. Meeting them will lead to job satisfaction as the most important attitude and judgment of the employees towards themselves and the organization. Job satisfaction make employees strive for the realization of organizational goals and a strong desire to maintain membership in the organization. In order to increase employees' morale and job

satisfaction and organizational commitment, it is necessary to pay attention to their needs in the workplace (Saatchi, 2003). Employees' commitment to the organization is an intangible asset. In recent years, organizational studies have paid much attention to the organizational commitment since its relationship with the quality of life of the organization has been proven. Studies have shown that employees' commitment is a strong and effective force in the organizational success (Farar, 2009). Organizational climate has also been investigated as one of the important components in the study of organizational commitment in this research. Climate is related to the sustainable characteristics of the organization and as the organizational climate covers all dimensions of the organization, it affects the behavior of the members and influences the organizational behavior including organizational commitment of the members. These effects motivate or weaken the performance of human resources. Job satisfaction has also been investigated as another important component in studies of organizational commitment and the relationship between job satisfaction and organizational commitment has been proven in many studies. In the present study, job satisfaction has been investigated as one of the most important factors of attitude or judgment of employees towards their job and organization. Job satisfaction ultimately fulfills organizational goals and creates a strong desire for membership in the organization (Farar, 2009). In the present study, we investigate the direct effects of organizational climate and its related components such as group morale, intimacy, disturbance, interest, consideration, distance, penetration and dynamism, emphasis on the production on job satisfaction and organizational commitment and indirectly through its effect on the job satisfaction. Moreover, job satisfaction and its related components including satisfaction with work, satisfaction with supervisor, satisfaction with co-worker, satisfaction with promotion and satisfaction with payment and its direct effect on the organizational commitment was studied. Moreover, organizational commitment and its related components including emotional commitment, normative commitment and continuous commitment and the effect of organizational climate and job satisfaction on this component were investigated (Saatchi, 2010). Most of the conducted studies investigated the relationship between organizational climate and job satisfaction and organizational commitment. The present study seeks to examine the structural relationship between organizational climate and job satisfaction and organizational commitment. In the present study, the organizational climate has been investigated as a supportive and non-supportive climate, which has been less investigated in previous studies and most of the previous studies have examined only the relationship between variables studied. The present study was conducted to fill the gap in the structural relationships among the variables mentioned and evaluate the structural relationship between the organizational climate, job satisfaction and organizational commitment.

## **Methodology**

### **Research objectives:**

1. Investigating the structural relationship between organizational climate and Job satisfaction and organizational commitment of Paknam Company employees
2. Investigating the direct effects of organizational climate on employees' job satisfaction
3. Investigating the interactive role of job satisfaction in the relationship between organizational climate and organizational commitment
4. Investigating the direct and indirect effects of organizational climate on the organizational commitment of employees
5. Investigating the direct effects of job satisfaction on the organizational commitment of employees

### **Research hypotheses:**

1. Supportive organizational climate increases organizational commitment of employees.
2. Supportive organizational climate increases organizational commitment by affecting job satisfaction.
3. Supportive organizational climate increases employees' job satisfaction.

4. Job satisfaction increases organizational commitment of employees.

The research population consists of all Paknam Company employees working in different units of Paknam Company in 2012. Proportional stratified randomized sampling was used to select the research sample. This method is used in the studies in which the researcher seeks to include all subgroups of the population in the sample. In this study, the percentage of subjects randomly selected from each group is the same percentage of the target population. In this method, the researcher is sure that the selected sample is the true representative of the target population (Hewitt and Kramer, 2005; quoted by Pasha Sharifi et al. 2010).

**Research tools**

**1. Halpin and Craft Organizational Climate Questionnaire (OCDQ)**

This questionnaire was developed by Halpin and Craft in 1963 which measures eight dimensions of intimacy, group morale, disturbance, interest, consideration, distance, penetration and dynamism, and emphasis on the production. Four dimensions are specific for workers (intimacy, group morale, disturbance, and interest) and the other four dimensions are related to the behavioral characteristics of managers (emphasis on the production, distance, consideration, penetration and dynamism).

The reliability of this questionnaire was calculated 0.79 with Cronbach's alpha. (Halpin and Crafd, 1963). Badri (2001) calculated the reliability of the questionnaire 0.81 through Cronbach's alpha. Heydar Zadegan (2001) calculated the reliability of this questionnaire 0.97 which is confirmed by the experts.

**2. Job Satisfaction Inventory (JDI):**

This questionnaire was developed and standardized by Wysocki & Kromm in 1991 and consisted of 40 questions measuring the following five job satisfaction indicators.

Work type: 10 questions; supervisor: includes 10 questions; co-worker: includes 10 questions; promotion: includes 5 questions; salaries and benefits: include 5 questions.

The validity coefficient of this questionnaire was calculated 0.88 by Cronbach's alpha method, which is confirmed (Mir Kamali, 2009).

**3. Allen & Meyer Organizational Commitment Questionnaire (OCQ):**

Organizational Commitment Scale is a paper and pencil scale that is considered as one of the researcher-made scales. This questionnaire was developed in 1991 by Allen and Meyer. This tool has 24 questions and consists of three subscales including emotional, continuous, and normative subscales. Each of these subscales covers eight separate questions. Different methods such as Cronbach's alpha coefficient have been used to evaluate the validity of this scale. In a study conducted in 1999 by Ahmadi Pour in Iran, the reliability of each subscale of the questionnaire was obtained using the mentioned method and it was found that the reliability coefficients of emotional commitment were 0.77, the reliability coefficients of continuous commitment were 0.79 and the reliability coefficient of normative commitment was 0.61. The reliability coefficients obtained by emphasizing on the psychometric properties of the questionnaire are desirable and are acceptable (Saatchi et al., 2010).

**Results**

**Table 1-** descriptive indicators of the research observed variables

Variable	Mean	SD	Skewness	Kurtosis
Emotional commitment	86.32	63.7	31.-0	33.0
Relational commitment	36.34	42.7	17.-0	19.0
Normative commitment	28.34	35.6	64.-0	81.0
Supportive climate	83.51	60.13	22.0	94.-0

Non-supportive climate	28.22	78.5	34.0	89.-0
Satisfaction with work	53.32	42.11	31.0	04.-0
Satisfaction with supervisor	07.26	96.5	02.-0	59.-0
Satisfaction with co-worker	89.34	50.8	55.-0	66.-0
Satisfaction with promotion	48.15	57.5	26.-0	63.-0
Satisfaction with payment	11.17	63.4	10.-0	28.0

**Table 2:** The correlation matrices between observed research variables

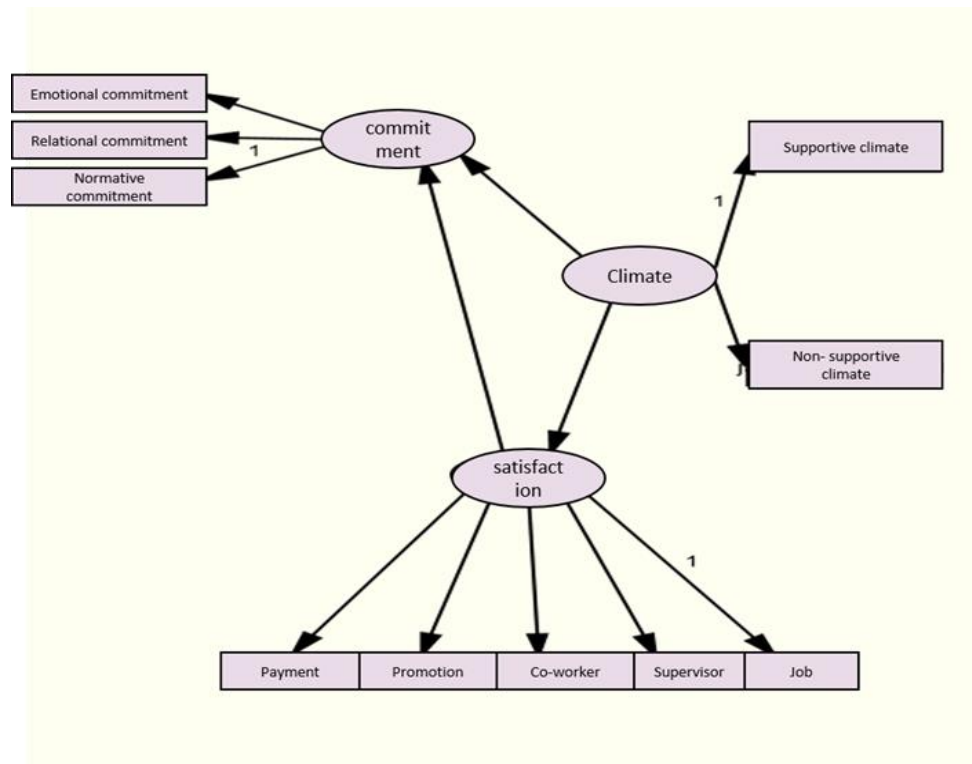
Variable	1	2	3	4	5	6	7	8	9	10
Emotional commitment	1									
Relational commitment	49 <sup>**</sup> .0	1								
Normative commitment	55 <sup>**</sup> .0	57 <sup>**</sup> .0	1							
Supportive climate	36 <sup>**</sup> .0	52 <sup>**</sup> .0	51 <sup>**</sup> .0	1						
Non-supportive climate	37 <sup>**</sup> .0	38 <sup>**</sup> .0	30 <sup>**</sup> .0	32 <sup>**</sup> .0	1					
Satisfaction with work	55 <sup>**</sup> .0	36 <sup>**</sup> .0	48 <sup>**</sup> .0	33 <sup>**</sup> .0	44 <sup>**</sup> .0	1				
Satisfaction with supervisor	56 <sup>**</sup> .0	53 <sup>**</sup> .0	52 <sup>**</sup> .0	34 <sup>**</sup> .0	32 <sup>**</sup> .0	51 <sup>**</sup> .0	1			
Satisfaction with co-worker	45 <sup>**</sup> .0	51 <sup>**</sup> .0	39 <sup>**</sup> .0	21 <sup>**</sup> .0	29 <sup>**</sup> .0	48 <sup>**</sup> .0	54 <sup>**</sup> .0	1		
Satisfaction with promotion	50 <sup>**</sup> .0	34 <sup>**</sup> .0	34 <sup>**</sup> .0	30 <sup>**</sup> .0	31 <sup>**</sup> .0	61 <sup>**</sup> .0	49 <sup>**</sup> .0	38 <sup>**</sup> .0	1	
Satisfaction with payment	20 <sup>**</sup> .0	19 <sup>**</sup> .0	23 <sup>**</sup> .0	15 <sup>**</sup> .0	21 <sup>**</sup> .0	24 <sup>**</sup> .0	27 <sup>**</sup> .0	26 <sup>**</sup> .0	50 <sup>**</sup> .0	1

\*P<0.05      \*\*P<0.01

As table shows, skewness and Kurtosis of any of the research variables is more than 1 or less than -1, the distribution of the observed variables can be considered normal.

Table 2 presents the matrix of correlation between the research variables.

As seen in Table 2, the correlation of all research variables except for the correlation between supportive climate and satisfaction with payment was significant ( $P < 0.05$ ). The lowest correlation was found between supportive climate and satisfaction with payment ( $r = 0.15$ ) and the highest correlation was found between satisfaction with supervisor and promotion ( $r = 0.61$ ). Based on the observed correlations, it can be concluded that the relationship between research variables is linear and since the maximum correlation between research variables is 0.61, it can be concluded that there is multicollinearity between the variables. According to the research model, organizational climate has a direct effect on the organizational commitment and it indirectly affects the organizational commitment through an effect on the job satisfaction. Job satisfaction also has a direct effect on the organizational commitment.



**Chart 1:** The hypothetical model of the research

As shown in Chart, the latent variables of the organizational climate consist of two observed variables of the supportive climate and the latent variable of job satisfaction consisted of five observed variables of satisfaction with work, satisfaction with supervisor, satisfaction with co-worker, satisfaction with promotion, and satisfaction with payment. The latent variable of organizational commitment consists of three observed variables of organizational commitment, relational commitment, and normative commitment. Maximum likelihood method was used to evaluate the hypothetical model of research data using Amos software,  $\chi^2$  fit index, goodness of fit index or GFI, comparative fit index or CFI, normalized fit index or NFI, incremental fit index or IFI and Root Mean Square Error of Approximation or RMSEA.

Table 3 presents the fit indices of the research conceptual model.

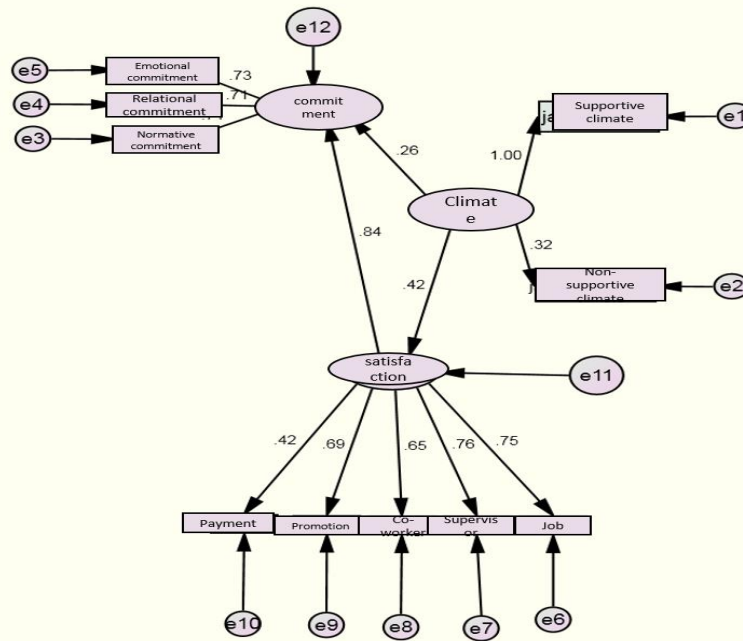
**Table 3-** Model fit indices

index	$\chi^2$	df	$\frac{\chi^2}{df}$	GFI	CFI	NFI	IFI	RMSEA
model	96.69	34	06.2	90.0	91.0	90.0	92.0	08.0

$P < 0/01$

As shown in Table 3, the  $\chi^2$  value is statistically significant, indicating that the research model has not acceptable fit [ $P < 0.01$  and  $\chi^2 (34) = 69.96$ ], but since this index is sensitive to the sample size, it is suggested that other fit indices to be used. As shown in table, the GFI index and the NFI index are equal to 0.90.

CFI index was 0.91 and IFI index was 0.92 and the RMSEA index was 0.08. Therefore, according to the model fit indices, it can be concluded that the conceptual model of the research in the present sample has an acceptable fit. The model path coefficients are presented in Chart 2 and Table 4.



**Chart 2:** the path coefficient of predictor variables on the criterion

**Table 4 - Path coefficients of the predictor variables**

Criterion	predictor	B	Standard error of estimation	B	Significance level
organizational commitment	direct effects	09.0	03.0	26.0	01.0
job satisfaction	organizational climate	26.0	06.0	42.0	001.0
organizational commitment	job satisfaction	44.0	07.0	84.0	01.
organizational commitment	indirect effects of organizational climate	12.0	04.0	35.0	01.0
organizational commitment	total effects of organizational climate	20.0	04.0	61.0	01.0

As shown in Chart 2 and Table 4, all path coefficients are statistically significant ( $P < 0.01$ ). The variables measured on the latent variables have also a significant factor load. After examining the fit of the conceptual model, each research hypothesis is examined separately.

## Discussion

Hypothesis 1: Supportive organizational climate increases organizational commitment of employees.

As Chart 2 and Table 4 show, the direct effect of organizational climate on organizational commitment is significant ( $P < 0.01$  and  $B = 0.26$ ), so that one unit of increase in standard deviation in the organizational climate increases the standard deviation of organizational commitment by 0.26. Therefore, the first hypothesis of the study is confirmed.

Hypothesis 2: Supportive organizational climate increases the organizational commitment of employees through affecting job satisfaction.

As shown in Table 4, the indirect effect of organizational climate on organizational commitment is significant ( $P < 0.01$ ,  $B = 0.35$ ). Therefore, the second hypothesis of the study is also confirmed. This means that organizational climate can indirectly increase the organizational commitment by increasing job satisfaction. Moreover, the general effect of organizational climate on organizational commitment was significant ( $P < 0.01$ ,  $B = 0.61$ ).

Hypothesis 3: Supportive organizational climate increases the job satisfaction of employees.

As shown in Table 4, the direct effect of organizational climate on job satisfaction was significant ( $P < 0.01$ ,  $B = 0.42$ ), so that one unit of increase in the standard deviation of organizational climate increases the standard deviation of job satisfaction by 0.42. Therefore, the third hypothesis of the study was also confirmed.

Hypothesis 4: Job satisfaction increases organizational commitment of employees.

As shown in Table 4, the direct effect of job satisfaction on organizational commitment was significant ( $P < 0.01$ ,  $B = 0.84$ ), so that one unit of increase in standard deviation and an increase in job satisfaction increases standard deviation of the organizational commitment by 0.84. Therefore, the fourth hypothesis of the study is also confirmed.

Table 5 presents the determined variance ( $R^2$ ) of each criterion variable.

**Table 5 - Percentage of determined variance for the criterion variables**

Predictor variables	Criterion variable	$R^2$
Organizational Climate - Job Satisfaction	Organizational commitment	65.0
Organizational climate	Job satisfaction	18.0

As shown in Table 5, 65% of the variance in the organizational commitment scores is determined by the variables of organizational climate and job satisfaction. Moreover, 18% of the variance in job satisfaction is determined by the organizational climate.

## Conclusion

Based on the results of the present study, the relationship between organizational commitment and job satisfaction, the relationship between organizational climate and organizational commitment as well as the relationship between organizational climate through its effect on job satisfaction and organizational commitment were confirmed. These results are in line with the results of many domestic and foreign studies and the reasons for the inconsistency of some of these studies are mostly related to the cultural difference of the statistical population of the measurement scales and the social differences among the studies.

## Recommendations

- 1) Salaries and benefits should be paid in accordance with the regulations transparently and it should be informed for manager so that he or she feels financially secure.
- 2) Personnel should be hired based on their interest, ability and expertise in their job.
- 3) The salaries and benefits should be paid based on the sensitivity and complexity of the task.
- 4) Based on the personality traits of the employees, managers should be careful in assignment of responsibilities.
- 5) In addition to wages and salaries, organizations must provide job security, mental and psychological comfort, and physical health for their employees.
- 6) Managers should show respect for employees through gratitude and appreciation and provide the conditions and opportunities for employees to grow and make them sensitive to their personal interests.

### Recommendations for future studies

- 1) It is recommended that a research to be conducted in a larger statistical population to increase the generalizability of the results.
- 2) Using a more powerful questionnaire (with higher validity and reliability) with a limited option in future studies.
- 3) It is recommended that future studies to examine the positive and negative effect of organizational commitment of employees on their performance.
- 4) As the current study was conducted on Paknam employees, it is recommended that similar research to be conducted on other companies and other statistical populations in order to compare its results with those of this study.
- 5) Scientific investigation of effective laws and regulations on the research subject
- 6) Investigating the relationship between organizational structure and organizational commitment
- 7) Investigating the effect of outsourcing on the organizational commitment of employees.
- 8) Investigating the effect of the performance of monitoring organizations on the commitment organization employees.

### Reference

1. Allen, N. J., & Meyer, J. P. (1996). Affective, continuance, and normative commitment to the organization: An examination of construct validity. *Journal of vocational behavior*, 49(3), 252-276.
2. Farar, S. (2009). *Management Innovation in State Organizations of Bushehr, Explaining the role of Management values and Organizational Atmosphere*, Master Thesis, Tehran, Tarbiat Modarres University of Tehran.
3. Halpin, A.W. & Craft D.B. (1963). *The organization. Climate of school*, Chicago,u.of Chicago.
4. Hewitt, P., Kramer, P. J. (2005). *An Introduction to Research in Psychology and Counseling*, quoted by Pasha Sharifi, H, et al. (2010). Tehran: Danesh Publications
5. Mahdad, A. (2010). *Organizational and Industrial Psychology*, Isfahan, Jangal Publications, 47.
6. Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human resource management review*, 1(1), 61-89.
7. Mir Kamali, S. M. (2009). *The Relationship between Cognitive Integration with Organizational Satisfaction and Commitment of Employees*. Tehran University, *Journal of Shahed*, 16(39), 15-30.
8. Morhead, G (1998). *Organizational Behavior*. Alvani, M (2005).
9. Rijo, E. R (2007). *Organizational Industrial Psychology Background*. Translated by Hossein Zadeh, Hossein.Tehran: Maziar Publications
10. Saatchi, M (2003). *Work Psychology*, Tehran: Virayesh publications
11. Saatchi, M (2010). *Psychological Tests*, Tehran: Virayesh Publications