

# **Relationship of job satisfaction and organizational commitment: A Field study in insurance sector**

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## **Introduction**

“Employee satisfaction” and “organizational commitment” are two main concepts associated with the retention of personnel in a variety of occupational settings. Job satisfaction is affected by personal and organizational factors, which cause an emotional reaction affecting organizational commitment (Mowday, Steers & Porter 1979). Organizational Commitment is a behavioral situation which explains further as the power of identification and involvement of an individual with a certain organization (Porter, Steers Mowday and Boullan 1974). Job satisfaction influences people’s attitude towards their jobs and various aspects of their jobs (Spector 1997).

This study assessed the relationship between job satisfaction and organizational commitment among insurance agents in Colombo district. There are contradictory findings relating to the relationship between job satisfaction and organizational commitment. Suma, S. and Lesha, J. (2013) stated that there is a positive strong relationship between job satisfaction and organizational commitment, while Currivan(1999) and Malik, M. E et.al (2010) revealed that there is a negative relationship between job satisfaction and organizational commitment. Moreover, Kang-Lin Chao(2010) concluded that there is a no relationship between job satisfaction and organizational commitment. Further, According to Insurance Board of Sri Lanka annual reports, there were 65,000 agents who worked in the field in 2010 and it has rapidly decreased to the 32,651 in 2011. This study empirically evaluated eight job satisfaction dimensions (pay, promotion, supervision, fringe benefits, operating conditions, co-workers nature of work and communication) and their impact on organizational commitment.

## **Methodology**

One hundred insurance agents who were selected from the 5 insurance companies which have highest contribution to the total number of agents with reference to Colombo district were included in the sample. Primary data were gathered through an adopted questionnaire. Descriptive analysis, correlation coefficient analysis and multiple linear regression analysis were used as data analysis technique.

## **Results and Discussion**

In this study, it was found that the most of the insurance agents agree with the existing level of job satisfaction and organizational commitment in insurance sector. Furthermore the study revealed that under the independent variable, majority of the insurance agents have agreed with the existing level of pay, promotion, supervision, fringe benefits, coworkers, nature of work and communication while moderately agree with the operating conditions. In the Organizational Commitment dimensions most of the agents have agreed with affective commitment and normative commitment

whereas moderately agree with continuance commitment. Moreover it revealed that there is a positive relationship between job satisfaction and organizational commitment

Correlation between the job satisfaction (independent variable) and organizational commitment (dependent variable) was 0.656 and which implied that there was a moderate positive relationship between job satisfaction and organizational commitment. Fringe benefits dimension (0.768), pay (0.563), operating conditions (0.637), coworkers (0.554) and nature of work (0.568) had strong positive relationship though promotion (0.471) has weak positive relationship with organizational commitment.

According to multiple regression analysis, pay, promotion, fringe benefits, operating conditions, nature of work and communication were highly significant for the model as its p-values were less than 0.05.

Table 01: Coefficients of Multiple Linear Regression Analysis

Predictor	β Coefficients	P
Pay	0.26450	0.000
Promotion	0.11361	0.037
Supervision	0.05485	0.742
Fringe benefits	0.19570	0.001
Co workers	0.08721	0.100
operating conditions	0.18303	0.004
nature of work	0.25683	0.000
Communication	0.11194	0.028

Finally, multiple regressions model can be illustrated as follows,

$$OC = 0.530 + 0.265 P + 0.114 PR + 0.196 FB + 0.183 OC + 0.257 NW + 0.112 C$$

R square value for the model was 0.745. It represents 74.5 percent of variation in organizational commitment which was explained by pay, promotion, supervision, fringe benefits, operating conditions, coworkers, nature of work and communication. Therefore there was 25.5 percent of unexplained variation in this model.

### Conclusion

Pay, promotion, fringe benefits, operating conditions, nature of work and communication dimensions had an impact on organizational commitment while supervision and co-workers are not significant dimension. Above independent dimensions define organizational commitment by 71.8 percent. It implies, by improving the above six dimensions, it can ultimately enhance the overall organizational commitment among insurance agents.

## References

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