The Mediating Role of Job Involvement between Job Satisfaction and Organizational Commitment in a Small and Medium Sized Business Enterprise

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Received: 07 June 2019
Accepted: 28 August 2019
DOI: https://doi.org/10.32479/irmm.8355

ABSTRACT

The level of competition among companies nowadays have intensified even further. Companies compete not only with domestic entities but with international and global companies as well. In view of this, there is this never-ending pursuit of that competitive advantage a company can utilize to stay at least a step ahead of competition. Many others have looked at developing superior and more technologically advanced products while other have looked in improving their services. But no matter what strategy a company employs, there will always be a need for them to have good people. Good, motivated, satisfied, involved and committed people. Without this, nothing can ever be accomplished. The main purpose of this study was to examine the relationship among these motivation management variables-job satisfaction, job involvement and organizational commitment. Furthermore, this study would like to find out if job involvement can be a mediating variable between job satisfaction and organizational commitment. Respondents in this study were employees of a small and medium sized business enterprise engaged in the manufacturing of processed meat products. Data collection was done using online questionnaire in combination with face to face interview. Findings indicated that job satisfaction can be good predictor of organizational commitment and job involvement among employees of a small and medium-sized business entity here in the Philippines. Job involvement also significantly mediated the impact of job satisfaction on employee organizational commitment. Results of this study can be used as a reinforcement as to how important job satisfaction is with regards employee motivation management. Job satisfaction among employees may also contribute in making sure that they become committed to the organization as well as involved with their jobs. Furthermore, results of this study can also be used by scholars in further probing the various control variables that may be used in further enhancing and improving the current model at hand.

Keywords: Job Satisfaction, Job Involvement, Organizational Commitment
JEL Classifications: M1, M5

1. INTRODUCTION

Nowadays, the level of competition among companies have intensified even further. Companies compete not only with domestic entities but with international and global companies as well. In view of this, there is this never-ending pursuit of that competitive advantage a company can utilize to stay at least a step ahead of competition. Many others have looked at developing superior and more technologically advanced products while other have looked in improving their services. Managers are always thinking of that one edge that they could have to beat competition. But no matter what strategy a company employs; no matter what new product or improved services managers think they can dangle to attract and retain customers, there will always be a need for them to have good people. Good, motivated, satisfied, involved and committed people. Without this, nothing can ever be done.

Philippines is a developing economy constantly competing with its neighbors in ASEAN. With the global economy, the country saw itself competing with other nations far and away. Philippines saw its share of talented people leaving the country for greener opportunities where they can achieve more satisfaction and fulfillment in
connection with their various employment opportunities. This being said, a country and a company in particular should always constantly be thinking on how to keep its people or its employees satisfied in order for them to stay and function the best possible way it can in helping the company forward itself into the future. But before a company can truly motivate and satisfy its employees, it must first assess the level of satisfaction that these employees have with regards their current employment.

Job satisfaction is one of the most researched phenomena in the domain of human resource management and organizational behavior. It is commonly defined as a “pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences” (Schneider and Snyder, 1975 as cited in Ćulibrk et al., 2018). Nowadays, companies are beginning to realize and fully comprehend the importance of their employees and that without good employees there is just no way a company can ever achieve its objectives. Therefore, it is imperative that companies understand what motivates their employees so that they can contribute and provide their absolute best in moving the company forward.

Organizational commitment, on the other hand, represents the degree to which the employees identify with the organization in which they work, how engaged they are in the organization and whether they are ready to leave it (Greenberg and Baron, 2008 as cited in Ćulibrk et al., 2018). Employee turnover is very costly to a company. All companies wish that their employees do not leave the company after a short span of time considering the high cost of recruiting and training them. It is therefore also very important for companies to have a sense of understanding as to how committed an employee to an organization. There is just simply no sense in compensating, rewarding and training an employee who has no sense of belongingness and affection to the company since most likely this employee will leave the company sooner than later.

The link between job satisfaction and organizational commitment has been studied quite extensively (Mathieu and Zajac, 1990; Meyer et al. 2002; Morrow, 2011). Some studies support the hypothesis that job satisfaction precedes organizational commitment (Stevens et al., 1978), while others suggest that the organizational commitment predicts job satisfaction (Price and Mueller, 1981; Bateman, Thomas and Strasser, 1984).

Job involvement represents a type of attitude toward work and is usually defined as the degree to which one identifies psychologically with one’s work, i.e., how much importance one places on their work (Ćulibrk et al., 2018). Job involvement relates to the current job and is conditioned with the one’s current employment situation and to what extent it meets one’s needs (Brown, 1996). All companies should strive to have their employees be satisfied and thoroughly be involved with their jobs and be committed to the organization. I believe that it is only after a company was able to do this that employees will stay for the long haul and start giving their best for the betterment of the organization.

1.1. Statement of the Research Problem
Considering the strengthening emphasis on human capital as an indispensable source of competitive advantage in today’s modern and highly competitive business environment, it is worth investigating the relationships between and among job satisfaction, organizational commitment and job involvement. As such, the research problem is:

Research Problem: Does job involvement have a mediating role on job satisfaction and organizational commitment in a small and medium sized business enterprise in the Philippines?

Sub Problems:
1. Does job satisfaction have a positive relationship with organizational commitment?
2. Does job satisfaction have a positive relationship with job involvement?
3. Does job involvement have a mediating role between job satisfaction and organizational commitment?

1.2. Objectives of the Study
This paper will attempt to fill up a research gap by examining whether job involvement serves as a mediating variable in predicting organizational commitment while having job satisfaction as an explanatory variable. Conceptual model was replicated by the author from Ćulibrk et al. (2018) wherein it was concluded that job involvement can be a mediating variable between job satisfaction and organizational commitment in a study conducted in Serbia.

1.3. General Research Objectives
To understand whether job involvement can act as a mediating variable between job satisfaction and organizational commitment among employees of a small and medium sized manufacturing company in the Philippines.

1.4. Specific Research Objectives
1. To determine if job satisfaction has a positive relationship with organizational commitment.
2. To understand if job satisfaction has a positive relationship with job involvement.
3. To determine if job involvement has a mediating role between job satisfaction and organizational commitment.

1.5. Significance of the Study
1.5.1. Scholars and the academe
Results of this study will be able to validate if not contradict the results of a similar study conducted in Serbia in 2018. Serbia being a country undergoing transition from a centralized economy to a market-oriented economy is significantly different from the Philippines being a third world economy and/or developing economy. In addition, this study would be a welcome addition to the rather minimal number of extant literatures concerning job involvement as a mediating variable.

1.6. Future Research
The topic at hand is both deep and wide. Several modifications, adjustments and advancements can still be thought of and included in future researches as a result of this study. One future study may involve the investigation of the impact of various moderating variables like age, education and economic status on job satisfaction, job involvement and organizational commitment.
1.7. Scope and Limitations of the Study
Data will be gathered from employees of a processed meat manufacturing company. Respondents range from college to high school graduates with work either at the production, accounting, administrative and sales departments.

There are 110 employees in this company, and only 73 respondents were able to provide acceptable and non-defective questionnaires. Questionnaire will be administered using google forms sent online. In addition, printed copies will also be distributed with the author administering the questionnaire with the respondents.

One limitation of this study is that some of the respondents are high school graduates and may not be too familiar with the concepts or constructs being investigated in this study. They might have difficulty in fully appreciating the words, questions to be used in this study. Thus, the author decided to administer the questionnaire himself so that proper guidance can be given whenever deemed necessary.

2. LITERATURE REVIEW

2.1. Job involvement as a Mediating and Moderating Variable
Various studies have been done in the past wherein job involvement was used as a mediating and moderating variable. One such study involves the study of mediating role of job involvement in manager’s good character, influences on employees’ organizational affective commitment (Ghassemi et al., 2015). Other study involved the investigation whether there are significant relationships among perceived organizational support, organizational commitment, job involvement, job commitment, and job satisfaction (Chi et al., 2018). In this particular study, it was found out that job involvement had a moderating effect on the relationship between organizational commitment and job satisfaction.

In another study, researchers have examined the moderating effects of emotional contagion, including leaders’ emotional contagion and subordinates’ emotional susceptibility, on the relationship between transformational leadership and subordinates’ job involvement by investigating 210 soldiers from eight companies of the Taiwan Army (Cheng et al., 2012).

In addition, job involvement was also studied to determine the effect of perceived positive styles of leadership, that is, transformational and transactional leadership, on job involvement of 250 teachers (men = 146, women = 104) from public and private sector colleges and universities of the Punjab province in India wherein multifactor Leadership Questionnaire (Bass & Avolio, 1994) and Job Involvement Scale (Kanungo, 1982) were used to measure study variables (Rana et al., 2016).

Lastly, one study was conducted to investigate whether there are significant relationships among perceived organizational support, organizational commitment, job involvement, job commitment, and job satisfaction. The sample for this study included 275 employees in Vietnam. The findings revealed that organizational commitment had a partial mediating effect between perceived organizational support and job satisfaction. Furthermore, the study found that job involvement had a moderating effect on the relationship between organizational commitment and job satisfaction (Chi et al., 2018).

In the studies mentioned above, job involvement has been tested both as a moderator, and as a mediating variable. Results of studies conducted have shown that job involvement was a significant variable in the over-all motivation process of individuals across different industries and continents.

2.2. Studies on Job Satisfaction, Job Involvement and others
In one study conducted by Van Wyk et al. (2012) showed that the relationship between job involvement and job satisfaction was significantly positive concerning general job satisfaction ($r = 0.24$), internal job satisfaction ($r = 0.19$) and the job satisfaction total ($r = 0.23$) (Van Wyk et al., 2012). Although the correlation was moderately positive at best based on these correlation coefficients, it was good enough to warrant a significant result.

In another study, they investigated to find out how Job Satisfaction and Organizational Commitment may mediate in the relationship between person-job fit and Turnover Intentions (Chhabra, 2015).

Again, several previous studies have established the interrelatedness of these different variables job satisfaction, job involvement and organizational commitment. Therefore, the pursuit of this study by the author has conceptual basis. Lastly, the researcher did use the job involvement scale by Lodahl and Kejnar (1965), and though there are some criticisms pointed towards this scale (Ramsey, Rosemary; Lassk, Felicia; Marshall, n.d.), it is still one of the most widely used scale in measuring this construct.

2.3. Organizational Commitment as Distinct from Job Satisfaction
The construct validity of organizational commitment has recently been investigated in several studies. It might be rather easy for someone to erroneously think that job satisfaction and organizational commitment to be one and the same making them think further that those two constructs can be used interchangeably. Rather in one study by Gerhart and Judge (1991), it was concluded that organizational commitment is a valid construct, and that it is sufficiently distinct from job satisfaction (Gerhart and Judge, 1991).

3. METHODOLOGY

3.1. Theoretical Framework
Theoretical framework of this study is based on the research by Culibrk et al. (2018) wherein they investigated the relationship among different motivational management variables, of which the following were included, job involvement, job satisfaction, organizational commitment, work characteristics, and organizational policies and procedures. Their study was based on the model developed by Latham and Locke (2014) as shown below in Figure 1.
As discussed by Ćulibrk et al. (2018), majority of the existing theories and previous discussions concerning motivation were about a specific aspect of the different parts of the motivation process. And as such there was this realization for the need to integrate the entire motivation process that will encompass work motivation, process of motivation and employee expectations (Ćulibrk et al., 2018). The theory and model of Locke and Latham is one such integrated theory.

In addition, the above model of Locke and Latham (2004) includes various theories and it also shows relationships among various constructs. Locke and Latham (2004) also stated that the above model needs further validation with empirical studies.

Thus, Ćulibrk et al. (2018) took the challenge and focused on the right most section of the above model. In Ćulibrk’s study, it was concluded that model of Locke and Latham (2014) could be further improved by having job involvement as a mediating variable between job satisfaction and organizational commitment.

Conceptual framework developed and derived by Ćulibrk et al. (2018) from Locke and Latham (2014) is shown below in Figure 2. In this conceptual model, Ćulibrk et al. (2018) included in their study the variables of work characteristics and organization policies and procedures as predictors of job satisfaction.

3.2. Conceptual Framework

The conceptual framework shown below in Figure 3 is based on the model of Ćulibrk et al. (2018) with a few modifications. Researcher decided not to include the construct of organizational policies and procedure which was used in the original model of Ćulibrk et al. (2018) for the same reason that they mentioned which was the lack of appropriate measurement scales. Author therefore will just focus on the three constructs shown above and in particular, job involvement will be tested if it will be a significant mediating variable between job satisfaction and organizational commitment.

3.2.1. Hypotheses of the study

$H_1$: Job Satisfaction has a positive relationship with organizational commitment.

$H_2$: Job Satisfaction has a positive relationship with job involvement.
**3.3. Research Design**

Causal explanatory research design was employed in this study along with convenience sampling technique.

Research was conducted in the city of Las Pinas in the Philippines. Respondents were all employees of a processed meat manufacturing company. Customers of this company are predominantly casinos and hotels in the greater Metro Manila area.

Quantitative method was used in this study. Unit of analysis in this study will be employees. Quantitative research is believed to be the best approach. Mathematical models will be formulated and used to find out the relationship between the independent variable, dependent variable and mediating variable as provided in the conceptual framework.

Since it is anticipated that the response rate will be poor with regards the online questionnaire, the researcher augmented the online survey with face to face interview and self-administered survey.

The company’s owner has intimated that she has around 110 employees. With a 5% margin of error, 95% confidence level, and a population of 110 people, sample size required is 86 respondents based on Slovin’s formula.

Previously developed measurement scales were used to measure all the constructs used in the survey. The construct of job involvement was measured using the scale developed by Lodahl and Kejnar (1965). For job satisfaction, it was measured using the Job Satisfaction Scale by Macdonald and MacIntyre (1997). While for organizational commitment, measurement scale by Mowday et al (1979) was utilized.

Cronbach alpha was computed to test the internal consistency of each of the instrument used in this study. Cronbach alpha for the job involvement scale of Lodahl and Kejner (1965) was. 90 while for Job Satisfaction scale of MacDonald and MacIntyre (1997) was. 93. Cronbach alpha for the scale of Mowday (1979) was. 94; all of which are above the threshold level of 0.70 (Joseph Hair et al., 2009).

### 4. RESULTS AND DISCUSSION

Majority of the respondents are aged between 20 and 40 years old comprising 65% of the total respondents. Females accounted for a big slice of the sample at 52% while those who has a college degree accounted for 75% of the total respondents.

#### 4.1. Shapiro Wilk’s Test of Normality

Based on Table 1, the distribution of all the variables are not normal, although according to Norman (2010), data from the use of Likert scale being ordinal in nature does not necessarily invalidate the results of various parametric tests. Norman (2010) further stated that parametric tests were found to be powerful even though there were several violations of the parametric tests assumptions which includes normality and linearity. In his study, Norman (2010) concluded that the resulting models developed in various previous studies were found to be just robust in spite of the violations of normality and linearity (Norman, 2010).

Carifio and Perla (2007) even stated based on their study that Likert scale results that were summated as compared to a single Likert question produces interval data as opposed to ordinal data (Carifio and Perla, 2007).

#### 4.2. Levene’s Test of Equality of Error Variance

Levene’s test was applied to the three variables job satisfaction, job involvement and organizational commitment to check its error variances in relation to gender. Results in Table 2 showed that data are all homoscedastic.

#### 4.3. T-Tests

Based on Table 3, results of T tests showed no significant differences in the scores between males and females towards all the variables.

#### 4.4. Linear Regression

**H**$_{1}$: Job Satisfaction has a positive relationship with organizational commitment.

\[ y_i + a + b_1 x_i \]

A linear regression analysis was used to test if job satisfaction scores significantly predicted organizational commitment scores.
The result of the regression indicated that the predictor explained 75% of the variance (R² = 0.76, F (1, 69) = 215, P < 0.001). It was found that job satisfaction scores significantly predicted organizational commitment scores (β = 0.88, P < 0.001).

For every 1 unit increase in job satisfaction scores, there is a 0.88 increase in organizational commitment scores.

4.5. Diagnostic Tests for Model 1
Breusch-Pagan (1979) test indicated there is heteroscedasticity in the model based on P = 0.03.

Ramsey’s RESET test showed that there is no specification error based on the P-value = 0.08.

The Shapiro-Wilk’s normality test revealed that the distribution of the residuals is normal (W = 0.97, P = 0.06).

\begin{align*}
H_2: \text{Job Satisfaction has a positive relationship with job involvement.} \\
\hat{y}_2 = a + b_2 x_1
\end{align*}

A linear regression analysis was used to test if job satisfaction significantly predicted job involvement scores. The result of the regression indicated that the predictor explained 41% of the variance (R² = 0.42, F (1, 69) = 49.2, P < 0.001). It was found that job satisfaction significantly predicted job involvement scores (β = 0.88, P < 0.001).

For every 1 unit increase in job satisfaction score, there is a 0.88 increase in job involvement scores.

4.6. Diagnostic Tests for Model 2
Breusch-Pagan test indicated there is homoscedasticity in the model based on P = 0.69.

Ramsey’s RESET test showed that there is no specification error based on the P-value = 0.13.

However, the Shapiro-Wilk normality test revealed that the distribution of the residuals is not normal (W = 0.91, P < 0.001).

\begin{align*}
H_2: \text{Job Involvement has a positive relationship with organizational commitment.} \\
\hat{y}_1 = a + b_3 x_2
\end{align*}

A linear regression analysis was used to test if job involvement significantly predicted organizational commitment scores. The result of the regression indicated that the predictor explained 40% of the variance (R² = 0.40, F (1, 69) = 46.9, P < 0.001). It was found that job involvement significantly predicted organizational scores (β = 0.47, P < 0.001).

For every 1 unit increase in job involvement, there is a 0.47 increase in organizational commitment scores.

4.7. Diagnostic Tests for Model 3
Breusch-Pagan test indicated there is heteroscedasticity in the model based on P < 0.001.

Ramsey’s RESET test showed that there is no specification error based on the P-value = 0.35.

However, the Shapiro-Wilk normality test revealed that the distribution of the residuals is not normal (W = 0.92, P < 0.001).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>OC</td>
<td>0.43</td>
<td>2.18</td>
<td></td>
</tr>
<tr>
<td>p-value</td>
<td>(0.25)</td>
<td>(0.28&lt;0.001)</td>
<td></td>
</tr>
<tr>
<td>JI Constant</td>
<td>0.32 (0.52)</td>
<td>=0.54</td>
<td></td>
</tr>
<tr>
<td>JS</td>
<td>0.88*</td>
<td>0.88*</td>
<td></td>
</tr>
<tr>
<td>p-value</td>
<td>&lt;0.01</td>
<td>&lt;0.001</td>
<td></td>
</tr>
<tr>
<td>JI</td>
<td></td>
<td>0.47***</td>
<td></td>
</tr>
<tr>
<td>R-squared</td>
<td>0.76</td>
<td>0.42</td>
<td>0.40</td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.75</td>
<td>0.41</td>
<td>0.40</td>
</tr>
<tr>
<td>No. of observation</td>
<td>71</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Standard errors are reported in parentheses. * * * * * indicates significance at the 90%, 95% and 99% level, respectively.

4.8. Causal Analysis
Based on the results of the regression analyses as shown on Table 4, all results turned out to be significant. Job satisfaction as a predictor of organizational commitment yielded significant results with adjusted r2 at 75%. It can be said based on the results that job satisfaction can be used as a barometer in gauging employee organizational commitment.

On the other hand, job satisfaction also turned out to be a good predictor of job involvement with explanatory power at 41% yielding significant results as well.

Job involvement as a predictor of organizational commitment also yielded significant results with adjusted r2 at 40%.

Based on the responses, employees are very loyal and proud to be part of the organization despite the fact that the same employees do not much agree with the company values and company policies towards them.

Employees are very much personally involved with their job, although their involvement seems to be at a high level only when they were at their workplace, and once they leave the work premises, it seems that their job is not any more their priority.

Lastly, employees do not agree much that they are properly recognized for their performance. They also do not agree much

Table 4: Linear regression

<table>
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</table>
that their salary is good. Employees based on the questionnaire were very much satisfied with their colleagues, supervisors, the company and work in general.

5. CONCLUSIONS

The objective of this research was to find out and validate the relationships between job satisfaction, job involvement and organizational commitment. Specifically, researcher wanted to test if job involvement can be a mediating variable between job satisfaction and organizational commitment.

Results showed that job satisfaction is a good predictor of organizational commitment. Results also showed that job involvement can be a significant mediator between job satisfaction and organizational commitment.

In view of the above results, managers should always find ways on how their employees can achieve job satisfaction since based on the model presented, job satisfaction is the prelude in achieving job involvement and organizational commitment. It can be posited that employees lacking organizational commitment might be a symptom of lack of job involvement or more so lack of job satisfaction.

All three traits-job satisfaction, job involvement, organizational commitment- with regards employees are important. Because presence of all these traits may lead to better employee performance thus advancing the objectives and goals of the company. It is worth noting that among the three variables, the key is job satisfaction since this is what precedes job involvement and organizational commitment. If the company will be able to satisfy its employees, then the likelihood that will be involved and committed with the organization will most likely be achieved as well.

Lastly, based on T Tests conducted, male employees scored higher on all three variables though the results were not significantly different with that of the female employees. Managers may therefore consider providing programs to enhance job satisfaction with employees not worried that their program might cater only to males and not to females and vice versa. Companies can therefore implement a unified job satisfaction improvement program that can be applicable to both genders.

5.2. Recommendations

For the subject company, it is best that they continue to provide job satisfaction to their employees knowing that people are the ones that will propel the company forward. No matter how brilliant and ingenious the strategy is, but if there will be no one competent enough to execute and carry through those strategies then it is all for naught. In addition to achieving job satisfaction for its employees, the company should also make sure that its employees are committed to the organization and intimately involved with their jobs. There is no point in motivating employees and providing them job satisfaction if these same employees are not committed to the organization. Incidentally, since job satisfaction has been found to be a good predictor of organizational commitment and job involvement, ensuring job satisfaction among its employees hopefully may be enough to ensure their commitment as well.

For scholars, it will be better if they can continue to add more and better scholarly studies with regards the topic at hand. Future studies might explore the addition of control variables to the model at hand like age, number of years in the company among others. It might also be worth finding if the results will be different if organizational commitment will be the independent variable. Likewise, it might also be interesting if this study can be applied to other industries in the Philippines as well. Lastly, the statistical analyses applied in this research project was rather basic and that a more sufficient number of respondents along with advanced statistical analyses might yield more interesting findings with regards future study in this subject area.

ACKNOWLEDGMENTS

Acknowledgment and appreciation for my beloved professor Dr. Rosel Fonacier for her unrelenting commitment in helping not just me but all her students. Her vigilance and constant support are very much appreciated. I also would like to thank my friend and company owner who allowed me access to her employees despite the hectic production schedule of her company.

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