The Mediation Effect of Job Satisfaction in the Relation of Organizational Commitment and Organizational Citizenship Behavior

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Abstract

Human resources must be developed by organization in such a way that high levels of organizational citizenship behavior can be developed (OCB). Job satisfaction and organizational commitment can have a significant impact on OCB. The goal of this study is to determine whether Job Satisfaction has a mediating function in the link between Organizational Commitment and OCB. The samples were from a study of 530 workers employees of private banks in Hyderabad, Telangana, who were given a 62-item questionnaire. All of the respondents are Sales Executives, Managers, Branch Managers, and Deputy Branch Managers. To measure the mediation, the bootstrap confidence interval was used. The results demonstrated that the relationship between Organizational Commitment and OCB had both a direct and indirect influence. The research discovered that these relationships were mediated by Job Satisfaction because the interval did not contain zero in the equation. Job satisfaction does, in fact, operate as a mediator in the relationship between job satisfaction and OCB.

Keywords: Organizational Commitment, Job Satisfaction, Organizational Citizenship Behavior

I. Introduction

The performance of the organization is a crucial factor. The firm must provide better products or services to their clients in order to fulfill their objectives. In Hyderabad’s banking industry, there is fierce competition for market share. Human resources are the company's new strategy for gaining a competitive advantage. They want their personnel to do an excellent job at all times. Employees that are willing to contribute more and conduct extra-role actions are also needed to assist the company become more effective. Organ & Lingl (1995) define extra-role behaviors, also known as organizational citizenship behavior (OCB), as an individual contribution that is neither legally paid nor enforceable by supervision or work requirements. Employees were not required to do anything in this circumstance, but they did. The OCB are not required or specified in job descriptions, and they are neither rewarded nor punished (Sensen et al., 2012). OCBs have been shown to have an impact on organizational performance in previous studies (Rayner et al 2012) and (Kizilos et al.,(2013). Podsakoff et al (2000), also note the benefits of the OCB in boosting organizational performance. Meanwhile, Becton et al (2008), stated that the company should encourage its employees to do OCB because it is critical to their performance. The goal of this study is to look into the effect of work satisfaction on OCB at a state-owned bank through the mediation of organizational commitment (OC). Dalal (2005), Kuehn & Al-Bushaidi (2002), Lin & Chang (2015), LePine et al (2002), Ngadiman (2013), Qamar (2012), Shafazawana et al (2016), and Schappe (1998), have all recently published papers on OCB. These researchers came from a variety of cultures, including Asia and the West. It showed that OCB has studied in a variety of countries. Job happiness, leadership, organizational dedication, and justice are all factors that can influence OCB (LePine et al (2002)).

As governments attempted to cut interest rates, the banking industry faced difficult times and new obstacles. They need to expand their market, either by stealing it from a competitor or by creating a new one. This Private bank is now ranked fourth in terms of productivity. The existing situation does not sit well with management because they have the most assets. They also have the largest employment base and the greatest network in India. They felt they could do better, according to the management. Although a variety of factors can contribute to problems, management wanted to know whether there were any issues with human resources. We turned to the job attitude based on our early impressions.

We assumed that work satisfaction and employee loyalty to the organization may improve the OCB. This theory is based on Kasemsap's (2012), prior study, which revealed that work satisfaction and organizational commitment had a moderately beneficial impact on OCB. Previous studies by Ackfeldt and Coote (2005), Bowling, Wang and Li (2012), and MacKenzie et al (1998), found that job satisfaction and organizational commitment, as a major job attitude, can support and predict OCB.

In various organizations, the links between work satisfaction, organizational commitment, and OCB have been explored numerous times. However, research into the Indonesian banking business is relatively sparse. While the primary goal of this study is to...
determine the relationship between job satisfaction and organizational commitment, it also aims to create OCB analysis in Hyderabad's private bank employees.

II. Literature Review

The exchange process, conservation of resources (COR), and affective events theories may all be traced back to job attitude. The exchange process is the interaction between the employee, the supervisor, and the organization. Homans (1958) stated that human interaction includes the exchange of products, whether tangible or intangible. While Emerson (1976), confirmed that social exchange is based on receiving positive responses from others. When one person feels good about what they're doing, they'll do it again. The more satisfied individuals are with their jobs, the more devoted they are and the better they perform. They're even willing to go above and above what they asked for simply because they want to.

Organizational commitment on OCB

Employee OCB will be influenced by the level of organizational commitment. Previous studies by Kasemasp (2012), who conducted the survey in Thailand, and Liu & Cohen (2010), who used public organization participants in Northern China, support this idea. Wang (2014) from Japan, Noor (2009), from Pakistan, Asiedu et al (2014) from Ghana, Ibrahim & Aslinda (2004) from Indonesia, and Bakhshi et al (2011) from India were among the researchers who had the same argument about the positive and significant relationship between these variables. Despite the fact that these studies take different approaches (some focus on organizational commitment directly, while others focus on the detail dimension; emotive, cognitive, and normative), the results indicate the same trend. Other western studies, such as Morin et al (2011), Devece et al (2015), and Lavelle et al (2009), found the similar conclusion in Spain, Canada, and the United States, indicating a positive and substantial relationship between organizational commitment and OCB. We select the second hypothesis for this study based on past research on the relationship between variables:

H1: Organizational Commitment has significant and positive relationship with Organizational citizenship behavior.

Job satisfaction and Organizational Commitment

Organizational commitment has long been known to be influenced by job satisfaction. Employee unhappiness, according to Wagner & Hollenbeck (2010), contributes to lesser commitment. To support this idea, we show previous studies on satisfaction and commitment. In a study with Greeks, Markovits et al colleagues (2010), discovered a positive relationship between satisfaction and commitment. Azeem (2010), Azeem and Akhtar (2014), Irshad & Naz (2011), Gunlu et al (2010), Sejaaka & Kaawaase (2014), Velikovi et al (2014), all came to the same conclusion. Participants in these studies were from Oman, India, Pakistan, Turkey, Uganda, and Serbia. The model reveals that job satisfaction is a strong predictor of organizational commitment, with the components of job satisfaction having somewhat varying significant effects on organizational commitment, based on diverse literatures from various cultures. Employees those are happy will be more committed to their company. This brings us to the second hypothesis, which states

H2: Job satisfaction and organizational commitment have a positive and significant relationship with Organizational Commitment.

Job Satisfaction and OCB

Employees who are happy will have a high OCB. Satisfied employees, according to Organ, have higher OCB because they desire to repay the organization that has treated them well (George et al, 2012). This is supported by Wagner and Hollenbeck (2010). There are numerous literatures on the relationship between job satisfaction and OCB that are easily accessible. Chahal & Mehta (2010) found a favourable and significant influence of job satisfaction on OCB in the health-care sector. While Koning & van Kleef (2015) found the same effect in a study from Holland with diverse industry backgrounds. When customer happiness is high, OCB rises. Other researchers have shown a favourable and substantial relationship between job satisfaction and OCB, including Foote & Tang (2008), Intaraprasong (2011), Mohammad et al (2011), Pavalache-Ilie (2014), Qamar (2012), Swaminathan & Juwahar (2013), Talachi et al (2015). That example, the person who was happy with their job had a high OCB. Organizational commitment mediated the relationships discovered by Sesen & Basim (2012) and Zeinabadi (2014). Based on the previous literatures

H3: Job Satisfaction has significant and positive relationship with Organizational citizenship behavior.

Based on the relation between each variable, we then organize a simple research model and the last hypothesis that Organizational Commitment directly and indirectly through mediation of Job satisfaction will affect OCB (Hypothesis 4). The model derived from the individual relation between variables.
III. Methodology

A. Participants
Sample for the study are private bank employees working in Hyderabad city of Telangana State. We distributed the questionnaire to 600 employees and received 530 as participants (90% return rate). Participants were asked to complete the questionnaire through Google forms. 46.73% of participants were male and 53.27% were female. It showed the balance between male & female in the selected sample. From the table below we can see that the dominant age group is between over 31 – 40 years. 72.8% employee’s chosen are married. The dominant range for education is MBA. 73.38% of respondents are from Nuclear families. 32.85% of them are Managers.

B. Data analysis
Pearson's correlation and regression analysis were used to analyze the association between job satisfaction, commitment, and organizational citizenship behavior. The bootstrap confidence interval from Hayes [56] is used to determine whether direct and indirect effects exist. We can conclude there is a mediation if the range of bootstrapping confidence interval (from upper and lower level) values are entirely above or below zero, according to Hayes. However, if one of the confidence levels is zero, there is no mediation. The confidence level is calculated using the SPSS program with the Process macro program from Hayes (2013).

C. Measurement
A questionnaire consisted of total 62 items (24 items for organizational commitment, 14 items for Job satisfaction, 24 items for Organizational citizenship behavior) used to collect the data. Each item has 5 choices of answers based on Likert’s scale option from 1 - strongly disagree, 2 - disagree, 3- Neutral, 4 – agree, and 5 - strongly agree. Cronbach’s Alpha for internal consistency reliability for items representing for organizational commitment was .956; for job satisfaction was 0.986; for Organizational citizenship behavior was 0.852.

IV. Result And Discussion
Table 1 present the model coefficients and other statistics information resulted from the mediation analysis obtained from a macro program using SPSS. Organization Commitment had significant positive effect on Job Satisfaction (p-value 0.000) and Organizational Citizenship Behavior (p-value 0.000). Job satisfaction had significant positive effect on Organizational Citizenship Behavior (p-value 0.000).

Table:1- Regression coefficient, standard error, & model summary

<table>
<thead>
<tr>
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<th>Organizational Communication</th>
<th>Organizational Citizenship Behavior</th>
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<tr>
<td></td>
<td>Coeff SE P-Value</td>
<td>Coeff SE P-Value</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>0.9857 (.138 0.000)</td>
<td>0.259 (.038 0.000)</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td></td>
<td>0.3771 (.0284 0.000)</td>
</tr>
<tr>
<td>Constant</td>
<td>0.0728 (.0545 0.182)</td>
<td>1.070 (.0388 0.000)</td>
</tr>
<tr>
<td>$R^2 = 0.8901$</td>
<td></td>
<td>$R^2 = 0.8728$</td>
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<tr>
<td>$F= 5087.47$</td>
<td></td>
<td>$F= 2150.1806$</td>
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<td>$P= 0.000$</td>
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This means hypothesis H1, H2 and H3 all were accepted. Private Bank Employees in Hyderabad who perceive stronger organization commitment will show higher job satisfaction and Citizenship behavior. Meanwhile, employee who perceives higher Job satisfaction also had impact on their citizenship behavior. That is the management can use both Commitment and Job satisfaction to improve the citizenship behavior.

Table 2 showed the total, direct, and indirect effect of organization commitment on job satisfaction. As we can see from table 2, total effect was bigger than direct effect which mean, the Job satisfaction had significant positive mediation effect. This is corroborated by the Lower Level Confidence Interval (LLCI) and Upper Level Confidence Interval (ULCI) both did not have zero value

<table>
<thead>
<tr>
<th>Total Effect of Organization Commitment on Organizational Citizenship Behavior</th>
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<tr>
<td>Effect</td>
<td>SE</td>
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<tr>
<td>0.631</td>
<td>0.011</td>
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<tr>
<td>Direct Effect of Organization Commitment on Organizational Citizenship behavior</td>
<td></td>
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<tr>
<td>0.259</td>
<td>0.030</td>
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<tr>
<td>In-Direct Effect of Organization Commitment on Organizational Citizenship behavior through Job Satisfaction</td>
<td></td>
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<tr>
<td>0.3717</td>
<td>0.0742</td>
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Base from Table 2, we accept the fourth hypothesis (H4). Job Satisfaction mediated the relation between organizational commitment and OCB. The result also showed that when the job satisfaction variable included in the equation, it reinforce the effect of organizational commitment. If only from organizational commitment the effect was 0.259. But, when mediated by job satisfaction, it experienced a growth to 0.631. In this case, organization should focus on both variables in building the employee’s organizational citizenship behavior.

V. Analysis

Many researchers looked at the effects of organizational commitment and Job satisfaction on OCB independently. The direct influence of organizational commitment on OCB is measured in this study, as well as the indirect effect through job satisfaction. We hoped that by satisfying with work, we would be able to increase the impact. The concept was based on the assumption that committed people are satisfied. Then they are more effective in their secondary duty. The additional position reflects OCB, where employees voluntarily assist coworkers, share resources, represent the organization, work extra hours without pay, actively seek answers to workplace problems, and show respect for others. This type of behavior is seen to be important for businesses. Overall, the findings of this study support earlier research findings.

Job satisfaction and organizational commitment are proven to have a significant and favorable relationship. As a result, the findings of Markovits et al (2010), Azeem (2010), Azeem and Akhtar (2014), Irshad & Naz (2011), Gunlu et al (2010), Sejjaaka & Kaawaase (2014), and Velikovi et al (2014) are supported by this study. Organizational commitment continues to be a factor that affects job satisfaction in Hyderabad, particularly in the banking industry. Not only that, but pleasure can lead to an increase in OCB. This is consistent with past research from a variety of disciplines. Intaraprongsong (2012), Koning & van Kleef (2015), Foote & Tang (2008), Koning & van Kleef (2015), Koning the positive relationship between these two factors is supported by Mohammad et al (2011), Pavalache-Ille (2014), Qamar (2012), Swaminathan & Jawahar (2013), and Talachi et al (2014).

The organizational commitment was also shown to have a positive and substantial relationship with OCB. Kasemsap in Thailand (2012), Liu & Cohen in China (2010), Wang in Japan (2015), Noor in Pakistan (2009), Asiedu et al in Ghana (2010), and Bakhshi et al in India (2011), have all published studies on eastern culture. Morin et al (2011), Devece et al (2015), and Lavelle et al (2009), all from western culture, support the same idea. Because the findings also showed that Job satisfaction mediated the relationship between organizational commitment and OCB, this study agreed with Sen & Basim (2012) and Zeinabadi (2010), who discovered the same mediation.

Employees will display OCB as a sort of incentive to the organization, according to the social exchange hypothesis. They are doing so because they have the organization's support and assistance. It's possible that bank employees, like other employees, want to participate in volunteer work for their company. Employees that choose to display OCB feel they will be rewarded more often. Because reciprocity is generally used, the findings should not be overlooked by the organization. Employees who are happy with their jobs will give more to the organization and hope to achieve more. The private banks of Hyderabad should make a concerted effort unstaining a high level of satisfaction and commitment from the organization. They can improve human resource practices, resulting in a better working environment.

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VI. Conclusions

Organizational commitment and job satisfaction have a positive and significant impact on OCB, according to the findings. We did not investigate the dimensions of OCB in depth because measuring OCB with specified dimensions did not yield any evident benefits. Organizational commitment has a good relationship with job satisfaction and OCB, and job satisfaction has a positive relationship with OCB, according to the study. In this situation, job satisfaction mediated the relationship between organizational commitment and OCB, according to the findings. Organizations that want their employees to achieve higher OCB should concentrate on human resources policies that improve job satisfaction and organizational commitment. Employees that are more satisfied and committed have a higher OCB. The study is limited to Hyderabad in order to broaden the geographical scope of future studies to include other provinces and boost the generalizability of the findings. Using different volunteers from various sectors, like we are, could increase the study's value. Finally, it is proposed that, because there is a considerable association between work satisfaction and organizational commitment with OCB, banking sector management should create an environment in which people are content with their jobs and devoted to the organization.

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