

FACTORS OF JOB SATISFACTION AFFECTING ORGANIZATIONAL COMMITMENT OF EMPLOYEES IN DONG NAI PROVINCE, VIETNAM

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ABSTRACT

Job satisfaction plays an important role in businesses as it may influence employees' decision of staying in their workplace longer or leaving earlier. If a company has more employees to quit their jobs, it will have a negative impact on the company production, business operation as well as its profits. Therefore, this research aims to investigate the critical factors of job satisfaction that affect organizational commitment of employees. In this research, a quantitative research methodology was mainly used with a survey instrument of 52 items to explore the relationship between job satisfaction and organizational commitment. Besides, open ended questions were employed to collect employees' opinions to find out the solutions to improve the loyalty to the businesses. The result showed that six of eleven factors of job satisfaction were related to organizational commitment. Based on the findings of the research, recommendations were produced to improve the employees' commitment to their businesses.

Key words: *job satisfaction, organizational commitment, critical factors, businesses.*

1. Introduction

Employees are the most valuable asset in organizations. Therefore, managing them effectively and satisfying them in a business organization so that they feel happy and become loyal to their workplace are of great importance and responsibility of management. Job satisfaction of employees plays an important role at work in business organizations because the company's success in creating real satisfaction, loyalty and ownership is a model for all companies across the industries . The importance of job satisfaction is in its impact on both employee satisfaction and employee

efficacy, as well as in its impact on retention. People who are happy in their position and feel a sense of worth and accomplishment are less likely to seek other opportunities as the more satisfied employees are more likely to stay the longest. The individual worker chooses to accept a specific job with a particular organization because he believes that position and company will provide him a higher level of fulfillment of his needs and expectation than would other jobs and other organizations.

When the employing organization satisfies the employees' expectations and needs, the employees will be more productive and more satisfied with their

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work, and will tend to stay with the organization for a longer period of time. Job satisfaction improves the retention level of employees and reduces the cost of hiring and training new employees.

Vietnam is the second most populous country in the fast-growing ASEAN region with a young labor force and it is an emerging market of great opportunities, and is the dominant factor of low wages that has attracted many investors into the country since 1987. However, it is also a complex labor market with variety of challenges.

Dong Nai, which is one of provinces of Vietnam, currently possesses 30 centered industrial parks that have attracted more than 8,000 enterprises with more than 600,000 employees in non-state and foreign investment enterprises. However, employers also have to face a problem related to the high labor turnover that is harmful to a company's productivity. The report at the conference of employment held at Dong Nai University in 2012 reported that there were thousands of employees in Dong Nai Province who terminated their contracts with the companies or left their companies for one reason or another.

For these reasons mentioned, this research study aims to find out answers to the following research questions:

1.1 . What factors of job satisfactions are related to the

organizational commitment of employees?

1.2 . What possible solutions are offered to improve the present job satisfaction of employees?

2. Literature review

Job satisfaction is defined as the feeling an individual has about his or her job. Job satisfaction is also defined as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience" [1:1304]. Job satisfaction is an emotional response to the extent to which people like their jobs. Job satisfaction is clarified as a way how people feel about their job: what people like or dislike about their job.

The literature review of job satisfaction indicates that there are various factors that have been analyzed and studied in the relationship to job satisfaction. Researchers indicates that the common facets of job satisfaction that affect employees are work, pay, promotion, recognition, benefits, working conditions, supervision, co-workers and management. Apart from these mentioned factors, work itself is also found to be critical factor that involves job satisfaction of employees.

Safety and security of the job are also realized to be positively associated to job satisfaction. Previous research found that a perceived lack of security has a negative influence on level of employee satisfaction . In addition, the

reasons leading to dissatisfaction in terms of insecurity include fears of job loss, job changes in workplace and even political and economic situation. Previous research also stated “the effect of job insecurity on the total scale of job satisfaction is due to the extrinsic dimension of job satisfaction...” [2:32], while job security is one of the significant criteria of job satisfaction and has significant impact on the organizational commitment.

Organizational commitment is defined as “a state in which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization” [3:74] and it is the view that is “a psychological state that (a) characterizes the employee’s relationship with the organization, and (b) implications of the decision to continue membership in the organization” [4: 67]. Considerable research demonstrates that job satisfaction has a positive and significant influence on organizational commitment. Some research argues that job satisfaction affects organizational commitment, which means that when employees are satisfied with their jobs, they will tend to stay in their organization longer. However, some research suggests that organizational commitment is an antecedent of job satisfaction. When employees, for example, have a strong commitment to their organization, it will increase the

level of job satisfaction. In addition, other studies argue that job satisfaction is reciprocally related to organizational commitment.

3. Methodology

Research design and population

In this study, a quantitative research design is mainly used with a survey instrument. The target population in this study is mainly composed of employees from foreign investment enterprises and domestic private manufacturing companies based in Dong Nai Province. Dong Nai Province is one of the three provinces with the largest numbers of companies, factories and enterprises in Vietnam. In Dong Nai Province, there are 30 industrial parks located in 11 districts with different kinds of business industries. The districts that possess more enterprises than the others are Bien Hoa with 5,408 enterprises, Trang Bom, (612), Long Thanh (432), and Nhon Trach (420). Therefore, the employees working in non-state and foreign investment sectors located in the mentioned districts are the key target population for this investigation.

Sampling Design

Three criteria for selecting the sample from the population in the present research study are based on: (a) the target population, who are employees working in non-state enterprises and foreign investment companies in Dong Nai Province, (b)

the location for conducting the survey, which is divided in five areas at the percentage of the target population including Bien Hoa City, Trang Bom, Nhon Trach, Long Thanh and other districts in Dong Nai Province, and (c) the number of companies in each selected area that was not more than 5 and the number of surveys for each company does not exceed over 50.

As mentioned above, the target population of the research was the number of employees working in the non-state and foreign investment sectors. The whole target population size, therefore, was approximately 600,000 employees including blue collar workers, skilled workers, white collar workers, supervisors or managers and senior executives. The estimation of sample size was determined by applying the equation $n_0 = \frac{z^2 pq}{e^2}$ for large population size, and another equation $n_0 = \frac{z^2 pq}{e^2}$ developed by was applied to calculate the sample size and to establish the table in which if the population size is greater than 100,000, the sample size is 400. Through the combination of calculating the sample size, it is estimated that the sample size for the total population of the present study was 452 respondents at a 95% confidence interval with the precision level of 0.05.

Methods of gathering data

In the present research, cluster sampling technique was chosen to conduct the research survey. The population was divided into five areas belonging to 11 districts of Dong Nai Province. The number of surveys was distributed at the percentage rate of the population. Table 1 illustrates the plan and result of distributing questionnaires.

To get the information from the population, the surveys were distributed to participants in the five mentioned areas in the indirect method that is a questionnaire. The method of collecting the data was employed in two approaches: (a) mainly through the human resources departments of the companies and (b) in direct distribution to the participants located in each area. In particular, for the option (a), a letter of intent was emailed to the department of human resources in some selected companies in each area. If the permission from the companies was obtained, a number of surveys were sent to the HR department, who delivered them to the respondents. Because the present research study involves highly sensitive issues, the letter of intent may be refused by the companies. As the number of surveys was not sufficient for the sample size, option (b) was applied. That means a number of surveys were distributed directly to participants who lived in the lodging houses in each area.

Table 1: The plan and result of distributing the questionnaires to participants

	Bien Hoa	Long Thanh	Nhon Trach	Trang Bom	Others	Total
Number of existing companies located in	5,408	432	420	612	1,140	8,020
Number of companies planned for distribution	5	4	3	3	7	25
Number of surveys planned for distribution	250	150	120	120	200	840
Number of companies content with survey distribution	3	2	1	1	1	10
Number of surveys distributed to participants	150	100	50	50	50	400
Number of surveys collected	142	74	46	35	41	338
Number of surveys essentially complementary to sample size	83	30	30	20	10	173
Number of surveys collected for the survey complement.	61	23	20	7	3	114
Total number of surveys distributed	233	130	80	70	60	573
Total number of surveys collected	203	97	66	42	44	452

Instrumentation

The present study contained 4 stages to develop the instruments for the survey. First, based on the literature review related to attitudes and behavior of employees, the initial survey was created by employing instruments of existing researchers. Second, the pilot test was used to test the instruments with a small number of individuals. Third, the survey was modified by making changes based on

the feedback, and last, the revised survey was implemented for the data collection.

In the present study, it is necessary to have the instruments for two variables of job satisfaction, and organizational commitment. The survey designed for the purpose of the present study is composed of 52 items with a 5-point Likert scale including 44 items for variables of factors of job satisfaction, and 8 for organizational

commitment. The first instrument used for the variables of job satisfactions was employed from the existing famous research by Spector. The second instrument used to measure the variables of organizational commitment was developed by Allen and Meyer and employed by Hsu. Apart from the closed-ended questions, In addition, 12 open ended question items were used to find out the solutions to the research question 1.2. They were used to explore more options from the participants.

Reliability and Validity of the instruments

In order to have the construction of an instrument to be effective in the study, the constructs were evaluated for reliability and validity. In this study, the reliability was evaluated through three criteria: (a) using the instruments of the previous researchers that have high, (b) pretesting and pilot testing the instruments before conducting the survey for the sample of the population, and (c) testing for internal consistency with the coefficient alpha. The reliability of Job Satisfaction and Organizational Commitment was found very high in previous research. Accordingly, the Cronbach's Alpha coefficients were 0.91 and .73-.82 respectively.

The result of the pilot test of the instruments indicated the Cronbach's Alpha coefficients were high except the 2 subscales below .50. The result of testing coefficient α showed that all

Cronbach's Alpha coefficients of both constructs were high at .89 each and of the subscales at .61- .80. According to Nunnally, coefficient alphas from .70 to .90 are considered acceptable for the reliability of most instruments, and the coefficients α of .60 or greater are adequate for researches.

4. Results

Descriptive analysis

The results of the descriptive statistical analysis of means in Table 2 indicate that the mean of each subscale of job satisfaction for all the respondents range from 2.72 to 3.34 and the standard deviation is not very high between 0.72 and 0.96. It can be shown that employees experience low levels of satisfaction with pay, promotion, supervision, benefits, contingent rewards, operating procedures and training opportunity (M= approximately 2.72 – 2.98, SD= 0.73 – 0.96). Meanwhile, the levels of job satisfaction with co-workers, nature of work, communication and job security are expressed high (M= between 3.07 and 3.34, SD = between 0.72 and 0.82). This means that employees display low job satisfaction with the factors related to physical perspectives such as pay, benefits and rewards, while they represent the most satisfied facets with psychological perspectives such as co-workers (M= 3.33, SD= 0.82) and job security (M= 3.34, SD= 0.80). The mean score for organizational commitment is not very high (M= 2.87, SD= 0.76). This mean score shows that employees reflect a

moderate level of commitment with their organization.

Table 2: Mean and Standard Deviation of eleven factors and organizational commitment

Subscales, constructs	No. of items	Sample size	Min	Max	Mean	SD	Descriptive Rating
Pay	4	452	1.00	5.00	2.72	0.81	Low Satisfied
Promotion	4	452	1.00	5.00	2.92	0.80	Low Satisfied
Supervision	4	452	1.00	5.00	2.81	0.96	Low Satisfied
Benefits	4	452	1.00	5.00	2.96	0.79	Low Satisfied
Contingent Rewards	4	452	1.00	5.00	2.98	0.77	Low Satisfied
Operating Procedures	4	452	1.00	5.00	2.86	0.73	Low Satisfied
Co- workers	4	452	1.00	5.00	3.33	0.82	High satisfied
Nature of work	4	452	1.00	5.00	3.29	0.72	High satisfied
Communication	4	452	1.00	5.00	3.07	0.79	Satisfied
Job Security	4	452	1.00	5.00	3.34	0.80	High satisfied
Training Opportunity	4	452	1.00	5.00	2.91	0.83	Low Satisfied
Organizational Commitment	8	452	1.00	5.00	2.87	0.76	Low

Inferential analysis

As seen in table 3, the results of multiple linear regression analysis of independent variables, factors of job satisfaction, and dependent variable - organizational commitment show that the R value as .624 indicates the strong relationship between factors of job satisfaction and organizational commitment. The value of R square equal to .390 shows that 39 percent of variance in organizational commitment is due to the internal factors of job satisfaction, while the remaining 61% is unexplained variability. The t-values of regression coefficients indicate that 6 of 11 factors of job satisfaction are significant at $P < .05$. They include benefits (Beta = .145, $t = 3.236$),

communication (Beta = .129, $t = 3.058$), job security (Beta = .107, $t = 2.503$), nature of work (Beta = .146, $t = 3.660$), supervision (Beta = .170, $t = 3.779$) and training opportunity (Beta = .220, $t = 4.792$). The results of Pearson correlation and regression coefficients show job satisfaction with training opportunity ($r = .478$, $\beta = .220$) and supervision ($r = .441$, $\beta = .170$) are the strongest relationships with organizational commitment.

Discussion

The findings of the present research reveal that six of eleven factors of job satisfaction are related to organizational commitment at significant level $P < .05$. The factors that affect organizational commitment

include benefits, communication, job security, nature of work, supervision, and training opportunity. These results are consistent with some past research. The findings showed that job security affected level of commitment. This matches the previous research. Some researchers explored that employees in public sector organizations have higher level of commitment than private sector as "... private sector organizations are unable to provide this kind of psychological security to employees" who "... always feel insecure about their job status..." [5:16]. In the present research, the target population focused

on private sector organizations, so the factor of job security of employees was found in the present study. Training was found to be a critical factor of commitment as training "generates a feeling of belongingness among employees." [6:11]. Supervision (leadership), communication and benefits were also found to influence the commitment. It can be explained that employees tend to be attached to the organizations in which employees have chances of getting worthy compensation, clear communication and friendliness and helpfulness from their superiors.

Table 3: Multiple linear regression of job satisfaction (JS) and organizational commitment (OC).

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.624 ^a	.390	.375	.63518

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	113.425	11	10.311	25.558	.000 ^a
	Residual	177.519	440	.403		
	Total	290.944	451			

a. Predictors: (Constant), TO, OP, CW, CR, NW, PA, CO, PR, JS, BE, SU

b. Dependent Variable: Organizational commitment

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
BE_	.143	.044	.145	3.235	.001	.694	1.441
CO_	.138	.045	.129	3.058	.002	.783	1.278
CR_	.004	.041	.004	.098	.922	.886	1.128
CW_	.070	.043	.065	1.622	.106	.865	1.156
JS_	.121	.049	.107	2.503	.013	.763	1.310
NW_	.156	.043	.146	3.660	.000	.866	1.154
OP_	-.063	.044	-.056	-1.453	.147	.931	1.074
PA_	.052	.039	.054	1.306	.192	.817	1.224
PR_	-.020	.042	-.020	-.484	.628	.816	1.225
SU_	.157	.042	.170	3.779	.000	.683	1.463
TO_	.205	.043	.220	4.792	.000	.658	1.519

In summary, the results show that 6 of 11 factors of job satisfaction positively influenced organizational commitment with the significant level of 0.05, including benefits, communication, job security, nature of work, supervision, and training opportunity.

5. Recommendations

The following recommendations aim at dealing with research question 2: What are possible solutions to improve the present job satisfaction of employees in Dong Nai Province?

The following recommendations are based on the answers to the open ended questions distributed to employees.

Improving the factor of benefits:
(Q4: BE_k) Employees wish to receive

allowances for housing, transportation, seniority, responsibility, and occupational hazard. They also wish to have longer vacations, longer lunch time, more time for sick leave, and intensive care from their organizations. Therefore, employers should pay close attention to their need for employees' existence by providing them with the mentioned allowances. Management should provide some additional benefits, allowances and subsidy for employees such as improving the quality of lunches, promoting seniority allowances, and offering bonuses for regular attendance, high productivity and National holidays. Moreover, leaders of local Trade Unions should take care of employees' working life, listen to their concerns, and present their reasonable expectations to

employers so that they can settle down their lives and work better for their organizations.

Improving the factor of contingent rewards: (Q5: CR_k) Employees want to receive rewards for their hard and regular work, good job performance, and company's high sales. They also want to get regular pay raises for their good jobs. Thus, employers should establish some company policies that are aimed at encouraging employees to work hard and regularly, and to perform their jobs well by providing them suitable and well-deserved rewards for their cooperative efforts to perform their work well., a leader "who can distribute rewards that others view as valuable will have power over those others" and the "rewards may be either financial-such as controlling pay rates, raises, and bonus; or nonfinancial-including recognition, promotion, interesting work assignment, friendly colleagues..." [7: 417-418].

Improving the factor of job security: (Q 10: JS_k) Employees like working for a company with prestige, good reputation, and gradual growth that pay stable benefits, share company profits and ensure their stable and permanent jobs. Thus, organizations should create a trust in safety of an organization for employees by signing permanent contracts with employees, providing necessary information about company activities such as developing plans, investment, growth and profits of the company.

Improving the factor of nature of work: (Q8: NW_k) Employees wish to do interesting jobs that are suited for their ability, major and skills. They would like to have creative and independent jobs with self-awareness in the hope of receiving management's appreciation and esteem for their jobs. For this reason, employers should assign an interesting and proper job to employees, put them in a position where they can perform their jobs well and realize values of their jobs within an organization.

Improving the factor of supervision: (Q3: SU_ka, SU_kb) Employees state that they are treated unfairly and with prejudice by their superiors. Managers and supervisors are unfriendly, unhelpful, uncared for, and unsympathetic to their subordinates. Superiors complain to, shout, and look down at their employees. They are reserved, abuse their power, and do as they like. In order to improve the supervision, superiors should treat towards their subordinates well and fairly, and work cooperatively with them. They should be friendly with, enthusiastic to, helpful to, eager to respect, listen to their employees, and take reasonable care of their lives. Further, superiors should be patient and keep calm when dealing with work-related problems.

Improving the factor of communication: (Q9: CO_k) Ways of communication and explanations from superiors should be clear. Work assignments should be fully explained.

When necessary, job-involved people should hold meetings to exchange and update daily job-related information. Company policies and plans should be announced for employees to know. The recognition and praise of employees' performance are essential for job satisfaction and this is expressed by organizational communication, so effective communication of praise should be sincere in the presence of the public. Organizations should make formal communication networks more effective to increase job satisfaction among employees.

Improving the factor of promotion: (Q2: PR_k) Promotion in an organization directly affects pay rise of employees. It is motivation for employees to obtain job skill development to work better and help employees to gain reputation and social positions. Therefore, management should create fair opportunities for employees to get higher positions in the organization and pay attention to internal promotion by selecting well-qualified employees from within the organization for open positions.

Improving the factor of coworkers: (Q7: CW_k) Employees would like to work with friendly, cheerful, helpful and enthusiastic colleagues. They want to receive mutual support, assistance, and encouragement, cooperation in their jobs, understanding, and sympathy. They wish to learn, share and exchange experiences with one another. Thus, management should create an open and friendly atmosphere at work for

employees to get chances to work together, support and cooperate with one another. Further, management should create a supportive working environment to help workers have good conditions to be close to one another in order to share working experiences through social and outdoor activities or team building activities.

Improving the factor of training opportunities: (Q11: TO_ka, TO_kb) Employees wish to have training courses in professional skills. They also would like to join courses in languages, information technology, communication and correspondence. For this reason, organizations should create training opportunities for employees to join by providing them with training courses or workshops on the development of career skills, and communication skills so that they can work better in their working environment. Management should encourage employees to take part in some courses in languages and computing by offering them some course fees and rewarding any employee who gets a certificate or a degree.

6. Conclusion

The present research indicates six factors that influence employees' organizational commitment. In order to keep employees staying longer in their organizations the employers should realize that it is the workforce that helps them to survive. Thus, they should take special care of employees by modifying and specifying the company policies and plans in terms of employee job

satisfaction that aim at increasing the level of job satisfaction and reducing level of dissatisfaction with work among employees. If this is done, it is certain to reduce the level of employee turnover. Therefore, companies need to put kinds of benefits, allowances, rewards, insurances and payment into company policy for employees.

Moreover, some organizations do not pay or increase salary or wages on schedule or refuse to pay types of insurance for employees. As a result, employees have to leave their companies. In addition, employees are people who work hard for employers to earn living by monthly pay, benefits

and insurance from their workplace. Therefore, they need to be ensured to have a stable life to satisfy their need for existence, relatedness, and growth. All of these come from their workplace. However, they need to realize fully their responsibility for work assigned. They need to obey the regulations of their organization, work with responsibility and high productivity, and be loyal to the organization. When conflicts of rights and benefits come up, it is necessary to discuss with the local Trade Union leaders, and management to find out the best solutions to the problems involved.

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**NHỮNG YẾU TỐ CỦA SỰ THỎA MÃN CÔNG VIỆC TÁC ĐỘNG ĐẾN
SỰ GẮN KẾT CỦA NGƯỜI LAO ĐỘNG ĐỐI VỚI CÁC DOANH NGHIỆP
TRÊN ĐỊA BÀN TỈNH ĐỒNG NAI, VIỆT NAM**
TÓM TẮT

Sự thỏa mãn công việc đóng một vai trò quan trọng trong các doanh nghiệp vì nó ảnh hưởng đến quyết định ở lại lâu hơn hay ra đi sớm hơn của người lao động. Nếu một công ty có nhiều lao động bỏ việc, nó sẽ có ảnh hưởng tiêu cực đến việc sản xuất, hoạt động kinh doanh cũng như lợi nhuận của công ty. Vì vậy, nghiên cứu này nhằm mục đích tìm kiếm những yếu tố quan trọng nào của sự thỏa mãn công việc ảnh hưởng đến sự gắn kết của người lao động với các doanh nghiệp. Trong nghiên cứu này, phương pháp nghiên cứu định lượng sử dụng phiếu điều tra gồm 52 câu hỏi với 5 lựa chọn nhằm tìm ra mối quan hệ giữa hai biến: thỏa mãn công việc và gắn kết với doanh nghiệp. Ngoài ra tác giả đã sử dụng 12 câu hỏi mở nhằm thu thập ý kiến người lao động để tìm ra các giải pháp giúp doanh nghiệp giữ chân người lao động. Kết quả nghiên cứu cho thấy có 6 yếu tố của biến thỏa mãn công việc được tìm thấy có liên quan đến biến gắn kết với doanh nghiệp. Dựa trên những phát hiện trong nghiên cứu, tác giả đã đưa ra một số khuyến nghị nhằm nâng cao sự gắn kết của người lao động với các doanh nghiệp.

Từ khóa: *Sự thỏa mãn công việc, sự gắn kết với tổ chức, yếu tố quan trọng, doanh nghiệp.*