

“Cannot make an omelet without breaking a few Eggs” Employee Satisfaction (ES) and Employee Commitment (EC) in bringing Organisational Effectiveness (OE) on Public Sector banks in Odisha

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ABSTRACT

Employees Satisfaction and Employees Commitment has developed as a well-known hierarchical idea lately in the present globalized economy, where everybody is endeavoring hard to accomplish greatness. Satisfaction assumes a significant job towards inspiration coming about improvement in the productivity conceivable outcomes of the employees. Likewise, It has been constantly a matter of challenge to get committed employees. Every organisation endeavors to acquire hierarchical adequacy. The objective of this study is to assessing the role of Employee Satisfaction involvement in the relationship among Employee Commitment and Organisational Effectiveness in public sector banks of Odisha. Research method is descriptive as well as explorative in nature. Technique for information assortment is field and device of information assortment is poll strategy. Information was assembled from 143 administrative and non-administrative workers from a reputed public sector bank in Odisha. The paper concentrated on different components of employee satisfaction, employee commitment and organizational effectiveness. Based on results of statistical analysis the current study contributes to theory and practice with an impact of Employee Satisfaction (ES) on Employee Commitment (EC) and Organizational Effectiveness (OE).

KEYWORDS: Employee, Satisfaction, Commitment, Outcomes, Effectiveness, Important, Excellence, Enhancement.

INTRODUCTION

Employee satisfaction (ES) and employee commitment (EC) are two important factors that influence organisational effectiveness (OE) in any sector. ES refers to the degree to which employees are happy and satisfied with their work environment, compensation, benefits, recognition, and opportunities for growth. EC refers to the degree to which employees are loyal, dedicated, and willing to contribute to the organisation's goals and values. OE refers to the degree to which an organisation achieves its desired outcomes, such as productivity, profitability, customer satisfaction, and social responsibility.

Public sector banks in Odisha are facing various challenges, such as competition from private and foreign banks, digital transformation, regulatory compliance, and customer expectations. To cope with these challenges, public sector banks need to improve their OE by enhancing their ES and EC. This can be done by adopting various strategies, such as:

- Providing fair and competitive compensation and benefits to employees, based on their performance and contribution.
- Creating a positive and supportive work culture, where employees are respected, valued, and appreciated.
- Offering training and development opportunities to employees, to help them upgrade their skills and knowledge, and to prepare them for future roles and responsibilities.
- Encouraging employee participation and involvement in decision making, problem solving, and innovation, to foster a sense of ownership and empowerment.
- Recognising and rewarding employee achievements, both individually and collectively, to boost their morale and motivation.
- Communicating clearly and frequently with employees, to share the organisation's vision, mission, goals, and values, and to solicit their feedback and suggestions.
- Building trust and commitment among employees, by being honest, transparent, and ethical, and by honouring the promises and commitments made to them.

By implementing these strategies, public sector banks in Odisha can improve their ES and EC, which in turn can lead to higher OE. This can help them gain a competitive edge, and to serve their customers and stakeholders better. However, these strategies may also involve some costs and risks, such as:

- Increasing the financial burden on the organisation, due to higher salaries, bonuses, incentives, and benefits for employees.
- Facing resistance and conflict from some employees, who may not agree with or adapt to the changes and initiatives introduced by the organisation.
- Losing some employees, who may seek better opportunities elsewhere, or who may not fit in with the organisation's culture and values.
- Exposing the organisation to external threats, such as cyberattacks, fraud, and corruption, due to increased reliance on digital platforms and systems, and increased access and authority given to employees.

Therefore, public sector banks in Odisha need to balance the benefits and costs of improving their ES and EC, and to monitor and evaluate their impact on their OE. They need to be flexible and responsive, and to adjust their strategies according to the changing needs and expectations of their employees, customers, and stakeholders. As the proverb says, "Cannot make an omelet without breaking a few eggs", public sector banks in Odisha need to be willing to take some risks and make some sacrifices, in order to achieve greater results and outcomes.

Relevance of the Study

Public sector banks are finding it difficult to meet the challenges thrown by environmental factors that have undergone sea changes due to recent economic liberation measures announced by the Government. Thus, to exist in the market and trying to become market leader, few aspects are to be taken care of like cost of service, quality of service, proper market demand, and more productivity. This can be possible if employees are satisfied, committed, involved in job. Employee Satisfaction is the sense of contentment employees experience in and at their work. Satisfied employees add positive value to an organization. This has become a challenge to Human Resources Management. In view of the established findings and theoretical explanation of the possible nexus between Employee Satisfaction, Employee Commitment and Organizational effectiveness, the researcher would try to find the relevance of this study in the Indian context.

Review of literature

Much organization especially the big ones are finding it difficult to meet the challenges thrown by environmental factors that have undergone sea changes due to recent economic liberation measures announced by the Government. Thus, the only area for showing dexterity for cost reduction now lies in Human Resources Management. Employees can make or break an organization. "Good employees can produce extraordinary results while marginal employees can drag and keep the organization down." Still, many employers underestimate the significance of employees (Deal, 2005).

Table 1: Summary of Findings & Gaps from Literature Review

Year	Author	Findings
Employee Satisfaction (ES)		
1976	Weiss et.al (MSQ)	Satisfaction is primary indicator of Work adjustment
2013	Vipul Chalotra	Employees satisfaction is now days considered as a brand i.e. a promise to provide more employee satisfaction than the competitors.
1980	Hopkins, Vaden, and Vaden	Employee satisfaction and employee performance are inter related
1996	Baxter W. Graham	Unhappy employees are less productive and more likely to have higher absence rates
1997	Hunter & Tietjen,	Employees are more loyal and productive when they are satisfied

2005	Mroczek and Spiro	Married men have higher life satisfaction than the never married ones
2008	Moyes, Shao, & Newsome,	Employee satisfaction may be described as how pleased an employee is with his or her position of employment
2011	P. Kanchana & A. Panchanatham	Determining the quality of work life (QWL) of employees is an important consideration for employers interested in improving employees' job satisfaction and commitment
1988	Trombetta and Rogers	when employees were happy, they wanted participation in decision-making
1997	Taylor & Cosenza	Employee satisfaction, also affects the corporate culture of a company
Employee Commitment (EC)		
2014	Dwivedi et. al	Commitment of employees is particularly sensitive to organizational culture
1997	Morrison & Robinson	Employee commitment is highly influenced by the level of motivation. Without motivation, the workers feel short-changed; they feel as if they have nothing much to work for
2010	Ali I., Rehman K., Ali S.I., Yousaf J. and Zia M	employee commitment is an antecedent determinants of workers' performance
1997	Taylor & Cosenza	Employee satisfaction to Organizational Commitment, found that both the factors are closely related
1998	Biswas	Employee Satisfaction is a predictor of Employee Commitment
2003	Ozdevecioglu,	Employee satisfaction is one of the basics of organizational citizenship behavior
2003	Sue Hayday	Staff Commitment is the Key to an Improved Performance
2005	Rajendran et.al	Organizational commitment is the subset of employee commitment,
2007	Abdullah et. al	job satisfaction can influence an employee's commitment
1990,2001	Allen Mayer (TCM)	Commitment is a link with turnover; employees who are strongly committed are those who are least likely to leave the organization.
Organization Effectiveness (OE)		
2011	Malik et.al	Employee performance has a positive relation with organizational effectiveness

2011	Kapoor	Employees Satisfaction reduces job stress and consequently enhances organization effectiveness
2010	Hunjra	Commitment employees are highly motivated to contribute their time and energy to the pursuit of organizational goals
2010	Akintayo; Tumwesigye	organization depend on committed employees to create and maintain competitive advantage and achieve superior performance
1998	Ruth Davidhizar and Ruth Shearer	Increases in job satisfaction lead to increases in employee morale, which lead to increased organizational effectiveness
1999	Potterfield	satisfied employees affect the customer satisfaction and organizational productivity
2003	IESR	Employee commitment had a higher correlation to customer satisfaction than employee satisfaction
2003	Stefan Stern	Employee commitment had twice the impact of employee satisfaction on customers retentions
2004	Biljana Dordevic	High levels of commitment lead to several favorable organizational outcomes
2009	Richard et. Al	Organizational effectiveness captures organizational performance (internal & External)
1983,2005	C.N..Daftuar (OES)	Better Job Involvement & Organizational attachment improves organizational performance

Conceptual Framework

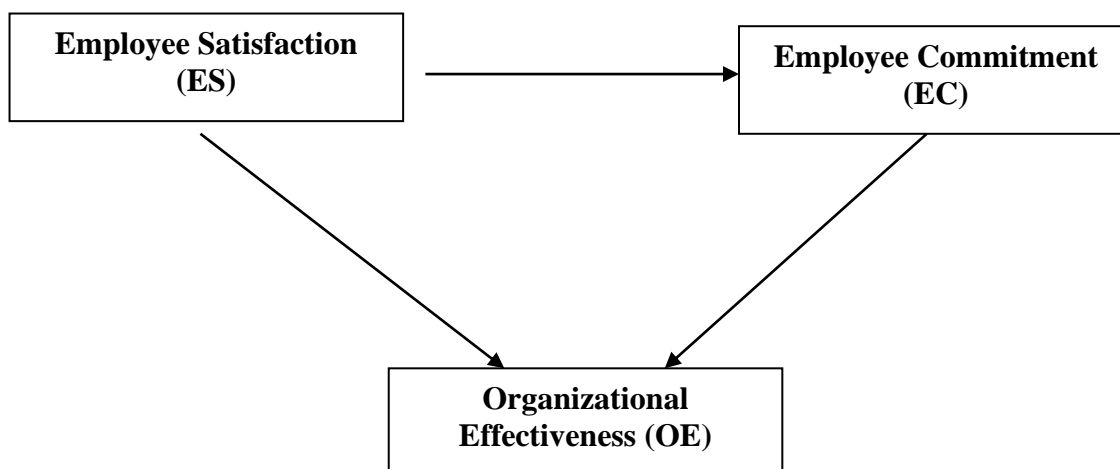


Fig.1: Proposed Model of the Study

Objectives of the Study

The main objectives of the study are as follows:

- a) To find out the role of Employee Satisfaction on Organizational Effectiveness (OE) and
- b) To study the impact of Employee Commitment (EC) on Organizational Effectiveness (OE).
- c) To measure the role employee Satisfaction (ES) on Employee Commitment (EC) and its subsequent impact on Organizational Effectiveness (OE).

Research Methodology

The methodology of this study is exploratory in nature and is deemed appropriate for the purpose of this research. The research methodology used in this paper is based on review of literature and focuses mainly on literature on employee job satisfaction, employee commitment and organizational effectiveness. The purpose is to offer an overview of significant literature published on these topics as an initial investigation that may lead to further research and contribution in these fields. The review aims to provide an understanding of issues, unresolved questions and difficulties and highlights some factors that may contribute to the success of job satisfaction for employees, employee's commitment and its connection to organizational effectiveness.

After determination of the most appropriate segmentation for the study, A structured questionnaire designed in three part as;
Part A: Employee Satisfaction (ES),
Part B: Employee Commitment (EC) and
Part C: Organizational Effectiveness (OE).

The assessment Instrument for Part A - Employee Satisfaction, is modified Minnesota Satisfaction Questionnaire (MSQ) developed Weiss et al.'s (1967). From the MSQ "long form" we have chosen 23 items out of the 100 original item related to banking sector. Employee Satisfaction. Some dichotomous questions were modified to simple form keeping the view unchanged.

For Part B –Employee Commitment, TCM model scale developed by Allen and Mayor (1990) was used with 13 items to measure. The scale has been demonstrated to yield high reliability in those studies. As the questionnaire has gone through reliability and validity tests many times. Hence adopted directly.

For Part C - Organizational Effectiveness, measuring scale developed by Daftuar (1983) was used deleting a two construct (Job satisfaction and commitment) as these two aspects already included in Part A (Employee Satisfaction).

These, three assessment instruments were administered to a sample of 150 employees over a period of 2 months. Web based Google form facility was also availed to distribute questionnaire. After final collection, 143 questionnaires were taken for the data analysis since 7 questionnaires has been dropped on the basis of some errors. The data from all these three instruments was consolidated in MS Excel format. Data set was fed to IBM SPSS- AMOS for analysis.

Sources of data

A quantitative research design was deemed appropriate, primarily because of the explanatory nature of the study. It allowed for the precise and objective measurement of the dimensions of the constructs of employee satisfaction, employee commitment and organization effectiveness.

Sampling Method

Simple random probability sampling method is used for data collection. Data is collected from both executives and non-executives' employees. The selected organization are from public sector banks of Odisha government. After specifying the sample, we have formed the survey instrument (consisting in 3 parts) and searched for the potential participants to distribute the questionnaire. Around 150 questionnaires were distributed through personal contact as well as through branch manager of Cuttack and Bhubaneswar. Some of them refused to give their opinion, some of them did not respond although they have accepted the questionnaire to give their feedback.

To analyze the data, the descriptive analysis such as mean, percentage, standard deviations, reliability coefficients and inferential analyses such as structural equation model have been used. All variables were tested for outlier, missing data and normality.

DATA ANALYSIS

The primary data is obtained through a well framed questionnaire circulated among the staff of State Bank of India. The questionnaire comprises of personal and organizational details to be filled by the respondents. In particular the study ascertains the age, marital status, qualification, experience and income of the respondents. The percentage analysis is applied to identify different categories of staffs with different personal and organizational backgrounds.

Table 1: Demographic Profiles of the Respondents (N=143)

Items		Frequency	Percent	Cumulative Percent
Sex	Male	109	76.2	76.2
	Female	34	23.8	100
	Others	0	0	100
	Total	143	100	
Marital Status	Married	78	54.55	54.55
	Unmarried	65	45.45	100
	Total	143	100	
Age	Below 25 yrs	3	2.1	2.1
	26–40 yrs	13	9.1	11.2
	41–50 yrs	52	36.36	47.56
	50 yrs and above	75	52.45	100
	Total	143	100	
Current Position in the Organisation				
	Supervisory	56	39.16	39.16
	Assistant manager	25	17.48	56.64
	Deputy Manager	35	24.48	81.12
	Manager	20	13.99	95.11
	Others specify	7	4.9	100
	Total	143	100	
Qualification	Below graduate	10	6.99	6.99
	Graduate	64	44.76	51.75
	Post graduate	46	32.17	83.92
	Professional degree	23	16.08	100
	Total	143	100	
Annual Income	Below 5 lakhs	56	39.16	39.16
	5 - 10 lakhs	60	41.96	81.12

	10 - 20 lakhs	20	13.99	95.11
	20 lakhs and above	7	4.9	100
	Total	143	100	

From the above table (Table 1), it was found that majority of the respondents are male 109 (76.2 per cent) and female was very few in no.s i.e. 34 (23.8 per cent). Similarly in marital status, maximum of the respondents are married 78 (54.55 percent) and unmarried 65 (45.45 percent). In age category of the respondents, maximum of the respondents i.e. 52.45 percent of the respondents are in the age group of 50 years and above followed by 36.36 % of respondents are in the age group of 41 to 50 years of age respectively. Further, in position wise, majority of the respondents are in supervisory level 39.16 percent followed by deputy manager 24.48 percent. Few are in the position of assistant manager 17.48 percent and manager level 13.99 percent. In qualification level maximum of the respondents are graduates 44.76 per cent, then coming post graduate which constitute around 32.17 per cent and professional degree 16.08 per cent.. In annual income, majority of the respondents are having income between 5 to 10 lakhs 41.96 percent followed by below 5 lakhs 39.16 percent.

Reliability and Validity

After reviewing table 2, it can be concluded that the items used in the questionnaire are internally homogenous and consistent (Cronbach's alpha value >0.8). At the same time, all items that validated the questionnaire were good. Therefore, all the factors and variables in the questionnaire are significant for the study.

Table 2: Reliability Statistics (N = 59)

Cronbach's Alpha	N of Items
0.851	59

Further, the combined Cronbach's Alpha, values were above 0.7, which indicated good consistency of the scale.

Testing of combined model (ES-EC-OE)

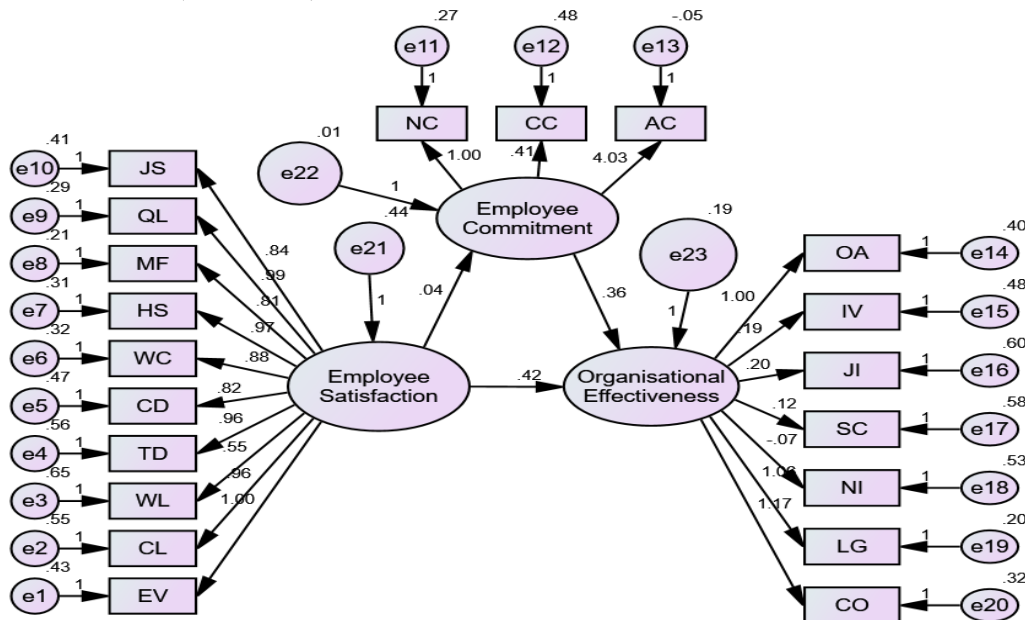


Fig. 2: Structural Equation Model (SEM) of Satisfaction, Employee Commitment, and Organisational Effectiveness

JS – Satisfaction on the Job, **QL** – Quality of Life, **MF** – Motivational Factor, **HS** – Health & Safety Factor, **WC** – Working Condition, **CD** – Career Development, **TD** – Training & Development, **WL** – Work Life Balance, **CL** – Company Leadership, **EV** – Ethics & Value

AC – Affective Commitment, **CC** – Continuance Commitment, **NC** – Normative Commitment

CO – Consensus, **LG** – Legitimation, **NI** – Need for Independence, **SC** – Self-control, **JI** – Job Involvement, **IV** – Innovation, **OA** – Organisational Attachment

For construct adequacy and discriminate validity of the test of employees perception towards satisfaction, commitment and effectiveness of the power industry, confirmatory factor analysis through AMOS was used to test whether the observed measures were associated with their respective constructs. The fit of the model was examined and verified, that each indicator loaded significantly with its intended construct. Then the discriminate validity of the test of three parameters ES, EC and OE was assessed by testing model that constrain the association between latent constructs and using a chi-square test of the difference in fit between the model with unconstrained association. In the above model, Chi-square=532.056, df = 28, $p < 0.001$, CFI=0.951, NNFI=0.93, RMSEA=0.051, provided a good fit to the data (Browne and Cudek, 1993; Hu and Bentler, 1999). Each item loaded significantly with its intended construct, as evidenced by the t-values greater than 6.70 ($p < 0.01$).

Role of Employee Satisfaction (ES) on Employee Commitment (EC) and Organisational Effectiveness (EC)

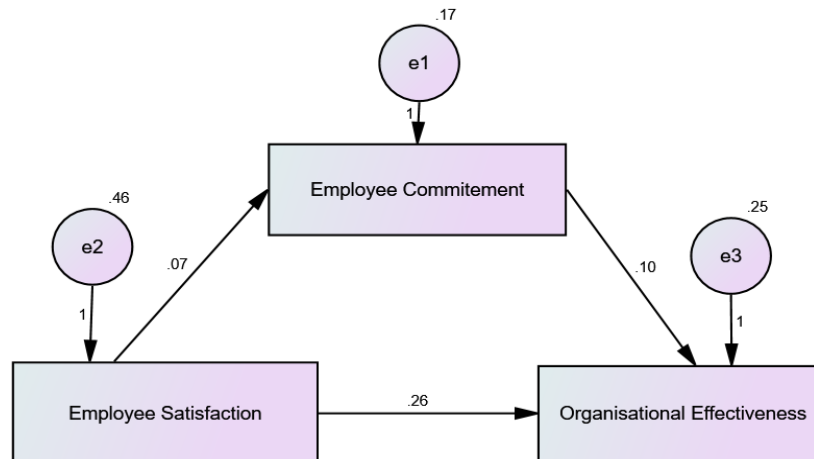


Fig. 3: Path analysis model (SEM)

Results portrayed that employee satisfaction and employee commitment were positively and significantly correlated with organizational effectiveness. Through Employee Satisfaction (ES) there is an Employee Commitment (EC) and Organisational Effectiveness (OE).

Further, in the above SEM structure, employee satisfaction has a greater impact on organizational effectiveness than employee commitment. Since the model coefficient is coming higher in case of organizational effectiveness (0.26) than in employee commitment (0.07).

Further, Employee commitment is one of the important aspect of business organizations that can enhance organizational performance and reduces job burnout, turnover intention and workload. Highly committed employees diminish the probability of turnover intention and work harder to attain expected results. Further in this scientific epoch, these employees work for the organizational efficiency and development.

SUMMARY AND CONCLUSION

The study concludes the results as follows: (a) Employee Satisfaction is positively and significantly affected Employee commitment. It implies if employees are satisfied with their job and towards the organization it can create positive organizational commitment and further promote job performance. Besides, employees can always increase organizational commitment by providing rewards to induce employees to work hard; (b) organizational commitment has a positive effect on job performance. It reveals that employees are willing to stay and devote themselves to accomplishing job objectives because they have the same values and goals within the organization. It signalizes that employees have to notice the connection and influence of organizational commitment to employees. As employees have organizational commitment, their productivity will increase and so is job performance. This demonstrates that transformational style is an important variable in enhancing employees' commitment, which means employees working harder. Considering the importance of Employee Satisfaction and affective organizational commitment in the said organisation, it is recommended for the organization that management should provide the groundwork for implementing a good environment for employee satisfaction. Thus, both the affective organizational commitment and organizational effectiveness of employees would enhance.

Further, because of employee satisfaction, employee commitment will happen and which results in organizational effectiveness. The study concludes the results as follows: (a) Employee Satisfaction is positively and significantly affected to Employee commitment. It implies if employees are satisfied with their job and towards the organization it can create positive organizational commitment and further promote job performance. Besides, employees can always increase organizational commitment by providing rewards to induce employees to work hard; (b) organizational commitment has a positive effect on job performance. It reveals that employees are willing to stay and devote themselves to accomplishing job objectives because they have the same values and goals within the organization. It signalizes that employees have to notice the connection and influence of organizational commitment to employees. As employees have organizational commitment, their productivity will increase and so is job performance. This demonstrates that transformational style is an important variable in enhancing employees' commitment, which means employees working harder. Thus, both the affective organizational commitment and organizational effectiveness of employees would enhance.

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