

# **The Relationships among Organizational Climate, Job Satisfaction and Organizational Commitment in the Thai Telecommunication Industry**

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# Introduction

- Telecommunication business plays an extremely important role in the development of the country
- The government decided to encourage private enterprises to participate in the service under provisions in the 6th and 7th National Social and Economy Development Plans.
- In 1997, an independent organization to regulate and control the Telecommunication enterprises by establishing the National Telecommunication Committee (NTC)
- The General Agreement on Trade Services of the World Trade Organization

- In competitive circumstance, customer satisfaction is the significant factor to achieve service business success (Kim,Leong,Lee,2005).
- Brady, Cronin (2001). The company that emphasizes customer services must face and meet customer expectations. They relate to the employees service ability, the products quality, and services environment.
- (Gronroos, 1984) and (Parasuraman et al., 1985 ) Brady & Cronin(2001) gave service's quality details as 3 factors: 1. The Services 2. Human relations and 3. The quality climate.
- The technicians are the customer contact point is the essential factor towards customer satisfaction.
- From the study, this issue will be a guiding principle for Telecommunication business top executives and Human Resource department to apply in order to improve the organization and to be good consequence for employees also.

- **Scope of study**

- The research studied Telecommunication technician behavior in Thailand private enterprise at Bangkok Metropolitan and greater areas.

- **Hypothesis**

- The 1st : The positive relationship of technicians' perception in organizational climate effect to organizational commitment.
- The 2nd : The positive relationship of technicians' perception in an organizational climate effect to job satisfaction.
- The 3rd : The positive relationship of technicians' perception in job satisfaction effect to organizational commitment.
- The 4 th : The positive relationship of technicians' opinion in an organizational climate through job satisfaction effect to organizational commitment.

# Literature reviews

## Organizational Climate

Employees' attitude towards their organization which has great impact towards their working ways and contributions; in consequence organizational climate causes organization performance because this relates directly to employees' motivation. Employees perception to organization as defined in six factors Stringer (2002):

- **Structure** : means employees understand clearly about their duties and responsibilities including each rank decision power.
- **Standards** : means employees take their efforts to develop their working quality to proud levels toward quality working.
- **Responsibility** : reflects the employees' feeling in term of courage used in problem solving without taking into consideration of decisions of others..
- **Recognition** : reflects the feeling of employees who receive rewards, blame and appropriate punishment. In addition to this includes balance and consistency.
- **Support** : the trust and the contributing to share with one another as a working team and colleagues and the ability to get the chief's assistance, whenever it is needed.
- **Commitment** : reflects the employees' feeling in sense of integration to the organization and commitment level towards the objectives of the organization.

# Organizational commitment

- Meyer and Allen (1990) developed an organizational commitment measurement model called Allen and Meyer Three Components Model :
  - 1. Continuance commitment is the type of commitment that someone feels lost when they resigned from the organization.
  - 2. Affective commitment is the type of commitment that someone feels to be one part of the organization and commits towards the organization objectives.
  - 3. Normative commitment is the type of commitment when someone feels moral commitment as the obligation feeling that the organization advocating in employee mind.

- Babakus, Yavas, Karatepe, Avci, (2003) found that organizational commitment is the essential factor in developing the employees service ability toward customers.
- Jack, F., P. B. Dennis, et al. (2007) found that organizational commitment is highly effects organization performances, strikes, working results, and turn over.
- Wim, J. N., J. d. J. Margriet, et al.(1998) studied the commitment that the employees feel towards the organization is essential organizational tool and has a positive results in quality, the relationship to customers, communications, decreases sick leave in the executives' viewpoint. In employees viewpoint, found that this affects the positive working process adjustment and creates innovation.

# Job satisfaction

- The study of Job Satisfaction was found to be an essential factor towards to develop the employees' service ability and still strongly affected the quality of service (Babakus, Yavas, Karatepe,Avci, 2003).
- Locke, E. A. (1996) defined job satisfaction as a satisfactory emotion level that results from the success of the appraisalment working value.
- Mulige,Mueller,(1998) found that working environments affect job satisfaction level.
- Snipes, Oswald & Armenakis, (2004) explained that Intrinsic factors effect job satisfaction more than extrinsic factors except in rewards or aspects gained.
- Karatepe et al, (2006) job satisfaction encouragement is the role to keep employees in long term employment.



# Organizational Climate, Organizational Commitment, and Job Satisfaction relationship

- The Organizational climate is positive affects job satisfaction in the term of the higher the climate is; the higher the job satisfaction (Mahajan, Churchill, Ford, & Walker, 1984), (Putti & Kheun, 1986),(Gratto, 2001).
- There are many studies results: organizational climate is positive affects to the commitment relationship towards organization. The better organizational climate is, the more organizational commitment (Clercq & Rius, 2007), (Pati & Reilly, 1977), (Ruth, 1992)
- Service industry study in hotel business as in Taiwan shows a positive relationship in job satisfaction that has effects positive organizational commitment. (Yi-Jen, 2007)
- Employees' job satisfaction and organizational climate variables still effect towards organizational commitment as in (DeCotiis & Summers, 1987), (Welsch & LaVan, 1981) study.

# Methodology

- **Population and Sample Groups** : private telecommunication enterprise in Bangkok area under the sample groups which is quota randomly drawn.
- **Survey Design** : the questionnaires had been translated from English into Thai and the translation back had been rechecked for accuracy (Sperber, 2004).
- The questionnaires were taken to panel of qualified persons to assess Validity of the questionnaires by Index of item Objective Congruence: IOC. The panel of experts consisted of two professor in related Human Behaviors study and another two PhD who are an executive in Human Resources development division and has experiences in private Telecommunication enterprise.
- Using in depth interviewing with ten technicians for assessment to the technician understood the questions and adjustment had to be made in order to reach the clearly understanding of the questionnaire.
- A pilot survey with thirty technicians.

## Research Instruments

- All are in the type of points ranking as Likert-scale under the highest rank is 5 points and the lowest rank is 1 point. The questionnaire is applied from questionnaires used in the previous studies.
- The organizational climate measurement questionnaire is applied from Organizational climate Measure (OCM) (Malcolm, et al., 2005) under 4 quadrants as Human Relations, Internal Process, Open systems, and Rational Goal. The questionnaires reliability test result by Cronbach's alpha is higher than 0.73 in all aspects.
- Under ACNCS (Affective, Continuance, and Normative Commitment) Commitment Scale the adjustment to measure the organizational commitment was developed by Meyer and Allen (1997). Its contents are: 1. affective commitment, 2. continuance commitment, 3. normative commitment.
- The questionnaire is for measurement the job satisfaction that are applied from Measure of job satisfaction (MJS). It was developed by (Michael Traynor, 1993) under five aspects measurements as Personal Satisfaction, Satisfaction with Workload, Satisfaction with Professional Support, Satisfaction with Training, and Satisfaction with Pay and Prospects which have Cronbach's alpha degrees of questionnaires reliability at higher than 0.84 in all aspects.

## Research Results

- **Data Reliability Test**

- 1200 questionnaires were taken to Telecommunication enterprise Human Resources Development Division in Bangkok area on December 2008. A number of 840 respondents returned the questionnaires on March 2009, representing 70% of the total questionnaires.
- The sample data from questionnaire collection, their value of Cronback's Alpha reliability are 0.85, 0.80, and 0.94 respectively which are high and acceptable.

- **Demographic Profiles.**

- The majority of respondents were male 99.4 percents and 0.6 percents were female.
- Most of the respondents were in the age range of 56.0% 31-40 years.
- The marital status of respondents 46.6 % single and 53.4 % married.
- The majority of respondents educational level were 62.1 % diploma, 37.4 % Bachelor degree.
- The most of respondents work at Zone Operation Dept. 61.3 %, 16.3 % Network Construction Dept., 11.9 % Public Phone Dept, and 10.6 % Inside Plant Department respectively.

# ANOVA analysis And t-test

- **Organizational Climate**

on t-test and ANOVA test no significant differences in demographic profiles effect to organizational climate.

- **Organizational commitment**

-In difference position level, the t-value reach the significant level ( $<0.05$ ). This confirmed that the organizational commitment is impacted by position level. The mean senior technician has higher organizational commitment than technician.

-This clearly confirms there are significant difference in organizational commitment among technicians at different levels of education, salary, service years in current company and all service years.

-In education level, lower education technician has higher commitment and higher salary level, service years in current company and service years after graduation has higher commitment.

## **Job satisfaction**

- In education level are clearly difference on the job satisfaction in telecom technicians field (F-value = 4.85, p-value = 0.008). The higher education level is less job satisfaction among telecom technicians.

- **Path Analysis**

This research is developed towards path structure model. Under the hypothetical setting which is set from the previous studies. The objective is the structural validity testing in order to confirm the path structure relationship follow the theory indicates.

- To determine the size and direction of both direct and indirect effect of various factors under the confirmed structural. It comprises three latent variables as the organizational climate, the organizational commitment and the job satisfaction including twelve observed variables.
- The path analysis model of two exogenous variables effects towards the organizational commitment in consist of the organizational climate and the job satisfaction.
- The organizational commitment variables is measured by three observed variables as Affective Commitment, Continuance Commitment, and Normative Commitment.

- The organizational climate latent variables are measured by four observed variables as Human Relations, Internal Process, Open System, and Rational Goal.
- The job satisfaction latent variables are measured by five observed variables as Personal Satisfaction, Satisfaction with workload, Professional Support, Pay and Prospects, and Satisfaction with Training.
- The researcher analyzed the path relationship's the model fitness with LISREL 8.80 (Linear Structure Relationship). PRELIS is used to prepare the covariance data.
- LISREL 8.80 (Linear structure Relationship) estimated parameter value in path analysis model . There is the effect analyzing towards each variable that effect other variables as direct effect, indirect effect, and total effect.
- Factor loading is regression coefficient value will be measured the latent variable can be predicted by the observed variables and path coefficient value shows the effect between the latent variables.



**Table 1. Construct Reliability of latent variable ( $\rho_c$ ), Average Variance Extracted ( $\rho_v$ ) and Reliability of observed variable ( $R^2$ )**

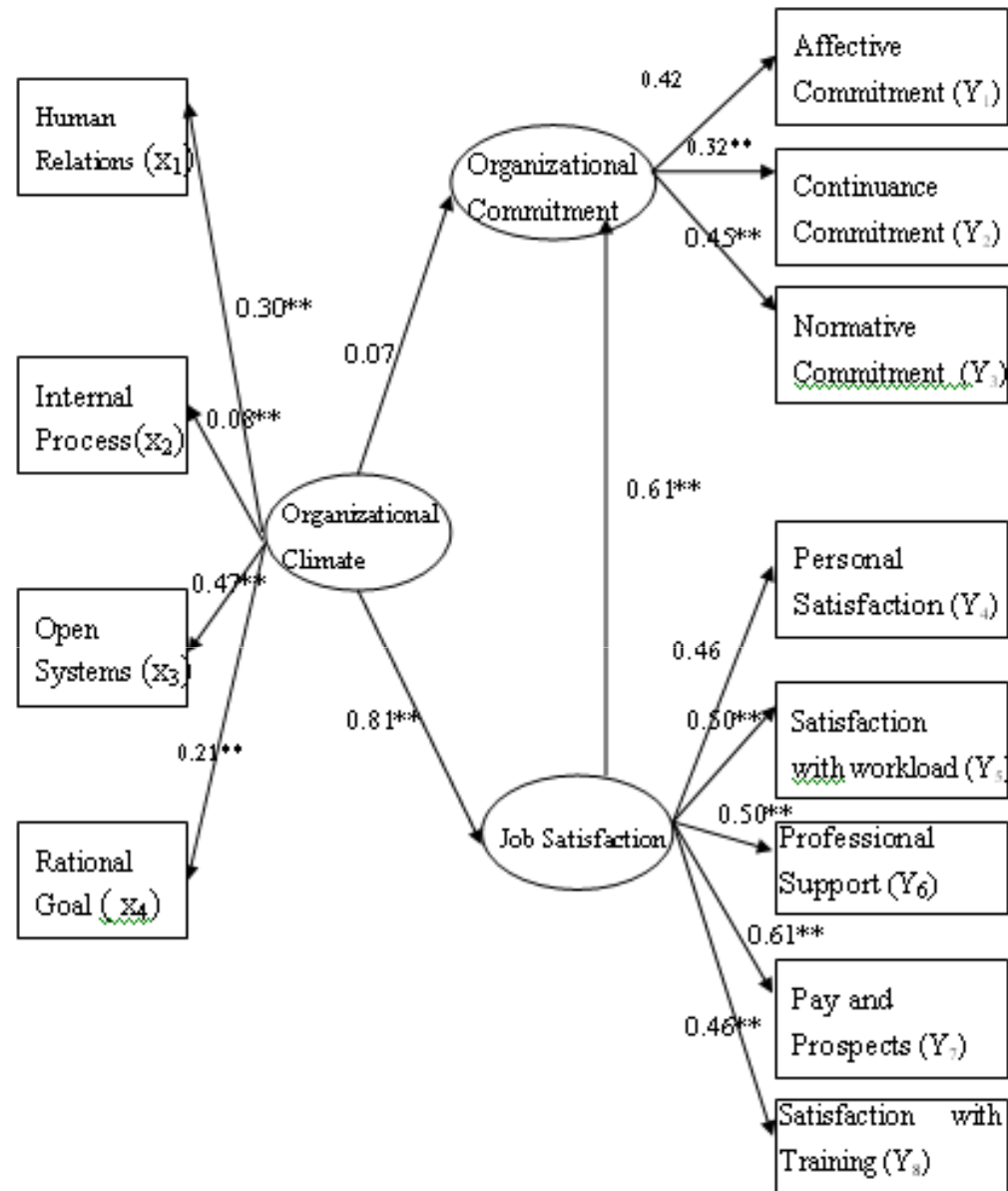
Latent Variables	Observed Variables	$\rho_c$	$\rho_v$	$R^2$
Organizational Climate		0.324	0.416	
	Human Relations			0.51
	Internal Process			0.03
	Open Systems			0.77
	Rational Goal			0.35
Organizational commitment		0.755	0.511	
	Affective Commitment			0.49
	Continuance Commitment			0.35
	Normative Commitment			0.69
Job Satisfaction		0.926	0.715	
	Personal Satisfaction			0.80
	Satisfaction with Work			0.78
	Professional Support			0.76
	Pay and Prospects			0.71
	Satisfaction with Training			0.53

# Path Analysis in Structural Equation Model

**Table 2. Regression analysis result in structural model**

Dependent Variables	R <sup>2</sup>	Effect	Independent Variables	
			Organizational Climate	Job Satisfaction
Organizational Commitment	0.46	DE	0.07	0.61**
		IE	0.50**	0.00
		TE	0.57**	0.61**
Job Satisfaction	0.65	DE	0.81**	
		IE	0.00	
		TE	0.81**	

DE = Direct Effect, IE = Indirect Effect, TE = Total Effect, \*p<0.05, \*\* p<0.01



**Figure 1. Result of path analysis effect to Organizational commitment**

# Conclusion

- Goodness of fit index (GFI) = 0.99, Adjusted Goodness of Fit Index (AGFI) = 0.98, Root mean square error of approximation (RMSEA) = 0.016, Chi-square = 36.03, Probability (P value) = 0.24, degree of freedom = 31, Relative Chi-square (Chi-square/df = 36.30/31 or = 1.17), Comparative fit index (CFI) = 1.00, Standardized root mean square residual (SRMR) = 0.34
- Total variables in model are able to explain the variance of organizational commitment equal 46 percentages by structure equation. Organizational Climate is able to explain the variance of job satisfaction equal 65 percentages.
- From empirical data studies using Structural Equation Model (SEM).
  - This research support the 2nd hypothesis: The positive relationship of technicians' perception in an organizational climate effect to job satisfaction.
  - The 3rd Hypothesis: The positive relationship of technicians' perception in job satisfaction effect to organizational commitment.
  - The 4 th Hypothesis: The positive relationship of technicians' opinion in an organizational climate through job satisfaction effect to organizational commitment.
  - But not support to the 1st Hypothesis: The positive relationship of technicians' perception in organizational climate effect to organizational commitment

# Managerial Implications

- The executives should clearly understand the factors that reinforce organizational climate, organizational commitment and job satisfaction. This study results provide knowledge of influence degree of each factor that impact to them building. This will support management to use the limited resources to strengthen factors that highly affect to build them.
- The factors of organizational climate which that companies should focus on is the open system factor including innovation and flexibility, outward focus, reflexivity. Human relations factor including autonomy, integration, involvement, supervisory support, training, welfare and. rational goal factor including clarity of organizational goals, efficiency, effort, performance feedback, pressure to produce, quality. The Internal process factor has minimal effect consist of formalization, tradition.
- For the organizational commitment, company should focus on
  - Normative commitment, company should strengthen by building positive relationships between employees and between companies with employees.
  - For affective commitment, to be created by let employees to realize the benefits that employees receive from their companies and the comparison to shows that no less than other company in the same industries.
  - The continuance commitment has less effect than other, company should reinforce with employees involved in the decision. Let employees are aware that their role and their importance to the company.

- Companies can enhance job satisfaction by creating personal satisfaction by enabling employees to work fully employees' competency. Let the employees understand the value in their job. Company should have been continuously developing employees' potential.
- Satisfaction with training, company should provide sufficiency training for their job and regular assess the knowledge needed to work.
- The factor of satisfaction with workload, company should allocate time suitable to workload.
- Satisfaction with professional support factor, company should provide well training for supervisor to coaching and supervise their subordinate and setup course for team building.
- Satisfaction with pay and prospects factor, company should have yearly salary evaluate compare other company in the same industry and develop career path for employees.

## Limitations

- Firstly, this search study is only for private business communications in the capital area in Thailand. This could not be compared to other businesses or other areas of the country.
- Secondly, this study covers a large organization that employs over than four thousand people. Generally a large company will have different characteristics from medium-small companies.

## Future Research Suggestion

- Firstly, Should analyze the comparison by different research methods in order to assess the research precision such as quality research for getting the deep viewpoints and having guidelines to implement and improve the organization's quality in each aspect.
- Secondly, Should conduct research in the private Telecommunication Organization's for each employees level.
- Thirdly, Should study the comparison in different organizations within the same industry such as in the organization which is public enterprises in order to comprehend in the difference and application.
- Finally, Should study and adjust the questionnaire for being higher validity in content and more reliability aspects.