

# Job Satisfaction and Organizational Commitment among Employees of Start-up Companies

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**Abstract:** *The objective of this study was to investigate the relationship between Job satisfaction and Organizational commitment among Start-up company employees and the influence of various demographic factors in these two variables. For this purpose, 182 employees were selected as a sample. And Organizational Commitment Questionnaire (OCQ) and Minnesota Satisfaction Questionnaire (Short Form) were used to collect data. After data collection, data were analyzed with appropriate statistical tools, i.e., ANOVA & Pearson's correlation coefficient. The results show that a statistically significant positive correlation exists between Job Satisfaction and Organizational Commitment among employees of Start-up companies. The study also found a significant difference in job satisfaction based on the salary level of employees.*

**Key Words:** *Job Satisfaction, Organizational Commitment, Start-up Company.*

## 1. INTRODUCTION:

In a technology-driven world, organizational objectives are largely being unique in the private sector. To produce maximum outcomes, Start-up companies are adopting a wide variety of functional and structural changes. Between all the chaos of the outer world and the stress and struggles inside the organization, the mental health of the youth suffers significantly. As the organization demands maximum commitment from the employees, it is doubtful that if their level of commitment is affected by the satisfaction, they are experiencing from their job role. Job satisfaction is defined as the degree to which employees have a positive affective orientation towards employment by the organization (Price, J. L., & Mueller, C. W, 1986). Whereas Organizational commitment is the extent to which individuals psychologically identify with their work organizations (Idris and Manganaro, 2017). Studies found the factors such as job characteristics (Bashir and Ramay, 2008), job satisfaction (Malik et al., 2010), and workforce stability (Nguyen et al., 2014) are influencing organizational commitment. Research results also revealed that job satisfaction was strongly influenced by the extent of task variety and the degree of participation in decisions, and that satisfaction increases when employees perceive certainty in future directions and outcomes of the organization and when perceive a positive work-group performance (Zeffane R. M, 1994).

In most of the studies investigating organizational commitment, in any field, a major construct being examined is job satisfaction. A study by Malik et al., (2010) revealed that the employees' commitment, increase effectiveness, and efficiency was influenced by both satisfying and dissatisfying factors, and these must be considered by administrators and policymakers to ensure productivity in organizations. Many scholars investigated the relationship between job satisfaction and organizational commitment and found a certain positive relationship between these two (Lumley et al., 2011). From the review of literature, it can be deduced that job satisfaction is a strong indicator of the organization's commitment from the employees' side irrespective of their context or work nature.

Some studies explored the influence of various demographic variables in Organizational Commitment and Job Satisfaction. The effects of personal characteristics/demographics on organizational commitment have been well documented. It was found that there was a significant relationship between organizational commitment, age, and the level of education (Labatmediene et al., 2007). Age, position tenure, and organizational tenure have also been shown to be important correlates of organizational commitment (Angle & Perry, 1981; Mathieu & Zajac, 1990; Mobley, Horner, & Stevens, Beyer, & Trice, 1978). Other demographic factors such as an employee's education, managerial level in the organization, and gender may also be related to the level of commitment they possess.

Various correlates of Job Satisfaction have also been studied. A survey report indicates that the majority of working adults, regardless of age, say they are either completely or somewhat satisfied with their current job. Younger workers, ages 18 to 34, are a bit less likely than those 35 years and older to say they are completely satisfied; 31% of 18- to 34-year-old workers are completely satisfied, compared with 40% among workers 35 years and older (Paul et al., 2012). The level of satisfaction with salary and the actual salary received were also found correlated to overall job

performances. Although there is a positive relationship between income and job satisfaction, there is a stronger association between satisfaction with income and job satisfaction (Charles, 2017).

Even though there are plenty of studies investigating the role of Organizational Commitment and Job Satisfaction among employees, fewer studies are exploring the role of these variables in Start-up companies that making this a unique one from most of the previous research. A Start-up or start-up is a company or project undertaken by an entrepreneur to seek, develop, and validate a scalable business model (Robehmed and Natalie, 2013). Startup companies can be considered as newly born companies that struggle for existence. These entities are mostly formed based on brilliant ideas and grow to succeed. But there are significant challenges a Start-up company has to face when it grows to the next level. The big challenge is the failure due to human resource management issues (Salamzadeh, 2015).

The present scenario is undoubtedly influencing the Start-up company structure and functions. As the COVID 19 pandemic struck, the existence of organizations underwent a profound change to follow the dynamics of business and market development (Mas’udi, 2020). This period will be highly crucial in determining the growth direction of any Start-up company. Organizations are certainly intended to have a more highly committed workforce because the research results show that organizational commitment leads to important outcomes such as decreased turnover, higher motivation, higher organization citizenship behavior, and organizational support (Kwon and Banks, 2004). Hence, managers could benefit from understanding the predictors of Organizational Commitment and Job satisfaction, and the relation between these two. It will help them initiate the interventions when the problem exists. They can adopt, for example, the appropriate leadership behavior to improve the level of organizational commitment and, in turn, the levels of job satisfaction and job performance (Yousef, 2000)

This study aims to provide answers to the following questions.

1. What is the relationship between employee satisfaction and organizational commitment?
2. To what degree do demographic factors influence employee satisfaction and commitment?

## 2. HYPOTHESIS:

- There is a significant relationship between Job Satisfaction and Organizational Commitment among employees of Startups.
- There is a significant difference in Job Satisfaction and Organizational Commitment based on Gender.
- There is a significant difference in Job Satisfaction and Organizational Commitment based on Salary.

## 3. MATERIALS:

Organizational Commitment Questionnaire (OCQ) constructed by Richard T Mowday and Richard M Steers consisting of a total of 15 items. Responses to each item are measured on a 7-point scale with scale point anchors labeled: (1) strongly disagree: (2) moderately disagree; (3) slightly disagree: (4) neither disagree nor agree: (5) slightly agree: (6) moderately agree: (7) strongly agree. A high score indicates high commitment, and a low score indicates low commitment in employees.

Minnesota Satisfaction Questionnaire (Short Form) was used to measure Job satisfaction constructed by Vocational Psychology Research, the University of Minnesota consisting of a total of 20 items measured on a five-point scale labeled: (1) Very satisfied (2) Satisfied (3) Neutral (4) Dissatisfied (5) Very Dissatisfied. A high score indicates high job satisfaction, and a low score indicates low job satisfaction.

### 3.1 SAMPLE:

The present study was conducted on a sample of 182 employees ranging from the age of 20 to 35 who are currently employed in any Start-up company in Kerala.

### 3.2 PROCEDURE:

The study was conducted on 182 employees from various Start-ups across Kerala. The sampling technique used was convenient sampling. The data were collected online using Google Forms. Before the data collection, the consent of the participants was taken, and have provided clear instructions regarding how to fill the form. The collected data were analyzed using ANOVA, post hoc Tukey test, and Carl Pearson correlation.

## 4. RESULT:

TABLE 1. Mean, S.D. & f-value of Job Satisfaction & Organizational Commitment based on Gender

VARIABLE	GENDER	PARTICIPANTS	MEAN	SD	SEM	DF	f VALUE
Job satisfaction	Male	102	76.53	13.11	1.29	179	0.31
	Female	79	77.34	18.02	2.02		
	Prefer not to s	1	88.00				

Job commitment	Male	102	72.95	15.51	1.53	179	1.22
	Female	79	75.98	16.60	1.86		
	Prefer not to s	1	89.00				

\*Significant at 0.05

Table 1 shows that there were 102 Males, 79 females and the Mean score of Male and females in organizational commitment and job satisfaction shows almost similar which reveals that there are no significant differences in job satisfaction and organizational commitment based on gender.

TABLE 2: Mean, S.D. & f-value of Job Satisfaction & Organizational Commitment based on Salary

VARIABLE	SALARY	PARTICIPANTS	MEAN	SD	SEM	DF	f VALUE
Job satisfaction	Below 10k	25	68.64	21.03	4.20	177	3.32**
	10k – 20k	70	75.48	14.39	1.72		
	20k – 30k	35	80.97	11.51	1.94		
	30k – 40k	21	80.33	17.26	3.76		
	Above 40k	31	80.12	12.24	2.19		
Job commitment	Below 10k	25	67.56	20.92	4.18	177	1.76
	10k – 20k	70	75.27	13.83	1.65		
	20k – 30k	35	75.00	14.45	2.44		
	30k – 40k	21	79.42	19.28	4.20		
	Above 40k	31	73.61	14.60	2.62		

\*\*Significant at 0.01

TABLE 3: Post hoc Analysis of Job Satisfaction based on Salary

	Below 10k	10k – 20k	20k – 30k	30k – 40k	Above 40k
Below 10k		-6.84571	-12.33143*	-11.69333*	-11.48903*
10k – 20k			-5.48571	-4.84762	-4.64332
20k – 30k				.63810	.84240
30k – 40k					.20430
Above 40k					

\*Significant at 0.05

Table 2 shows that an analysis of variance (ANOVA) on Job satisfaction yields significant variation among conditions,  $F(4, 177) = 3.32, p < .05.$ , while there is no significance on job commitment  $F(4,177) = 1.76$ . For Further clarification, post hoc analysis was also done. A post hoc Tukey test shows that Mean differences of the job satisfaction of employees paid less than 10k and who paid 20k to 30k (-12.33) 30k to 40k (-11.69) and above 40k (-11.48) groups differed significantly at  $p < .05$ . But not between any other groups indicate a significant difference.

TABLE 4: Correlation between Job satisfaction & Organizational commitment

	organizational commitment	Job satisfaction
organizational commitment	1	0.760
Job satisfaction	0.760**	1

\*\*Significant at 0.01

Table 4 reveals that there is a significant positive correlation between job satisfaction and organizational commitment  $r= 0.760 p < 0.01$ . That is, the participants who reported a higher level of organizational commitment also reported a higher level of job satisfaction and vice versa.

## 5. DISCUSSION:

The objective of this study was to investigate the relationship between Job satisfaction and Organizational commitment among Start-up company employees and the influence of various demographic factors in these two

variables. The results showed that statistically significant relationships exist between Job Satisfaction and Organizational Commitment among employees of Start-ups, which is in line with recent research in this area. Participants who reported a higher level of organizational commitment also reported a higher level of job satisfaction, and vice versa.

This study did not explore the direction of Job Satisfaction and Organizational Commitment but focused on finding whether there is a relationship between these two. The result of this study supports the findings of Stander et al., (2009) which confirmed a statistically significant relationship between leader empowering behavior, job satisfaction, and organizational commitment. They used the Revised Minnesota Satisfaction Questionnaire (MSQ) and Organizational Commitment Questionnaire (OCQ) as the same as this study. Some studies support the assumption that job satisfaction predicts organizational commitment (Stevens et al., 1978; Angle and Perry, 1983), while some other studies point out that organizational commitment is an antecedent to job satisfaction (Price and Mueller, 1981; Bateman and Strasser, 1984).

This study also points out a significant difference among the Mean score of job satisfaction of employees who paid below 10k (68.68) monthly, who paid 10k to 20k (75.48), 20k to 30k (80.97) 30k to 40k (80.33), and above 40k (80.12) in Start-up companies. The result indicates that the low-income level predicts lesser job satisfaction. This result yields similarity with a study done by Bakan and Buyukbese (2013) who found statistically significant relationships between employees' income level and the five specific aspects of job satisfaction namely, satisfaction with compensation, social satisfaction, work satisfaction, satisfaction with supervisor, and satisfaction with promotion. But on the contrary to the current results which found no significant association between higher income level and job satisfaction, the study by Bakan and Buyukbese (2013) Found that employees with high-income levels have reported significantly higher levels of satisfaction than did employees with low-income levels.

Attempts to figure out the influence of gender on Job Satisfaction and Organizational Commitment are various in the literature. Researchers, such as Bartol and Wortman (1975), Clark and Oswald (1996), have found female employees to be more satisfied than male employees, whereas Brief et al., (1977) and Coh and Koh (1991) found male employees to be more satisfied than their female counterparts. A study by Rehman et al., (2013) revealed that male members were relatively more committed to their respective organizations than their female colleagues. However, the results of the current study did not reveal any differences in Job Satisfaction or Organizational commitment with respect to the sex of the participants.

In the current Indian business scenario, which strives to obtain maximum growth and production, the findings of the present study become relevant. Many Start-up companies face significant functional challenges due to the COVID-19 pandemic. The shock brought by the COVID-19 crisis is greater in these new companies as compared to the older incumbents of the field. The one advantage mostly every employee considers while working at Start-up companies is that they can grow and enhance their skillset and develop a closer connection with the founder figures more quickly, by taking part in a wide range of projects within the business. But in a remote work set up which is the only option during the pandemic, these advantages fade quickly due to the limitations of virtual functioning. In addition, these contexts will lead to a decreased connection between employees and the organization, which may end up in problems that are both on a personal level and an organizational level.

Considering the level of Job satisfaction and organizational commitment in the employees for determining and further restructuring organizational values will yield productivity and growth in Start-up companies. The results confirm the fact that by increasing organizational commitment, organizations can have a positive influence on factors such as job satisfaction and turnover intention. Managers must also ensure the well-being of employees who have lesser income. Underpaid employees often may stretch their earnings further even for necessities. This will let them have a negative attitude and a flattened satisfaction towards both job and the organization. The employees who lack satisfaction can adversely affect an organization, because they typically lack motivation, hold negative attitudes and there is a high chance of poor performance. These behaviors and attitudes can spread to other employees and will gradually infect the entire organization. Effectively managing these critical factors, in the light of prominent research findings will create a better organizational culture which in turn prosper the productivity rate.

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