

JOB SATISFACTION DIMENSIONS AND ORGANIZATIONAL COMMITMENT IN SELECTED BUDGET HOTELS AS CORRELATES OF TURNOVER INTENTIONS: THE CASE OF ORIENTAL MINDORO, PHILIPPINES.

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ABSTRACT

Manpower is very instrumental in the success of any service industry. However, it is quite difficult to retain people. It is now relatively common to change jobs every few years, rather than grow with one company throughout the employment life as was once commonplace. Obviously, employees have their own goals in life and they tend to leave if their needs are not met by the organization. This situation is worldwide. To address the issue, many companies outperform competition by attracting, developing and retaining people with business-acquired talent. As we all know, turnover can be a very serious problem if not dealt with properly. It is in this context that this research was conceptualized, to determine how job satisfaction dimensions and organizational commitment influence turnover intentions among rank and file employees in selected budget hotels in Oriental Mindoro, Philippines. The study made use of descriptive-correlation research design, with 85 respondents conveniently selected from 8 budget hotels in Oriental Mindoro. Result of the study shows that all job satisfaction dimensions are important to the respondents. On the other hand, job satisfaction dimensions are related to turnover intentions. Meanwhile, no relationship exists between organizational commitment and turnover intentions.

Keywords: *Job satisfaction dimensions, budget hotels, organizational commitment, turnover intentions, rank and file employees.*

INTRODUCTION

Higher productivity and excellent performance cannot be realized without the support of the employees. Hence, developing and retaining them in the organization will now be the biggest challenge particularly in the hotel industry where labour turnover is very high. Employees' turnover is very costly especially if it is among the highly skilled employees (Niederman and Summer, 2003) and tends to get worse if not dealt with.

Turnover has been a critical issue because it affects the financial performance (Lambert et.al., 2001). Actually, turnover rate varies significantly by industry. The private sector average turnover for twelve months ending August 2004 was 25.1% with leisure and hospitality, 46.4% and retail trade, 33.2% (EPF Newsletter, 2004). Though, many researchers have conducted studies using job satisfaction, commitment and turnover intention as variables, much of these used only affective as a single measure of organizational commitment (Lee and Bruvold, 2003; Joo and Park, 2010). Hence, the purpose of the study is to investigate the correlation of job satisfaction and organizational commitment to turnover intentions among the rank and file employees in the hotel industry in Oriental Mindoro, Philippines.

LITERATURE REVIEW

Job Satisfaction

Job satisfaction is a collection of attitudes that workers have about their jobs which may be derived as from a facet of satisfaction or as an overall aspect of a job (John & Saks, 2001). For Demir (2002), job satisfaction of employees refers to the "feel of contentment and discontentment for a job". It is a pleasurable or positive emotional state resulting from the appraisal of one's job (Locke (1976) cited in Brief & Weiss (2002)).

Organizational Commitment

Meyer & Herscovitch (2002), broadly defined commitment as a force that guides a course of action towards one or more targets. It has been theorized that commitment is multidimensional construct and that the antecedents, correlates and consequences of commitment vary across dimension. The three component model focuses on normative commitment (employee's perception of their obligation to the organization; continuous (employee's perception of the cost associated with leaving the organization); and affective (emotional attachment to or identification with their organization) (Meyer et al., 2002).

Other researchers defined organizational commitment as "an attitude that reflects the strength of the linkage between an employee and an organization" (Johns & Saks, 2001). On the other hand, Boles et al., (2007) defined organizational commitment as the feeling towards organization and its values.

Turnover Intentions

Tett and Meyer (1993) as cited in Samad (2006) defined turnover intentions as conscious wilfulness to seek for other alternatives in other organization. The cost of turnover to an organization can be very high especially to service-intensive business like that of hotel industry. Hence, Price (2001) suggested turnover intentions construct as an alternative in measuring actual turnover.

Job Satisfaction and Turnover Intention

Meland et al., (2005) pointed out that there is a relationship between employees' job satisfaction and turnover. Khatri and Fern (2001) concluded that a modest relationship existed between job satisfaction and turnover intentions. Likewise, Samad (2006) cited in Ali (2008) found a moderate relationship between job satisfaction and turnover intentions.

Organizational Commitment and Turnover Intention

A study on the effects of job satisfaction and organizational commitment to turnover intentions among the flight attendants of a Taiwanese Airline Company was conducted by Ching-Fu Chen (2006). Results of analysis showed that two aspects of organizational commitment, the normative and continuance, as well as the job-itself satisfaction were found to have significantly negative impact on the flight attendants' turnover intentions.

Hypothesis

Keeping in view the above discussion of variables, the following hypotheses are generated.

H₁: There is a significant relationship between job satisfaction and turnover intentions.

A negative association exists between job satisfaction and turnover intentions (Selvarajan, 2005). Another study on job satisfaction and intent to turnover was conducted by Choi & Sneed (2006) among part-time student employees in University Dining Services. Results indicate that job satisfaction is inversely related to intent to turnover.

The researcher is interested to know if the results of the previous studies also apply to the rank and file employees of selected budget hotels in Oriental Mindoro.

H₂: There is a significant relationship between organizational commitment and turnover intentions.

The study of Baotham, Hongkhuntod & Rattanajun (2010) investigated the relationships between job satisfaction and organizational commitments on voluntary turnover intentions of the Thai employees in the New University. The results showed that job satisfaction and organizational commitment have a direct negative influence on voluntary turnover intentions. On the other hand, the study of Sangroengrob and Techachaicherdchoo (2010) showed that job satisfaction and organizational commitment has no direct effect on turnover intention. Meanwhile, work commitment was found to have significant effect on the turnover intentions of IT professional.

The present study is an attempt to find the correlation between organizational commitment and turnover intentions among budget hotels' rank and file employees in Oriental Mindoro.

METHODOLOGY

The main objective of the study is to determine the job satisfaction dimensions and level of organizational commitment of the rank and file employees in eight budget hotels in Oriental Mindoro. Thereafter, correlate the variables to turnover intentions to find out if job satisfaction and organizational commitment are predictors of turnover intentions.

The study made use of the descriptive-correlation research design. The researcher made use of eighty five rank and file employees who are already permanent and full time in the hotels to be able to get a more plausible response and minimize biases for the company. Convenience sampling was used in the selection of samples.

The researcher made use of a four-page survey questionnaire to gather the information needed to achieve the desired objectives of the study. To determine the level of organizational commitment, the researcher adapted the Organizational Commitment Questionnaire developed by Meyer & Allens (1997) cited in Brown (2003). The questionnaire was structured into four parts. The five-point Likert numerical scale (Burns & Bush, 2008) with 5 as the highest and 1 as lowest was used. The reliability of the scale was assessed using the Cronbach's Alpha method.

FINDINGS

Respondents' Profile

To address the issue, the researchers made use of 85 conveniently selected respondents. From the 100 survey questionnaires distributed, only 85 were considered valid. Results of survey showed that majority of the respondents are from 25 -35 years of age. As regards length of service, about 61% of them are in the organization for 1-5 years; 30% for 6-10 years and only 9% employed for 11-15 years. About 67% of the respondents are females.

Job Satisfaction Dimensions

It can be noted that compensation seems to be of utmost importance to them as evidenced by mean score of 4.86; it was followed by job nature obtaining a mean score of 3.69. Recognition got the lowest mean rating (3.55). Given a very young group of respondents, about 25-35 years of age, basically, they will be rating compensation with utmost importance. In an interview with some respondents, they emphasized that they are willing to stay in their present work even if the compensation does not meet their expectations as long as the nature of their job will give them enough experience to grow.

Table 1: Mean Perception Profile of the Respondents on Job Satisfaction Dimensions

Job Satisfaction Dimensions	Mean
Compensation	4.86
Recognition	3.55
Career Development	3.67
Job Nature	3.69
Job Relationship	3.61
Overall Mean	3.88

Level of Commitment of the Respondents

Of the three types of commitment, normative got the highest mean score of 4.35 which indicates that the respondents are moderately committed. They believe that a person must be loyal to the organization and moving from one organization to another organization very often is unethical. On the other hand, affective commitment obtained a mean score of 3.86. This is a reflection that respondents also care about the future of the organization. Moreover, they feel that they are also “part of the family” in the organization. Lastly, continuous commitment obtained the lowest mean score of 3.35 which only proves that the respondents stay in the organization because it is very hard for them to leave and staying for them in the organization is a matter of necessity rather than a desire.

Table 2: Level of Commitment of the Respondents

Commitment	Mean
Affective Commitment	3.86
Continuous Commitment	3.35
Normative Commitment	4.35
Overall Mean	3.85

Job Satisfaction Dimensions Influence on Turnover Intentions

It can be noted that only two dimensions are negatively related to turnover intentions at 0.05 level of significance with critical p-value of 0.217. These are career development and job nature with computed r-values of -0.316 and -0.359 respectively. Figures imply that the respondents’ commitments are predicted by career development and job nature. Further, respondents will only be committed if they can see that they will grow career wise in the organization or the nature of their jobs will give them enough skills and experience. The findings were supported by that of Choi and Sneed (2006).

Table 4: Job Satisfaction Dimensions Influence on Turnover Intentions

Job Satisfaction Dimensions	Turnover Intentions
	r
Compensation	0.124
Recognition	0.107
Career Development	-0.316
Job Nature	-0.359
Job Relationship	0.086

Level of Significance =0.05

Df = 83

Critical p-value =0.217

Organizational Commitment' Influences on Turnover Intentions

It can be observed that no relationship exists between organizational commitment and turnover intentions. This is indicated by the computed r-values of affective (-0.044); continuous (-0.152) and normative (0.107) which are all below the computed p-value of 0.217 using 0.05 level of significance with 83 degree of freedom. Results imply that organizational commitment is not a predictor of turnover intentions, that employees will leave the organization if they find better opportunities. Likewise, commitment will not keep employees in the company. The result of the study supports the findings of Sangroengrob and Techachaicherdchoo (2010).

Table 5: Organizational Commitment' Influences on Turnover Intentions

Organizational Commitment	Turnover Intentions
	r
Affective	-0.044
Continuous	-0.152
Normative	0.107

CONCLUSION AND RECOMMENDATIONS

The results of the study showed that the five job satisfaction dimensions are all very important to the respondents. However, of the five dimensions compensation was considered to be of utmost importance. As regards the level of commitment, normative commitment got the highest mean score while continuous commitment got the lowest rating which only proves that respondents stay in the organization because of the difficulty in finding a job considering they are in the province. Results of the study also indicate that compensation is negatively related to continuous commitment while career development is

positively related to affective commitment. On the other hand, only two job satisfaction dimensions such as career development and job nature are negatively related to turnover intentions. Lastly, the study revealed that no relationship exists between organizational commitment and turnover intentions. This only proves that commitment will not keep employees in the organization.

Based on the conclusions drawn, it is recommended that the organizations should review their current human resource practices for the purpose of enhancing the organizational commitment of the employees and minimizing turnover among them. The employers should create an environment in which employees are truly committed and they will stay in the organization because of desire and not of necessity. Employees who are satisfied with their jobs are most likely to be committed and will stay longer in the organization.

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