

## **EFFECTS OF PERCEIVED PERSONAL AND ORGANIZATIONAL VALUES ON ORGANIZATIONAL COMMITMENT AND JOB SATISFACTION AMONG SHOP FLOOR EMPLOYEES OF CONSTRUCTION EQUIPMENT MANUFACTURING INDUSTRIES OF THIRUVALLUR AND KANCHIPRAM DISTRICTS, TAMILNADU**

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### **ABSTRACT**

Earlier studies mainly analyzed the relationship between perceived organizational value and organizational commitment in a direct way. Limited studies of employees of construction equipments industries in India, however, have found that job satisfaction is a mediator variable in the relationship between perceived organizational value and organizational commitment. The aim of this study is, (i) To analyze Personal value and its effect, through organizational commitment, on job satisfaction (ii) To examine Organizational value and its effect, through organizational commitment, on job satisfaction (iii) To study Income and Domicile and its effect on Organizational Commitment and job satisfaction (iv) To examine Marital Status and its effect on Organizational Commitment and job satisfaction through a empirical study. The data gathered from the survey was analyzed in SPSS (Statistical Packages for Social Science) version 20. The following analyses were conducted. Statistical tools like Regression analysis and Logistic regression analysis were used to model dichotomous outcome variables. The findings indicated that perceived organizational value had a negative effect but personal value had a significant positive effect on job satisfaction, affective, normative and continuous commitment. Implications were presented for HR managers of construction equipment industry who want to keep and encourage their employees to work in the industry.

**KEYWORDS:** Perceived Organizational Value, Perceived Personal Value, Job Satisfaction, Organizational Commitment, Construction Equipments Manufacturing Industries, Tamil Nadu

### **INTRODUCTION**

In today's viable world every organization is facing new challenges regarding unrelenting productivity and creating committed workforce. Well motivated and committed employees with high levels of job involvement are considered to be the most important asset for any organization which serves as key to quality and productivity improvements. Individuals enter an organization with preconceived notions of what "ought" and what "ought not" to be. People's values tend to be congruent with the values that are upheld in their work environments (Adkins, Russell, & Werbel, 1994). Organizational commitment is one of the three research attitudes (Cook, Hunsaker & Coffey, 1997). Organizations that have ethical values, coupled with formal systems that are also congruent, can influence the likelihood that employees will behave in ethical ways (Trevino, Weaver, & Reynolds, 2006). When employees are satisfied with their

job, they are committed and usually not tempted to look for other opportunities (Lok, Wang, Westwood & Crawford, 2007).

This research was done in construction equipments MNCs based manufacturing industries. MNCs are often used as an option for semi skilled employees to earn the knowledge and experience before moving to another better organization. Therefore MNCs repeatedly experience the loss of skilled employees who could play a part in the improvement of the organizations production. This loss of skilled employees could be the result of them being dissatisfied which could influence their commitment to the organization. It would be interesting to see how values, influence commitment and satisfaction and also its relationship within MNCs.

## **OPERATIONALIZATION OF THE CONCEPTS**

### **Personal Value**

Personal values are our core beliefs, values, and philosophies that we hold about life, its purpose, and our own purpose. Personal Value is a concept that describes the beliefs of an individual or culture is absolute or relative and ethical value, the assumption of which can be the basis for ethical action.

### **Organizational Value**

Organizational Values are a set of beliefs that specify universal expectations and preferred modes of behavior that contribute to the unique social and psychological environment of an organization.

### **Employees' Organizational Commitment**

Organizational commitment is employees' willingness to work hard to improve their companies, the fit between the firm's and the worker's values, reluctance to leave, and loyalty toward or pride taken in working for their employers. An individual's attitude towards an organization that consists of (1) a strong belief in and acceptance of the organization's goals and values; (2) a willingness to exert considerable effort on behalf of the organization; and (3) a strong desire to maintain membership in the organization.

### **Job Satisfaction**

Job satisfaction is the level of contentment a person feels regarding his or her job. This feeling is mainly based on an individual's perception of satisfaction. Job satisfaction can be influenced by a person's ability to complete required tasks, the level of communication in an organization, and the way management treats employees. Thus, Job satisfaction is Person's emotional feeling toward the job as a whole, and how satisfied a person feels concerning an aspect of his or her job, such as pay, hours, or benefits.

## **LITERATURE REVIEW**

### **Perceived Personal Value**

Kaye and Jordan-Evans (2009) the importance of a good match between organizational and personal values to be more important than the income they get. Suar D and Khuntia (2010) stated that "values are, thus, prime drivers of personal, social, and professional choices". Values influence how individuals live their lives both professionally and personally.

### **Perceived Organizational Values**

Suar, D., & Khuntia, R. (2010) Organizational values develop organizational norms, guidelines, or expectations that prescribe appropriate kinds of behavior by employees in particular situations and direct the behavior of organizational members toward one another. Prachi Agarwal & Priyanka, Sagar (2012) argues that employees are more likely to leave an organization when their personalities do not match the organizational culture rather than when their skills or personalities are a good match with a particular job.

### **Employees Organizational Commitment**

Dr. Santosh Kumar Tripathy (2011) Employee commitment is the psychological and emotional attachment of individual to their jobs, careers, work groups or teams, and peers. A Khalid I. Alshetri (2013) Personal variable (Age, gender, education level, and years of experience) has effects on organizational commitment of employees working at different hierarchical levels.

### **Job Satisfaction**

Ekta Sinha (2013) Empowerment & Work Environment, Working Relation, Salary & Future prospects, Training & work Involvement and Job Rotation are the main factors to enhance the satisfaction level of employees. Hassan Ahmed (2014) Work Family Life is a mediating factor in employee performance and one of the reason for employee turnover.

## **THE PRESENT STUDY**

In industrial sector high turnover is not an inevitable consequence of the manufacturing area, but a problem that can be successfully addressed by understanding root causes and adopting best organizational value strategies that can improve commitment, satisfaction among employees.

Thus with the review of literature, it becomes evident that though a lot of studies are conducted separately on perceived personal - organizational value and personal - organizational commitment, with job satisfaction as mediating variable, but very few studies are there on industrial sector linking these variables. So it is crucial to conduct a study on "Impact of perceived personal - organizational values on employee's personal - organizational commitment with reference to construction equipments manufacturing industry" and also to identify the important management factors to retain the highly talented workforce.

## **CONCEPTUAL FRAMEWORK**

The figure presents a summary diagram of the proposed connecting model for the prediction of organizational commitment and job satisfaction from the concepts: Personal value and organizational value. The model specifies the effects of personal and organizational value have on organizational commitment and job satisfaction with demographic as control variable. In this section the basis of the proposed conceptual framework is presented.

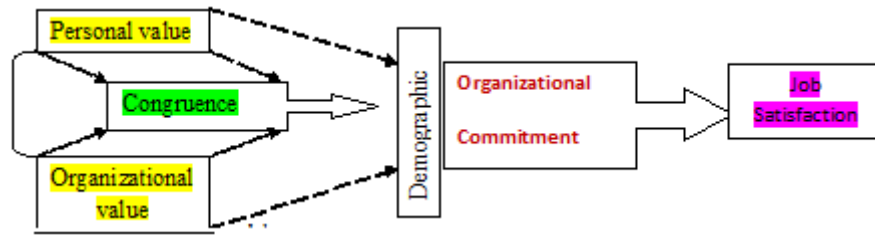


Figure 1: The Proposed Connecting Model

**OBJECTIVES**

- To study the demographic profile of the employees’.
- To classify the existing domain of employees’ personal and organizational commitment.
- To assess the relationship between Personal value and organizational value
- The analyze the relationship between Organizational commitment and Job satisfaction

**METHODOLOGY**

**Research Design**

The research design used in this case of the study is descriptive.

**Universe and Sampling**

Kanchipuram district has Special economic zone (SEZ) at Sriperumbudur and Oragadam. Thiruvallur district has special economic zone (SEZ) at Kakalur and Gummidipoondi. These places have a large number of different manufacturing industries. The researcher have selected these places to study the effect of perceived personal - organizational values on employees’ organizational commitment and job satisfaction among shop floor employees of construction equipments manufacturing industries. At present there are four types of MNC based construction equipments manufacture industries in and around Kanchipuram and Thiruvallur Districts, and the universe is 1535 respondents. From the total population of 1535, 307 respondents were selected as sample. The shop floor employees’ were listed in alphabetical order. From the alphabetical list of the employees’ 307 samples have been randomly selected by picking multiples of fifth name from the list of total number of 1535.

**Sources of Data**

Primary data were collected from shop floor employees of construction equipments manufacturing industries and secondary data were collected from the books, journals and other reports available in the library and from the valuable resources in the internet.

**Variables Taken in this Study**

Types of Variable	Variables	Tool Used
Independent	Perceived Personal Value Perceived Organizational Value	Nath, Lukas and Thiagarajan (1968) Paul McDonald and Jeffrey Ganz (1993)
Dependent	Organizational Commitment Job Satisfaction	Meyer and Allen’s (1990) Paul E. Spector, (1985)
Control Variable	Demographic Profile	Self Structured
<b>Total Question</b>		<b>132</b>

**Data Collection and Analysis**

The questionnaire method was selected to collect data for the research because it ensured quantifiable responses for the same items from all respondents. The following analyses were conducted Chi-Square test, t – test, Anova, Regression analysis, Logistic regression.

**FINDINGS**

**Descriptive Statistics**

Variables	Mean	Std. deviation	N
Personal value	3.384	1.087	307
Organizational value	3.796	1.107	307
Organizational commitment	3.302	1.276	307
Job satisfaction	3.086	1.092	307

Through the mean value it can be concluded that personal values and organizational values are high in organizations which together counts for higher overall base of the organization. Also it is seen that organizational commitment and job satisfaction scale is highest in the organization.

**Personal Value has a Direct effect on Job Satisfaction and Organizational Commitment (Chi-Square Test)**

The results proved that there was a significant direct effect ( $p < .05$ ) of personal value on the level of job satisfaction and organizational commitment shown by employees. The expected effect that personal value would have on job satisfaction and organizational commitment was significant. The workforce within “CEMI” is usually not small which makes it not possible for leaders to be involved in tasks and consider employees’ individual needs, competencies and ambitions.

**Marital Status has a Direct Positive Effect on with Personal Value and Organizational commitment (Regression analysis)**

The results from this research proved that there was indeed a significant direct effect from Marital status ( $p < .05$ ) on organizational commitment through their personal value. The expectation was that the effect of this demographic variable type on organizational commitment was only mediated by job satisfaction. The interesting outcome was that the direct effect of marital status was positive with organizational commitment through their personal value. According to the statistics given in chapter four, CEMI” has more married employees, which is known as the proof for their increased commitment through their perceived personal values.

**Age has a Direct Positive Effect on Job Satisfaction and Organizational Commitment (Regression Analysis)**

The research found that there could be a positive direct effect ( $p < .05$ ) between age and Organizational commitment through job satisfaction.

The result of this research proved that the employees of CEMI” was under 40 years of age, it could be some of the reasons for their commitment through job satisfaction.

**Education has a Direct Positive Effect on Job Satisfaction and Organizational Commitment (Logistic Regression)**

The research found that there could be a positive direct effect ( $p < .05$ ) between education and Organizational

commitment through job satisfaction.

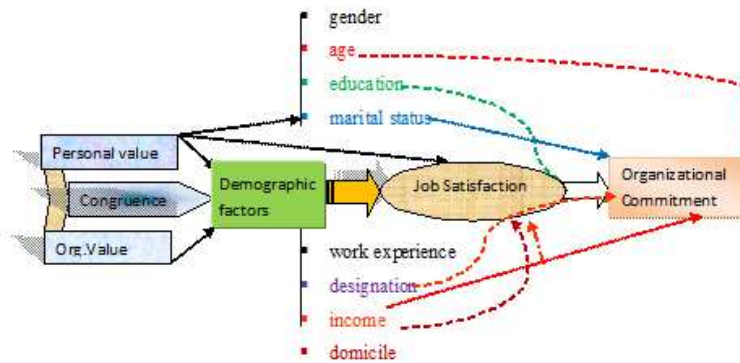
The result of this research proved that the CEMI” has good number of educated employees, it could be some of the reasons for their commitment through job satisfaction.

**The Direct Relationship between Personal Value and Job Satisfaction (Regression Analysis)**

Personal value had a highly significant relationship with job satisfaction (p =.001) but it was a positive relationship instead of a negative one as was hypothesized. The organizational value did not have a significant relationship with job satisfaction and with Organizational commitment. Most “CEMI” do not have a research and development department, so organizational commitment due to an Innovative organizational value is not likely to occur.

**Summary**

Looking at the hypothesized model, it becomes clear that certain relationships are not as was expected. There are also new relationships found between the different variables. Another noteworthy fact is that personal value has a direct effect on job satisfaction and organizational commitment and the relationship is positive instead of negative. It is also to be noted that organizational value has negative relationship with organizational commitment. The following figure shows the hypothesized model adjusted to the above results.



**Figure 2: Model Based on the above Hypothesis Results**

**RECOMMENDATIONS AND CONCLUSIONS**

The findings of this research have implications for both theory and practice. Further research should be conducted to other concepts that influence Organizational Commitment. Leaders should realize that influencing the commitment of employees leads to higher performance and lower turnover rates among other things.

- Organizations, such as the International Labour Organization, Confederation of Indian Industries, Indian Construction Equipment Manufacturers' Association, Indian labour bureau and Central Bureau for Statistics, should realize the need for specific and adequate information about MNCs specially “CEMI”. Establishing countrywide recognized criteria for MNCs in India and communicating those criteria to those specific organizations;
- Leadership in organizations should be assessed and managers should become aware of what is needed to obtain positive results from employees in order to improve performance.

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