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Research Article

THE MEDIATING ROLE OF LEADERSHIP IN RELATIONSHIP TO JOB SATISFACTION AND ORGANIZATION COMMITMENT

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ABSTRACT

In this present globalization era every organization needs committed employees to succeed. The success of any organization depends on the organization commitment levels of the employees. In this empirical study the purpose is to identify the organization commitment levels of the employees and to find out the impact of job satisfaction levels of the employees on their organization commitment. The study also aims at identification of mediating role of leadership in between job satisfaction and organization commitment. The sample of 226 employees has been taken from IT companies. The data was collected with structured and reliable questionnaire. The hierarchical regression is used for analysis. The results showed that job satisfaction and leadership were significantly influencing organization commitment levels of the employees. Leadership was found to be mediating between the relationship of job satisfaction and organization commitment. There was full mediation of leadership in the relationship of job satisfaction and organization commitment.

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INTRODUCTION

In this world wide cut throat competition every organization has to compete with its resources. The employees are the important resources of every organization on which it rely for success. The organization commitment enhances the organization performance (Johannes 2008). The person, who inspires, motivates, influences-leader's role is positively related to organization commitment of the employees (Johannes (2008). Job satisfaction levels of the employees have positive impact on their commitment levels (Chetna and Rajni 2012).

Hence every organization should posses committed employees, satisfied employees and good leadership practices. In this study the major criteria is to identify the impact of job satisfaction on organization commitment and trying to find the mediating role of leadership among job satisfaction and organization commitment.

Job satisfaction: Job satisfaction is the level is the happiness and satisfaction of the employees regarding their job. The state of feeling is mainly based up on the individuals'/employees' perception on the satisfaction. It is being influenced by the able-ness of the employees in attaining the tasks, organization communication system and how the management cares for the employees. There are two levels of job satisfaction. Affective

job satisfaction and cognitive job satisfaction, affective job satisfaction is the emotional state of mind on the job as a whole, cognitive job satisfaction is the level of satisfaction towards few aspects of the job like pay, rewards, work hours etc.,



Figure 1 factors for measuring job satisfaction

It is a challenging job for every organization to measure the job satisfaction levels of the employees since the perceptions on job satisfaction vary from person to person. It is very critical to create strong efficient metrics for measuring job satisfaction, because most of the organizations believe that the job

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satisfaction levels of the employees have impact on the organization performance. But to the contrary to the above belief many of the studies showed that excellent performers will never get satisfied with some of the aspects like pay, reward system etc.. The factors used for measuring the satisfaction level of the employees are:

Leadership: It is the ability of the management to set and attain exigent goals, take rapid and decisive actions, do better than the competition and instigate others to perform well. It is very difficult to identify the position of value on leadership or other aspects of the quality on the metrics to measure. Leader directs the company. Employees need to know in which direction they have to move and whom they have to follow in order to reach the destination. Leadership is the process showing workers how to take up the responsibilities and regularly supervising the work. Leaders' have their own style and plan of action in doing the job. The leadership styles vary because of many factors like digitalization, changing regulatory and financial markets, recruiting and retaining talents. Researches on leadership gave many theories including traits like relations, function, conduct, supremacy, vision, ethics, charm and intellect. The factors used for measuring leadership are:



Figure 2 factors for measuring leadership

Organization commitment: It is an attitudinal perspective. Porter *et al* (1974, p 604) describes organizational commitment as “an attachment to the organization, characterized by an intention to remain in it; an identification with the values and goals of the organization; and a willingness to exert extra effort on its behalf”. According to Allen & Meyer 1990, the employees who are strongly committed are least likely to leave the organization. O'Reilly 1989 outlined the three stages of organizational commitment:

Compliance stage: At this stage the employees' try to adopt the attitudes and behaviors' not because of shared values in the organization it is only for the purpose of attaining specific rewards.

Identification stage: At this stage the employees' try to accept the influence of others in order to maintain the relationship with the organization.

Internalization stage: At this stage employees' develop sense of belongingness as the values of the organization are found to be intrinsically rewarding and similar with his or her values.

The scale used for measuring organization commitment is *affective, continuance and normative* commitment scales.

REVIEW OF LITERATURE

- Aftab *et al* 2014 done research on “Mediating Role of Employee Motivation in relationship to Post-Selection HRM Practices and Organizational Performance”. They used hierarchical regression analysis for analysis of the data. The independent variable is post selection HRM practices and dependent variable is organizational performance and the mediating variable is employee motivation. The results showed that the post selection HRM Practices had positive impact on organizational performance and employee motivation was mediating between the independent variable and dependent variable.
- Uzma Hanif Gondal and Muhammad Shahbaz (2012) have conducted research on “Interdepartmental Communication Increases Organizational Performance Keeping HRM as a Mediating Variable”. They used cross sectional study and collected the data from various multinational organizations. The tool used was linear regression. The results showed strong mediation of HRM between the relationship of interdepartmental communication and organizational performance.
- Hee S. Shim, Youngoh Jo and Larry T. Hoover 2015, studied the Police transformational leadership and organizational commitment Mediating role of organizational culture. They used multiple mediators and also bootstrapping method in the selection the sample size. The group culture strongly mediated the role of transformational leadership and commitment.
- Cevahir Uzkurt, Rachna Kumar, Halil Semih Kimzan and Gozde Eminog lu, 2013, investigated on “Role of innovation in the relationship between organizational culture and firm performance A study of the banking sector in Turkey”. They studied the relationship between, culture, performance and innovation. The results showed that organization culture and innovation have strong positive direct effect on the firm's performance.
- Peter and John 2001 have investigated, “Antecedents of organizational commitment and the mediating role of job satisfaction”. Regression is the tool used for analyzing the results. Job satisfaction did not reduce the influence on commitment by any of the independent variable.
- Garnett, James L; Marlowe, Justin; Pandey, Sanjay K, 2008 done research on , Penetrating the Performance Predicament: Communication as a Mediator. They investigated the role of communication in the process of attaining the organizational performance. Concentrated on the indirect of communication on the performance mediating with organization culture. The results showed that the communication as a Meta mechanism for bringing out the shape and imparting the culture by influencing the performance. Organizational performance is highly influenced by the task orientation, feed and communication. Rule – oriented cultures showed strong negative effect on performance.

RESEARCH METHODOLOGY

The study is an empirical. The primary data is collected with structured questionnaire. It consists of leadership and job satisfaction the independent variables and organization commitment the dependent variables. The data is collected from the engineers, senior engineers, junior executives and senior executives of IT companies. Convenient sampling technique is used for selecting the sample unit. The sample size is 226. The questionnaire consists two parts first part includes the demographic variables like age designation, qualification and experience and the second part includes the questions related to the study. The scale used for measurement of the independent variables and dependent variables is Likert scale. Strongly agree as 5, agree as 4, neutral as 3, disagree as 2 and strongly disagree as 1. Most of the employees were between the age group of 31 to 50. The collected data is being analyzed by using descriptive statistics, correlation, multiple regression and hierarchical regression of SPSS.

Statement of the problem

Highly satisfied employees have high organization commitment (Atif *et al* 2011), and highly committed employees perform effectively (Memari *et al* 2013), but we found many of the employees moving from one organization to other. Henceforth, to find out the job satisfaction and organization commitment levels this study is being conducted. Based on the study the companies under the study can be guided to take necessary actions to enhance the organizational performance by improving the satisfaction levels and the commitment levels of the employees.

Objectives of the study

1. To study the job satisfaction levels of the employees
2. To study the organization commitment levels of the employees.
3. To study the impact of the leadership on the organization commitment levels of the employees.

Hypotheses of the study

- H₁:** There is significant impact of job satisfaction on organization commitment levels of the employees.
H₂: There is significant impact of leadership on organization commitment levels of the employees.
H₃: Leadership will play the mediating role in the relationship between job satisfaction levels and organization commitment levels of the employees.

DATA ANALYSIS AND DISCUSSION

According to Baron and Kenny (1986), before testing the mediation effect, we need to prove the correlation between independent variable, mediator and dependent variable. For this purpose Pearson correlation is used. Correlation coefficients showed positive association among all the variables. The variables leadership ($r=.713$), job satisfaction ($r=.560$) are strongly associated with organization commitment significant at 0.01 level. Mean and the standard deviation supported the effect of job satisfaction on the organization commitment levels of the employees. The details are interpreted in table I.

Table I

Variable	Mean	Standard deviation	1	2	3	4
Leadership	4.02	.944	1	.788		
Job satisfaction	3.17	.480	.744	1	.879	
Organization commitment	3.34	.183	.713	.560	1	.867

The values in the bold are the cronbach’s alpha reliability coefficients of the each variable.

For testing the normal distribution of the data, normality test is being applied. The table II represents the details of the normal distribution. Shapiro-wilk and kolmogorov-smirnov test shows the significance of value, p less than 0.05 in most of the cases. In one case it is greater than 0.05. Hence we can conclude that the data is normally distributed. When looked at the skewness and kurtosis of the data. The data is little skewed and kurtotic in nature. It is represented in table III.

Table II

Variable	Age	Shapiro-Wilk	Kolmogorov-Smirnov ^a
		Sig.	Sig.
ML	21-30	.003	.005
	31-40	.000	.000
	41-50	.001	.000
MJS	21-30	.200*	.100*
	31-40	.000	.000
	41-50	.000	.000
MOC	21-30	.000	.000
	31-40	.000	.000
	41-50	.000	.002

*not normal

Table III normality

	N	Skewness		Kurtosis	
		Statistic	Std. Error	Statistic	Std. Error
ML	226	-.884	.162	-.325	.322
MJS	226	-1.008	.162	.406	.322
MOC	226	-.476	.162	-.718	.322

Table IV Hierarchical regression analysis

step	Dependent variable	Independent variable	Beta	t-value	Sig.	F-value	R-square
1	Organization commitment	Job satisfaction	.560	10.120	.000	102.420	.314
2	Organization commitment	Job satisfaction Leadership	.067 .664	.950 9.478	.343 .000	116.430	.511

Step1

Organization commitment = $A + \beta_1 X$linear regression equation

Organization commitment= intercept + coefficient (job satisfaction)

Organization commitment= intercept + .560(job satisfaction)
 The coefficient of job satisfaction β_1 is 0.560 and is significant ($P=0.000$). Job satisfaction is positively influencing the dependent variable organization commitment at substantial significance level. The R^2 value is 0.314 of the research model indicates that the independent variable is moderately contributing towards the dependent variable. Hence it is proved from the above the job satisfaction has positive impact on the organization commitment. Therefore the related hypothesis there is significant impact of job satisfaction on the organization commitment levels of the employees is accepted.

Step2

Organization commitment= $A + \beta_1 X_1 + \beta_m X_2$ where β_m is the coefficient of the mediating variable leadership.
Organization commitment=intercept +0.067(job satisfaction) +0.664(leadership)

The coefficient of job satisfaction β_1 is 0.067 and has become insignificant. (P=0.343) the hierarchical regression shows that the mediating variable leadership have $\beta_m=0.664$, P=0.000 indicating that it has positive impact on organization commitment. The mediating variable leadership variable intervened the aforesaid relationship between organization commitment and job satisfaction. The coefficient of the job satisfaction $\beta_1=0.067$ and P=0.343 which has turned out to be insignificant. The R square value has increased to 0.511. This shows that there is full mediation of leadership between job satisfaction and organization commitment.

From the above analysis it can be concluded:

- Hypothesis 1 is proved that is null is rejected and alternative is accepted. Therefore the result says that the job satisfaction has significant impact on the organization commitment levels of the employees.
- Hypothesis 2 is also proved, therefore it can be concluded that there is significant impact of leadership on organization commitment levels of the employees.
- Hypothesis 3 is also proved, therefore it can be concluded that the leadership mediates the relationship between job satisfaction and organization commitment.

CONCLUSION

This empirical study shows the influence of leadership role in between the relationship of Job satisfaction and organization commitment. Job satisfaction towards organization commitment can be mediated by leadership practices. Hence, the organization should have good leadership practices, which shows concern on both people and production. The organizations depending on their culture, values and norms should choose suitable leadership styles like transformational leadership, charismatic leadership style etc.. The proper leadership style helps the organization to have the employees of high levels of satisfaction and organization commitment.

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