The Mediation Impact of Job Satisfaction on Supervision, Pay and Organizational Commitment: A Study in Selected Private Hospital Organizations in Colombo District, Sri Lanka

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Abstract

This study is to discuss the mediation impact of job satisfaction on supervision, pay and organizational commitment of non-managerial employees of selected private hospital organizations in Colombo district, Sri Lanka. The data were collected from a convenient sample of 482 non-managerial employees in the selected private hospital organizations in the Colombo district using a structured questionnaire which consisted of 60 questions with five point likert scales. The data analysis included the univariate and bivariate analysis. There are two conclusions. First, it emphasizes that there was a partially mediation impact of job satisfaction on supervision, pay and organizational commitment. As per the regression analysis, impact of supervision on organizational commitment without mediating job satisfaction amounts to 49.9%. However, mediating impact of job satisfaction on supervision and organizational commitment is taken as amount of 70.9%. Secondly, when compared to the single relationship between pay and organizational commitment, there were partially mediation effect of job satisfaction on pay and organizational commitment with the 74.6%. However, when considering the single relationship between pay and organizational commitment, pay has significantly explained 50.1% of the variance of organizational commitment. It is concluded that there is a significant mediation impact of job satisfaction on supervision, pay and organizational commitment. In addition, organizations are able to improve the organizational commitment by providing pay and supervision and further it can boost, when job satisfaction mediate the relationship among supervision, pay and organizational commitment.

Keywords: Organizational Commitment, Supervision, Pay, Job Satisfaction

Introduction

For an organization to be more effective it should have skillful and innovative employees to work and should also try to retain them. High satisfaction with the jobs, high commitment towards the organization, greater motivation and strong intentions to work for the organization are characteristics of skillful and talented employees in an organization. Therefore employing competent human resource, organizations have to offer better market based salaries, working environment, job security, supervisory support and empowerment. Specially, of financial aspects salary is the most important among above variables because any employee needs to fulfill his/her basic needs. Akansel et al. (2011) stated, today most of
the best employees intend to leave from the organization and reason for growing less committed employees within the organization is bad impact of less pay satisfaction

In a different way, concept of organizational commitment has always been a hot topic in organizational study and enhancing commitment among the employees is a crucial thing because that will result in enhancing retention, increase their job motivation, improve their performance and build up organization citizenship. To influence on the behavior of employees with the feeling of satisfaction, it is required to maintain better interpersonal relationship. Respecting the employee’s ideas, giving suggestion about work, encouraging through feedback to employees on their performance and coordination of work activities have a direct impact on worker satisfaction (Amiria, Khosravib & Mokhtari 2010). The level of support which is received from supervisor affects the satisfaction of employees and it also leads to the emotional attachment and organizational identification and therefore supervisor’s contribution towards the advancement of organizational commitment among employees is vital (Rhoades & Eisenberger 2002).

Over the research, researchers tend more effort to emphasize the mediation impact of job satisfaction on supervision, pay and organizational commitment. Although, employee supervision and pay are not the only factors affecting organizational commitment, it is acknowledged that supervision and pay are major factors affecting improved employee commitment. Thus, discussing the relationship among supervision, pay, job satisfaction and organizational commitment the main objectives of this article.

Researcher has perceived that this study is significant on empirical and theoretical foundation as well. Furthermore, there were many studies conducted in western countries regarding the relationship among research variables, however, there is limited research in non-western countries including Sri Lanka. These previous studies showed that the relationship among supervision, pay, job satisfaction and organizational commitment are still open for discussion and need further study on the relationship among above variables.

**Problem Background and Problem of the Study**

Hospital industry is more labour intensive, then management faces a high turnover rate due to, work shifts, long working hours, heavy workloads and irregular leave days. In the 1980s, when government educated and employed doctors they were able to consult the patients privately and as a result private sector involvement in the country's healthcare sector was gradually increased.

Based on research view point, committed and satisfied labor force contributed and performed towards enhancing organizational productivity. Porter, Steers and Mowday (1974) pointed out that job satisfaction is more danger to the effects of personal or specific factors than organizational commitment. Rhoades and Eisenberger (2002) emphasized that supervisor’s contribution directly impact the commitment of employees. Wayne Shore and Liden (1997), Griffin, Patterson and West (2001) and Nelson and Quick (1991) found that organization and
supervisor support positively impact to loyalty of the employee while, other researchers introduced the relationship among pay, job satisfaction and organizational commitment (Allen and Meyer 1990; Nawab & Bhatti 2011; Omotayo, Pavithra & Adenike 2014). Wayne et al. (2002) stated that increase of supervisory support will positively affect perceived organizational support levels which, by increasing the feeling of employee obligation, direct to positive employee attitudes in the form of affective commitment and customer-commitment. Further, support of supervisor is a strongly affect to job satisfaction in a wide variety of work setting. As the employees feel satisfaction through good supervision, they are likely to develop a sense of commitment (Woo & Chelladurai 2012). Nelson and Quick (1991) explained that supervisor support had a positive impact on organizational commitment among newly recruited employees to the organization while it had a negative impact on tend to leave the organization.

In developed countries, money is regarded as a motivation factor and a medium to building loyal, dedicated and committed workforce (Omotayo, Pavithra & Adenike 2014). However, employee feels unfairness when their salary is compared with others and this condition generates high accident rate, frequent absenteeism, low productivity, job dissatisfaction, lack of commitment to organization (Omotayo, Pavithra & Adenike 2014). La Lopa and Bai (2001) stated that when employees receive low salary they will choose to leave the organization. According to Nawab and Bhatti (2011) employee pay has some positive impacts on the organizational commitment and job satisfaction. It means that organizations which have good pay system put a very positive impact on their employees and also employees are satisfied with their job and committed with the organization. However, when employees are dissatisfied with their salary, supervision received from supervisors, they are more likely to quit the organization, become less committed, and tend to reduce their productivity (Ahmad, Ing & Bujang 2014). If an employee feels that their efforts are less appreciated and the organization fails to offer better compensation in association with job evaluation, their level of job satisfaction and enthusiasm will decline (Saani 2012). Therefore, the problem addressed in this study is to examine mediation impact of job satisfaction on supervision, pay and organizational commitment in selected private hospital organizations in Colombo district, Sri Lanka.

**Research Framework**

Meyer and Allen (1990) found that employees who have a good relationship with their immediate work group have higher levels of commitment. Wayne, Shore and Liden (1997), Griffin, Patterson and West (2001) and Nelson and Quick (1991) found that organization and supervisor support positively impact to loyalty of the employee. Ko, Price and Mueller (1997) stated that supervisor support and coworker support are elements of affective commitment while supervisory support is significantly related with continuance commitment. According to that research hypothesis can be derived as follows.

H1: There is a significant impact of supervision on organizational commitment.
Previous research result showed that pay has a significant effect on organizational commitment (Anvari et al. 2011; Nawab & Bhatti 2011; Paik, Parboteeah & Sim 2007; Rashid, Sambasivan & Rahman 2003; Abdullah & Ramay 2011; Islam et al. 2012). According to McElroy (2001) providing high pay could lead to higher organizational commitment through varying reasons. Further Saleem and Gul (2013) stated that pay satisfaction is positively related to organizational commitment of public sector organization employees. Lee, Huang and Zhao (2013) study results show that pay level has a positive impact on organizational commitment and it directs that the pay level significantly effect to the employee loyalty.

H2: There is a significant impact of pay on organizational commitment.

Many Researches reveal that supervision and job satisfaction has a significant positive relationship (Koustelios 2001; Peterson, Puia & Suess 2003; Smucker, Whisenant & Pedersen 2003). Quality of the supervisor-subordinate relationship will have a significant, positive influence on the employee’s job satisfaction (Aamodt 1999). According to the research conducted by Packard and Kauppi (1999) normally democratic supervision style will experience higher job satisfaction of subordinates in comparison on with employees who are working under autocratic kind of supervision. Based on these evidences, research hypothesis is given below.

H3: There is a significant impact of supervision on job satisfaction.

Job satisfaction is an important aspect of employee’s work life. Vieira and Serrano (2005) argued that low and high paid workers’ job satisfaction is low in the European Union (EU). According to them, there exist considerable difference of pay between two persons with similar occupational level and low-paid employees feel more dissatisfaction. Taylor and West (1992) argued that most public employees feel less satisfied with their jobs if they compare their salaries with those who work for the private sector. However, Brainard (2005) specified that job satisfaction is less likely to be related with the compensation and other benefits. Then, the hypothesis can be derived as follows.

H4: There is a significant impact of pay on job satisfaction.

There are numerous researches that have been conducted to find out the relationship between organizational commitment and job satisfaction (Chiu-Yueh 2000; Imam et al. 2013; Mohammed & Elsweid 2013; Freund 2005). Some studies have revealed that not only job satisfaction has a positive effect on the organizational commitment, but also organizational commitment has a positive effect on the job satisfaction (Yucel 2012). Finally, researcher embarking on more research areas conducted research on the job satisfaction and organizational commitment, and the research hypothesis can be constructed as below.

H5: There is a positive impact of job satisfaction on organizational commitment.

To find out the mediation impact of job satisfaction on supervision and organizational commitment, there have been few research studies on that area at international level. On the
other hand, there have not been research studies in Sri Lankan in this context. Accordingly research hypothesis can be derived as follows.

H6: There is a positive mediatory effect of job satisfaction between supervision and organizational commitment.

Researchers have denoted their time to search the possible impact of job satisfaction on pay and organizational commitment. Also there had been studies conducted to find out the relationship among above variable. The hypothesis in this research can be derived as follows.

H7: There is a positive mediatory effect of job satisfaction between pay and organizational commitment.

The conceptual framework mainly highlights the relationship of four variables. Supervision and pay can be considered as independent variables and organizational commitment is the dependent variable of the study. In this conceptual model, the mediating variable is job satisfaction. Figure 1 depicts the conceptual framework of the study.

Figure 1: Conceptual Model

Method
Study Design
The purpose of the study was to test the impact of mediating variable on independent and dependent variables. Therefore, the type was correlational rather than a casual study. In this study seven hypotheses were tested. Also this was a field study, because the data were collected from the natural working environment. The survey method characterized by a questionnaire and then was selected as the method of data collection in this study. This study was based on primary and secondary data. Questionnaires were given to each individual to be completed separately and those data were analyzed individually.

The target population of the study was the non managerial employees in selected private hospital organizations in Colombo district, Sri Lanka. The survey was carried out among the sample of 482 non managerial employees in the private hospitals in Colombo district. Since the questionnaire was administered personally, 394 employees responded to the survey and the respondent rate was 81.17%. The sample method of the survey was the stratified random sampling.
Measures
The variables in the research model; supervision, pay, job satisfaction and organizational commitment were measured by using a questionnaire with five point scales, which were completed by the respondents according to their experience.

The independent variable supervision was measured by 15 questions, which was originally developed by Palomo, Beinart and Cooper (2010) including 67 statements. The supervision was measured in terms of two dimensions as facilitative supervision and educative supervision. These dimensions consist of six aspects as facilitative (safe base, structure, commitment), educative (reflective education, role model, formative feedback). The supervision was measured by their responses to the questionnaire with five Point Likert scales of ‘strongly agree, agree, neither agree nor dissatisfied, disagree and strongly disagree.

The pay of employees in private hospitals was also measured by the questionnaire, which was a standard questionnaire developed by Heneman and Schwab (1985) instrument consisting of 20 statements. The pay was measured in terms of three dimensions as pay level, pay raise and pay benefit. These dimensions consist of five aspects as pay level (external equity, internal equity), pay raise (performance related pay, pay raise interval, salary grade level). The pay was measured by their responses to the questionnaire with five Point Likert scales of ‘strongly agree, agree, neither agree nor dissatisfied, disagree and strongly disagree.

The job satisfaction of employees in private hospitals was also measured by the questionnaire and measured in terms of two dimensions as extrinsic job satisfaction and intrinsic satisfaction. These dimensions consist of six aspects as extrinsic (job security, working condition, co-worker support), intrinsic (recognition, advancement, responsibility). The organizational commitment of employees in the private hospitals was measured by the use of an instrument developed by Allen and Meyer (1990). The organizational commitment was measured in three dimensions which included affective commitment (organization identification, job involvement), continuous commitment (Alternative job opportunities) and normative commitment (obligation, loyalty). The questionnaire contained 15 statements to measure the organizational commitment under the above three dimensions. The five point Likert scales of ‘strongly agree, agree, neither disagree nor agree, disagree and strongly disagree’ were used in the questionnaire to measure the organizational commitment.

Validity and Reliability
The external reliability of the instrument used to collect data was examined by Test- retest method. The internal item consistency reliability was examined with Cronbach’s Alpha Coefficient test (Kottawatta 21014). The results of test –retest analysis are given in Table 1below, which suggests that the internal and external reliability of each instrument was satisfactory.
The content validity of the instrument was ensured by the conceptualization and operationalization of the variables based on literature and indirectly by the high internal consistency reliability of the instrument as denoted by Cronbach’s Alpha (Kottawatta 2014). The construct validity of the variables of the research was ensured by the information that the correlation and regression analysis support the hypotheses established linking the relationship among independent variables, mediating and dependent variable (Kottawatta 2014).

**Techniques of Data Analysis**

The primary data collected from the sample were analyzed using the computer based statistical data analysis package, SPSS (Version 20) for the validity reliability and relationship testing. The data analysis included univariate and bivariate analysis.

**Results**

Univariate analysis was used to investigate the responses for independent, mediating and dependent variables of the non-managerial employees in the selected private hospital organizations. The results of the univariate analysis can be shown as below Table 2.

<table>
<thead>
<tr>
<th>Instrument</th>
<th>Test-retest Coefficient</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Supervision</td>
<td>0.883</td>
<td>.877</td>
</tr>
<tr>
<td>2 Pay</td>
<td>0.870</td>
<td>.857</td>
</tr>
<tr>
<td>3 Job Satisfaction</td>
<td>0.885</td>
<td>.852</td>
</tr>
<tr>
<td>4 Organizational Commitment</td>
<td>0.896</td>
<td>.878</td>
</tr>
</tbody>
</table>

As indicated by Table 2, supervision, pay, job satisfaction and organizational commitment of non-managerial employees in private hospital organizations are approximately normally distributed.

The bivariate analysis included Pearson’s Product Movement Correlation analysis and Regression analysis. The correlation between each variables are given in Table 03.
According to the Pearson’s correlation coefficients, of supervision, pay and job satisfaction in relation to organizational commitment of non-managerial employees, all independent variables and mediating variable are positively and significantly correlated with dependent variable of organizational commitment. However, mediating variable of job satisfaction was highly correlated with dependent variable than other variables as an amount of 0.808. On the other way, there was low significant correlation between supervision and organizational commitment of non-managerial employees in private hospitals. The results of simple regression analysis of the two independent variables (supervision, pay) against the mediating variable (job satisfaction) and dependent variable (organizational commitment) are given in Table 04.

According to Table 04, 71% of variance of organizational commitment is explained by supervision and job satisfaction. However, when compared to the single relationship between supervision and organizational commitment, 50.1% of variance of organizational commitment is explained by supervision and job satisfaction. Then it emphasized that there was a partially mediation impact of job satisfaction on supervision and organizational commitment. On other way, 74.8% of variance of organizational commitment is explained by pay and job satisfaction while 50.2% of variance of organizational commitment is explained by pay. Then it concluded that job satisfaction has a positive mediation impact on the relationship between pay and organizational commitment. Therefore, independent and mediating variables positively related with the dependent variable of organizational commitment.

**Discussion and Conclusion**

According to the results of Pearson’s Product Moment correlation analysis, it was found that job satisfaction was positively mediated with the relationship of supervision, pay and organizational commitment of non-managerial employees. Hence there are statistical
evidences to support to accept all the seven hypotheses formulated for the study. The first hypothesis was: There is a significant impact of supervision on organizational commitment of non-managerial employees in private hospital organizations in Colombo district, Sri Lanka. It was confirmed that supervision of non-managerial employees in the private hospitals has a positive and significant relationship with organizational commitment. The second hypothesis was: There is a significant impact of pay on organization commitment of non-managerial employees in private hospital organizations in Colombo district, Sri Lanka. The statistical analyzing supported to accept that pay of non-managerial employees in the private hospitals has a positive relationship with their organizational commitment. The third hypothesis was: supervision of the non-managerial employees in the selected private hospitals is positively related to their job satisfaction. It was emphasized that there is a positive relationship between supervision and job satisfaction. The fourth hypothesis was: There is a significant impact of pay on job satisfaction of non-managerial employees in private hospital organizations in Colombo district, Sri Lanka. It was found that there is a positive relationship between pay and job satisfaction according to the results of survey. As fifth hypotheses, job satisfaction has a positive impact on organizational commitment of non-managerial employees in private hospital organizations in Colombo district, Sri Lanka. Further, there is a positive mediatory effect of job satisfaction between supervision and organizational commitment based on the results of research analysis. Finally, research proved that there is a positive mediatory effect of job satisfaction between pay and organizational commitment of non-managerial employees in private hospital organizations in Colombo district, Sri Lanka. Hence, the data support the hypothesis that job satisfaction will significantly mediate the relationship among supervision, pay and organizational commitment of non-managerial employees in the selected private hospitals in Colombo district, Sri Lanka.

This study was significant for the management to identify the importance of pay, supervision in enhancing organizational commitment through job satisfaction. Besides, this study can be used to increase the awareness among managers about the importance of employee’s commitment towards organization. That is because managers may secure new insight about the importance of the organizational commitment and apply it to employees in order to improve organizational overall performance. Further, it is very important to understand commitment concept to set up the new policy to attract and retain the talented employees for long period of time. Through the findings of this study, organizations can identify the ways to enhance the employee’s commitment. Hence, organizations can set up new compensation systems including financial and non-financial compensation based on the elements of job satisfaction and better interpersonal relationship between supervisor and employee. Further, organizations need to pay significant attention to maintain the existing level of pay and mode of supervision for better achievement of organizational commitment through maintaining job satisfaction.

In this study, researcher mainly considered the aspect of pay, such as pay equity, pay raises and pay benefits. According to the study, employees are moderately satisfied with pay from the aspect of internal and external equity, pay raises and pay benefits. However, by analyzing
respondent’s feedback regarding pay raises, there was low satisfaction with performance related pay raises. However, overall pay satisfaction was taken as positive. Hence, organizations need to pay significant attention to reinvestigate performance management which includes goal setting and communicating the established goals and give rational feedback to the employees. On other way, there are good internal and external pay equity exist in the selected organizations.

According to this research study, organizations should be aware to provide educative supervision than facilitative supervision. Traditionally, supervisors are initiated to guiding how to perform tasks, duties of job. That is the facilitative supervision. But, today it is required to provide educative supervision to enhance employee’s leadership skills, conceptual skills. Currently, there is less practice in educative supervision by private hospitals. It is recommended that organizations should enhance the knowledge and skill of supervisors regarding the educative supervision and give some training about educative supervision. As well organizations need to allocate more time to utilize the employee centered supervision in private hospital. As hospitals are expected to provide patient caring than physical product, human resource is much important. Due to employee centered supervision it will lead to better outcome than task centered supervision, Private hospitals should practice employee centered supervision. Therefore, private hospitals should retain supervisors who are employee sensitive and train them to become employee sensitive beings.

References


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