

## **CHAPTER TWO**

### **REVIEW OF LITERATURE**

In this chapter the researcher will survey relevant literature and research such as job satisfaction theories, turnover theories, organizational commitment theories, and relevant studies.

#### **2.1 JOB SATISFACTION**

##### **2.1.1 Definition and Concepts**

The definition of job satisfaction given by Locke (1976) is a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. This concept refers to a variety of factors of the job that can affect to the level of satisfaction in each person. Those factors include attitude toward pay, working conditions, colleagues and boss, career prospects and the intrinsic aspects of the job.

Jewel (1998) suggested that the concept of job satisfaction could be classified into a global and a faceted concept on the basis of job satisfaction measurements. A global concept defined job satisfaction as a combination of all of the liked and disliked aspects of job. In contrast, a faceted concept focused on different aspects of job satisfaction under the assumption that various aspects of job satisfaction should be measured separately.

In addition, Judge and Hulin (1993) suggested that there are three different approaches of job satisfaction. The first is that work attitudes such as job satisfaction are stable, positive, or negative dispositions learned from experience or based on a personal genetic inheritance. This means job satisfaction might be considered more a personality characteristic than an attitude of an individual. The second is 'the social information processing model' which suggests that job satisfaction is a function of how other people in the workplace interpret and evaluate the job. The third is the information processing model, which is based on the accumulation of cognitive information about the workplace and individual's job. This means that a person's job satisfaction is influenced directly by the characteristics of his or her job, and how those characteristics match what a person wants in a job.

## **2.1.2 Factors That Influence Job Satisfaction**

**2.1.2.1 Age** Dessler (1981) studied job satisfaction in both male and female employees with the National Opinion Research Center in 1972, 1973, and 1974. The findings of this study showed that there were a variety factors related to job satisfaction among males and females. Employees tended to grow more satisfied as their age increased. In addition, Herzberg (1957) claims that employees who have realistic expectations about their job seem to be more satisfied than employees who have unrealistic expectations. Consequently, there is a possibility that when employees are older, they will be more realistic about the world and themselves. Older workers have more realistic expectations, and therefore they are more satisfied.

**2.1.2.2 Sex** Lefkowitz (1994) found that men scored significantly higher on average than women on job satisfaction and pay satisfaction.

**2.1.2.3 Marital Status** According to Mr. Anatasak's findings, married employees are more satisfied with their job than single employees.

**2.1.2.4 Job Tenure** The results of Hunt and Saul (1975) about the relationship between age and tenure and job satisfaction in *Understanding Job Satisfaction* written by Gruneberg in 1979 (p. 93) indicated that the longer the length of work experience, the more satisfied employees were.

**2.1.2.5 Pay** Hackman et al. (1983) found that the actual level of pay does not automatically cause of pay satisfaction. A comparison of pay received among employees in the same position is more likely to support to pay satisfaction.

**2.1.2.6 Relationships at work** Sparks and Cooper (1999) concluded that distrust among employees can lead to high role ambiguity, poor communication and psychological strain in the form of low job satisfaction. Relationships included relationships with superiors, relationships with subordinates and relationships with colleagues or co-workers (Arnold et al., 2005). Heider (1958), Jones and Davis (1965), and Kelly (1971) said that personality traits and attitudes are latent, hypothetical characteristics that can only be inferred from external, observable cues. The most important of such cues are the individual's behavior, verbal or nonverbal, and the context in which the behavior occurs.

## **2.2 TURNOVER**

According to Oxford Advanced Learner's Dictionary (2000), the word "turnover" has various meanings. For this study, turnover means "the rate at which employees leave a factory, company, etc. and are replaced" (p. 1281).

Gruneberg and Osborne (1981) state that absence and turnover can disrupt production schedules, and lead to a company needing to train new employees, and spend time and money on recruitment.

Jewel (1998) classified into voluntary and involuntary categories. Turnover can be either functional or dysfunctional in an organization. It was dysfunctional when the organization lost good performing staff and vice versa (pp. 248-249).

Porter and Steers (1973) also mentioned factors that can cause turnover such as poor pay and promotion, the nature of supervision, unit size, satisfactory with peer groups, and job content factors. The personality and leadership styles at the managerial level for managers can be identified as: (1) management processes, (2) action-centered leadership model, (3) leadership vs. management, and (4) construction of managerial leadership.

### **2.2.1 Employee Turnover Models**

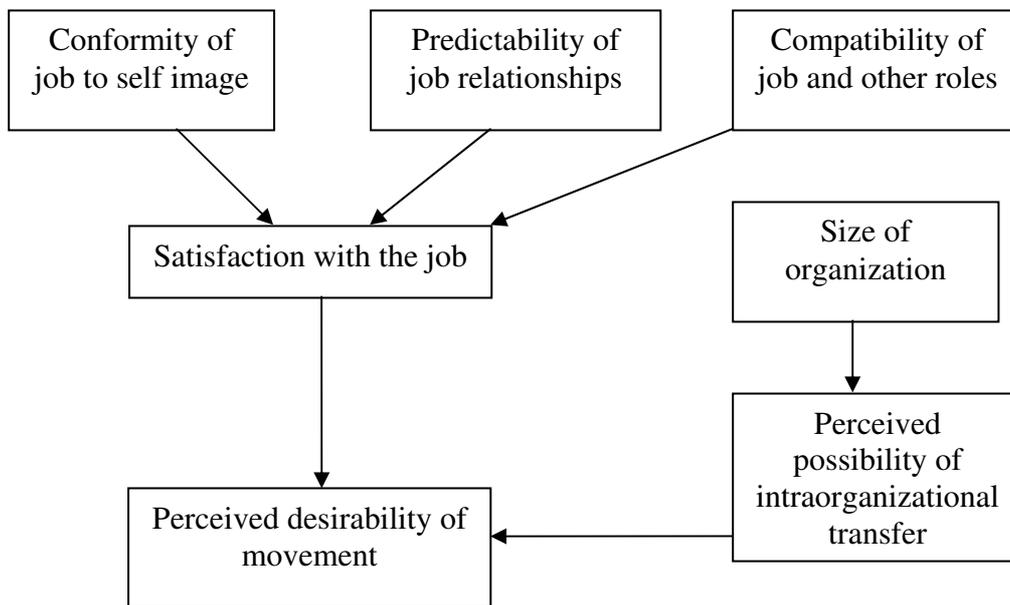
In 1982, Mobley divided a turnover model into four categories (pp. 115-132). Each model consisted of several distinct factors as follows below.

#### **2.2.1.1 The March and Simon Model**

This model describes basic employee turnover. Created by March and Simon in 1958, it illustrates by particular concepts as follows:

a) Concept of the major variables relevant to perceived desirability of rotation. Job satisfaction and possibility of intraorganizational transfer are indicators of movement as shown in Figure 1.

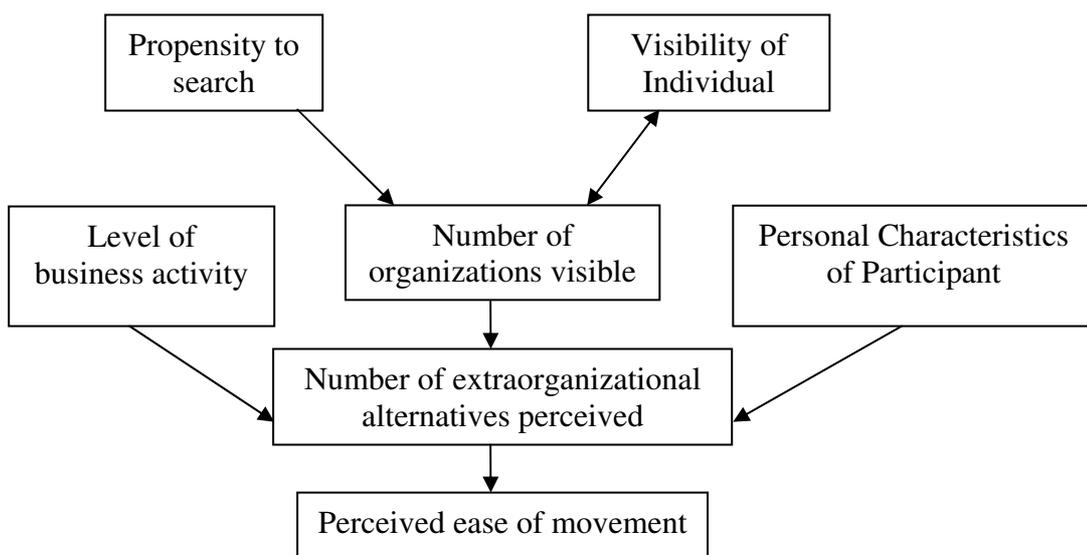
**Figure 1.** Major factors affecting perceived desirability of movement.



From *Employee turnover causes, consequences, and control* (p.116) by W.H. Mobley, 1982. Reading, MA: Addison-Wesley.

b) Concept of the major variables relevant to perceived ease of movement. Level of business activity, individual characteristics (sex, age, tenure, social status, and specialization), and the number of visible organizations are major contributors of perceived ease of movement as shown in Figure 2.

**Figure 2.** Major factors affecting perceived ease of movement.

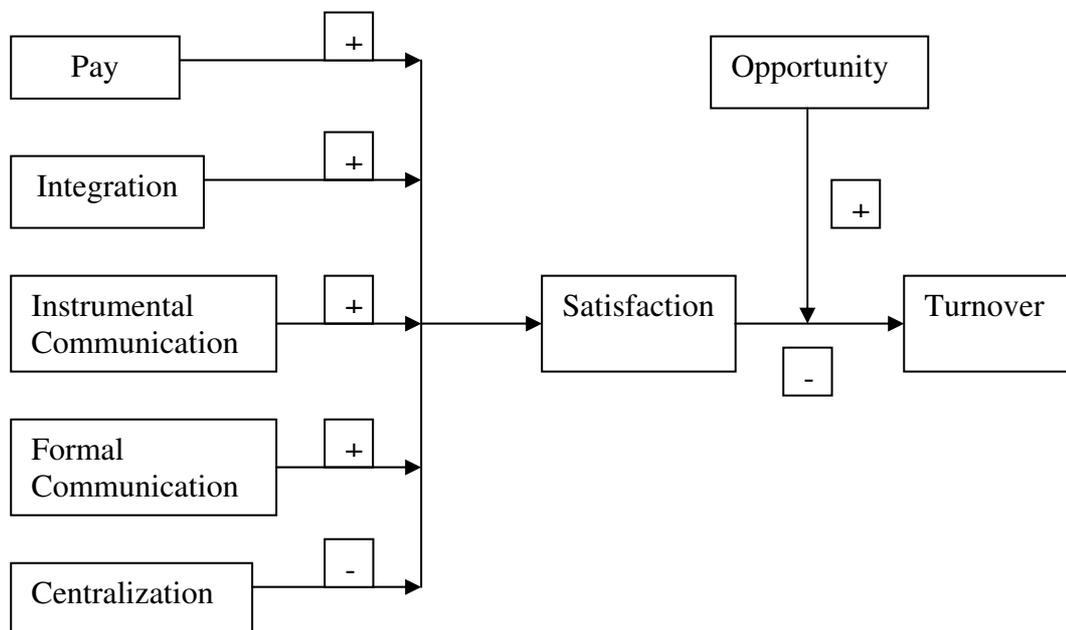


From *Employee turnover causes, consequences, and control* (p. 117) by W.H. Mobley, 1982. Reading MA: Addison-Wesley.

### 2.2.1.2 The Price Model

This model developed by Price in 1977 focused on the relationship between five factors: pay, relationships, instrumental communication, formal communication, and centralization and two intervening variables: satisfaction and opportunity of alternative roles (jobs). Price explained that satisfaction is probably caused by the five factors mentioned above (see Figure 3). Moreover, he emphasized that this model is workable when individual dissatisfaction is caused by the five factors and the opportunity of alternative roles (job) is considerably high

**Figure 3.** Price's model of turnover determinants and intervening variables



From *Employee turnover causes, consequences, and control* (p.120) by W.H. Mobley, 1982. Reading, MA: Addison-Wesley.

### 2.2.1.3 The Mobley Intermediate Linkages Model

The third model was developed by Mobley in 1977. This model is a more complex model which shows relationships between satisfaction and turnover by prioritizing the process of quitting or staying. Feedback during each step in the process shows the way employees thought when searching for a new job. The process started from thinking about quitting, evaluating the existing job and behavior, intention to search for a new job, searching for a new job, evaluating the new job,

comparing new choices with the existing job, intention to stay with or quit the existing job.

#### **2.2.1.4 The Expanded Model**

Lastly, in 1979, Mobley, Griffeth, Han, and Meglino integrated various determinants of intention to quit. There are four key determinants of the intention to quit as follows:

##### a) Job satisfaction

Job satisfaction varies person by person depending on individual differences in values, perceptions, and a variety of values.

##### b) Expected Utility of the present job

There are three factors of expectations of changes in the present job that can lead to more satisfaction: transfer, promotion, or organization policies. These factors can help dissatisfied employees decide not to quit a job because the expectation of changes in the future might benefit them. However, the existing satisfied employee who evaluates the expectation of changes in the future as being unfavorable may decide to quite.

##### c) Expected Utility of a new job

The employee's important work values, expected attainment of these values from a new job and expectation of being able to obtain a new job are components of the expected utility of a new job. When the dissatisfied employee perceives that a new job is favorable, he may quit.

##### d) Nonwork values and roles

These factors interact with the above variables in determining the intention to quit. Examples of nonwork values are family orientation, life-style and geographical preferences, and religious, cultural, altruistic, athletic and social values. However, nonwork values would not be the only contribution; work-related values are also involved in the process of the intention to quit. It simply means that most individuals combine two values in making a decision to quit or stay.

## **2.3 ORGANIZATIONAL COMMITMENT**

### **2.3.1 Definitions and Concepts**

In 1979, Mowday et al. defined organization commitment as ‘the relative strength of an individual’s identification with and involvement in an organization’.

Griffin and Bateman (1986), categorized the concept of organizational commitment into three components which are a will to maintain membership in the organization, a belief in and acceptance of the values and goals of the organization, and a willingness to exert effort on behalf of the organization (pp. 265-266).

In addition, Allen and Meyen (1990) have divided organizational commitment as follows:

a) Affective commitment: this concept essentially concerns an individual’s emotional attachment to his or her organization.

b) Continuance commitment: this concept is related to a person’s perception of the costs and risks associated with quitting his or her current organization. This concept is divided into two aspects: the personal sacrifice that leaving would involve, and a lack of alternatives available to the person.

c) Normative commitment: this concept is related to the moral aspect of a person who feels obligation and responsibility to his or her organization.

### **2.3.2 Causes of Organizational Commitment**

It has been suggested that giving employee positive experiences can increase their commitment towards the organization (Arnold et al., 2005, p. 268). In addition, Dreher (1982) claimed that there is some evidence shows that reward system (including promotions and merit pay) is related to employee performance. More rewards tend to make employee more committed.

### **2.3.3 Consequences of Commitment**

Steers (1977) claimed that there is evidence that people who are less committed to their organization are more likely to be absent or leave the organization.

## **2.4 RELEVANT RESEARCH**

In “Job Satisfaction of The Academic Staff and The Non-Academic staff at The Faculty of Tropical Medicine, Mahidol University”, Suda Wilairatanaporn (2003), studied facet-specific and the overall level of job satisfaction of the academic

staff and the non-academic staff. The subjects were 113 staff members and 9 factors which were pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, coworkers, nature of work, and communication. Her main finding was that 5 of the 9 job facets, which were nature of work, supervision, coworkers, communication, and fringe benefits were satisfying. However, the staff were somewhat dissatisfied with three facets, including operating conditions, pay, and contingent rewards.

In “Factors That Affect Job Satisfaction: A case study of Auditors at Ernst & Young Office Limited” by Watee Thanmongkolswad (2003), the subjects were 152 auditors working in Advisory Business Service Department B and performing audit procedures. Her main finding was that the level of satisfaction towards supervisors was high, and other factors such as satisfaction towards pay, promotion, people, and work measuring job satisfaction also were at moderate levels. However, the variables of this study involved only organizational factors.

The study of Premjit Klaietch (2005) in “Effect of Perceived Organizational Support and Organizational Justice on Commitment and Turnover Intention” shows the bond between the employee and the organization is one of the most important factors linked to the turnover of employees. This supports the fact that employees’ satisfaction about their organization is another factor related to the decision to leave an organization.