

Organizational Culture, Organizational Commitment and Job Satisfaction: A Proposed Empirical-Based Human Resource Policy Framework

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ABSTRACT

This study proposes an empirical-based human resource (HR) policy framework that depicts the interactions among organizational culture, organizational commitment, and job satisfaction. The study's framework is designed based on the previous literature. Drawing from the line-of-sight concept, this study posits that organizations' HR policies should be grounded on the organization's culture, organizational commitment, and employees' job satisfaction. These factors help improve organizational performance and achieve the organization's visions and objectives. This study proposes six hypotheses based on the conceptual framework outlined. The study also elucidates future research directions for management scholars. The findings of this study will benefit organizations' executives, officers, administrators, human resource managers, and other policy- and decision-makers.

INTRODUCTION

Globalization intensifies worldwide competition, sparing no one. As a result, every organization finds ways to stay relevant and innovative. Maintaining its competitive edge is one way to ensure that an organization stays significant in the market. There are various ways wherein an organization can achieve this objective. Previous studies have mentioned organizational culture as one of the most significant (e.g., Carvalho et al., 2018; Laforet, 2016). In organizations, culture is deemed a 'software' that delivers better or even the best means of thinking or feeling to help managers make informed decisions (Ahmad et al., 2017). Therefore, organizational culture is “one of the most important intangible strategic resources in developing competitive advantages” (Marin et al., 2017, p.100).

Besides culture, most organizations nowadays focus on human resources to achieve a competitive edge. Both culture and human resources are critical sources of competitive advantage since they are more valuable, unique, and hard to imitate (Slocum et al., 2014). When both culture and human resources (*i.e., all knowledge, skills, experience, competence, abilities, and employee commitment*) align with the organization's mission and goals, competitive advantage is improved (see Olson et al., 2018; Slocum et al., 2014). However, developing human resources and organizational culture essential to create and implement organizational goals are influenced by HR policies (Slocum et al., 2014). Some companies, especially those with subsidiaries, need help to adopt a single standard HR policy due to variations in the culture and nature of employees. Thus, organizational cultures and HR-related factors, like organizational commitment and employees' job satisfaction, should be highly considered in developing a standard HR policy.

In the concept of *line of sight*, every employee, department, and other structural units should know the organization's strategic goals and have the motivation, capabilities, and opportunity to follow those goals through their daily activities. The idea also connotes that one size does not fit all; every organization should have different HR policies for its unique strategy as part of its competitive advantage (see Slocum et al., 2014). Inspired by this concept, which highlights the importance of aligning human resource, HR policies or practices, and culture with strategy, this study aims at proposing an empirical-based HR policy framework that will show the interactions among organizational culture, organizational commitment, and job satisfaction. HR policies grounded on the organization's culture, commitment, and job satisfaction can help any organization improve its performance and achieve its visions and objectives.

THEORETICAL REVIEW

Organizational Culture and Job Satisfaction

Organizational culture is “a set of forces that shape and determine human behavior” (Lim, 2022, p.42); thus, considered an essential determinant of job satisfaction. Many studies have confirmed the critical role of culture on job satisfaction (e.g., Ali Soomro & Shah, 2019; Sharma, 2017). Moreover, the

association between organizational culture and behavioral outcomes like job satisfaction is significant, as the existing literature reveals (Chipunza & Malo, 2017). Sharma (2017) studied organizational culture as a predictor of job satisfaction and found that organizational cultural values positively impact job satisfaction. Similarly, Yu and Wang (2018) mentioned that past studies show organizational culture significantly affects employees' job satisfaction. Based on the affirmative evidence between organizational culture and job satisfaction, this study proposed that organizational culture positively and significantly affects job satisfaction.

Organizational Culture and Organizational Commitment

Organizational culture affects many outcomes (e.g., *productivity, performance, employee commitment, confidence, and ethical behavior*); thus, significantly impacting organizational performance. It also plays a role in driving innovative behaviors as organizational culture builds commitment among members. Organizational commitment is essential because employee engagement improves organizational performance (Paramita et al., 2020).

The relationship between organizational culture and commitment has been one of the favorite topics in organizational literature. Many authors have investigated the association between these constructs and found significant connections. For instance, Aranki et al. (2019) investigated the relationship between organizational culture and organizational commitment in Information Technology companies in Jordan. They found a positive and significant relationship between organizational culture and organizational commitment. Similarly, Yu and Wang (2018) mentioned that previous studies show that organizational culture significantly affects employees' job commitment. Recently, Kirimanop et al. (2020) found that organizational culture positively and significantly affects organizational commitment.

Given the evidence provided by the literature, this study suggests that organizational culture positively and significantly affects organizational commitment.

Organizational Commitment and Job Satisfaction

Organizational commitment guarantees an organization's survival (Paramita et al., 2020). Thus, the success and competing power of the organizations are tied to the members' commitment. An employee with high commitment tends to see himself or herself as a genuine member of the organization. In contrast, an employee with low commitment sees himself or herself as an outsider. An employee who is firmly committed to his/her organization has high morale and is highly satisfied with his job (see Saha & Kumar, 2018).

Job satisfaction has been found in previous studies to correlate with positive work values, job performance, and organizational commitment (see Batugal, 2019; Eliyana et al., 2019; Kawiana et al., 2018). The higher employee satisfaction, the higher the organizational commitment (Kawiana et al., 2018). For the members to be committed to the organization, they should be satisfied

with their job (Cherif, 2020). For instance, employees who are satisfied with coworkers tend to maintain membership in the organization where he/she works.

Organizational commitment is related to employee attitudes towards an organization and certain behaviors an employee displays in that organization; thus, considered a predictor of higher job satisfaction (Masouleh & Allahyari, 2017). For example, an employee who has a strong faith in an organization's values and beliefs readily accepts its goals and objectives and is ready to exert extra effort for or on behalf of the organization is considered highly committed.

The link between organizational commitment and job satisfaction has been controversial. However, researchers had a consensus that a linkage occurs, and a debate as to the direction of that relationship remains fragmented (see Culibrk et al., 2019). While most studies found job satisfaction to predict organizational commitment (e.g., Cherif, 2020; Kawiana et al., 2018), other studies averred that organizational commitment influenced employee satisfaction (e.g., Batugal, 2019; Paramita et al., 2020). With such pieces of evidence, this study proposed that organizational commitment influences positively and significantly job satisfaction and vice versa.

METHODOLOGY

Similar to previous studies that employed literature review to build conceptual frameworks (e.g., Paulino & Castano, 2019; Paulino & Amora, 2019), the present study also reviewed the literature to generate theoretical underpinnings. From these theories, the research developed the proposed empirical-based HR policy framework. Data collection began with a search for articles from 2018 or earlier in reputable databases like Google Scholar, Taylor and Francis online, etc. that included 'organizational culture,' 'organizational commitment,' and 'job satisfaction' in their titles, abstract, and keywords.

RESULTS

Based on the literature review, this study builds a conceptual framework showing the constructs' relationship (see *Figure 1*). The hypothesized linkage indicates that organizational culture is linked to organizational commitment and job satisfaction. The model also depicts the dual role of job satisfaction and organizational commitment. Organizational commitment influences job satisfaction and vice versa. Based on the model, the following hypotheses are proposed to be subjected to a test.

- Ha1: Job satisfaction is positively and significantly affected by organizational culture.
- Ha2: Organizational culture affects positively and significantly organizational commitment.
- Ha3: Organizational commitment influences positively and significantly job satisfaction.
- Ha4: Organizational commitment is positively and significantly influenced by job satisfaction.

- Ha5: Organizational commitment mediates the relationship between organizational culture and job satisfaction.
- Ha6: Job satisfaction mediates the relationship between organizational culture and organizational commitment.

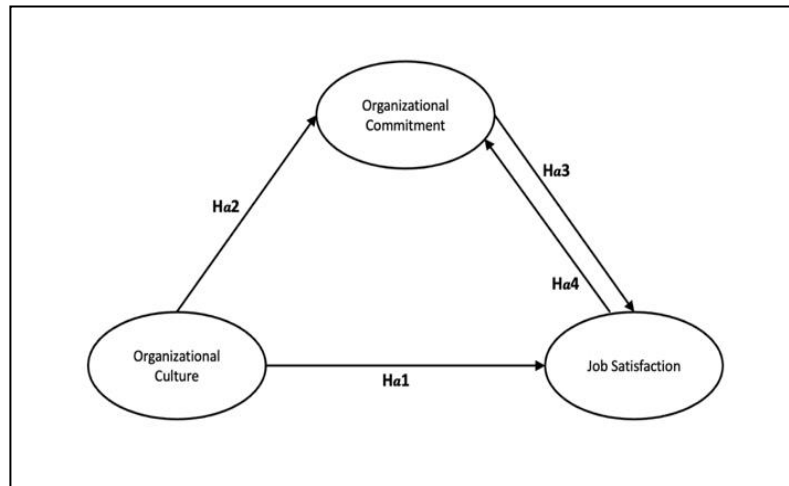


Figure 1. The Proposed Conceptual Framework

DISCUSSION

The results of the critical review reveal important implications for organizational management. The framework shows that organizational culture remained a critical factor in employee job satisfaction and commitment. However, it can be noted that globalization brought many challenges to the business landscape. Therefore, critical factors to organizational productivity and performance might be challenged as well. While previous studies confirmed that organizational culture persists as a decisive element in improving organizational productivity and performance, the abovementioned theory might be likewise challenged by the potential empirical results of the present study.

The dual role played by organizational commitment and job satisfaction in the relationship between organizational culture, organizational commitment, and job satisfaction also has important implications for organizations. Defining the precise direction of the influence can be a critical factor in organizations finding ways to improve their competitive edge further. The empirical data that can be drawn from the following tests may confirm or contest these associations.

CONCLUSIONS AND RECOMMENDATIONS

The conceptual framework (*Figure 1*) suggests that organizational culture, organizational commitment, and job satisfaction are interrelated. Therefore, organizations must consider these dynamics when formulating new and enhancing existing human resource policies as means to improve organizations' competitive edge. The empirical data that can be drawn from the study may confirm or contest the existing knowledge on the links among the constructs.

Further tests are needed to define the exact direction of the influences. The precision of the effects is essential to delineate the most effective and efficient human resource policies toward more productive and competitive organizations.

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