



The effects of organizational culture on organizational commitment: The mediating role of job satisfaction, in case of Oromia forest and wild life enterprise

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Abstract

The purpose of this study was to determine the effects of Organizational culture on Organizational commitment with the mediated role of satisfaction. Data was gathered by closed ended questionnaires distributed to five OFWEL's in oromia. The scales used were the Organizational Culture Index, OCI, the Job Satisfaction Survey, JSS and the Organizational Commitment Questionnaire, OCQ. The gathered data was statistically analyzed with SPSS 20, and AMOS 21 Version. The data was collected using a questionnaire. 315 questionnaires distributed and analyzed by using Structural Equation Model (SEM). Confirmatory factor analysis using structural equation modeling (SEM) has been employed as a statistical tool to validate these interdependence relationships. Confirmatory Factor Analysis (CFA) would be used to estimate the adequacy of the measurement model for each construct. Some of the results were according to the expectation after theory examination, but others were surprisingly contradictive. Bureaucratic culture were significant direct indirect effect on organizational commitment. This effect was positive instead of negative as was hypothesized. Based on the result of this research it is recommended that supportive should be practiced in OFWEs to gain satisfied and committed employees. The findings of the research indicated that suggested model had appropriate fit and organizational culture beyond its direct effect exceed indirect on organizational commitment through the mediation role of job satisfaction that the extent of indirect impact was significantly higher than direct impact.

Keywords: job satisfaction, organizational culture, organizational commitment, Oromia forest and wild life enterprise

Introduction

Employees play an important role in organizations, they are the greatest resource an organization can have and it is through their involvement and commitment that the organization can become competitive (Sempane, Rieger & Roodt, 2002), (Holland, Sheehan and de Cieri, 2007). Employees who are committed are liable to increase their performance and devote their time to the organization (Saal & Knight, 1987).

Organizational commitment is often described as the key factor in the relationship between employees and organizations (Raju & Srivastava, 1994) [25].

Satisfied employees by means of an affective orientation or a positive attitude, achieves a positive result in relation to his/her job, in general, or to specific personal aspects (Smith, Kendall and Huh (1969) [31] and they are would being to try new ideas and could participate more in the decisions that need to be made (Kivimaki & Kalimo, 1994) [13]. This results in improved communication among employees and workforce support for the organization Organizational commitment and job satisfaction (Lok & Crawford, 2004) [19], (Wilson and Rosenfeld (1990).

The existence of job satisfaction is the result of new approach of leadership style, the value, and belief and perception practice in the organization.

Organizational culture is the shared understanding of the beliefs, values, norms and philosophies of how things work (Wallach, 1983) [33]. Employee behavior (their commitment and job satisfaction), their expectations and their performance

would be determine if the implementation of plans, policies and strategies is successful and if the organization were competitive.

The researcher would analyzed that how leadership and organizational culture, influence organizational commitment and what kind of mediating affect job satisfaction has on this relationship within OFWEs.

In any given discipline, the success of organization can nearly always be traced directly back to the vision and will of the leadership and good organizational culture practiced. Therefore, having effective leadership styles and good organizational culture for the organization to retain competent employees is crucial to its survival. Also Awan & Mahmood (2009) [4] depict that employee commitment reflects the quality of the leadership, value attitude perception in the organization.

The role of leadership and organizational culture are well investigated on the basis of its competences and characteristics to address different organizational issue. Many organizational cultures are presented by the scholars to handle and manage different organizational situations. Defining and discussing different characteristics of organizational culture authors also mention that some of these characteristics are more important, which should have to address the phenomena of organizational effective successfully, but the relationship between these organizational culture and organizational commitment with the mediating role of job satisfaction are not much investigated.

Study reveals that, an organization with poor of leadership and organizational culture has little chance for survival (Yousef, 1998) [34], this may increase turn over intention. Sensing the gap of poorness of leadership and badness of organizational culture, the researcher was examining effects organizational culture on commitment with the mediating role of job satisfaction, in case of OFWE's

The Study

Figure 1 presents the conceptual model of research.

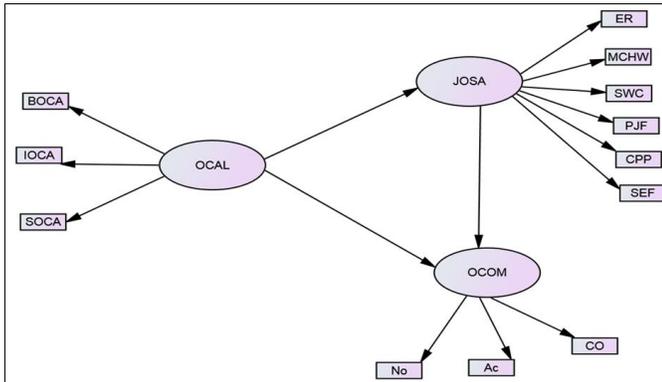


Fig 1: Conceptual model of research

Research Hypotheses

The following research hypotheses guided the study:

- H1:** Innovative culture has a positive effect on organizational commitment
- H2:** Supportive culture has a positive effect on organizational commitment
- H3:** Job satisfaction is positively mediate the relationship between Bureaucratic culture and organizational commitment
- H4:** Job satisfaction is negative mediate the relationship between Innovative cultures has and organizational commitment
- H5:** Job satisfaction is positively mediate the relationship between Supportive culture and organizational commitment
- H6:** There is a positive relationship between organizational culture and organizational commitment
- H7:** Job satisfaction is positively mediate the relationship between organizational culture and organizational commitment

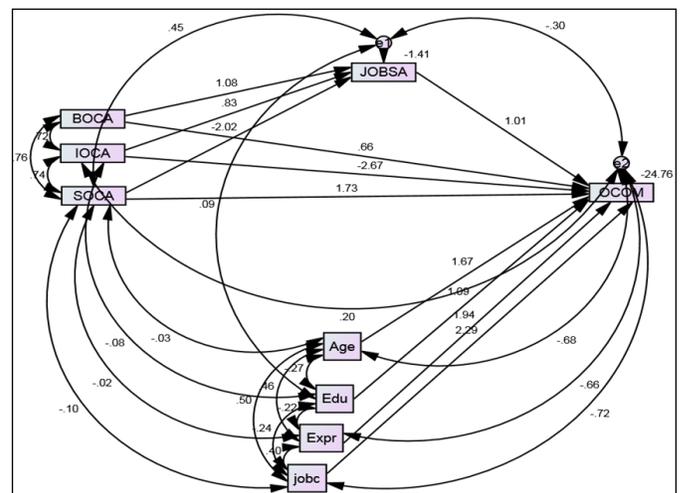
Materials and Methods

The current research is a descriptive and correlational study that was conducted through the survey method. The statistical population of the research consisted of permanent employees selected five branches of OFWE's. The number of employees during the research was 3200 persons, and 315 persons were selected as volume of sample by using Avilio, 1984. Considering these total numbers, 73% of participants were male, more than 72% of them had BA and upper, nearly 34% of them had 11-15 years of work experience, and more than 44% of them were over 36-45 years old Salary division, as can be seen in the figure below 50% of the sample population, earns more than 7000 a month. In this research three questionnaires were used to collect the data that these questionnaires were adjusted based on Likert scale ranging

from 1 to 5. The first questionnaire was to evaluate the organizational culture and included 18 questions and The average factor loading for these items is 0.86, (ranging from 0.844 to 0.844), the composite reliability and Cronbach's alpha for the scale is 0.83.; the second questionnaire was to assess the job satisfaction and involved 20 questions The average factor loading for these items is 0.6, and the composite reliability and Cronbach's alpha for the scale is 0.724; and the third questionnaire was to evaluate organizational commitment and included 15 questions The average factor loading for these items is 0.7, and the composite reliability and Cronbach's alpha for the scale is 0.717.

Results

Connecting theoretical and experimental knowledge for better understanding of real universe is a feature of approach of structural equation modeling. Such analysis provides possibility of modeling based on latent variables and unobserved variables. To this end, this feature is very appropriate to analyze the theoretical models. In the current study, structural equation modeling was used to investigate the conceptual model and hypotheses of research and the results are presented in Figure 2 the information indicates that conceptual model of research had very good fit.



Source: drawn with the researchers survey data

Fig 2

Table 1

Index	value	Accepted
Root Mean Square Error of Approximation (RMSEA)	0.000	Less than 0.09
Normed Fit Index (NFI)	0.99	More than 0.95
Goodness of Fit Index (GFI)	0.95	More than 0.95
Adjusted Goodness of Fit Index (AGFI)	1.000	More than 0.95
Comparative Fit Index (CFI)	1.000	More than 0.95
Incremental Fit Index (IFI)	1.000	More than 0.95
Tuker-Lewis Index (TLI)	1.000	More than 0.95
Relative Fit Index (RFI)	0.963	More than 0.95

Probability level = .553 Chi-square difference ratio (Chi-square = 8.784),

Degrees of freedom = 10

Probability level = .553

Fit indexes in Table 1 presents that conceptual model of research has very good fit. In other words, suggested model has appropriate fit. Table 2 presents the testing of research hypotheses. Results of Table 2 indicated that organizational culture components, except, innovative culture had positive effects on organizational commitment; supportive culture had positive (1.726) effects than bureaucratic culture (0.662) on organizational commitment, but innovative culture had negative direct effects on organizational commitment. In

addition, the results of path analysis indicated that organizational culture beyond its indirect effects on organizational commitment influenced through job satisfaction that direct effects was significantly higher (0.837) than indirect impact (-2.043). Thus, it can be resulted that employee’s job satisfaction had a mediator impact on the relationship between organizational culture and organizational commitment. Therefore, the eight hypothesis of the research was verified

Table 2: Testing of Research Hypotheses

Hypotheses	Regression Coefficient	P-value	Result
H1: Innovative culture has a positive effect on organizational commitment	-2.667	0.470	Not supported
H2: Supportive culture has a positive effect on organizational commitment	1.726	0.315	
H3: Bureaucratic culture has a positive effect on organizational commitment	.662		supported
H4: Job satisfaction is positively mediate the relationship between Bureaucratic culture and organizational commitment	1.095	0.641	supported
H5: Job satisfaction is negative mediate the relationship between Innovative cultures has and organizational commitment	.837	0.470	Not supported
H6: Job satisfaction is positively mediate the relationship between Supportive culture and organizational commitment	-2.043	0.315	
H7: There is a positive relationship between organizational culture and organizational commitment	.092	0.134	supported
H8: Job satisfaction is positively mediate the relationship between organizational culture and organizational commitment	.013	0.134	supported

Conclusions

Organizational commitment is has a big influence on the success of an organization and is highly valued. (Raju & Srivastava, 1994) [25] stated that Organizational commitment is often described as the key factor in the relationship between employees and organizations.

Having a good connection with employees and having a clear vision plays an important role in attaining positive results from employees (Bass & Avolio, 1990; Shamir, 1995).

Accordingly, the main goal of the researcher formulated to determine the effects of “organizational culture (Bureaucratic, Innovative or Supportive) on organizational commitment in ormia forest and wild life enterprise, through the mediating role of Job satisfaction” based on drowned, collected and analyzed data, the researcher ware observed the following finding.

Bureaucratic culture has a positive direct effect ($\beta=1.081$), on job satisfaction and organizational commitment while, an expected result that job satisfaction has positive mediating role ($\beta=1.095$) between Bureaucratic culture and organizational commitment. That is, due to the indirect (mediated) effect of BOCA on OCOM, when BOCA goes up by 1 standard deviation, OCOM goes up by 1.095 standard deviations. In other words, the regression weight for BOCA in the prediction of JOBSA is significantly different from zero at the 0.05 level (two-tailed).

The other finding of the research indicated that innovative culture has positive ($\beta=.826$), direct effect on job satisfaction and organizational commitment, although, job satisfaction has positive ($\beta=.837$), mediating role between innovative culture and organizational commitment.

Supportive culture has negative ($\beta=-.2.016$) direct effects on job satisfaction and positive direct effect ($\beta=1.726$) on organizational commitment, while, job satisfaction has

negative ($\beta=-2.043$) mediating role between supportive culture and organizational commitment.

The researcher founded that the direct indirect effect of bureaucratic culture on organizational commitment and job satisfaction was positive.

Employees of OFWE’s, of which the majority is operational, could also be comfortable in a bureaucratic environment where everything is ordered, structured and procedure is well thought out. The processes are closely monitored and supervised (Kemble, 2012), Similar to this results stated that innovative culture has positive direct effects on organizational commitment. An innovative culture has a creative, result oriented, challenging work environment and is portrayed as being entrepreneurial ambitious, stimulating, driven and risk-taking;

The other finding of the research indicated that organizational culture has positive direct effects on job satisfaction ($\beta=.070$) and organizational commitment ($\beta=.092$), while, job satisfaction had negative ($\beta=.013$) mediating role between organizational culture and organizational commitment. According to Lahiry (1994), stated that weak association between Organizational culture and commitment. It is said that organizational culture is too abstract and too far from most employees’ everyday activities within their organizational lives (Lok, Wang, Westwood & Crawford, 2007).

Results from this research approved that there was weak positive direct effects of organizational culture on job satisfaction than strong relation between organizational commitments.

Present study confirms that job satisfaction does act as a full mediating role in the relationship between organizational cultures on organizational commitment in OFWLE’s needs to improve the working quality. Effective in improving job

satisfaction, as it is a critical aspect of the organizational success. Leaders exhibiting transformational leadership intakes job satisfaction as pivotal aspect for efficiently and effectively managing organizational functionalities because it enhances organizational commitment that may strongly motivate positive subsequent attitudinal and behavioral outcomes.

However it is striking that the longer some employees stay with a company the less committed they get. One would think that the opposite is the case, the longer you work for a company the more committed you are to that company. OFWEL's should take consideration for this result, they exist in the enterprise because of no option as they think, according to Meyer and Allen (1997) Continuance organizational commitment refers to the awareness of cost linked with the departure from the organizations.

Employees with a strong continuance organizational commitment know that leaving the organization may be harmful to them fiscally due to the lack of employment option and low income. In continuance commitment, the employees consider the disadvantages of leaving the organization and avoid quitting. Those with high levels of continuance commitment stay with the organization because they need to. Thus, the employee keeps his organization membership thinking it might cost him too much to leave the organization (Allen & Meyer, 1990) ^[3]

Recommendations

- More studies could be conducted on organizational culture and employee commitment in OFWEL's.
- Further research could 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.
- Culture in organizations should be assessed and managers should become aware of what is needed to obtain positive results from employees in order to improve commitment.
- OFWEL's are recommended to emphasize more on supportive organizational culture which can help improve organizational commitment. So as to enhance faculty organizational commitment through organizational culture, OFWEL's are recommended to value, perception and skill of supervisor and top management for enhance grand objective.

Acknowledgments

I offer joyful praise to my Lord and Savior Jesus Christ for directing my path throughout my life and this journey I would like to express my gratitude to all those who gave their time and assistance towards the completion of this article. Permission was obtained from all oromia forest and wild life enterprise branch concerned and the collection of data is based on the consent of the participants.

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