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ORGANIZATIONAL CAREER MANAGEMENT, JOB SATISFACTION AND ORGANIZATIONAL COMMITMENT: A CASE STUDY OF CAR DEALER IN TAIWAN

This study investigates the relationship among organizational career management, job satisfaction and organizational commitment among employees from Ford-Right, a Ford Car dealer, in Taiwan by using structural equation modeling with AMOS. The total of 199 valid questionnaires were collected with a valid response rate of 66.3%. The results found that career information, extrinsic satisfaction and normative commitment were the most important factors in influencing organizational career management, job satisfaction and organizational commitment respectively. According to the structural equation modeling results, organizational career management was supposed to have significantly positive effects on job satisfaction, but no significant positive effects on organizational commitment. Job satisfaction was found to have significant positive effects on organizational commitment as well.

Keywords: organizational career management, job satisfaction, organizational commitment, structural equation modeling.

Цзюї-Минь Сяо

УПРАВЛІННЯ КАР'ЄРОЮ, МІРА ЗАДОВОЛЕНОСТІ РОБОТОЮ І ЛОЯЛЬНІСТЬ ДО ФІРМИ (ЗА ДАНИМИ АВТОМОБІЛЬНИХ САЛОНІВ НА ТАЙВАНІ)

У статті розглянуто залежність між управлінням кар'єрою, мірою задоволеності роботою і лояльністю до фірми в персоналі автомобільних салонів "Форд" на Тайвані. В аналізі використано метод моделювання структурними рівняннями АМОС. Отримано 199 заповнених анкет з рівнем відгуку 66,3%. Результати показали, що на управління кар'єрою, міру задоволеності роботою і лояльність до фірми найбільше впливають інформація про перспективи зростання, зовнішня задоволеність і нормативні зобов'язання. За результатами моделювання передбачено, що можливість управління кар'єрою значно впливає на міру задоволеності роботою, але мало впливає на лояльність до фірми. Особливого впливу міри задоволеності роботою на лояльність до фірми не виявлено.

Ключові слова: управління кар'єрою, міра задоволеності роботою, лояльність до фірми, моделювання структурними рівняннями.

Цзюї-Минь Сяо

УПРАВЛЕНИЕ КАРЬЕРОЙ, СТЕПЕНЬ УДОВЛЕТВОРЕННОСТИ РАБОТОЙ И ЛОЯЛЬНОСТЬ К ФИРМЕ (ПО ДАННЫМ АВТОМОБИЛЬНЫХ САЛОНОВ НА ТАЙВАНЕ)

В статье рассмотрена зависимость между управлением карьерой, степенью удовлетворенности работой и лояльностью к фирме у персонала автомобильных салонов "Форд" на Тайване. В анализе использован метод моделирования структурными уравнениями АМОС. Получено 199 заполненных анкет с уровнем отклика 66,3%. Результаты показали, что на возможность управление карьерой, степень удовлетворенности работой и лояльность к фирме наиболее влияют информация о перспективах роста, внешняя удовлетворенность и нормативные обязательства. По

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результатам моделювання передположено, що можливість управління кар'єрою значительно впливає на ступінь задоволеності роботою, но незначительно впливає на лояльність к фирме. Особого впливня ступені задоволеності роботою на лояльність к фирме не обнаружено.

Ключевые слова: управління кар'єрою, ступінь задоволеності роботою, лояльність к фирме, моделювання структурними уравнениями.

1. Introduction. Today, with global competition everywhere and the rise of the concept of job-life quality, people are experiencing new meanings of job or career. Career management is gaining more focus in the field of human resource management. Many companies or organizations are pursuing strategies to introduce career management programs for employees are the major assets of organizations. To organizations, cost and demission rate will be cut and therefore to increase productivity. For employees, personal disturbance could be decreased on one hand and motivation for better performance would be improved on the other. Career is indeed one of the most essential issues that organizations should pay attention to (Elsdon and Iyer, 2000).

If an employee has better understanding of career development in organizations and employers play their role well, job satisfaction, organizational commitment and intension to stay in the organization will be effectively enhanced. Because of improved educational level of employees, dramatically changing environment and attention to life quality, employees are not only satisfied with extrinsic factors such as pay or welfare but also other intrinsic factors. Job satisfaction and organizational commitment will be fulfilled if the careers of employees are linked well with organizational career management programs.

Growth in organizations not only derives from the increase of intangible assets or equipment but also from improvement in core competence and competencies of organizations and employees. Well-developed policies are helpful to increase loyalty and to lower turnover intensions of employees. Internal training costs will be cut, leading to better working efficiency. Hence, this study aims to examine whether organizational career management affects job satisfaction and organizational commitment. Whether job satisfaction affects organizational commitment is under discussion as well.

Today, because of increased oil prices, the automobile industry is struggling with a slump. During this period, a decline of sales is predicted and serious losses are is expected. This fact represents an increase in the use of career management to improve the careers of employees, for their benefits and that of their firms. In this study, we target one single automobile selling company — Ford-Right, the exclusive distributor of FORD Lio Ho Motor Company Ltd. in Yulin, Ciayi and Tainan.

Based on the research motives, our study objectives are as follows. First, we explore the relationship among organizational career management, job satisfaction and organizational commitment. Second, we hope to determine the most influencing factors in respective constructs. A structural equation modeling was applied with AMOS to analyze the data. The paper is divided into 5 sections including introduction, literature review, methodology, analysis and results, and discussion and conclusion in the final part.

2. Literature.

2.1. Organizational Career Management. Career management, one of the most important issues in human resources, is essential to organizations. Organizational career management refers to a variety of policies and practices in organizations to improve and enhance career success (Orpen, 1994; Yahya et al., 2004). A total of 8 activities are offered by organizations to their employees (Feldman, 1988) including (1) career information systems; (2) human resource planning and forecasting; (3) career counseling; (4) career pathing; (5) skills assessment and training; (6) career development for disadvantaged; (7) career development for "fast-track" employees; and (8) career development skills workshops for supervisors.

Similarly, Orpen (1994) identified 35 potential elements of career management schemes and 3 factors were extracted by factor analysis, namely career management policies, employee career management, and career information. Another 24-item organizational career management scale was developed by Yahya et al. (2004). The factor analysis found a similar result to Orpen's (1994) research. Likewise, Kong et al. (2011) developed a measurement scale for organizational career management for the hotel industry which had been grouped into 3 dimensions, including career appraisal and advice, career management program, and career training.

2.2. Job Satisfaction. Job satisfaction is a broadly studied concept in management literature. Many experts, managers as well as researchers propose that an increase in employees' job satisfaction means an improvement in performance and productivity (Eslami and Gharakhani, 2012).

Locke (1969) defined job satisfaction as "the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating one's job values". Spector (1997) defined job satisfaction as the relative strength of one's satisfaction with his job. Job satisfaction is proposed as one's general or global affective reaction to his or her job itself. According to Weiss et al. (1967), satisfaction has 3 main classes: intrinsic, extrinsic, and general satisfaction. Rose (2001) defined intrinsic satisfaction as the apparent reward from the job itself while extrinsic satisfaction is defined as the monetary compensation or other rewards. Intrinsic satisfaction and extrinsic satisfaction form a measure of general job satisfaction (Weiss et al., 1967). Consequently, Eslami and Gharakhani (2012) suggest that employees are more likely to leave their organizations if they are not satisfied.

2.3. Organizational Commitment. Organizational commitment also gains a great deal of attention in many studies (Allen and Meyer, 1990). Organizational commitment has been defined and measured in various ways. Porter et al. (1974) defined organizational commitment as the extent to which one identifies with or involves in a particular organization.

Later, Meyer and Allen (1984) used and defined "affective commitment" as one's emotional attachment to an organization. In 1990, Allen and Meyer suggested that organizational commitment have 3 separate components including affective commitment, continuance commitment and normative commitment. To sum up, Allen and Meyer (1996) defined organizational commitment as "a psychological link between the employee and his or her organization that makes it less likely that the employee will voluntarily leave the organization."

Allen and Meyer (1990) respectively defined affective commitment, continuance commitment and normative commitment as one's emotional attachment to identify with and involve in an organization, as one's awareness or recognition to continue to remain in it, and as one's personal norms and values to stay in it.

2.4. Relationship between Organizational Career Management and Job Satisfaction. There are a lot of researchers investigating the relationship between organizational career management and career success or individual performance. For example, Orpen (1994) studied 129 employees in private and public sections in the UK to reveal that organizational career management have positive impact on career effectiveness. Yahya et al. (2004) collected 169 questionnaires and found a significant relationship between organizational career management and individual performance.

However, there are few studies that focus on whether organizational career management leads to higher level of job satisfaction. Wu (2008) explored the relationship between organizational career management and job satisfaction. The results of 141 respondents from 12 software enterprises indicated a strong correlation between organizational career management as a whole and job satisfaction or between each dimensions of organizational career management and job satisfaction.

2.5 Relationship between Organizational Career Management and Organizational Commitment. The relationship between organizational career management and organizational commitment has received a lot of attention in literature too. Liu (2010) investigated the relationships among organizational career management strategy and organizational commitment and found that organizational career management strategy had significantly positive impacts on organizational commitment.

However, some researchers viewed individual career management and organizational career management as a whole concept namely career management, and to reveal its influence on organizational commitment. For instance, Sturges et al. (2002) conducted a longitudinal study on career management and organizational commitment. The results showed that these two concepts were highly correlated. Better career management practice brought high organizational commitment.

2.5 Relationship between Job Satisfaction and Organizational Commitment. The relationship between job satisfaction and organizational commitment could be viewed in two ways. Most researchers deem job satisfaction as an important antecedent of organizational commitment. For instance, Azeem (2010) studied the sample of 128 service employees and the results proved the overall job satisfaction as a significant predictor of organizational commitment. Likewise, Brown and Peterson (2003)'s study also suggested job satisfaction as an antecedent of organizational commitment. Yang (2010) collected a sample of 671 questionnaires to analyze the antecedents and consequences of job satisfaction. The findings indicated significant positive impact of job satisfaction on organizational commitment.

However, there have been some studies proposing that organizational commitment as an antecedent of job satisfaction. Sharma and Bajpai (2010)'s research had prove organizational commitment as an important factor influencing job satisfaction.

3. Research Methodology.

3.1. *Conceptual Model and Hypotheses.* Figure 1 presents the research framework and the relationships between variables. It illustrates that organizational career management leads to job satisfaction and organizational commitment and job satisfaction leads to organizational commitment. This study aims to explore the relationships between organizational career management, job satisfaction and organizational commitment.

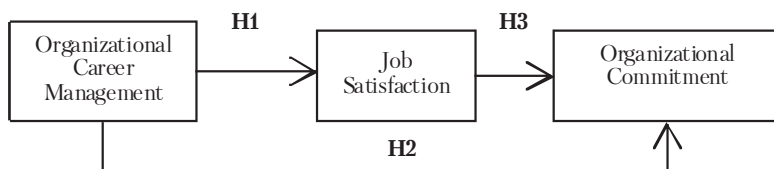


Figure 1. Research Framework

Hence, the research hypotheses are as follows:

H1: Organizational career management positively affects job satisfaction.

H2: Organizational career management positively affects organizational commitment.

H3: Job satisfaction positively affects organizational commitment.

3.2. *Samples and Data Collection.* Ford-Right, the biggest Ford Car dealer in Taiwan, with the head office situated in Tainan was the subject for this study. Ford-Right, established in 2002, serves as the exclusive distributor of FORD Lio Ho Motor Company Ltd. in Yulin, Chiayi and Tainan. Currently, the company has the total of 300 employees in its 14 service sites, including 140 salespersons and 160 administrative and maintenance staff. All the employees were selected to participate in the survey. Survey questionnaires were delivered to all the participants with the assistance of the Personnel Management Department in April, 2012. By April 15, 268 questionnaires were collected. However, 69 questionnaires were invalid, leaving 199 valid ones. The valid response rate was 66.3 %.

3.3. *Measures.* In order to analyze the relationships between organizational career management, job satisfaction, and organizational commitment, we conducted a questionnaire survey. The questionnaire consists of 4 sections. Three 5-point Likert scales are used to measure organizational career management, job satisfaction, and organizational commitment, with the responses ranging from (5) strongly agree to (1) strongly disagree.

Organizational career management is measured with the 24-item scale developed by Yahya et al. (2004). Career management policies, career management, and career information are 3 dimensions measured with the scale. *Job satisfaction* is measured with a 20-item scale derived from the Minnesota's Satisfaction Questionnaire (short form) developed by Weiss et al. (1967). Intrinsic satisfaction and extrinsic satisfaction are two sub-constructs of job satisfaction. *Organizational commitment* is measured with the original 18-item scale developed by Meyer et al. (1993). 3 subscale measuring affective commitment, continuance commitment, and normative commitment with 8 items for each one.

Demographic questions include gender, age, marital status, number of working years, job position, annual income etc. listed in the final part of the survey questionnaire.

3.4. *Statistical Analysis.* The statistical analysis of data is divided into 2 steps. In the first step, we used the SPSS to reveal general information on the respondents with frequency and percentage of sample characteristics, to ensure internal consistency of data by computing Cronbach's alpha coefficient and inter-item correlations, to evaluate if relationship between constructs exists by computing Pearson correlations. In the second step, we used AMOS to assess the research framework by structure equation modeling (SEM) analysis.

4. Analysis and Results.

4.1. *Demographic Profile of Respondents.* Of the valid 199 questionnaires, 82.4% belong to male while the remaining 17.6 to female. 52.3% of the sample is single. A majority of the sample (61.8%) is in the age between 25 and 34. 60.8% of the sample had 1 to 5 working years, and 62.3 % of the sample has the annual income ranging from 360,000 to 600,000. Most of the respondents are staff (77.9%, 155 respondents).

4.2. *Reliability Analysis.* Table 4.1 shows the reliability of each measurement scale in this study. Cronbach's alpha coefficient and item-to-total correlations are two major parameters in defining internal consistency of the data. Suggested by Hair et al. (1998), a value of 0.70 or higher of Cronbach's alpha coefficient is considered acceptable. Items with low item-total correlations were deleted. Cronbach's alpha coefficient of each construct is higher than 0.70 and composite reliability of each scale ranges from .878 to .947, ensuring internal consistency of the data.

Table 4.1. Reliability analysis of the survey scales

Scale		No. of Items	Cronbach's alpha	
Organizational Career Management	Career Management Policies	5	.868	.947
	Career Management	9	.913	
	Career Information	3	.840	
Job Satisfaction	Intrinsic Satisfaction	11	.890	.927
	Extrinsic Satisfaction	7	.885	
Organizational Commitment	Affective Commitment	3	.853	.878
	Continuance Commitment	5	.828	
	Normative Commitment	6	.852	

4.3. *Descriptive Statistics and Correlation Analysis.* Table 4.2 reveals the means and standard deviations of the research variables. Also, the Pearson correlation coefficients between the variables were computed. Strong correlations were confirmed between organizational career management and job satisfaction, between organizational career management and organizational commitment, and between job satisfaction and organizational commitment.

Table 4.2. Descriptive statistics and correlations (N=199)

Variables	Means	S.D.	OCM	JS	OC
Organizational Career Management (OCM)	2.996	.643	1		
Job Satisfaction (JS)	3.304	.560	.712**	1	
Organizational Commitment (OC)	3.091	.547	.538**	.633**	1

** p <0.01 Two-tailed tests.

4.4. *Structural Equation Modeling.* Structural equation modeling (SEM) with AMOS was conducted to assess the proposed model. There are several indices set by

the SEM scholars to examine the model fit. In this study, the model fit was assessed with 4 common fit indices as shown in Table 4.3. The model used the method of maximum likelihood estimation. The results showed that our model had a good fit according to the fit indices (relative $X^2=4.406$, $GFI=0.918$, $CFI=0.939$, and $RMR=0.026$). Thus, testing of hypothesized paths is supported.

Table 4.3. Fit Indices for Structural Equation Modeling

Indices	Acceptable Fitness	Our Model	Source
Relative X^2 (X^2/df)	< 5	4.406	Schumacker and Lomax (2004)
GFI	> 0.90	0.918	Byrne (1994)
CFI	> 0.93	0.939	Byrne (1994)
RMR	< 0.05	0.026	Wu (2011)

Figure 2 demonstrates the structural equation modeling with parameter estimates. Table 4.4 summarized the results of hypothesis testing. Organizational career management showed a positive impacts on job satisfaction ($t=9.304$, $p<0.01$) supporting Hypothesis 1. The path analysis also shows that 61% of the variance in job satisfaction was explained by organizational career management. However, organizational career management shows no significant contribution to organizational commitment ($t=1.022$, $p>0.05$). Hypothesis 2 is not supported. Moreover, Hypothesis 3 predicting that job satisfaction has positive effect on organizational commitment is supported ($t=0.731$, $p<0.01$). 70% of the variance in organizational commitment is explained by organizational career management and job satisfaction. To sum up, a significant direct relationship between organizational career management and job satisfaction and between job satisfaction and organizational commitment are found.

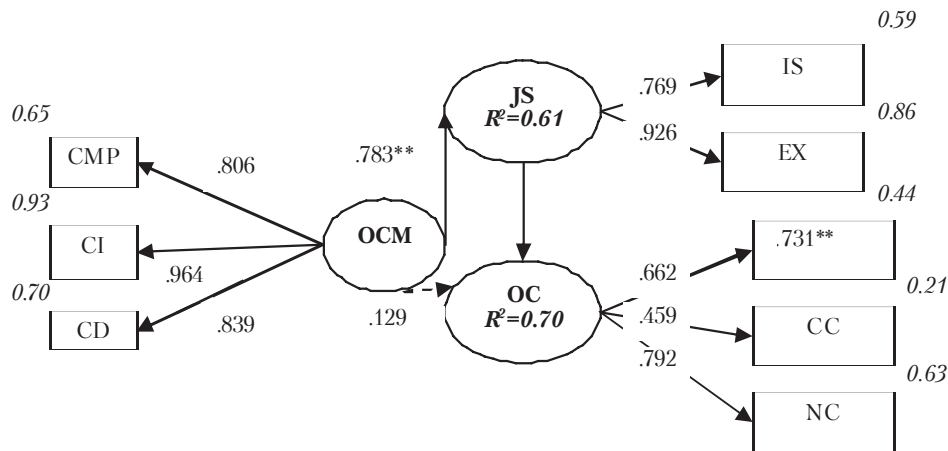


Figure 2. SEM with Standardized Regression Weights

In addition, the squared multiple correlations (SMC) provide information about how much variance explained by the observed variables. A value of 0.50 is better; however, 0.25 is acceptable too (Bagozzi and Yi, 1988). According to the SMC in italics, the dimensions are all reliable indicators of the studied constructs, except continuance commitment. The squared multiple correlation for continuance commitment is 0.21. We can conclude that career information is the most reliable indicator

of organizational career management, while extrinsic satisfaction of job satisfaction and normative commitment of organizational commitment.

Table 4.4. Results of the Hypothesized Path (N=199)

Hypothesis	Standardized Coefficient	t-Value	Results
H1: Organizational Career Management > Job Satisfaction	.783	9.304**	Supported
H2: Organizational Career Management > Organizational Commitment	.129	1.022	Not Supported
H3: Job Satisfaction > Organizational Commitment	.731	5.354**	Supported

** p <0.01

5. Discussion and Conclusions. This study explores the relationship between organizational career management, job satisfaction and organizational commitment. The research framework as outlined in Figure 1 was analyzed through structural equation modeling (SEM) with AMOS. The data from 199 employees of Ford-Right Corp. Ltd. was collected. The goodness of fit of the model is acceptable.

In order to investigate the relationship between the studied variables, the path analysis is applied. According to the regression weight and C.R., it is confirmed that organizational career management has positive effects on job satisfaction supporting Hypothesis 1. However, organizational career management was not found to have positive effects on organizational commitment. Thus, Hypothesis 2 was not supported. Moreover, the results had found that job satisfaction was an essential factor influencing organizational commitment, supporting Hypothesis 3.

The results also indicate that all the dimensions are reliable indicators of the respective construct. For example, career information is found to be the most important contributor of organizational career management. Extrinsic satisfaction plays a major role in developing job satisfaction. Normative commitment is a powerful contributor to organizational commitment.

Based on the analysis results, there are at least two implications for practice.

First, organizational career management is a critical contributor to job satisfaction but not an important factor in influencing organizational commitment. 61% of the variance in job satisfaction was explained by organizational career management. Thus, the study suggested that organizational career management is more important in influencing job satisfaction than in influencing organizational commitment. If organizations would like to enhance job satisfaction of their employees, a well-developed organizational career management is helpful.

Second, job satisfaction is found to have positive impacts on organizational commitment. The higher level of job satisfaction of employees is, the higher level of organizational commitment they will possess. The higher level of organizational commitment of employees, the less turnover intention they will have.

To sum up, the proposed model of the relationship between organizational career management, job satisfaction and organizational commitment was supported by structural equation modeling. However, organizational career management has not significant effects on organizational commitment.

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