The Relationship Between Job Satisfaction and Organizational Commitment: A Small Business Perspective

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This study examined the relationship between perceived job satisfaction and organizational commitment in small business employees. Although extensively researched in large corporations, the relationship between these two variables remains unclear, especially in small businesses. The fastest growing segment in the U.S., small businesses are characterized by non-standard work models, limited human resource management, and vulnerability to productivity loss from turnover. However, small businesses also offer unique opportunities for employees in terms of creativity, growth, flexibility, autonomy, and involvement in decision making. Data collected through surveys from 101 small business employees representing various industries in the Lynchburg area of Virginia were analyzed using a correlational statistical approach. The results showed moderately strong relationships between job satisfaction and organizational commitment as well as between these two variables and five different subscales. Interpretations of the findings are offered, recommendations for further research provided, and practical applications for small business owners and managers proposed.

Keywords: Job Satisfaction; Organizational Commitment; Small Businesses; Human Resource Management, Turnover

Introduction

A wealth of literature suggests that motivational constructs such as job satisfaction and organizational commitment are precursors to turnover and other key indicators used to assess the overall well-being of an organization’s human capital and position in the market. Job satisfaction and organizational commitment are dynamic variables that also directly impact employee performance, productivity, engagement, and, ultimately, organizational sustainability (Grant, 2008; Shanahan & Hopkins, 2019; Springer, 2011). When employees are not treated well, they develop a negative attitude towards the work, employer, and co-workers, and their commitment gives way to thoughts of leaving (Chinomona & Dhurup, 2014). Consequently, when low employee job satisfaction results in turnover...
The relationship between employee job satisfaction and employee performance/productivity has received a great deal of attention from scholars and practitioners alike (Edmans, 2012; Fisher, 2003; Gerster & Day, 1997; Locke, 1976; Spector, 2005; Vandenberghhe & Tremblay, 2008). Within the last few years, job satisfaction has also been correlated with other constructs such as organizational commitment (Johnson, Groff & Taing, 2008), turnover (Chen, Ployhart, Thomas, Anderson, & Bliese, 2011; Jones, Havens, & Thompson, 2009; Nyberg, Ployhart, Call & Weekley, 2015), absenteeism (Angermeir, Dunford, Boss, Boss, & Miller, 2009), person-job fit (Peng & Mayo, 2015), and culture (Ng, Sorensen, & Yim, 2009; Zhang & Zheng, 2009). Although conclusions regarding the causal direction and the strength of associations vary, many studies conducted in multiple industries and nations have shown significant relationships among job satisfaction, organizational commitment, and turnover (Diastel, Wegge, & Schmidt, 2014; Lambert, Hogan, & Altheima, 2010; Mafini & Dlodlo, 2014; Miller, Erikson, & Yust, 2001; Monynihan & Pandey, 2007; Rosati, Marren, Davin & Morgan, 2009; Yucel & Betkas, 2012). While much of this research has identified job satisfaction as an antecedent of organizational commitment (Balassiano & Salles, 2012; Leite, Rodrigues, & de Albuquerque, 2014; Robbins & Judge, 2015), Celik, Dedecoglu and İnanır (2015) reported that organizational commitment positively affects job satisfaction and that organizational commitment partially mediates between ethical leadership and job satisfaction. In Schwepker’s (2001) study, the relationship between job satisfaction and turnover intent was fully mediated by organizational commitment. Numerous studies have shown that organizational commitment has a consistent, direct effect on turnover intent (Griffeth, Hom, & Gaertner, 2000; Kanwar, Singh, & Kodwani, 2012). Yet, some studies have suggested that organizational commitment only has an indirect influence on turnover in that it contributes to job satisfaction, but the latter is a more critical predictor of turnover (Bateman & Strasser, 1984; Tett & Meyer, 1993). Shanahan and Hopkins (2019) found, for example, that high job satisfaction may lead to reduced turnover even in the absence of organizational commitment. By contrast, Cho, Rutherford, Friend, Hamwi and Park (2017) reported that while job satisfaction was associated with organizational commitment, neither variable predicted turnover.

Importantly, the strength of the associations between job satisfaction and organizational commitment remains unclear in small businesses (Villanueva, 2014) where non-standard work models challenge the traditional employer-employee dynamic (Cappelli & Keller, 2013; Springer, 2011). Research on motivational constructs has focused primarily on large corporations, healthcare organizations, and government entities (Zhang & Zheng, 2009). Yet, investigating how these constructs impact small businesses is critical given the disproportionate effects associated with the cost of productivity loss from turnover and sub-optimal human resource management (Hausknecht, Hiller & Vance, 2008).

Small businesses are the fastest growing segment of economic development in the U.S. (Small Business Administration, 2015). Competition in both domestic and international markets presents a unique opportunity for small businesses to prove themselves through niche markets and segments. The role of a small business in the current economy requires that a minimum level of productivity, profitability, and an engaged workforce be maintained. Thus, understanding the relationship between employees’ perceptions of job satisfaction and commitment will help small business leaders retain a stable and productive workforce that can maximize internal resources for a sustainable future (Salleh, Nair, & Harwin, 2012).

In order to add to the limited existing research, this study examined the relationship between job satisfaction and organizational commitment as perceived by small business employees. Job satisfaction was defined as a pleasurable or positive emotional state resulting from the appraisal of one’s work, work experiences, and work environment (Griffin, Hogan, Lambert, Tucker-Gail & Baker,
Organizational commitment was defined as an employee’s evaluative assessment of his or her connection to the employing organization (Akhtar, 2014, Meyer & Allen, 1997). Small business employees were defined as those employed by an employer—whether a sole proprietor, limited liability company, partnership, or corporation—retaining 99 or fewer employees (Heneman & Berkley, 1999; Small Business Administration, 2015). According to the Bureau of Labor Statistics (2013), the number of small businesses in the United States is 30 million, of which 35% employs between 1-99 employees. The national turnover rate in small businesses is 2.2%. While rates in the Southern Region of the U.S. corresponds to the national average, the Virginia Employment Commission (2013) reported an average turnover rate of 8.3% in the Lynchburg Metropolitan Statistical Area (Lynchburg MSA) in Southeastern U.S. The Lynchburg MSA is home to 6,719 small businesses. Although the above-average employee turnover rate in the Lynchburg MSA may be partly due to the relocation of companies to cities or states that are considered more favorable to small businesses (Gentry, 2009), the impact on small businesses is, nevertheless, a significant problem in this area. The impact is magnified by the fact that job satisfaction and commitment rates in the small business sector are far below those of other industries (Salleh et al., 2012). These conditions make the Lynchburg MSA the ideal target for a study on the job satisfaction and organizational commitment of small business employees. Accordingly, the data for this study were obtained from 101 small business employees in the Lynchburg MSA who completed an online survey.

Review of Literature

As background for the study, literature on job satisfaction, organizational commitment, and small business employees was examined. Foundational to this study was Weiss, Davis, England, and Lofquist’s (1967) Theory of Work Adjustment, which assumes that individuals will seek to achieve satisfaction within their work environment by maintaining balance and harmony between their contributions and the rewards of the work environment. The theory assumes that the more satisfied the employees, the more likely they are to remain committed to their current employer and less likely to seek new employment (Hoxsey, 2010). Both job satisfaction and organizational commitment are multi-dimensional in nature and measured at the individual, team, and organizational unit levels in relation to performance and productivity (Brimeyer, Perruci, & Wadsworth, 2010; Latham, 2004; Dong, Mitchell, Lee, Holtom, & Hinkin, 2012).

The relationship between job satisfaction and organizational commitment is often examined in the context of motivation (Edmans, 2012; McAlearney, 2006; Pilcher, 2012), defined as “an internal state giving rise to a desire or pressure to act” (Westwood, 1992, p. 288). Work-related motivation encompasses the external (extrinsic) and internal (intrinsic) factors that determine an employee’s “direction”, “intensity”, and “duration” of effort in completing a job or task (Latham, 2004). Maidani (1991) concluded that there are intrinsic and extrinsic motivating factors that serve as sources of satisfaction. Intrinsic motivation is defined as behaviors that are driven by internal rewards, such as a sense of accomplishment and fulfillment, autonomy, and self-esteem, while extrinsic motivation is defined as the motivation to perform a behavior to earn a tangible reward or avoid punishment (Herzberg, 2003). Herzberg, Mausner, and Synderman (2010), argued that while an intrinsic motivator is the foundational source of motivation, an extrinsic motivator is the fundamental source of dissatisfaction. Interestingly enough, Becchetti, Castriota, and Tortia (2013) found that intrinsically motivated employees are more productive and, therefore, end up earning more.

Job Satisfaction

As stated earlier, job satisfaction may be conceptualized as a pleasurable or positive emotional state resulting from the appraisal of one’s work, work experiences, and work environment. According to Zhang, Hirschi, Herrmann, Wei, and Zhang (2015), job satisfaction is related to an employee’s attitude, which can be determined by examining the employee’s perception of his or her job. Job
satisfaction is thus linked to an employee’s expectations and the degree of importance placed on various aspects of the job and the workplace. When there is harmony between expectations and experiences, equilibrium and balance result (Yucel & Bektas, 2012). Yee, Yeung, and Cheng (2010) argued that the more an employee’s conditions are met through intrinsic or extrinsic measures, the greater the degree of job satisfaction. Employee job satisfaction is an important indicator of a healthy work environment (Kuo, Lin & Li, 2014).

Muindi and K’Obonyo (2015) contended that job satisfaction is not dependent upon factors beyond the employee’s control but is, rather, predicted by personality. Each employee develops a work personality that reflects his or her unique set of abilities and needs. These needs direct an individual to the desired motivations required to maintain a level of job satisfaction. Deci and Ryan (2000) also argued that job satisfaction is generated by fulfilling needs; specifically, needs for recognition of one’s abilities, aptitudes, and proficiency; relationships with others, and empowerment.

Some scholars have argued that low job satisfaction does not imply high job dissatisfaction but, rather, the two are independent dimensions (Bassett-Jones & Lloyd, 2005). Job dissatisfaction is defined as an employee’s emotional state that is experienced when job expectations are not met (Mattarelli & Tagliaventi, 2015). The idea that employees ascribe different meanings to the same job at any given time was also supported by Chen et al. (2011), who reported that the influence of job satisfaction on turnover intentions is highly dynamic. Others have argued that increasing job satisfaction in employees requires decreasing job dissatisfaction (Herzberg et al., 2010). Employers often assume that this is achieved by increasing employees’ monetary compensation. However, Judge, Piccolo, Podsakoff, Shaw, and Rich’s (2010) meta-analysis of 86 studies revealed only a modest positive relationship between employees’ compensation and job satisfaction. This finding was consistent across pay levels.

Organizational Commitment

Organizational commitment is a significant factor in establishing long-term relationships between employers and employees. It may be defined as an employee’s evaluative assessment of his or her connection to the employing organization (Akhtar, 2014; Meyer & Allen, 1997) or as a psychological state that strengthens an employee’s ties to the organization (Johnson et al., 2008; Meyer & Allen, 1991). Meyer and Herscovitch (2001) described commitment as a specific mindset that compels an individual toward a course of action. Organizational commitment may thus be understood as an attitude that ultimately affects behaviors (Angle & Perry, 1981; Jaros, 2010). Solinger, Olffen and Roe (2008) noted, however, that organizational commitment to an objective and a behavior, respectively, may be qualitatively different. Behaviors do not denote consistent actions or attitudes; commitment to a behavior is more constrained and only relevant in certain instances. Therefore, they argued, commitment to an organization must be understood as an attitude that influences an employee to a variation of behaviors.

According to Da Silva, Hutcheson, and Wahl (2010), the better the job fit between the goals and objectives of the organization and the employee’s individual intrinsic goals, the more committed the employee will be to the organization. To differentiate among various sources of commitment, Meyer and Allen (1991) conceptualized organizational commitment to consist of three components, i.e. affective, normative, and continuance.

Affective commitment refers to employees’ emotional connection to their employer, which generates a sense of belonging to, identification with, and loyalty toward the organization. Employees who identify with their employer have a greater desire to remain in the organization (Lam & Liu, 2014). They are also more likely to work harder to improve their status within the organization (Jussila, Byrne & Tuominen, 2012). Affective commitment is a result of employees’ attraction to the values of an organization and assimilation to the culture of the organization. Of the three components, affective
commitment has the strongest effect on organizational commitment in general as well as on turnover (Allen & Meyer, 1991, 1997; Pepe, 2010).

Normative commitment reflects employees’ perceived moral obligation to stay with an organization, a willingness generated by a sense of duty and compulsion (Meyer & Allen, 1997; Taing, Granger, Groff, Jackson & Johnson, 2011). Since normative commitment is values-based, it is critical for employers to recognize the cultural fit between the organization and its employees and to ensure organizational and employee values are congruent. Mayer and Schoorman (1992) argued that value commitments result in independent decisions made evident by organizational behaviors such as exerting substantial effort on behalf of the organization.

Continuance commitment emerges from employees’ assessment of opportunities associated with remaining with an organization compared to the cost of leaving their employment (Meyer & Allen, 1997). Benefits and work/life balance are considered high on employees’ list of needs, desires, and wants. According to Ismail and Nakache (2014), extrinsic and intrinsic rewards are equally predictive of employees’ organizational commitment in the public and private sectors in the U.S. Continuance commitment is also affected by employees’ perceptions regarding alternative job prospects (Clugston, Howell & Dorfman, 2000). Seeing other opportunities in the job market may lead to reduced commitment to employees’ current organization. The tenure of employees impacts their perception of the cost of leaving based on the investment made within the organization. Each employee’s frame of reference is unique; therefore, each opportunity/cost comparison is distinctive from that of other employees. Employees with high continuance commitment have a greater organizational commitment because they perceive a need to remain where they are (Pepe, 2010).

Contrary to Meyer and Allen’s (1991) three-component model, Penley and Gould (1988) viewed organizational commitment as made up of affective and instrumental commitment. Instrumental commitment emerges as employees trade personal involvement for compensation, thereby solidifying their commitment to the organization. Extrinsic rewards play a greater role in instrumental commitment than any other factor. In general, understanding how intrinsic and extrinsic factors drive the commitment of employees is vital to fostering a high level of loyalty and reducing turnover (Miao, Newman, Sun, & Xu, 2013). Managing turnover is especially challenging in small organizations because it must be large enough to prevent stagnation and small enough to ensure a healthy work environment (Michael, Timo, Davidson, & Wang, 2010).

**Small Business Employees**

According to Headd (2010), small businesses provide nearly one-half of all private-sector jobs and historically accounted for nearly 65 percent of net job creation. The Small Business Administration (2015) reported that small businesses represent 99.7% of all employer firms. The economic growth that the small business segment accounted for in the U.S. increased from 64% in 1995 to 78% in 2015. Thus, the small business sector is the cornerstone of the U.S. economy and a catalyst to fulfill the economic needs of the nation (Rogoff, Lee & Suh, 2004; Watson, 2006). The effectiveness of small businesses is based on many factors (Jones, 2010).

According to Greenidge, Alleyne, Parris, and Grant (2012), small businesses differ from large businesses in a number of ways. Although small business owners in the U.S. are well-educated, with half holding a college degree (U.S. Census, 2015), they generally have limited resources and are unable to pay wages comparable to those of large corporations. Many hire employees on a part-time or half-time basis only and do not offer the benefits associated with full-time employment. Many small businesses also lack the capacity for a dedicated human resource management department to develop recruitment and retention strategies for hiring and developing critical talent (Allen, Ericksen, & Collins, 2013).

However, small businesses are also able to offer unique opportunities for employees. By virtue of their size, small businesses are eligible to receive federal funding (Small Business Administration,
A small business is often used as the starting point for employees who are considered unemployable by larger corporations due to lack of experience or other employment-related obstacles such as lower levels of educational achievement (Lockard & Wolf, 2012). Also, a smaller company is more likely to permit employees to voice concerns and engage in participative decision making for the good of the business. According to Pajo, Coetzer, and Guenole (2010), individuals who are entrepreneurial and creative tend to prefer employment in small businesses where each decision or idea is heard and often implemented with ease. The intimate environment of a small business also allows managers to maintain a supportive atmosphere and devote time to each employee. The need to multi-task in a small business is essential (Greenidge et al., 2012). Bryson and White (2019) suggested that small businesses have a greater opportunity than larger businesses to cultivate intrinsic motivation, because they offer employees greater autonomy, control, and ability to influence major decisions. Consequently, employees who are motivated by intrinsic factors are more likely to choose work environments that are conducive to creativity and learning new skills, whereas employees who are extrinsically motivated may be more prone to choose environments in which compensation and praise are important (Beck, 2016).

Gountas, Gountas, and Mavondo (2013) argued that employees who are happy have a deep desire to serve with passion and deliver high levels of service. Ifie (2014) found that in a small business that generates excellent customer service, job satisfaction can be experienced at a higher level because employees are able to assist each client in a deeper way. Employees want to feel a part of an organization that is viewed as successful and acts in a responsible manner. Pride in an organization also enhances organizational commitment. Kankaanranta (2013) argued that commitment to a small business stems from internalized beliefs of the goodness of the job and a prevailing aspiration to preserve value in the eyes of the small business owner. There is an unwritten pledge that is formed between the employee and employer that is related to interpersonal permanency and that creates a sense of security and loyalty.

Davis (2004) and Bryson and White (2019) reported that small business employees have a higher level of job satisfaction than employees in large corporations because of the capability of the employer to give individualized attention to each employee and to manage a slower pace and workflow. By contrast, Smith, Kendall, and Hulin (1969) argued that employees in a small business are more likely to become dissatisfied with the overall atmosphere, work/life benefits, and job security than employees in a large to medium size firm. The dissatisfaction in a small business can be as a result of the inability to advance and the lack of resources offered to each employee. A lack of employee job satisfaction or organizational commitment can be detrimental to a small business because, with fewer employees, there is a greater risk that the underlying atmosphere is affected if several employees are not satisfied and committed and leave as a result. According to Gialuisi and Coetzer (2013), reasons for employee turnover in small businesses include lower compensation, greater unpredictability, and higher closure rates.

Rationale and Research Question

From the above review, it is evident that research to date has found associations and interactions of varying strength between job satisfaction and organizational commitment (Benazic & Ruzic, 2013; Irshad & Naz, 2011). Meyer and Allen (1991) suggested that employees experience organizational commitment in three ways: Affective commitment reflects an emotional attachment to the employer. Normative commitment is experienced in an obligatory manner as a sense of duty. Continuance commitment emerges from a cost/benefit analysis that can be economic or social in nature. (Meyer, Allen, & Smith,1993). Rather than treating affective, normative, and continuance commitment as acting independently, researchers have shifted to measuring the interactions among them (Meyer & Allen, 2004), as well as between elements of other constructs, such as job satisfaction (Johnson et al., 2008; Shaw 1990).
As noted previously, small businesses account for the majority of employer firms in the U.S. (Small Business Administration, 2015). Therefore, it is important for small business owners, in particular, to understand employee perceptions and levels of job satisfaction and its relationship to organizational commitment. Small business owners need to identify and understand the factors that motivate employees in order to strategically change the workplace environment as needed to provide working conditions that enhance feelings of satisfaction and minimize feelings of apathy, dissatisfaction and frustration (Caillier, 2012; Herzberg et al., 2010; Massenberg, Spurk, & Kauffeld, 2015). Understanding how employees become satisfied and committed to work is conducive to designing better job fits and fostering greater workplace performance (Suma & Lesha, 2013). By understanding the contribution of both intrinsic and extrinsic factors to job satisfaction and organizational commitment, small business owners and managers may proactively develop strategies to retain valued employees.

Investigating the link between job satisfaction and organizational commitment in small businesses is especially important for the purpose of reducing turnover. Mishra, Mishra, and Grubb (2015) reported that affective commitment and employee turnover are statistically linked in small business employees and managers. Given the aforementioned higher average turnover rate in small businesses in the Lynchburg MSA, this research will aid small business leaders in improving human resource management processes aimed at enhancing retention to remain competitive in the region. In order to add to the limited research on job satisfaction and organizational commitment in small business employees, one exploratory research question was articulated to guide this study:

RQ: What is the relationship between perceived job satisfaction and organizational commitment in small business employees in the Lynchburg MSA?

Method

In order to examine the relationship between job satisfaction and organizational commitment in small business employees, a quantitative method and correlational research design was chosen. The goal of correlational research is to examine the strength of relationships among two or more variables without inferring cause and effect. This approach was deemed appropriate as the review of previous research on the direction of the relationship between job satisfaction and organizational commitment revealed inconclusive findings. Data were collected through an online survey questionnaire.

Participants

Employee phone numbers, email addresses, and mailing addresses were obtained by permission from small business owners attending the Lynchburg Regional Business Alliance Expo on May 24, 2016; the Lynchburg Regional Business Alliance membership database; and the small business loan portfolio at Union Bank in Lynchburg, VA. In order to establish a working relationship with these organizations, initial contact was made with the business owners to discuss the purpose of the research and the requirements of participation in the study. Measures were taken to ensure that the protection of participants’ privacy was adequate, and that informed consent was obtained. A pool of 382 small business employees representing various industries in the Lynchburg (MSA) were contacted via email with a request to complete an online survey available via a link to SurveyMonkey. Small business employees who attended the Lynchburg Regional Business Alliance Expo on May 24, 2016, were invited to complete the online survey on-site. After two weeks, those who had not yet completed the survey were sent a reminder with another link to the survey, which was available for 45 days. The response rate was initially 10% and increased to 34.3% after the reminder.
Measures

Job satisfaction was measured using the short form of the Minnesota Satisfaction Questionnaire (MSQ) Originally designed by Weiss et al. (1967) to measure the overall satisfaction in community health workers, it has become the instrument of choice for research on the satisfaction that employees derive from their job in a wide range of occupations. Participants rate satisfying and rewarding aspects of their current job and work atmosphere responding to items such as “The chance to do different things from time to time,” “The competence of my supervisor in making decisions,” “My pay and the amount of work I do,” and “The way my co-workers get along with each other” on a five-point Likert scale ranging from very dissatisfied to very satisfied. The 20-item scale includes subscales for intrinsic and extrinsic satisfaction.

Organizational commitment was measured using the Three-Component Model of Commitment (TCM). Developed by Meyer and Allen (1997), this measure has become the standard instrument in organizational commitment research with more than 40 studies concluding that the scale’s construct validity is resilient (Love, 2013). It gauges employees’ feelings and attitudes on a five-point Likert scale ranging from strongly disagree to strongly agree with items such as “This organization has a great deal of personal meaning for me,” “I would be happy to spend the rest of my career with this organization,” “I would not leave this organization because of what I would stand to lose,” and “This organization deserves my loyalty.” The 18-item scale includes subscales for affective, normative, and continuance commitment. Four items are reverse-coded. Allen and Meyer (1991) reported that antecedents of affective commitment and normative commitment are highly correlated with both dimensions, suggesting that affective commitment and normative commitment lack discriminant validity.

The two measures were combined into a single survey questionnaire, which also included demographic questions related to age, gender, ethnicity, industry, length of employment in their current organization, whether employed full-time or part-time, and organization location.

Results

From the initial sample of 131 participants, three were excluded for being younger than 18 years and 27 for submitting a mostly incomplete survey. Of the resulting convenience sample of 101, 70% were employed full-time and 30% part-time—i.e. working fewer than 30 hours per week—in a small business. Thirteen percent of participants had been with their current employer less than five years; 42% 1-5 years; 31% 6-15 years; and 14% 16 years or more. The sample consisted of 39% males and 61% females. Ninety-one percent of participants were Caucasian, 5% were African American, and 4% were categorized as other ethnicities. Their average age was 41, the median 43, and the range 18-72. The greatest number of responses came from within Lynchburg City, followed by Bedford County, Amherst County, Campbell County, Bedford City, and Appomattox County. The retail industry had the greatest number of responses at 23%, followed by the financial and insurance industry at 18%, and the professional, scientific, and technical services industry at 12%. The remaining participants represented a wide range of industries.

Data Analysis

Using SPSS software, Chronbach’s alpha coefficients were calculated for all scales to assess their reliability after reverse-coding was completed. Composite variables were created from all scales and subscales, reflecting mean scores. Kolmogorov-Smirnov tests were conducted to examine the distribution of the scores in the main variables. For organizational commitment, the test was not significant at $D(101) = .061, p > .05$, which suggests the distribution was not different from a normal distribution. For job satisfaction, the test was significant at $D(101) = 0.124, p < .001$, which means the assumption of normality was violated. Job satisfaction scores were negatively skewed with a notable
ceiling effect, suggesting that most participants in the sample experienced a very high level of job satisfaction.

Given the results of the test of assumptions of normality, box plots were created to see whether the cumulative probabilities of the distributions, based on the quartiles of the data, were normal. The box plot for organizational commitment, displayed in Figure 1, showed a normal distribution and a few outliers. As displayed in Figure 2, three potential outliers and two potential extreme outliers were identified in the job satisfaction variable. No outliers were removed from the data.

**Figure 1 - Box Plot of Organizational Commitment**

![Box Plot of Organizational Commitment](image1)

**Figure 2 - Box Plot of Job Satisfaction**

![Box Plot of Job Satisfaction](image2)

**Statistical Findings**

As shown in Table 1, the Pearson’s $r$ correlation test revealed a statistically significant positive relationship between job satisfaction and organizational commitment ($r = .656, p < .01$). The relationship between the two variables was moderately strong, accounting for 43% of the variance. Since Pearson’s $r$ correlation only tests the association—or shared variance—between two linearly related variables, and not causation, the results do not indicate whether job satisfaction predicts
organizational commitment or the other way around. Job satisfaction had moderately strong positive associations with affective commitment ($r = .649, p < .01$), normative commitment ($r = .588, p < .01$), and continuance commitment ($r = .445, p < .01$). Of these three correlations, the difference between affective and continuance commitment was statistically significant, as determined using Eid, Gollwitzer and Schmidt’s (2011) formula. The associations between organizational commitment and intrinsic satisfaction ($r = .606, p < .01$) and extrinsic satisfaction ($r = .602, p < .01$), respectively, were also positive and in the moderate range, accounting for 36-37% of the variance.

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Mean 4.14 4.28 3.85 3.77 4.08 3.85 3.38
SD .65 .62 .85 .68 .79 .75 .87
Scale 1-5 1-5 1-5 1-5 1-5 1-5 1-5
Cronbach’s 𝛼 .94 .92 .88 .91 .86 .83 .82

**Correlation is significant at the .01 level (2-tailed).

Discussion

This research helped fill gaps in the research on the relationship between job satisfaction and organizational commitment in small business employees. Previous research that focused on job satisfaction and organizational commitment in small businesses was relatively scarce and the number of newly published studies examining job satisfaction in general had diminished within the last few years (Rowden & Conine, 2005). This study added to the body of knowledge by providing an analysis of the degree to which job satisfaction is related to organizational commitment in general as well as the underlying aspects of the affective, normative, and continuance organizational commitment. Additionally, the study examined whether intrinsic or extrinsic job satisfaction had a stronger effect on organizational commitment.

Most participants in the sample experienced a very high level of job satisfaction. This was expected, as Bryson and White (2019) had previously reported similar findings. Job satisfaction had a moderately strong association with affective organizational commitment, which reflects employees’ emotional connection to their employer; sense of belonging to and identification with the organization; as well as attraction to and affinity with the organizational culture. These aspects are captured in the affective commitment subscale of the TCM with items measuring emotional attachment, personalizing the organization's problems, perceiving oneself as part of a family, and deriving personal meaning from one’s employment (Meyer & Allen, 1997). Small business employees, like the participants in this
study, often work in intimate settings where they are well-known and supported, where there is room for their creativity, and where there is flexibility to implement their ideas, as discussed by Pajo et al. (2010).

The association between job satisfaction and normative organizational commitment was statistically similar. Measured with the normative commitment subscale of the TCM in terms of duty and obligation toward one’s employer and coworkers, indebtedness, conscientiousness about staying, and guilt at thoughts of leaving (Meyer & Allen, 1997), normative commitment represents a moral and values-driven basis for commitment that fuels substantial effort and a high level of performance (Mayer & Schoorman, 1992). Normative commitment to a small business is thus sensitive to the integrity, direction, and overall contributions of an organization. According to Kankaanranta (2013), commitment to a small business stems from internalized beliefs of the goodness of the job and a prevailing aspiration to preserve the value of the organization for its owner. Employees want to work for an organization that is viewed as successful and that acts in a responsible manner (Ilie, 2014).

Although continuance organizational commitment had a slightly weaker association to job satisfaction than affective commitment, it was still in the moderate range and statistically similar to normative commitment. Understood as the outcome of employees’ weighing of opportunities associated with remaining with an organization relative to the costs of leaving, the continuance commitment subscale of the TCM captures this comparison in terms of time invested into the current organization, benefits enjoyed, personal sacrifices required if leaving, and anticipated disruptions if doing so (Meyer & Allen, 1997). Clugston et al. (2000) noted that continuance commitment is highly affected by other opportunities available on the job market and whether employees perceive another employer has more to offer them. Lockard and Wolf (2012) noted that small business employees are generally considered less employable by larger corporations because of their relatively lower level of education and experience, which would positively impact their continuance commitment. Employees’ tenure would also influence continuance commitment favorably over time, as noted by Pepe (2010). Twenty-eight percent of participants in this study had worked for their current employer more than ten years.

The moderately strong associations between intrinsic and extrinsic job satisfaction, respectively, with organizational commitment is another important finding, which confirms Ismail and Nakkache’s (2014) claim that extrinsic and intrinsic rewards are equally predictive of employees’ organizational commitment in both public and private sectors in the U.S. Beck (2016) reported that employees who are motivated by intrinsic factors are more likely to choose work environments that allow for creativity and learning new skills, whereas employees who are extrinsically motivated tend to choose work environments in which compensation and praise are emphasized. Multi-tasking and flexibility are more essential in a small business (Bryson & White, 2019; Greenidge et al., 2012), and these work aspects tend to generate intrinsic job satisfaction.

Intrinsic job satisfaction is derived from internal rewards, which are measured with the MSQ intrinsic job satisfaction subscale in terms of how one’s job allows for autonomy and control over the pace, methods, variation, and type of tasks—whether working alone or directing others. The subscale also captures the feeling of accomplishment and significance from using one’s abilities and helping others (Weiss et al., 1967). According to Bryson and White (2019) and Davis (2004), employees in small businesses have a higher level of job satisfaction than employees in large corporations because they have greater autonomy over work processes, opportunity to influence decisions, and a closer relationship to the business owner.

Extrinsic job satisfaction is derived from external rewards, which are measured on the MSQ extrinsic job satisfaction subscale with items that gauge perceptions of the quality of leadership and supervision; company policies and practices; opportunities for advancement; workload; and provision of pay and praise. According to Gialuisi and Coetzee (2013), a main reason for employee turnover in small businesses is lower compensation. A lack of resources may also result in less competent
managers and less efficient processes, whereas the overall size of operations in a small business may limit advancement opportunities for employees. Smith et al., (1969) argued that employees in a small business are more likely to become dissatisfied with work/life benefits and job security than employees in a large or medium-size firm. Thus, the finding that extrinsic job satisfaction impacted organizational commitment as much as intrinsic job satisfaction is noteworthy.

Limitations and Recommendations for Further Research

As is the case with all qualitative research—although higher in descriptive research designs—the ability to generalize is limited by the sampling method, sample size, and conditions under which the data were collected. A threat to the statistical validity of the research was posed by the small sample size, as it increased the chances of Type II error. Another potential threat to the statistical validity was the violation of the assumption of normal distribution of the data. In order to increase the statistical validity, established measures with high historic and recent reliability were used and the internal consistency of each scale was tested. The reliability of the data rests on participants’ willingness to be candid in their responses and to trust in the integrity of the researchers to protect their private information. There was also a possibility of response error.

A limitation of using a cross-sectional survey questionnaire to measure perceived levels of job satisfaction or organizational commitment is that they only gauge attitudes and perceptions held at one particular point in time, and they do not capture any changes in these variables, even though they are known to develop and fluctuate over time. Surveys do not allow participants to provide rich contextual information that explains the responses given. The opportunity to generalize beyond the Lynchburg MSA, where the sample was obtained, is also limited and potential bias emerging from a convenience sample must be considered. Despite its limitations, this study sheds light on the relationship between job satisfaction and organizational commitment in small business employees—a population that has not been examined extensively—and provided direction for further research.

First, increasing the geographic focus is recommended; i.e. replicating the current research among small business employees elsewhere. Enlarging the scope of the research to include both urban and rural settings and obtaining a larger sample would increase the generalizability of this research. Second, future studies should examine generational effects of job satisfaction and organizational commitment by comparing scores and associations of two or more generations. The literature also suggests several subsets of small business employees that may be explored further, such as industry, organizational size, gender, and education. Employer leadership styles and business approaches may also serve as important grouping variables. Third, the way extrinsic and intrinsic motivators affect job satisfaction and the manner in which affective, normative, and continuance aspects affect organizational commitment should be explored more in-depth. A qualitative research approach with in-depth interviews with small business employees is recommended in order to more fully understand how underlying issues unique to small businesses influence job satisfaction and organizational commitment.

Applications and Conclusions

The results of this study can help small business owners and managers in the Lynchburg MSA and elsewhere acquire a greater awareness of these motivational constructs and reduce unwanted turnover. Effective human resource management within an organization is the key to ensuring and cultivating employee job satisfaction and organizational commitment. However, because many small businesses lack the resources for a dedicated human resource management department that designs recruitment and retention strategies for hiring, developing, and motivating critical talent (Allen, Ericksen, & Collins, 2013), recognizing the needs in this area will allow small business owners and managers to be strategic in their use of limited resources.
Small businesses must create an environment that is supportive of the employees and provide experiences where employees feel that they are an integral part of the organizational structure and culture. This can be achieved through the development of a unified workforce that recognizes its impact on the overall mission and vision of the organization. If employees have confidence in the organization’s mission and understand their responsibility to achieve it, they are more apt to experience both satisfaction and commitment. Incorporating training around the mission and vision of the organization can maximize the opportunities for employees to see where they fit in the organization and to recognize the importance of their individual roles. Offering cross-training into other departments can stimulate employees to achieve greater understanding of the operation as a whole as well as of the flow of work within their specific area. This may, in turn, enhance employees’ perceptions of being valuable and effective. Learning new skills can promote individual growth in employees and enhance their job satisfaction as well as their organizational commitment.

By understanding the impact of intrinsic and extrinsic influences on job satisfaction in their particular organizations, small business owners and managers can create and revise job descriptions to make sure each position is matched to specific intrinsic and extrinsic motivators and increase praise, recognition, empowerment, new learning opportunities, responsibilities, bonuses, additional time off, and rewards for innovation accordingly. Berumen, Pérez-Megino, and Arriaza Ibarra (2016) argued that managers have more influence over extrinsic than intrinsic reward systems, especially when job duties are routine and not inherently rewarding. Chen and Smithey Fulmer (2018) found, for example, that flexible working arrangements enhance job satisfaction, as long as such arrangements are individualized rather than formalized and perceived as readily available. In their study, flexible scheduling impacted job satisfaction the most, followed by flexible work location, and the total number of hours. Thus, small business owners can negotiate adjusted schedules, compressed work weeks, working-from-home arrangements, job sharing, etc. De Menezes and Kelliher (2017) found positive associations between flexible working arrangement and both job satisfaction and organizational commitment. Interestingly, while flexible working arrangement established through an informal process enhanced employee performance in their study, formalized arrangements reduced performance in some instances. The authors reasoned that employee attitudes mediated the effect. Small business owners and managers have the advantage of knowing their employees personally and being able to provide individualized work arrangements that enhance job satisfaction, organizational commitment, and performance.

Recognizing the relative impact of affective, normative, and continuance commitment, respectively, among their employees will allow business owners and managers to tailor benefits to fuel different types of commitment. Understanding and meeting the expectations of small business employees is vital to retaining them. Small businesses in a community may want to pool resources in training supervisors on how to motivate employees to maintain their organizational commitment in different ways and through different sources within the organization.

The relationship between job satisfaction and organizational commitment is a complex issue when examined within the context of performance, productivity, profitability, competition, and turnover. The average turnover rate of 8.3% in the Lynchburg MSA—compared to the turnover rate of 2.2% in the region (Virginia Employment Commission, 2013)—provided an important backdrop to this study and revealed that even when job satisfaction and organizational commitment are highly correlated, turnover may still be elevated, depending on other, external factors. However, by enhancing their employees’ job satisfaction using strategies tailored to individual needs and attitudes, small business owners can influence organizational commitment and, by extension, reduce undesirable and costly turnover within their business.
References


