

# EMPLOYEE COMPETENCY AND PERCEIVED ORGANIZATIONAL CLIMATE AFFECTING ON ORGANIZATIONAL COMMITMENT THROUGH JOB SATISFACTION: A CASE STUDY OF EMPLOYEES OF SIAM GLOBAL HOUSE PUBLIC COMPANY LIMITED IN SAKON NAKHON PROVINCE

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## ABSTRACT

The purposes of the research were to study; 1) The effect of employee competency on job satisfaction 2) The effect of perceived organizational climate on job satisfaction 3) The effect of job satisfaction on organizational commitment. In this research the focus target population include, Employees of Siam Global House public company limited in Sakon Nakhon province, for a total 264 people. The instrument used within the study was a questionnaire. The statistical tools used included frequency, percentage, mean, standard deviation, Pearson's Correlation, and multiple regression analysis.

The hypothesis testing found that self-concept factor of employee competency was statistically significant positive influence on job satisfaction by the standardized coefficients ( $\beta$ ) was .349; Motives factor of employee competency was statistically significant positive influence on job satisfaction by the standardized coefficients ( $\beta$ ) was .690; Warmth and support factor of perceived organizational was statistically significant positive influence on job satisfaction by the standardized coefficients ( $\beta$ ) was .344; Advancement and growth factor of perceived organizational climate was statistically significant positive influence on job satisfaction by the standardized coefficients ( $\beta$ ) was .569 ; Job satisfaction was statistically significant positive influence on continuance commitment by the standardized coefficients ( $\beta$ ) was .749 ; job satisfaction was statistically significant positive influence on affective commitment by the standardized coefficients ( $\beta$ ) was .788 and job satisfaction was statistically significant positive influence on normative commitment by the standardized coefficients ( $\beta$ ) was .661.

In conclusion, Self-concept and motives factors of employee competency had significantly influenced on job satisfaction, Warmth and support factor and advancement and growth factor of perceived organizational climate had significantly influenced on job satisfaction and job satisfaction had significantly influenced on continuance commitment, affective commitment and normative commitment. Therefore, it can be concluded that employee competency and perceived organizational climate had statistically significant positive influence on organizational commitment through job satisfaction.

**Keywords:** Employee Competency, Perceived Organizational Climate, Job Satisfaction, and Organizational Commitment

## INTRODUCTION

### *Background*

Human resource is the most important resource. There is no human resource; there is no action at all. Therefore, the organization will be able to have good quality human resources. If any organization has poor human resources, the organization will have a lot of problems. Unlike organization that have good human resource. The human resources are a source of valued added product and services of the organization. Human are the key drivers for the success or failure of the organization. For helping an organization to get the most benefit, the employees in the organization have to adjust their thinking and their operating to quickly conform to internal and external factors of organization [8].

Many organizations have adopted a concept of competency to be tool for managing human resources. The concept makes available human resources that have efficiency and competency to suit the environment. In the long term, the factors that have to decision organization's future are not product and service but it is organization's competency. If personnel of the organizational have good competency, they will have ability to work efficiently. Leading to the effectiveness that the organization needs which corresponds to Gibson et al. (1973) he said that the effectiveness of the organization is due to relationship of 3 effectiveness' levels such as, individual level, group level and organizational level. The effective organization needs to have personnel with ability to work effectively. It is an important foundation for the organization to achieve its goals [8].

Personnel's resignation equal to the organization had lost the investment in human resource. Because of the loss are knowledge and ability that they had accumulated experience from working for the organization. Including the secret of the organization being moved to a competitor organization, so the resignation is the problem that the executives don't want to happen [10]. Therefore, if the organization can find personnel that have knowledge and ability to participate in work and can make them remain with the job for as long as possible, they will ensure that the administration of organization can progress and have good performance [10].

Organizational climate is very important for job efficiency because it makes employee to more realize work. Organizational climate is not even temperature or weather but also how to connect pleased with colleague, is the existed technology modern and including return and welfare in the organization. If employees are satisfied with them, they will able to work effectively. In the other hand, if organizational climate is not good, the job efficiency and job effective will decrease. Organizational climate is important to all members of the organization because it is an important variable in determining the behavior of all members of the organization. Some organizational success depends on the organizational climate which is important to make the organization efficient and effective [11].

In work, job satisfaction causes organizational commitment. Work climate creating makes each personnel to perceive the environment. It makes behavior or action to achieve organizational goal. Climate creating makes personnel to be committed to organization and having job satisfaction. It will affect to individual and organizational performance [9].

Human resources are the most important resource of each organization. Therefore, the researcher is interested in studying employee competency and perceived organizational climate affecting on organizational commitment through job satisfaction: a case study of employees of Siam Global House public company limited in Sakon Nakhon province. To bring the research results into data to study the factors that cause organizational commitment for maximum benefit of the organization.

### ***The Purpose of this study***

The purposes of the research were to study; 1) The effect of employee competency on job satisfaction 2) The effect of perceived organizational climate on job satisfaction 3) The effect of job satisfaction on organizational commitment.

## **LITERATURE REVIEW**

The literature search in this research study was from four theories of researchers that were employee competency, perceived organizational climate, job satisfaction and organizational commitment.

### ***Employee competency***

Competency are knowledge, skill, traits, attitudes, self-concepts, values, motives directly related to job performance or important life outcomes and shown to differentiate between superior and average performers [3]. In this definition, the competence is considered as a personal characteristic which helps an individual effectively perform a task, a mean to distinguish between good and poor performance. From McClelland's theory, he had divided competency into 5 components such as:

1. Knowledge refers to information and learning retesting in person, such as surgeon's knowledge of Human Anatomy.
2. Skill refers to a person's ability to perform a certain task, such as surgeon's skill to perform a surgery.
3. Self-concept refers to a person's attitudes, values and self-image. An example is self-confidence, a person belief that he or she can be successful in a given situation, such as a surge on self-confidence in carrying out a complex surgery.
4. Trait refers to physical characteristics and consistent responses to situations or information. Good eyesight is necessary trait for surgeon, as is self-control is an ability to remain calm under stress.
5. Motives are emotions, desires, physiological needs or similar impulses that prompt action. For example, surgeons with high interpersonal orientation take personal responsibility for working well with other members of the operating team. Motives and traits may be termed as initiators what people will do on the job without close supervision.

### ***Perceived organizational climate***

Organizational climate was divided into 6 dimensions such as [6],

1. Participation refers to giving personnel's opportunity to independently comment and use power in work.
2. Structure refers to clarity of responsible duty's determining and procedure including, organizational communication.
3. Reward refers to clarity and suitability of reward, fair policy of compensation and welfare including, reward's perception of employee when they have good performance.
4. Warmth and support refers to friendly feeling in organization, acceptance, cooperation, helping each other in work from workmate and commander.
5. Advancement and growth refers to encouraging personnel to have advancement's opportunity in their career, providing training and knowledge development including, supporting personnel to use new concept and method in work.
6. Controlling refers to characteristics of policies and regulations that the organization have determined to control personnel's behavior into same way including determining personnel to adjust and develop job efficiency better.

### **Job Satisfaction**

Job satisfaction is a positive emotional feeling, a result of one's evaluation towards his job or his job experience by comparing between what he expects from his job and what he actually gets from it [1]. Job satisfaction is the result of the interaction of the employee's values and his perception towards his job and environment [2].

### ***Organizational Commitment***

Organizational commitment is an emotional response that can be measured through people's behaviors, beliefs, and attitudes and can range anywhere from very low to very high. They have identified three types of organizational commitment: affective, continuance, and normative [4].

- 1) Continuance commitment occurs when individuals base their relationship with the organization on what they are receiving in return for their efforts and what would be lost if they were to leave (i.e., pay, benefits, associations). These individuals put forth their best effort only when the rewards match their expectations
- 2) Affective commitment occurs when individuals fully embrace the goals and values of the organization. They become emotionally involved with the organization and feel personally responsible for the organization's level of success. These individuals usually demonstrate high levels of performance, positive work attitudes, and a desire to remain with the organization.
- 3) Normative commitment occurs when individuals remain with an organization based on expected standards of behavior or social norms. These individuals value obedience, cautiousness, and formality. Research suggests that they tend to display the same attitudes and behaviors as those who have affective commitment.

## **CONCEPTUAL MODEL AND HYPOTHESES**

From the reviews of the literature, the conceptual model study was stated in figure 1.

The research was mainly aimed to investigate the influence of employee competency and perceived organizational climate on organizational commitment through job satisfaction.

Hypotheses are:

- H1: Employee competency had a significantly positive influenced on job satisfaction.
- H2: Perceived organizational climate had a significantly positive influenced on job satisfaction.
- H3: Job satisfaction had a significantly positive influenced on organizational commitment.

**Figure 1**  
Research Conceptual Model



This research is a quantitative study. The data was collected from a sample of 264 respondents who were employees of Siam Global House public company limited in Sakon Nakhon province. A questionnaire was developed and checked for content validity and reliability. Correlation analysis and multiple regression analysis were employed to analyze the data. The questionnaire was developed and Cronbach alpha was used for reliability of measurement. Reliability scale of Cronbach alpha is higher than 0.6 [5] as show in table 1. Multiple regression analysis was employed to assess all hypotheses.

**Table 1**  
Result of measure validation

Items	Cronbach Alpha
Knowledge	.902
Skill	.827
Self-Concept	.873
Traits	.873
Motives	.804
Participation	.804
Structure	.819
Reward	.936
Warmth and support	.849
Advancement and growth	.910
Controlling	.935
Job satisfaction	.948
Continuance	.855
Affective	.816
Normative	.794

## RESULTS

### *The descriptive statistics*

The descriptive statistics of demographic data of the respondents revealed that the respondents were 58 % of male and 42 % of female. Mostly of them, which is 46 %, age were between 25 – 35 years. In term of the

marital status were single of 60 %. The highest % of education level is lower than bachelor's degree (76%). Average income per month is lower than 15,000 baht (90 %). Average age of work is 2 – 3 years (38 %)

### ***Hypothesis testing***

The statistical analysis testing to study the effect of research variables were used Parson's product moment correlation coefficient to determine the relationship of the independent variable, and the multiple regression analysis to study the influence of employee competency and perceived organizational climate on organizational commitment through job satisfaction. The symbols used to analyze were as follows

EC1	Represent Knowledge
EC2	Represent Skill
EC3	Represent Self-Concept
EC4	Represent Traits
EC5	Represent Motives
PC1	Represent Participation
PC2	Represent Structure
PC3	Represent Reward
PC4	Represent Warmth and support
PC5	Represent Advancement and growth
PC6	Represent Control
JS	Represent Job satisfaction
OC1	Represent Continuance commitment
OC2	Represent Affective commitment
OC3	Represent Normative commitment

**Table 2**  
**Correlation analysis between independent variable**

	<b>EC1</b>	<b>EC2</b>	<b>EC3</b>	<b>EC4</b>	<b>EC5</b>	<b>PC1</b>	<b>PC2</b>	<b>PC3</b>	<b>PC4</b>	<b>PC5</b>	<b>PC6</b>	<b>JB</b>	<b>OC1</b>	<b>OC2</b>	<b>OC3</b>
<b>Mean</b>	3.75	3.52	4.19	4.24	3.89	3.60	3.81	3.67	3.80	3.66	4.02	3.79	3.56	3.90	3.96
<b>S.D.</b>	.653	.583	.523	.551	.59	.734	.689	.802	.689	.797	.809	.793	.929	.702	.74
<b>EC1</b>	1														
<b>EC2</b>	.799**	1													
<b>EC3</b>	.544**	.609**	1												
<b>EC4</b>	.638**	.647**	.762**	1											
<b>EC5</b>	.638**	.650**	.569**	.585**	1										
<b>PC1</b>	.609**	.580**	.478**	.395**	.706**	1									
<b>PC2</b>	.478**	.455**	.648**	.464**	.608**	.689**	1								
<b>PC3</b>	.424**	.477**	.563**	.416**	.706**	.751**	.669**	1							
<b>PC4</b>	.435**	.472**	.493**	.394**	.544**	.618**	.644**	.657**	1						
<b>PC5</b>	.523**	.542**	.718**	.602**	.769**	.671**	.666**	.798**	.778**	1					
<b>PC6</b>	.362**	.482**	.573**	.467**	.554**	.673**	.706**	.727**	.673**	.747**	1				
<b>JB</b>	.480**	.486**	.591**	.487**	.756**	.617**	.668**	.776**	.835**	.901**	.691**	1			
<b>OC1</b>	.359*	.222	.533**	.312*	.458**	.425**	.541**	.508**	.621**	.667**	.478**	.749**	1		
<b>OC2</b>	.450**	.442**	.643**	.459**	.559**	.501**	.618**	.585**	.694**	.736**	.698**	.788**	.671**	1	
<b>OC3</b>	.426**	.356*	.532**	.405**	.527**	.383**	.485**	.487**	.545**	.642**	.517**	.661**	.681**	.739**	1

Table 2 showed that the relationship between the variables that are related not exceed 0.80.[7] described the relationship between the variables must be less than 0.80, which is more than 0.80 may cause of multicollinearity. The research found the relationship between the independent variables the highest value was 0.798, it was not more than 0.80. multicollinearity problem was not found. Therefore, it can be tested by using multiple regression analysis to the next.

H1: Employee competency had a significantly positive influenced on job satisfaction.

**Figure 2**  
**A multiple regression analysis of the affect employee competency on job satisfaction.**

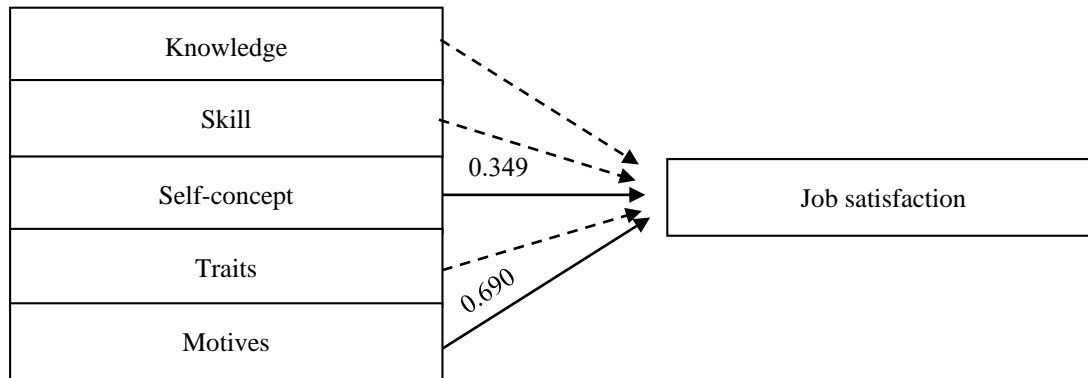


Figure 2 presented the result by using multiple regression method. It showed that job satisfaction was statistically significant affected by self-concept ( $\beta = 0.349$ ,  $t = 2.34$ ,  $p < 0.05$ ) and motives ( $\beta = 0.690$ ,  $t = 5.252$ ,  $p < 0.01$ ) There is therefore, partial support for H1.

H2: Perceived organizational climate had a significantly positive influenced on job satisfaction.

**Figure 3**  
**A multiple regression analysis of the affect perceived organizational climate on job satisfaction.**

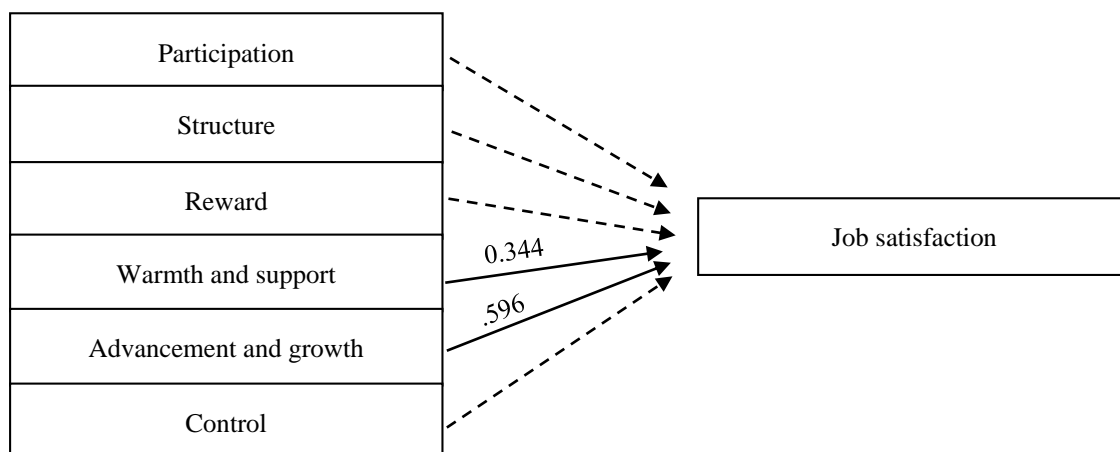


Figure 3 presented the result by using multiple regression method. It showed that job satisfaction was statistically significant affected by warmth and support ( $\beta = 0.344$ ,  $t = 3.765$ ,  $p < 0.01$ ) and advancement and growth ( $\beta = 0.344$ ,  $t = 5.006$ ,  $p < 0.01$ ). There is therefore, partial support for H2.

H3: Job satisfaction had a significantly positive influenced on organizational commitment.

**Figure 4**  
**A multiple regression analysis of the effect job satisfaction on organizational commitment.**

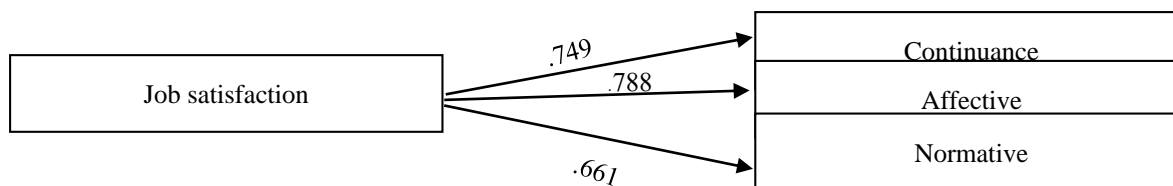


Figure 4 presented the result by using multiple regression method. It showed that continuance was statistically significant affected by job satisfaction ( $\beta = 0.749$ ,  $t = 7.843$ ,  $p < 0.01$ ). Affective was statistically significant affected by job satisfaction ( $\beta = 0.788$ ,  $t = 8.869$ ,  $p < 0.01$ ). Normative was statistically significant affected by job satisfaction ( $\beta = 0.661$ ,  $t = 6.106$ ,  $p < 0.01$ ). There is therefore, supported for H3.

## CONCLUSIONS

In conclusion, employee competency is partially supported on the hypotheses, perceived organizational climate is partially supported in the hypotheses and job satisfaction is fully supported on the hypotheses. Suggestions for executives, if the organization should focus on job satisfaction, it should focus on motives and self-concept of employee competency respectively and advancement and growth, and warmth and support of perceived organizational climate respectively. Therefore, it can be concluded that employee competency and perceived organizational climate had statistically significant positive influence on organizational commitment through job satisfaction. However, this study utilized only a quantitative approach, so further studies may employ a qualitative approach to elicit data from real situations and environment.

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