Employee Organisational Commitment In Smes: Evidence From The Manufacturing Sector In Malaysia


Employee organisational commitment is highly valuable. Commitment is vital to the productivity, quality and good performance of an organisation. Numerous empirical evidence regarding job commitment and its relationship with job satisfaction has been offered. These findings reveal that the level of job commitment can also be influenced by various factors such as demography, pay, co-workers, work, supervision, company’s background and employees’ job satisfaction level. Nevertheless, similar study as far as commitment and relation with job satisfaction in Small and Medium enterprises (SMEs) is concerned is scarce. Therefore, this article attempts to study employee organisational commitment in SMEs as well as the relationship between commitment and job satisfaction in the manufacturing sector based on a case study of 236 SMEs’ employees in Kuala Terengganu, Terengganu, Malaysia. The findings show that 91.4 percent of the respondents have high commitment towards their organisations. The correlated relationship between commitment and job satisfaction is also significant at the value of P<0.01. The result of the hierarchical regression analysis test shows that work, supervision and co-workers, as well as pay are important elements that influence the level of employees’ commitment in SMEs.

Key Words: Small and Medium Enterprises (SMEs); Employee Organisational Commitment; Working Environment

Field of Research: Management (Human Resources)

1. Introduction

Various agencies, particularly government, have given a lot of emphasis on the development of small and medium enterprises (SMEs). Various programs and facilities are provided to increase the competitiveness of the sectors. However, it has to be recognised that depending on these alone will not guarantee the success of SMEs. Many factors must be considered. These factors may be divided into two types: external factors and internal factors. External factors include aids by other agencies, a firm’s location and marketing scope. Internal factors include financial status, ownership status, management style and employees’ characteristics.

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These two factors have been extensively discussed by many agencies, public as well as private. Hence this study will only consider internal factors only specifically concerning human resource development. This is because SMEs usually are used as a stepping-stone for unskilled or semi-skilled employees to gain experience or additional experience before moving on to bigger and better firms. As a result, SMEs suffer due to the loss of the human assets who are skilled and can contribute to improve the firms’ productivity. This situation may be attributed to employees’ dissatisfaction which can affect their commitment towards their organisation. This has been proven by various scholars such as Feather and Rauter (2004), Aizzat et al. (2003), Testa (2001), and Eby and Freeman (1999) who believe that work satisfaction level can influence employee organisational commitment.

Numerous empirical evidence have been found regarding work commitment and its relationships with job satisfaction in large organisations. The findings also indicate that the level of work commitment is also influenced by various factors including demographic characteristics, pay, co-workers, work, supervision, a firm’s background and employees’ satisfaction level. Nevertheless, there is hardly any similar study on SMEs. Therefore, this paper attempts to examine employee organisational commitment SMEs and the relationship between commitment and job satisfaction in the manufacturing sector based on empirical evidence of the manufacturing sector in Malaysia.

2. Employee organisational commitment and job satisfaction: A literature review

Studies relating to employees’ commitment have been extensively conducted by various scholars. Various definitions have been given for employees’ commitment. These include an effective response by an employee towards the whole organisation (Martin & Bennett, 1996). Organisational commitment may also be defined as a global attitude which can influence an individual’s reaction towards his or her organisation (McCaul et al. 1995). Following a study by Mowday et al. (1979), the concept of organisational commitment can be divided into three important aspects: (a) belief in and acceptance of an organisation’s goals and values, (b) willingness to strive harder to develop an organisation by being part of the organisation, (c) willingness to continue working and be loyal to the organisation.

The need for high organisational commitment is an important issue in any organisation. This is because an employee who is highly committed towards his or her organisation can be said to be productive, stable, and always strive towards fulfilling their organisation’s needs as opposed to those who are less committed (Larkey & Morrill, 1995). Studies on job commitment have used various variables such as individual’s background, organisation, employer, work, and job satisfaction. The findings by Aizzat et al. (2003) reveal that marital status (unmarried) qualification (degree) and pay have negative relationships with commitment towards organisation. Organisational commitment is also seen as having a direct relationship with low employee turn over and productivity (Bateman dan Strasser, 1984). One of the recent findings by Feather and Rauter (2004) involving permanent and temporary teachers in Victoria, Australia reveals a positive relationship between organisational commitment and organisational identification, influence, variety, skill utilization and organizational citizenship behaviours. In addition, Lopopoło’s (2002)
study on hospital employees working with physical therapy indicates a negative relationship between organisational commitment and role conflict, role overload, and role ambiguity.

There are four types of employee organisational commitment: “Want to commit”, “have to commit”, “ought to commit” and “Uncommit” (Bragg et al, 2002). The first type, which comprises employees who commit themselves to the organisation or their employers voluntarily, are usually those who are dedicated and always strive to do their best for their employers. They are prepared and willing to accept new responsibilities just to serve their employers. They also have positive behaviours and perceptions towards things related to their work. This type of workers is most liked by every employer.

The second type comprises employees who feel obliged to give commitment to their organisation or employer. This type of workers normally feel trapped in situations which forces them to commit themselves to their work. There are various factors which contribute to such a situation. These include failure to get employment somewhere else, family problems, nearing retirement, and health. In some situations, they could choose to leave their job, but they feel that they cannot afford to do so. This normally results in them doing their work under stress/pressure which leads to the feeling of dissatisfaction, low productivity and negative behaviours. They also create a lot of problems to their supervisors and employers.

The third type comprise employees who feel that it is their responsibility or obligation to offer commitment to their organisation. This type of employees feels that they are obligated to do whatever that is asked by their employer. This sense of obligation tend to occur with employees who desperately need the job offered to them by their employers. The fourth type comprises employees who lack commitment. Majority of them are not satisfied with or have a negative perception towards their organisation or employer. They actively look for opportunities to work somewhere else and they tend to work half-heartedly for their organisation. Most of them have intentions to quit or change job.

Studies on job satisfaction level have been extensively done by various parties including academicians, researchers, and government agencies both at the national and international levels. Related studies have also been conducted on manufacturing, public and service sectors. This indicates that the importance of job satisfaction is widely recognised and its significance in enhancing productivity is very high. Nevertheless, there is hardly any publication on satisfaction and work environment among SMEs. Hence, the following literature review will discuss job satisfaction relating to general and large-scaled organisations. This discussion will then be related to SMEs.

Previous findings reveal that job satisfaction is an important element in influencing a firm’s performance. This is because high level of job satisfaction will produce a positive attitude towards job commitment, which in turn can reduce the level of absenteeism, termination of service, negligence at work, productivity and can increase efforts towards work excellence. High job satisfaction level has enormous impact not only on the sense of loyalty, absenteeism, efficiency, productivity,
termination of work, but also on mental and physical health. In short, from the findings on job satisfaction, the following statements may be made.

To begin with, employees with a low job satisfaction level have a high likelihood to quit their job (Price 1977, and Mobley et al. 1979). This is supported by Shaw (1999) study which looks at the relationships between job satisfaction and the inclination to quit. The study found that there is a high inclination for an individual to quit job if his or her level of job satisfaction is low. Additionally, employees in such a situation are also likely to be absent from work (MacShane et al. 1984, Hackett and Guinon 1985, Scot and Taylor 1985). A study by Sibbald et. al. (2003) on physicists in England demonstrates that job satisfaction is the main contributing factor for employees’ inclination to quit their job.

Second, despite the fact that previous findings have not presented concrete evidence on the relationships between job satisfaction and productivity, studies done by Brayfield and Crockett (1955), Fournet (1966), Lee and Chan (1996) have demonstrated that there are connections between job satisfaction and productivity and that the higher the level of job satisfaction, the greater to effort to increase productivity. In fact, employees with high level of job satisfaction also experience better health and live longer compared to those with low job satisfaction. This means that work environment plays a very important role in raising job satisfaction level.

Thirdly, job satisfaction is largely influenced by an individual's demographic factors such as marital status, gender, age and work experience (Quarstein et al, 1993), in addition to the nature of work, working environment, fringe benefits and other external aspects. A study by Bilgic and Reyhan (1998) on Turkish employees in Ankara found monthly pay to be the main factor influencing job satisfaction. The study also found that age, gender, education and number of children are also significant for various aspects of job satisfaction. The relationship between age and job satisfaction can be represented as a ‘U’ shape whereby an employee's satisfaction begins at a high level but drops to the lowest level, which then increases again to a high level around the age of late 20s (Herzberg 1957). This is clearly shown in a study on police officers in Singapore by Singh (1984).

Numerous assumptions have been made in previous studies for the relationships between organisational commitment and job satisfaction. Feather and Rauter (2004) found that the two variables have a positive relationship among permanent and temporary teachers. It has also been said that working conditions which yield positive work experiences normally will produce positive results such as maximum job satisfaction and good organisational commitment (Lopopolo, 2002). Feather and Rauter (2004) also found that these two elements have positive relationships with influence, variety and skill utilization. Angle dan Perry (1983), in their study on bus drivers, divide job satisfaction into two categories, intrinsic and extrinsic, to determine its relationships with organisational commitment. The study found that extrinsic satisfaction has a very strong influence compared to intrinsic satisfaction. Aizzat et al (2003) who did a study on employees in a manufacturing sector in Penang found that organisational commitment has a direct relationship with employees’ satisfaction level towards pay, promotion system, work, supervision dan co-workers. The study concludes that promotion system is the most important factor influencing an employee’s commitment level.
3. Methodology

The study employs two important methodologies to compile the data of the study: primary and secondary. Secondary data is already there for reference by future researchers. This data can be accessed from the library or journals, internet, and so forth. In this study, the search for secondary data is based on information from the researchers both academicians and non-academicians. Information can also be obtained from studies done by government agencies like the Ministry of Human Resources, the Statistics Department, the Labour Department, and other related agencies in Kuala Lumpur or Kuala Terengganu.

Primary data is gathered from respondents of this study. A set of questionnaires has been prepared based on previous studies and the researchers’ past experiences. This is to ensure that the measurement carried out is accurate and the information obtained is useful. The questionnaires are divided into five main sections. The first section involves the background of the company being studied. This includes the company’s name, address, paid-up capital, ownership status, location, type of industry, type of products manufactured and a few other related items. The second section discusses the background information of the employees. This includes information obtained with regards to age, experience, designation, gender, marital status, race, education level and monthly pay. The third section is divided into six smaller sections that include information about an employee’s perceptions towards remuneration received, job guarantee, supervisor/manager, job promotion system, work, and co-workers. And the fourth section deals with employees’ perception about their commitment to the organisation where they work. Finally, the fifth section covers three important parts: perception about work environment in general, safety at the workplace, and general information on job designation.

These data are based on the measurement used by other researchers such as Smith, Kendall, and Hulin (1969) which is also known as ‘Job Description Index’ (JDI) (see in Samuel, 1981). Studies conducted by some other researchers such as Holland (1973), Elisabeth & Jan (2001), Ramayah (1997), Heeschan et al. (2001), Oldhan Council (2002) and Azlan (2004) have also used similar Index. Based on the sources and observations at the respondents’ workplace, a set of questionnaires was formed to evaluate the job satisfaction level and work environment among SME employees.

The actual population was not easy to determine. This is because there was no agency that had a complete list of the number of SMEs and their employees at the area of study. Therefore, nearly all agencies involved with SMEs development in Kuala Terengganu were contacted and visited in order to gather information. This is done to identify the actual number of SMEs and their employees. A list of SMEs comprising all related agencies/ institutions was drawn up. The sources include Terengganu Entrepreneur Development Foundation, Terengganu Economic Planning Unit, Terengganu Economic Organisation and Kuala Terengganu City Council. The list reveals that there were 325 SMEs in Chendering Industrial Area, Gong Badak Industrial Area, Batu Rakit Industrial Area, Marang Industrial Area, and other SMEs around Kuala Terengganu not located in industrial areas. All the names and addresses were examined and some were found to be overlapping. Some SMEs
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have already shifted, and so on. After a proper examination, it was found that there were 236 SMEs still operating in the Kuala Terengganu area. Nevertheless, this study encountered some problems in the attempt to find out the number of employees involved in SMEs at the place where the study was carried out. The average number of employees for SMEs in the manufacturing sector was equally difficult to obtain. A study carried out by Mohd Kamal (2003) shows that 86 percent of SMEs in Terengganu have less than 10 employees. If this average is being used as a basis, 236 SMEs will have 2124 full time employees. The target of this study sample is about 10 percent of the selected population as used by Kazmier and Pohl (1987). By using simple random methodology, the research assistant procured the sample according to the prepared list of SME areas. If the framework sample is 236 SMEs and there are 2124 full time employees, the study sample is 14.4 percent of the SMEs population and 11.4 percent of the SMEs’ full time population.

4. Hypotheses of the Study

Based on a few previous studies, the objectives of the study are formed according to current needs. The main objective of this study is to see the employees’ organisational commitment level in the SMEs. As discussed earlier, employee commitment level can influence job performance and company’s productivity. So, it is appropriate to carry out the study in order to assess the existing situation among SME employees and the companies where they work. This study identifies a number of factors that can influence employee organisational commitment including employee’s background, company’s background, and job satisfaction level. Due to limitations in this study, this paper will only discuss the employee’s background factors and job satisfaction level as the main topic in evaluating employees’ job commitment level.

Based on previous studies and the current situation in the SMEs, the following two hypotheses are formed.

Hypotheses 1: There is a positive relationship between job satisfaction level and employee organisational commitment.

Hypotheses 2: Pay, supervision, job promotion, work, co-workers, and communication have significant influence towards employee organisational commitment.

Both these hypotheses will be tested using Pearson’s Correlation Analysis and Hierarchical Regression.

4.1 Data Reliability Measurement

The instrument used for job satisfaction index is based on “Job Descriptive Index” introduced by Smith et al. around 1969. The index has been proven and widely used as a standard measurement for job satisfaction. It encompasses five major elements based on employees’ perception towards a number of basic elements which have been identified. These include employees’ perception towards pay, supervision, promotion, work and co-wokers. Each selected respondent is given a set of questionnaire consisting of items describing the five elements above. A five point
agreement scale is formed (1. strongly disagree to 5. strongly agree) to measure 46 elements describing the five elements. Additionally, each respondent is asked a question regarding job satisfaction level.

Prior to the analysis, a few steps were done to evaluate the reliability level of the data to avoid errors in determining the employees’ job satisfaction level. For this purpose, factor anlysis is carried out on all the data obtained to select the elements involved. Once the elements are identified, data reliability test is carried out. Only elements with alpha (a) value of 0.70 or above is considered, consistent with Nunnaly 1978 (in Ramayah & Aizzat, 2003) who treats it as the minimum value. This process results in six elements being used to determine the employees’ perception about supervision, four elements to determine perception about promotion, work and co-workers respectively and three elements to determine perception about pay. Table 1 below shows the alpha value for job satisfaction element.

Table 1: Alpha value for validity test for job satisfaction.

<table>
<thead>
<tr>
<th>variables</th>
<th>Element</th>
<th>Alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Satisfaction with supervision</td>
<td>6</td>
<td>0.8143</td>
</tr>
<tr>
<td>Satisfaction with pay</td>
<td>3</td>
<td>0.7642</td>
</tr>
<tr>
<td>Satisfaction with promotion</td>
<td>4</td>
<td>0.8349</td>
</tr>
<tr>
<td>Satisfaction with work</td>
<td>4</td>
<td>0.7064</td>
</tr>
<tr>
<td>Satisfaction with co-workers</td>
<td>4</td>
<td>0.7844</td>
</tr>
<tr>
<td>General satisfaction</td>
<td>21</td>
<td>0.8824</td>
</tr>
</tbody>
</table>

As for employee organisational commitment, the measurement and related questions were adopted from a study by Mowday et al. (1979) which were also used by Aizzat et al. (2003) comprising 15 elements concerning commitment. Nevertheless, these two studies do not involve employees working in SMEs in Terengganu, which is the location of the present case study. In this case study, only seven measuring elements concerning commitment were used, instead of 15 in the two studies, taking into account that it only looks at SMEs. Other elements were excluded as they were not suitable with the respondents working conditions. As with job satisfaction element, a validity analysis test was carried out to determine the total alpha value of the seven elements. It was found that the value is 0.7684 exceeding the minimum value of 0.70. A five point agreement scale was formed to measure the responses (1. strongly disagree to 5. strongly agree).

5. General Findings

Majority of respondents demonstrate a high level of commitment. A total of 91.4 percent of the respondents showed a high level of commitment to their organisation. Only 0.8 percent said that they gave moderate commitment. The others, around 7.8 percent had a low level of commitment to their organisation. Employee organisational commitment involves five important elements: willingness to put in a great deal of effort beyond that is normally expected, willingness to claim and tell friends that the organisation the employee is working for is the best, being loyal to
the organisation, acceptance of almost any job assignment, having a bright future with the firm, and believing that work policies in the firm are the best.

Initial findings reveal that the respondents’ organisational commitment was high. An average of 91.45 percent or 222 respondents agreed or strongly agreed with the six measurements. This clearly shows that they were interested in working and loyal to their organisation. Only an average of 8.5 per cent or 21 respondent responded otherwise. They were either not sure or do not agree with the six elements. Organisational commitment was also determined according to employee’s job satisfaction level considered in terms of five main elements: pay, supervision, promotion, work and co-workers. More than 80 per cent of the respondents were committed and satisfied with their job. A few of the respondents, 11.11 per cent, were committed but had low job satisfaction and 6.17 per cent were not committed and had low job satisfaction. The other 2.47 per cent were not committed to their organisation but satisfied with their work.

On the whole, committed employees gave a positive reaction about their job satisfaction level. Over 92 percent of the committed respondents said that they were satisfied with their superiors’ supervision, co-workers and work. There were also a high number of respondents (76.58 percent) who found the promotion system satisfactory. Nevertheless, from this group of respondents, only 50.45 percent were committed and satisfied with the pay that they received. In contrast, 49.55 percent were not satisfied with the pay received.

6. Further Findings

On the whole, 75.7 per cent of the respondents were satisfied with their current work. Table 2 below shows the mean and standard deviation for job satisfaction elements (pay, supervision, promotion, work, co-workers and general job satisfaction). The mean value for job satisfaction is between 2.81 (pay) and 3.74 (co-workers). As for standard deviation, the lowest is 0.56 (co-worker) and the highest is 0.89 (pay).

Table 2: Mean values and standard deviation job satisfaction elements and general job satisfaction.

<table>
<thead>
<tr>
<th>Job satisfaction elements</th>
<th>Mean</th>
<th>Standard deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay</td>
<td>2.81</td>
<td>0.89</td>
</tr>
<tr>
<td>Supervision</td>
<td>3.83</td>
<td>0.60</td>
</tr>
<tr>
<td>Promotion</td>
<td>3.31</td>
<td>0.87</td>
</tr>
<tr>
<td>Work</td>
<td>3.61</td>
<td>0.66</td>
</tr>
<tr>
<td>Co-workers</td>
<td>3.74</td>
<td>0.56</td>
</tr>
<tr>
<td>General satisfaction</td>
<td>3.46</td>
<td>0.51</td>
</tr>
</tbody>
</table>
Table 3: Correlation analysis between employee organisational commitment and satisfaction elements

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitment</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work</td>
<td>0.622**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervision</td>
<td>0.531**</td>
<td>0.489**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Co-workers</td>
<td>0.456**</td>
<td>0.465**</td>
<td>0.356**</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Promotion system</td>
<td>0.417**</td>
<td>0.414**</td>
<td>0.347**</td>
<td>0.359**</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>Pay</td>
<td>0.342**</td>
<td>0.384**</td>
<td>0.348**</td>
<td>0.200*</td>
<td>0.441**</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Note:  * p<0.05  
** p<0.01

To determine the correlation between the variables, Pearson correlation test was conducted. The results show that commitment level has a significant correlation with all the five elements of job satisfaction namely employees’ perception on pay, supervision, promotion system, work and co-workers (p<0.01). The correlation level can be considered high where the r value is between 0.342 and 0.662. Indirectly, it can be concluded that the two elements affect one another (Table 3) Clearly, hypothesis two can be rejected.

In addition to the correlation test, this study used Hierarchical regression analysis to determine elements of satisfaction which have the highest correlation or influence on employee commitment. To see the influence of job satisfaction level on commitment only, elements of employee background were included as control variables. This is to clearly see the role of job satisfaction elements in influencing employee commitment. The result of the test demonstrates that only three elements out of five which significantly influence employee commitment: work, supervision and co-workers. As for the result involving controlled variables, it demonstrates that only one element namely monthly pay is significantly correlated to commitment. Other elements had negligible impact on employee commitment. The analysis also shows that dependent variable, i.e. employee commitment is explained to a total of 2.2 percent by the surveyed independent variables (see Table 4). In short, hypothesis two can only be partially accepted. This is because two of the job satisfaction elements (promotion system and pay) did not significantly influence employee commitment.
Jadual 4: Results of “Hierarchical Regression” analysis.

<table>
<thead>
<tr>
<th>Independent variables</th>
<th>Standard Beta Step 1</th>
<th>Standard Beta Step 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controlled variable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age</td>
<td>0.019</td>
<td>0.019</td>
</tr>
<tr>
<td>Marital status</td>
<td>-0.042</td>
<td>-0.028</td>
</tr>
<tr>
<td>Race</td>
<td>-0.008</td>
<td>-0.044</td>
</tr>
<tr>
<td>Educational status</td>
<td>-0.102</td>
<td>-0.056</td>
</tr>
<tr>
<td>Work experience</td>
<td>0.135</td>
<td>0.072</td>
</tr>
<tr>
<td>Gender</td>
<td>-0.112</td>
<td>-0.106</td>
</tr>
<tr>
<td>Monthly pay</td>
<td>0.301**</td>
<td>0.183*</td>
</tr>
<tr>
<td>Model variable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work</td>
<td></td>
<td>0.337**</td>
</tr>
<tr>
<td>Supervision</td>
<td></td>
<td>0.244**</td>
</tr>
<tr>
<td>Co-workers</td>
<td></td>
<td>0.138*</td>
</tr>
<tr>
<td>Promotion system</td>
<td></td>
<td>0.075</td>
</tr>
<tr>
<td>Pay</td>
<td></td>
<td>0.012</td>
</tr>
<tr>
<td>R²</td>
<td>0.129</td>
<td>0.503</td>
</tr>
<tr>
<td>Adj R²</td>
<td>0.098</td>
<td>0.472</td>
</tr>
<tr>
<td>Sig. F Change</td>
<td>0.000</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Note: *p<0.05
**p<0.01

7. Conclusion

The findings show that more than 90 employees in SMEs in the area being studied had high commitment in their employment. The findings also indicate that job satisfaction can influence an employee’s commitment towards his/her organization. Nevertheless, this study is only restricted to Kuala Terengganu, Terengganu and cannot be generalized to other areas in Malaysia or anywhere else. Conversely, these findings are in line with the findings of the previous study, such as Feather and Rauter (2004), Aizzat et al. (2003), Testa (2001), and Eby & Freeman (1999). Numerous assumptions and findings by many previous researchers have been made regarding the relationship between job satisfaction and employee commitment. The present study assumes that job satisfaction is a factor or contributor towards an increase in an employee’s commitment towards his/her organization. This is based on the previous views held by Poter et al. (1974) which assume that job satisfaction is the basis for job commitment. This is further strengthened by the research findings of Bateman & Strasser (1984) and Bluedom (1982) which discovered that both variants have a positive relationship.

Specifically, work, supervision, and co-workers are important factors amongst other elements that affect job satisfaction that could influence an employee’s commitment. This clearly shows that workload is an element which can contribute towards job
dissatisfaction amongst employees. This is proven in the study carried out by Heechan et al (2001) and Sibbald et al (2003) which reveal that diversity of duties and staff-work ratio play an important role in increasing the level of job satisfaction. Indirectly, if the level of job satisfaction increases among the employees, their job commitment will also improve. Studies done by Azlan (2004) on the employees of a company providing services strengthen the claim that elements of work duties are related to job satisfaction level.

Another contributing factor for the increase of job satisfaction level is the standard of supervision by a supervisor, manager or any other top level management officers. Supervision is related to relationship and communication amongst employees. An atmosphere in which effective relationship and communication amongst employees or between employees and top level management officers, either men or women exists can also bring about a harmonious working environment. This will eventually lead to a higher level of job satisfaction among employees. Besides that, a study carried out by Elisabeth and Jan (2001) emphasizes that job satisfaction has a significant relationship with strong support from employers as well as good relationship and communication between both parties. The main implication of this finding is that employers of SMEs should not ignore the elements of job satisfaction especially work given to employees, supervision or management and relationship and communication among employees. Moreover, this practice will reduce dissatisfaction, the desire to resign and decline in productivity among employees. On the contrary, if effective supervisory elements and open communication are practiced, employees’ commitment and loyalty towards their jobs in SMEs will be improved. Furthermore, the ability of SMEs to improve quality and productivity of a certain product being manufactured will be achieved.

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