

**Effect Of Pay Satisfaction On Organizational Commitment: A Study With Special
Reference To The Private School Teachers Of Cuddalore District**

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ABSTRACT

The purpose of this paper is to explore the relation between organizational commitment and the pay satisfaction of the employees working in the organization. In the context of human resource management, financial pay is considered as a concept to bring in potential employees, retain them and also motivate them to work efficiently for bringing in enhanced productivity in the organization. In short, higher the pay satisfaction among the employees, more will be their commitment towards the organization and higher will be the organizational results. Data was collected from the teachers of private schools in Cuddalore and the respondents were selected using simple random sampling. The number of respondents' for the study counted to about 100. Analysis of the data was done using regression and SPSS package. The results of the study proved the fact that there is a positive relation between the pay satisfaction of the teachers and their organizational commitment.

KEYWORDS: organizational commitment, pay satisfaction

INTRODUCTION

Bozlagan, Dogan, & Daoudov (2010) said that the term organizational commitment refers to the desire of the employees to stay in the organization where they are working and actively participate in the activities directed towards the accomplishment of the goals of the organization. The employees who are committed towards the organization are satisfied with the job and their pay show lesser extent of intention to leave the organization. This commitment

decreases the absenteeism of the employees and the rate of turnover in the organization stated Ismail in 2012.

In the study done by Allen and Meyer as cited in Warsi, Fatima, & Sahibzada (2009) study, organizational commitment is inclusive of affective commitment, continuance commitment and normative commitment as per the three-component model. Affective commitment means the strong and positive feeling of attachment towards the organization, feeling of fondness towards the job and probable to get involved in the activities of the organization to accomplish its objectives and goals. Continuance commitment is the feeling for fear of losing the benefits and economic ties with their organization, if they leave the organization. Normative commitment refers to the sense of obligation to remain in the organization.

One of the main issues facing the employees and the employers is regarding the satisfaction of pay. It is obvious that pay is an important fact for the employees as it is essential for the satisfaction of their economical needs. The satisfaction in pay helps to modify their behavior and attitudes in work. Pay satisfaction also enhances their commitment towards the job. Previous researches have shown that there exists an optimistic relationship among organizational commitment and the pay satisfaction of employees. Ahmad, Toh, & Bujang (2013) had rightly identified that the organizations follow such compensation policies in HRM which will develop the organizational commitment among the employees towards the organization.

STATEMENT OF PROBLEM

Through this study, it has been identified that the management, may it be public sector or private, is responsible to consider both the pay satisfaction and the organizational commitment to be an important element for motivating the employees, enhanced productivity and lesser turnover intention which ultimately leads to efficiency of the organization.

NEED FOR THE STUDY

The current study is an effort to contribute to the knowledge regarding the relationship of organizational commitment with pay satisfaction. The study also explains that a few factors are responsible which may make alterations in such relationships. There are only a very few studies

done in this regard among the teachers of private schools. This study will contribute towards such literatures of exploring the relation between organizational commitment and pay satisfaction among the private school teachers within the district of Cuddalore.

OBJECTIVES

The objective of this study is to explore the relation between the organizational commitment of employees and their pay compensation.

REVIEW OF LITERATURE

Parbudyal Singh and Natasha Loncar (2010) had done a study regarding job satisfaction, pay satisfaction and turnover intention. The main aim of this research study was to examine the association between the three variables. Data was collected from 200 nurses of unionized hospitals. Data was collected using the approach which was multi-dimensional. Analysis of the data was done using regression. Findings of the study showed that the employee's pay satisfaction influences the turnover intention.

Low Bee Kee¹, Rusli bin Ahmad & Siti Mariam Abdullah (2016) studied the relationship between financial compensation and organizational commitment among the employees of Malaysian banks. The purpose of this study was to explore the correlation between organizational commitment and financial compensation. The study was done among the employees of banks in Malaysia. Quantitative methodology was used to examine the connection between organizational commitment and financial compensation. Data was collected using questionnaire from 150 employees of banks in Bera, Pahang of Malaysia. The respondents for the study were selected using simple random sampling. The findings of the research showed that there was relationship between organizational commitment and the financial compensation such as salaries, bonuses and merit pay. Moreover, organizational commitment was influenced more by the merit based pay.

Chanchal Wadhawan, Mridula Mishra, Kanika Garg (2017) made a study to identify the relation between organizational commitment and compensation in the pharmaceutical sector. the study was done among the sales personnel in the pharmaceutical sector. Data was gathered from 200 medical reps who were registered in Punjab Medical Representatives Association (PMRA)

of Ludhiana. Findings showed that there was a positive association between pay compensation and all three types of organizational commitment. The study also revealed the maximum amount of relationship amidst the compensation and the affective commitment.

R.N. Singh , Manju Bhagat & R. P. Mohanty (2011) studied the pay satisfaction and the organizational commitment with the moderating role of employee's cultural values. The study was carried on using a survey among 1390 workers of BSNL(Bharat Sanchar Nigam Limited), which is a Government of India Public Sector Undertaking (PSU) and provides telecommunication services all over India. the survey showed that PS is directly related with OC and is moderated by the cultural values of the employees. The moderation form revealed a positive effect on the association amidst PS and normative commitment (NC) for employees low in power distance (PD) and for employees low in masculinity/femininity (M/ F). But, no moderating outcome had been detected on relationship amidst PS and OC for employee having uncertainty avoidance (UA) and low/high in individualism/collectivism (I/C).

METHODOLOGY

The present study is quantitative in nature. a questionnaire with close ended questions were dispersed to gather primary data among the private school teachers of Cuddalore district for getting their responses regarding their pay satisfaction and organizational commitment. SPSS package was used to analyze the primary data. The relationship between the two variables of the study was analyzed using linear regression. The respondents of the study included 100 teachers of private schools in Cuddalore district.

ANALYSIS AND INTERPRETATION

Influence of organizational commitment on pay satisfaction

Model Summary

R	R Square	Adjusted R Square	F	Sig.
.987(a)	.975	.974	1287.298	.000(a)

a Predictor: (Constant), Organizational commitment

Coefficients(a)

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.178	.029		6.153	.000
I am willing to make more efforts than normally expected of me to contribute to the success of the institution.	.020	.004	.066	4.795	.000
I can comfortably tell people that the institution is a great place to work in.	.096	.004	.319	22.912	.000
My commitment level to this organization is low.	.009	.005	.022	1.772	.077
I would accept to undertake any responsibility to go on working in the institution.	.113	.005	.209	20.596	.000
I can see that my values are very similar to those of the institution.	.017	.005	.051	3.467	.001
I am proud to tell people that I am part of this institution.	.091	.005	.206	19.986	.000
I can work for some other institution as long as I serve the same duty.	.086	.005	.219	16.370	.000
The institution I am working in has motivated me in the best way possible in terms of performance.	.035	.006	.067	5.373	.000
Even a slight change that may occur in the present conditions can cause me to quit work.	.041	.004	.092	9.535	.000
I am really content with working in this	.066	.005	.154	12.118	.000

institution instead of other institutions.					
I don't think there is much to earn by committing yourself to the institution for good.	.113	.005	.277	22.502	.000
It is mostly hard to agree with the policies of the institution towards employees.	.077	.004	.187	18.184	.000
I do care about the future of the institution.	.066	.005	.178	13.355	.000
I am of the opinion that this institution is the best of the other possible institutions to work in.	.022	.004	.092	5.715	.000
It was certainly a mistake to have decided to work in this institution in the first place.	.084	.006	.218	14.972	.000

a Dependent Variable: Pay satisfaction

In order to find the statistical implication, focus was made on the 15 predictors of the study. If it was found that there exists a difference, the next pace was to examine the direction through which they are found to be related. Findings show that every statement of organizational commitment factors was significant. The table also revealed a positive coefficient, which means that among 15 statements, 14 statements were seen to have an influence on the pay satisfaction of employees. There was a relation found between the dependent variable and the organizational commitment. The analysis done through regression exhibits that among 15 statements, fourteen factors are having an influence over the pay satisfaction. The coefficient value, R^2 , was found to be 0.975 through multiple regression, which shows that 97.5% of the independent variables had an influence on the pay satisfaction of the private school teachers.

In order to examine whether the value of coefficient (R^2) is significant or not, ANOVA was executed. The F value so got was 1287.298 which means $p < 0.000$. This finding shows that there was a significant relation between the dependent and the independent variable. It was also reported that organizational commitment was seen to predict pay satisfaction.

CONCLUSION

The study contributed to the literature of the relation between pay satisfaction and organizational commitment. The positive commitment level of teachers will surely enhance their

affective response, concern for the organizational goals, loyalty towards the school, intention to remain in the school and also their productivity. It will also reduce the rate of absenteeism. The results of the study showed that there existed a positive relation between the pay satisfaction and organizational commitment as per the study done among the private school teachers in Cuddalore district of Tamilnadu.

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