

LOCUS OF CONTROL AS A MODERATOR IN THE RELATIONSHIP BETWEEN JOB SATISFACTION AND ORGANIZATIONAL COMMITMENT: A STUDY OF INDIAN IT PROFESSIONALS

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Abstract. *In recent times, increasing interest has been shown by OB and HR practitioners in the area of organizational commitment (OC). This interest stems from the fact that the committed workforce is considered beneficial for organizational functioning and effectiveness. The present study was conducted to explore the direct relationship of job satisfaction and locus of control (LOC) on organizational commitment. The purpose of the study was also to see if locus of control moderates the relationship between job satisfaction and organizational commitment. The study was conducted using structured questionnaires for measuring the above mentioned variables. The sample of the study was 449 Indian IT professionals. Hierarchical multiple regression showed that job satisfaction and internal locus of control was positively related to organizational commitment. Also, locus of control was found to moderate the relationship between job satisfaction and organizational commitment such that the relationship was stronger for internals than for externals. The present study has important implications for human resource development in the IT sector. Managers should use strategies to achieve high job satisfaction and organizational commitment. They must be aware of the moderating role which different personality attributes play in the relationship between job satisfaction and organizational commitment.*

Key words: *job satisfaction, organizational commitment, locus of control, IT professionals, hierarchical multiple regression, human resource development.*

1. Introduction

In the rapidly changing business environment, which is marked by severe competition, organizations are discovering that the only way to grow or even survive is to create strategies which give them an edge over their competitors. There is an increasing acceptance of the fact that while latest technology, better machines, innovative marketing and manufacturing process can all be replicated, organizations with a more committed and loyal workforce will be the winner. Organizations benefit from the employees

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who are committed, hence reducing turnover. Since turnover is costly, factors that increase commitment are of interest to organizational scholars for purposes of theory and practitioners who seek to apply theory to organizational contexts to increase the likelihood of an organizational effectiveness (Arnett, Fritz & Bell, 2009). One such factor is job satisfaction, which is the most researched attitude in the organizational context and has been shown to impact organizational commitment positively (e. g., Meyer, Stanley, Herscovitch & Topolnytsky, 2002).

Further, there is growing evidence that aspects of cognitive style are related to work attitudes (Furnham, Brewin & O'Kelley, 1994; Luthans, Baack & Taylor, 1987). Of particular interest in previous studies are the relations between locus of control (LOC) and work attitudes such as job satisfaction and organizational commitment.

The purpose of the present study is to determine the impact of job satisfaction and locus of control on the organizational commitment for employees working in Indian IT organizations. The study also aims to examine the moderating role of locus of control in the relationship between job satisfaction and organizational commitment.

The Information Technology (IT) sector is highly knowledge centric and in India, the sector is growing at a phenomenal pace, leading to a significant increase in the demand for skilled workforce. Its contribution to India's GDP has increased from 1.2% per annum in 1998 to 6.1% in 2011 (NASSCOM, 2011). Indian IT industry accounts for 51% of the global IT/ Business Processing Outsourcing (BPO) off shoring market share of approx. US \$94 billion (NASSCOM, 2010), which makes India the single most preferred offshore location for IT/BPO services worldwide. The growth in employment is even more significant, from employing a few thousand people in the 1980s to more than 2.5 million in direct employment in 2011 (Malik, 2009; Malik & Nilakant, 2011; NASSCOM, 2011). India's IT and BPO sector exports are expected to grow by 12-14 per cent in FY14 to touch US\$ 84 billion - US\$ 87 billion, according to Nasscom. The internet industry of India is expected to contribute US\$ 100 billion to the country's gross domestic product (GDP) and generate about 22 million jobs by 2015. High growth in this sector is, however, accompanied by high attrition. In 2012, the IT industry witnessed an average attrition rate of 17-25% as compared to other sectors in India like manufacturing, banking and others, which is about 8% (Augustin & Mohanty, 2012). This trend is likely to continue as the employee commitment in India has declined sharply according to a study by Dhiman and Mohanty (2012). About 30-50% of newly recruited graduates leave organizations within one to three years after going through induction, on-the-job training and functional deployment and the companies incur a huge cost comprising recruitment, development, deployment and productivity loss (Augustin & Mohanty, 2013). The need for a committed workforce, which is willing to participate in organizational development and go beyond its roles and responsibilities, is therefore of paramount importance (Singh & Mohanty, 2011).

2. Concepts of Organizational Commitment, Job Satisfaction and Locus of Control

Organization Commitment (OC)

Organizational commitment is defined as an employee's belief in and acceptance of the organization's goals and values, a willingness to exert effort on behalf of the organization, and a desire to maintain membership in the organization (Mowday, Steers & Porter, 1979). In the recent research, the prevailing conceptual basis of organizational commitment is the Three Component Model of Commitment (Meyer & Allen, 1991). The three components of commitment suggested by Meyer and Allen (1991) are affective, normative and continuance commitment. Affective commitment refers to the employee's emotional attachment to, identification with, and involvement in the organization. Affective commitment towards an organization might be influenced by the extent to which an organization is able to satisfy employees' needs, meet their expectations and allow them to meet their goals (Meyer, Allen & Smith, 1993). Employees with a strong affective commitment continue employment with the organization because they want to do so. Continuance commitment refers to an awareness of the costs associated with leaving the organization. If staying with the organization is based on the high costs associated with leaving, or on lacking occupational alternatives, workers continue membership in the organization because they need to do so. Normative commitment refers to the feeling of obligation to remain with the organization. Employees with high level of normative commitment feel that they ought to remain with the organization.

Of the three kinds of commitment, affective commitment has been found to lead to a number of favorable consequences, e.g., job satisfaction, reduced turnover intentions, organizational citizenship behaviors or enhanced job performance. Correlations with such positive work variables are weaker for normative commitment, or may even be negative, as in the case of continuance commitment (Meyer, Becker & Van Dick, 2006). Employees' affective commitment to an organization has been associated with higher individual (Sinclair, Tucker, Cullen & Wright, 2005; Vandenberghe, Bentein & Stinglhamber, 2004) and organizational (Gong, Law, Chang & Xin, 2009) performance.

Job Satisfaction (JS)

Investigated by several disciplines such as psychology, sociology, economics and management sciences, JS is a frequently studied subject in work and organizational literature. This is mainly because many experts believe that JS trends can affect employment scenario and influence organizational productivity, work effort, employee absenteeism and turnover. Moreover, JS is considered a strong predictor of overall individual well-being (Diaz-Serrano & Cabral Vieira, 2005), as well as a good predictor of intentions or decisions of employees to leave a job (Gazioglu & Tansel, 2002). Organizations have significant effects on the people who work for them and some of

those effects are reflected in how people feel about their work (Spector, 1997). This makes JS an issue of substantial importance for both employers and employees. As many studies suggest, employers benefit from satisfied employees, as they are more likely to profit from lower attrition and higher productivity if their employees experience a high level of job satisfaction. JS has been defined in several different ways and a definitive designation for the term is unlikely to materialize. A simple or general way to define it therefore is as an attitudinal variable: JS is simply how people feel about their jobs and different aspects of their jobs. It is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs (Spector, 1997). An alternative approach is that proposed by Sousa-Poza and Sousa-Poza (2000). It is based on the assumption that there are basic and universal human needs, and that, if an individual's needs are fulfilled in their current situation, then that individual will be happy. This framework postulates that JS depends on the balance between work- role inputs - such as education, working time, effort and work-role outputs - wages, fringe benefits, status, working conditions, intrinsic aspects of the job. If work-role outputs ('pleasures') increase relative to work-role inputs ('pains'), then job satisfaction will increase (Sousa-Poza & Sousa-Poza, 2000). Other theorists (e.g., Rose, 2001) have viewed JS as a bi-dimensional concept consisting of intrinsic and extrinsic satisfaction dimensions. Intrinsic sources of satisfaction depend on the individual characteristics of the person, such as the ability to use initiative, relations with supervisors, or the work that the person actually performs; these are symbolic or qualitative facets of the job. Extrinsic sources of satisfaction are situational and depend on the environment, such as pay, promotion, or job security; these are financial and other material rewards or advantages of a job. Both extrinsic and intrinsic job facets should be represented, as equally as possible, in a composite measure of overall JS. This distinction, as described by Rose (2003, 2005) relates to the double meaning of the word 'job': the work tasks performed and the post occupied by the person performing those tasks. The meaning of 'job' as a post or appointment is of primary importance. Every job is an instance of the employment relationship, embodying a contract (substantive or implied) to exchange an ability to work (labor, provide service, exercise ingenuity, direct efforts of others, etc.) for rewards (both material and symbolic).

Locus of Control (LOC)

Locus of control (Rotter, 1966) refers to the individuals' beliefs about whether they control the outcomes in their lives (i.e., internal locus of control) or the outcomes are controlled by factors such as luck and other people (i.e., external locus of control). Spector (1988) operationalized the notion of locus of control in a work context by developing the work locus of control scale (WLCS) for job-related events such as promotions, salary increases and disciplinary measures. The results of Spector's (1988) study indicate that the WLCS is more appropriate for studies in organizational settings than the general scale of locus of control developed by Rotter (1966).

A sense of psychological control is regarded as an important dispositional factor for workplace behaviors (Hoffi-Hofstetter & Mannheim, 1999; Withey & Cooper, 1989). A number of studies have shown that LOC correlates both with job satisfaction (Peterson, 1985; Spector, 1982) and organizational commitment (Furnham et al., 1994; Kinicki & Vecchio, 1994; Luthans et al., 1987). All of these studies reported that individuals with an internal LOC are more likely to be satisfied and committed to the organization than those with an external LOC.

3. Related Research, Theoretical Framework and Hypotheses Development

Job Satisfaction and Organizational Commitment

Positive attitudes toward the organization are reflected by an individual's underlying psychological attachment towards the organization and its values. Although the developing concepts of organizational commitment have identified three forms of commitment, i.e., affective, normative and continuance commitment, affective commitment has gained much attention in the behavioral research (Allen & Meyer, 1990). This kind of commitment is based on psychological attachment and is most relevant and beneficial employee outcome having an intrinsic effect on employees and their performance (Meyer & Allen, 1984). Affective commitment towards an organization might be influenced by the extent to which an organization is able to satisfy employees' needs, meet their expectations and allow them to meet their goals (Meyer, Allen & Smith, 1993).

Previous research has shown a strong relationship between various facets of job satisfaction and organizational commitment (Meyer et al., 2002). Azeem (2010) found that supervision satisfaction and pay satisfaction were significant predictors of organizational commitment through a sample of 128 employees from service industry. Tang and Chiu (2003) reported a positive relationship between pay satisfaction and organizational commitment in a survey of 211 full-time employees in Hong Kong. Malik, Nawab, Naeem & Danish (2010) indicated that work satisfaction, supervision satisfaction, pay satisfaction, and co-worker satisfaction were significantly correlated with organizational commitment of 331 faculty members in two Pakistani universities. Some researchers argued that job satisfaction reflects immediate affective reactions to the job while commitment to the organization develops more slowly after the individual forms more comprehensive valuations of the employing organization, its values and expectations and one's own future in it. Therefore, job satisfaction is seen as one of the determinants of organizational commitment (Mannheim, Baruch & Tal, 1997). It is thus expected that highly satisfied workers will be more committed to the organization.

To further our understanding of the relationship between job satisfaction and organizational commitment, the following hypothesis is proposed.

H1: Job satisfaction is positively related to organizational commitment.

Locus of Control (LOC) and Organizational Commitment

A number of studies have found significant correlations between locus of control (LOC) and organizational commitment (e.g., Coleman, Irving & Cooper, 1999; Furnham et al., 1994; Kinicki & Vecchio, 1994; Luthans et al., 1987). All of these studies reported that individuals with an internal locus of control are more likely to be committed to the organization than those with an external locus of control. Luthans et al. (1987) provided three potential explanations for the relationship between LOC and affective commitment. First, those with an internal LOC (internals) are likely to report higher levels of commitment because they perceive that they have control over their work environment. In order to maintain cognitive consistency, internals are likely to be committed to organizations that allow them to control that environment. Second, because internals are likely to perceive more alternatives than those with an external LOC (externals) and because choice is related to commitment, internals will feel more committed to the organization that they decide to join. Third, because internals are more likely to take action when dissatisfied with a situation (particularly by leaving the organization), only committed internals are expected to remain with an organization. In line with the previous research, the following hypothesis can be proposed.

H2: There exists a positive relationship between internal locus of control and organizational commitment.

Locus of control (LOC) and Job Satisfaction

A link between locus of control and job satisfaction was addressed by Dailey (1980). He concluded that individuals having external locus of control were more dissatisfied, have low levels of participation and motivation within work settings. Research has shown that people with an internal rather than external locus of control tend to be more satisfied with their jobs (Kircady, Shephard & Furnham, 2002; Martin, Thomas, Charles, Epitropaki, & McNamara, 2005; and Chen & Silverthorne, 2008). Broadly speaking, people who believe that the consequences of what they do are within their reach have a high level of job satisfaction. Across professions, locus of control has a relatively well-established influence on how employees perceive their situations and whether or not they experience stress as a result. Individuals for whom control resides in external phenomena, such as a boss or a chance, are more likely to experience higher levels of stress or job dissatisfaction in response to a difficult situation than those who perceive control to reside within them (Spector & Fox, 2002). To further explore the relationship between LOC and job satisfaction in the Indian context, it can be hypothesized that:

H3: There exists a positive relationship between internal locus of control and job satisfaction.

Locus of control as a moderator in job satisfaction – organizational commitment relationship

Research findings have shown different behaviors by internals and externals. Blau (1987) showed that internals exert greater efforts personally to control their environment than

externals do. Therefore, internals are more likely to take an active posture with respect to their environment, whereas externals may adopt a passive role (Kren, 1992). For example, externals are less likely to think about leaving a job or actually leave even if they are dissatisfied with certain aspects of it and are more likely to wait until environmental factors force them to leave (Blau, 1987). Chen & Silverthorne (2008) reported that individuals with internal locus of control have ability to control themselves in order to cope with stressful situations and can cope with job stress easily, perceiving lower levels of job stress and showing higher level of job performance.

The potential moderating effects of the LOC are hypothesized to exist in the relationships between job satisfaction and organizational commitment. For example, Brockner and Adsit (1986) conclude that job satisfaction may reflect an individual's affective response to the exchange relationship he or she has with his or her organization. Since internals adopt a more active role than externals do (Lewin & Stephens, 1994) in terms of their affective perception to their job or organization, the relationship between job satisfaction and (affective) organizational commitment should be stronger for internals than externals given that internals are more sensitive than externals to these factors. In addition, an important component of commitment toward organization is cognitive consistency (Salancik, 1977; Luthans et al., 1987). Cognitive inconsistency would result if organizational commitment is low, leading to more psychological stress and pressure for internals than externals. In order to be cognitively consistent, internals would report a stronger link between job satisfaction and organizational commitment as they seem to perceive greater control over their environment (Spector, 1982). To further explore the moderating role of LOC in the relationship between job satisfaction and organizational commitment in the sample of Indian IT professionals, the following hypothesis is proposed:

H4: Locus of control will moderate the relationship between job satisfaction and organization commitment such that the relationship will be stronger for internals than for externals.

All the above mentioned hypotheses can be depicted with the help of the proposed model given below:

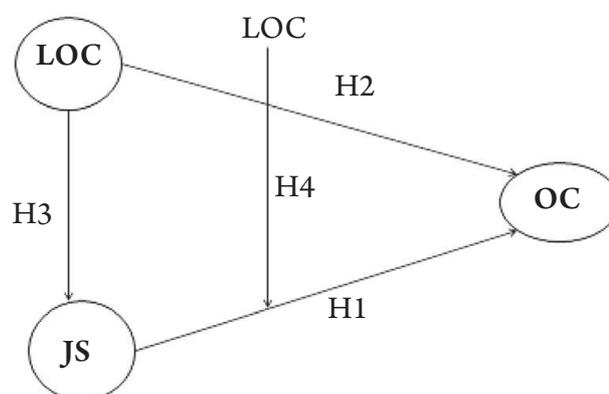


FIGURE 1: Proposed Model

4. Methodology

Sample

Purposeful (maximum variation) sampling was employed (see Patton, 1990). Various information technology organizations were approached to enable investigations of patterns relating locus of control, job satisfaction and organizational commitment. The sample consisted of IT professionals working in Delhi and the National Capital Region (NCR). In all, 500 professionals were contacted from 22 firms but only 449 completed questionnaires were collected (response rate 90%). Respondents ranged in age from 20 to 49 years (average age of 26.7 years), 335 of them were males and 315 were single. The maximum number of respondents fell in the age range of 24-29 (236) and the majority of them (404) had the tenure ranging from 1-5 years in the organization. Table 1 shows the demographic details of the sample. The employees of the various organizations were contacted personally and were asked to fill in the questionnaire. They were appraised regarding the academic purpose of the study and confidentiality of their responses was ensured.

TABLE 1: Demographic Details

Gender	Males (335)	Females (114)				
Marital Status	Single (315)	Married (134)				
Age (in years)	20-24 (140)	24-29 (236)	29-34 (50)	34-39 (14)	39-44 (4)	44-49 (5)
Tenure (in years)	1-5 (404)	5-10 (33)	10-15 (7)	15-20 (2)	20-25 (3)	

Research Instruments

Locus of Control

Spector's 16-item (1988) measure of work locus of control (WLOC) with a modified response scale was used to measure locus of control. Responses to these items were on a 5-point scale (1= strongly disagree and 5 = strongly agree). A sample item is "A job is what you make of it". To be consistent with the hypotheses, the coding direction was reversed with higher scores reflecting an internal locus of control. The scale had an internal consistency of .72.

Job Satisfaction

Job Satisfaction Index (Schriesheim & Tsui, 1980) was used to measure job satisfaction. It uses six items on a 5-point scale to form an index that describes overall job satisfaction.

The scale includes single questions to assess the degree of satisfaction with the work itself, supervision, co-workers, pay, promotion opportunities, and job in general. A sample item is “I am satisfied with the nature of work I perform on the job.” The scale had an internal consistency reliability of .77.

Organizational Commitment

The six item measure developed by Meyer and Allen (1997), with a modified response scale was used to measure affective commitment. Responses to the items were on a 5-point scale. A sample item is “I would be very happy to spend the rest of my career with this organization.” The scale had an internal consistency reliability of .71.

Control Variables

Control variables in this study included gender, marital status, age and tenure with the organization in order to minimize the influence of these factors on the focal variables in the study. Gender was assessed as a dichotomous variable 1 (male) and 2 (female). There were 335 males and 114 females. Marital status was also assessed as a dichotomous variable 1 (single) and 2 (married). 315 respondents were single. Age was measured in years representing a continuous scale. As can be seen from Table 1, the age of the respondents ranged from 20 years to 49 years. Tenure was also measured in years representing a continuous scale. As can be seen from Table 1, the tenure of the respondents ranged from 1 year to 25 years. Age, marital status, gender and tenure were controlled for all regression analysis in this study.

5. Results

In order to understand the effect of job satisfaction on organizational commitment, LOC on job satisfaction and organizational commitment, and to study the moderating role of LOC on the relation between job satisfaction and organizational commitment, hierarchical multiple regression analysis was performed on the data. Organizational commitment was regressed on the antecedent sets in four steps. Control variables were entered on Step 1, job satisfaction on Step 2, LOC on Step 3, and interaction term (i.e., job satisfaction X LOC) on Step 4. The magnitude of R^2 change at each step of hierarchical regression analysis was used to determine the variance explained by each set of antecedents. The beta values reported were used to determine the effect of each variable in the antecedent sets on employee outcomes.

Preliminary data analyses and overview of analyses

Descriptive data (means and standard deviations), correlations, and Cronbach (1951) alpha coefficients are displayed in Table 2. As can be seen all scales demonstrated good internal consistency.

TABLE 2: Descriptive Statistics and Correlations for Focal Variables

	Variables	Mean	SD	1	2	3	4	5
1	Locus of control	2.64	.997	(.72)				
2	Job satisfaction	3.37	.987	.411***	(.77)			
3	Organization Commitment	3.09	1.01	.351***	.507***	(.71)		
4.	Age	26.65	4.187	-.023	.110*	.124**		
5.	Tenure	3.30	2.80	-.039	.082	.096*	.783***	

Note: Cronbach's (1951) alpha reliability coefficients appear in the diagonal *p<.05; **p<.01, ***p<.001

Main effect

Job Satisfaction and Organizational Commitment

It was predicted that job satisfaction would be positively related to organizational commitment (H1). Entry of job satisfaction at Step 2 accounted for a significant increment in variance on organizational commitment, R^2 ch. = .25, $F = 148.07$, $p < .01$ (supporting H1).

Locus of Control and Organizational Commitment

The hierarchical multiple regression analyses were continued to assess the effect of LOC on organizational commitment (H2). LOC was entered at Step 3 after the control variables (Step 1) and job satisfaction (Step 2). The entry of LOC at Step 3 accounted for a significant increment of explained variance in organizational commitment R^2 ch. = .026, $F = 16.21$, $p < .01$, thus supporting H2.

TABLE 3: Hierarchical Multiple Regression Analysis on Organizational Commitment

Independent Variables	Step 1 β s	Step 2 Bs	Step 3 β s	Step 4 β s
Gender	.230	.023	.108	.206
Age	.121	.077	.076	.069
Marital Status	-.060	-.233	-.134	-.141
Tenure with Organization	-.007	.003	.015	.008
Job Satisfaction	-	.478***	.406***	-.299
Locus of Control	-		.099***	-.165
Job Satisfaction x LOC	-			.013**
Adjusted R^2	.007	.254	.279	.290
R^2	.016	.262	.289	.301
F- value	1.798	148.073***	16.209***	8.025**

*p<.05; **p<.01; ***p<.001

TABLE 4: Model Summary of Regression Analysis

R	R Square	Adjusted R Square	Std. Error of the Estimate
.411	.169	.167	3.702

TABLE 5: Result of Bivariate Regression Model^a

Variable	Unstandardized Coefficients		T	Sig.
	B	Std. Error		
(Constant)	7.395	1.36	5.437	.000
LOC	0.239	0.025	9.525	.000

^aDependent Variable: Job Satisfaction

Locus of Control and Job Satisfaction

As the positive correlation between locus of control and job satisfaction has already been established (Table 2), regression analysis was applied to capture the explaining power of LOC on job satisfaction. The results of the same are summarized in Tables 4 and 5.

Table 4 shows that 17% of the variation in job satisfaction can be explained in terms of the variation in LOC. Hence, it can be concluded that job satisfaction of a person is significantly impacted by his LOC. Table 5 also indicates that the impact of internal LOC on job satisfaction is significantly positive, i.e., employees having an internal LOC are more satisfied with their jobs than employees with external LOC, thus supporting H3.

Locus of control and job satisfaction - organizational commitment relationship

The hierarchical regression analysis was continued in order to investigate the potential impact of locus of control on job satisfaction-organizational commitment relationship.

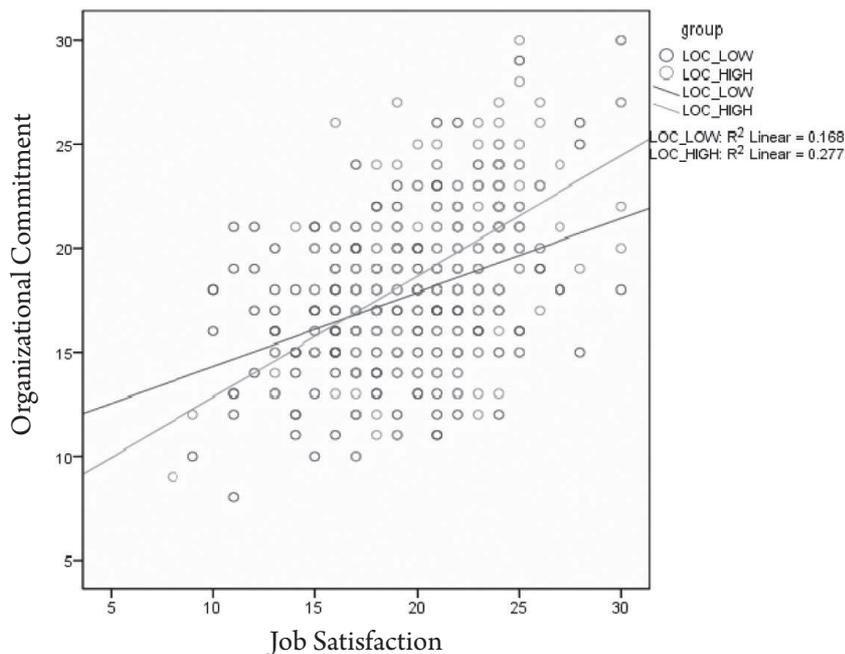


FIGURE 2: Two-way Interaction of Job Satisfaction and LOC on Organizational Commitment

As can be seen in Table 3, the job satisfaction x LOC interaction was entered at Step 4. Entry of interaction in regression analysis revealed that the interaction was significant. Significant two-way interaction was plotted according to the procedures outlined by Jaccard, Turrisi and Wan (1990).

The interaction of job satisfaction x LOC on organizational commitment was significant, $\beta = .013$, $p < .01$ (see Figure 2). In line with H4, employees having an internal locus of control exhibit a stronger relationship between job satisfaction and organizational commitment ($\beta = .607$, $t = 9.795$, $p < .001$) than the employees having an external locus of control ($\beta = .325$, $t = 6.115$, $p < .01$).

6. Discussion

This study extended the scope of the locus of control, job satisfaction and organizational commitment research that has primarily focused on main effects, and has provided evidence that the relationship between job satisfaction and organizational commitment, and between LOC, job satisfaction and organizational commitment extends beyond simple main effects. First, it was hypothesized that high job satisfaction would be related to high organizational commitment. Additionally, it was hypothesized that employees with internal LOC would show high levels of job satisfaction and organizational commitment compared to employees with external locus of control. Lastly, it was hypothesized that LOC would moderate the job satisfaction – organizational commitment relationship such that the relationship would be stronger for internals than for externals.

Job Satisfaction – organizational commitment main effects

In line with the previous research, the results demonstrated that job satisfaction is positively and significantly related to organizational commitment, thus supporting H1. These results are in line with the previous research (Azeem, 2010; Chiu, 2003; Malik et al., 2010; Meyer et al, 2002) which shows that the more satisfied the employees are, the more committed they will be towards the organization.

Locus of Control

The prediction that internal locus of control is significantly and positively related to organizational commitment and job satisfaction was proved. This supports H2 and H3 respectively. In line with the previous research, this shows that employees with internal locus of control are more satisfied with their job, thus leading to more organizational commitment. Therefore, internal LOC is an important dispositional factor determining positive work attitudes by the employees and leading to overall organizational effectiveness.

Several discussion points arise from the results revealing moderating effects of locus of control. Overall, a significant two-way interaction between job satisfaction and locus of control was found in prediction of organizational commitment, thus supporting H4.

This interaction shows the moderating role of locus of control in the relation between job satisfaction and organizational commitment such that the relation is stronger for internals than for externals. In line with the previous research (Spector, 1982), this shows that internals who are satisfied with their job are more likely to exhibit organizational commitment than do the externals. Since the internals exert greater effort to control their environment than externals, they are more likely to exhibit stronger commitment towards the organization they work for, when they are satisfied with their jobs and organization, leading to the overall effectiveness of the organization.

7. Implications of the Results for Research and Practice

The success of an organization and the pursuit of competition depend not only on how the organization makes the most of human competencies, but also on how it stimulates commitment to an organization. Commitment has been related to valuable outcomes for both employees and employers. Greater commitment can result in enhanced feelings of belonging, security, efficacy, greater career advancement, increased compensation and increased intrinsic rewards for the individual. For the organization, the rewards of commitment can mean increased employee tenure, limited turnover, reduced attrition costs, acceptance of organization's demands, and the meeting of organizational goals such as profit, growth and survival.

The findings of the study demonstrate the importance of understanding the impact of job satisfaction on organizational commitment. Improving job satisfaction can be a key priority in the organizations and the managers have to formulate policies which nurture job satisfaction among the employees. The focus should go beyond mere hygiene factors like salary and working conditions, and also should include organizational culture fostering better relations with coworkers and supervisors. Organizations will have to find innovative solutions to give workers functional autonomy, flexibility and a sense of ownership in their work. This includes making jobs more interesting and challenging, involving employees in the decision making process and providing them with the opportunities for growth and advancement. Further, employers need to formulate strategies to enhance commitment among the employees, such as transparent performance appraisal programs, fair reward systems, development programs (e.g., coaching, training), and career development opportunities (Meyer & Smith, 2000). These practices enable organizations to demonstrate their recognition of employees' contributions and their concern for employees' well-being. Employees working in such an environment will be more committed to the organization and will go beyond the call of their duty to ensure its effectiveness and efficiency. The biggest benefit of the employees displaying commitment will perhaps be reflected in reduction of attrition rates with all its concomitant benefits of cost and time efficiencies. As high attrition rates are a serious challenge for the IT industry in India, the findings of the study can have significant implications for policy makers.

This study highlights the importance of dispositional factors, LOC in particular, in the prediction of work related attitudes and behaviors. As the results of the study show that the internals are more satisfied with their jobs and are more likely to display more affective commitment, one of the factors considered during the hiring and selection can be the LOC of employees. Thus the study provides additional support for the dispositional approach to hiring and selection. Scales can be designed to assess the applicants' control beliefs as a part of selection process.

The results of the study indicate that locus of control plays an important role in moderating the relation between job satisfaction and organizational commitment. The relationship is stronger for internals than for externals. Managers can provide more organizational support and design special training programs for externals for the purpose of strengthening their job satisfaction and organizational commitment relationship. The organizations must be aware of the moderating effect of individual characteristics on the relationships between job attributes and employees' behavioral attitudes. So, instead of seeking one strategy for all employees, managers should alter their strategies, depending upon the personality traits of the employees concerned, to achieve high job satisfaction and organizational commitment.

8. Limitations of the Study

This study was limited by the use of the self-report technique while collecting data. With self-report measures, social desirability biases become a cause of concern. Further, there can be a possibility of the common method bias as all the variables were measured using the same methods and same sources. Future studies can also employ qualitative techniques to identify emergent themes in this area.

The study used the cross-sectional design from which it becomes difficult to draw conclusions about the causal relationships among variables. It is unlikely to expect that job satisfaction affects LOC, as LOC is conceived as a personal characteristic. A longitudinal study design may provide a more rigorous test of relationships.

The study used the aggregate score of job satisfaction and did not study the impact of various dimensions of job satisfaction on organizational commitment. Further, the impact of job satisfaction and LOC was seen on only one form of commitment, i.e., affective commitment. Future studies can delve deeper and study how different aspects of job satisfaction are linked to different types of commitment. These studies can also investigate the impact on other two forms of commitment, i.e., continuance and normative.

The industry (IT) was controlled in this study, so applying the results to other industries, like manufacture and health care, might require further analysis and any generalization of these findings to other fields requires caution.

The sample of the study was only limited to Indian employees. There might be some culture specific issues which were overlooked. Future studies may benefit from an exploration of a wider range of employees at different organizational levels, cultures, and sectors.

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