Work-Related Factors that Affect Organizational Commitment: 
An Examination using Millennials in the Workforce of Thailand

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ABSTRACT
The primary objective of this study was to explore the relationships between two work-related factors (person-environment fit and job security) and organizational commitment among Millennial employees in Thailand. Moreover, the study investigated the moderating role of job satisfaction and its influence on those relationships. A cross-sectional survey was distributed to Millennial employees across thirteen companies located in Bangkok, Thailand where a total of 400 responses were obtained.

Correlational analysis revealed significant positive relationships between person-environment fit, job security, and organizational commitment. Amongst the predictors of organizational commitment, a regression analysis indicated job satisfaction as the strongest predictor variable and person-environment fit as the weakest. Job satisfaction as a moderator variable enhanced the influence of work-related factors. The results of ANOVA testing and a series of t-tests showed that among the demographic variables – age, marital status, job level, and tenure have a significant relation to the perception of person-environment fit and job security.

Keywords: Person-Environment fit, job security, job satisfaction, Millennials, organizational commitment

INTRODUCTION
Differences between generations on a broad range of outcomes are of increasing interest to researchers, practitioners, and organizations (Costanza, Badger, Fraser, Severt, & Gade, 2012). It is becoming more important to have a thorough understanding of how the age of employees relates to any number of work-related attitudes (Eliasa, Smith, & Barneya, 2012).

There are two main views regarding generational differences in the workplace. The first supposes that shared events influence and define each generation (Zemke, Raines, & Filipczak, 1999), and, therefore, employees hold specific values and behavior that are generationally shared. The alternative view argues that employees in a given company, regardless of age, develop common views as to what they want from their jobs and that trying to categorize employees by generations is incorrect (Jorgensen, 2003; Jurkiewicz & Brown, 1998; Yang & Guy, 2006).

Roebuck, Smith, and Haddaoui (2013) state that the generation known as “Millennials” understands they will change jobs at least once every five years and move from one organization to another if they are not satisfied. Millennials are known as “notorious job-hoppers” (Roebuck et al, 2013) who are difficult for companies to retain. Gursoy, Maier, and Chi (2008) note that contemporary managers realize that to increase productivity and maintain employee retention, it is crucial to understand the unique characteristics of each generation and offer employees what they need based on these characteristics. This study provides an explanatory and correlation research design to address this problem, to uncover any distinctiveness of the Thai Millennial workforce, and to identify any relationships between important work-related factors and the level of organizational commitment professed by Thai Millennials.

Research Objectives
1. Explore the relationships between two work-related factors (person–environment fit and job security) and organizational commitment among Millennial employees in Thailand.
2. Establish whether selected work-related factors predict organizational commitment.

3. Investigate the moderating role of job satisfaction and its influence on the relationships between perceived fit, job security and organizational commitment.

4. Understand what demographic characteristics of the employees are related to perception of job security and fit with an organizational environment.

**Research Questions**

1. How does perceived person-environment fit and job security affect organization commitment among Millennial employees in Thailand?

2. How does job satisfaction change the strength of the relationships between selected work-related factors and organizational commitment?

3. What demographic characteristics significantly affect the perception of person-environment fit and job security?

**LITERATURE REVIEW**

The following terms are used in the context of this study:

**Job Satisfaction** – “a pleasant feeling resulting from the perception that one’s job fulfills or allows for fulfillment of one’s important job values” (Noe, Hollenbeck, Gerhart, & Wright, 2010).

**Job Security** – the probability that an individual will keep his or her job in a particular organization.

**Person-Environment Fit (P-E)** – extent to which individual and environmental characteristics are well matched.

**Perceived Fit (General Fit)** – an individual’s overall judgment about the extent to which he or she perceives a fit with the organization.

**Person-Job Fit (P-J)** – the relationship between a person’s characteristics and the components within their job description.

**Person-Organization Fit (P-O)** – the relationship between an individual and organizational goals and values.

**Perceived Job Security** – subjective feelings about the security of an individual’s future employment situation.

**Millennials (Generation Y)** – Individuals born between 1980 and 1999. However, Tolbize (2008) stated that the lower limit for Millennials might be justified as low as 1978 while the upper limit might be justified as high as 2002, as per different assessments.

**Organizational Commitment (OC)** – Steers (1977) defined OC “as the relative strength of an individual’s identification with and involvement in a particular organization.”

**Person-Environment Fit**

Several studies (Holland, 1997; Kristof, 1996; Pervin, 1968) have defined the concept of person-environment fit (P-E) as a degree of congruence or match between the person and the environment. Kristof-Brown, Zimmerman, and Johnson (2005) described P-E fit as the extent to which individual and environmental characteristics are matched. Examples of person characteristics include an individual’s psychological or biological needs, goals, values, abilities or personality. Similarly, environmental characteristics may consist of cultural values, job demands, various environmental conditions or rewards (Cable & Edwards, 2004).
Good fit leads to positive outcomes for both the employee and the environment, thus confirming the relevance of fit phenomena (Cable & Judge, 1997). Affected outcomes of P-E include work motivation, job satisfaction, organizational commitment, job performance, turnover, and employee's well-being (Edwards, 1991; Kristof, 1996; Spokane, Meir, & Catalano, 2000). In addition, consequences of a good person-environment fit affects performance management and effective employee attraction (Boon & Hartog, 2011).

The compatibility of individuals with specific jobs is one of the most researched of the P-E fit types (Kristof, 1996). According to Edwards (1991), person-job (P-J) fit – a component of P-E – is defined as the fit between the abilities of a person and the demands of a job (demands–abilities P-J fit) or the extent to which the characteristics of jobs fulfill individuals’ needs (needs–supplies P-J fit).

Edwards (1991) identified job satisfaction, low job stress, motivation, organizational commitment, increased performance, attendance and retention as outcomes that are positively affected by P-J fit. Cable and Judge (1996) found that P-J fit perceptions significantly predict employees’ job satisfaction and turnover intentions.

Thailand is characterized by high power distance and uncertainty avoidance (Hofstede, 1991). Individuals from high uncertainty avoidance cultures are likely to evaluate their P-E fit through more tangible criteria, such as job requirements and organizational policies, rather than their co-workers’ and supervisor’s characteristics. Therefore, the rational fit (person–job and person–organization fit) may be more visible and readily accessible in high uncertainty avoidance cultures. For that reason, this study examined the effects of person-environment fit of Thai employees on their organizational commitment simultaneously with only two work environments: the job and the organization.

Drawing from the above, the following hypothesis was created:

**H1:** There is a positive relationship between perceived Person-Environment Fit and Organizational Commitment.

**Person-Organization Fit**

Person-organization (P-O) fit has emerged as an important topic in organizational behavior and personnel management (Liu, Liu, & Hu, 2010) and has become a key factor for increasing the understanding of employee attitudes and behavior in organizations (De Clercq, Fontaine, & Anseel, 2008). Person-organization fit is broadly defined as the compatibility between individuals and organizations (Kristof, 1996).

Cheverton (2007) suggested that commitment to organizational values is a means of attracting staff as well as also maintaining and improving organizational performance. Therefore, values have important effects on the functioning of both organizations and employees (Macy, 2006).

Empirical evidence has revealed that a high level of person-organization fit creates positive outcomes. Positive P-O fit has been found to correlate with positive work attitudes relating to job satisfaction and organizational commitment (Chatman, 1989). Cable and Judge (1996) and Chatman (1991) stated that employees are able to perceive P-O fit in a significant way and that this allows for better managerial predictions as to organizational commitment, job satisfaction, turnover intentions, and the willingness of employees to recommend their organization to others.

**Job Security**

The importance of job security (i.e., subjective feelings about one’s future employment) is critical for influencing work-related outcomes. For example, job security is an important determinant of job satisfaction (Burke, 1991; Davy, Kinicki, & Scheck, 1991; Lim, 1996) and organizational commitment (Morris, Lydka, & O’Creevy, 1993; Iverson, 1996). Moreover, job security and job satisfaction jointly and significantly predict organizational commitment (Akpan, 2013).

Employee perception of job security is influenced by work experience, work industry, work location, job functional area, and education. In contrast, low perception of job security might result from anxiety coming from an individual's thoughts of the possibility of losing a job, loss of job control, or decreased social support at the workplace (Benach, Amable, Muntaner, & Benavides, 2002). Employees with low perceptions of job security are more likely to be involved in work withdrawal behavior and to exhibit less organizational commitment (Davy, Kinicki, & Scheck, 1997).
Perceived Job Security and Organizational Commitment

Research studies have found job security to be positively related to organizational commitment (Armstrong-Stassen, 1993; Davy, Kinicki, & Scheck, 1997; Lambert, 1991; Yousef, 1998). Furthermore, other recent studies of (Khan, Nawaz, Aleem, & Hamed, 2012; Ramay, 2012) found a positive significant relationship between organizational commitment and job security as indicated in the previous research on the topic.

Job insecurity shows an association with decreased organizational commitment, particularly concerning decreased affective and normative commitment (Laba, Bosman, & Buitendach, 2005). This finding was in agreement with research by Guest (2004) who discovered that low job security and working conditions had an adverse effect on employee commitment and job satisfaction.

Job security has an impact on employee behavior and outcomes (Cheng & Chan, 2008). However, most studies have mainly focused on the West (Yousef, 1998), thus limiting an understanding of the interactive dynamics within the context of Asian culture (Wang, Ma, Liu, & Liu, 2014; Borland, 2002). Therefore, one aim of this study was to advance the understanding of the relationship between job security and organizational commitment within an Asian nation (Thailand) while exploring the moderating role of job satisfaction. This study sought to specifically investigate the relationship of job security with organizational commitment among private-sector Thai employees.

This lead to the following hypothesis:

H2: There is a positive relationship between perceived Job Security and Organizational Commitment.

Job Satisfaction and Organizational Commitment

Job satisfaction is a widely studied concept, and significant attention has been paid to the relationship between job satisfaction and organizational commitment (Leite, de Aguiar Rodrigues, & de Albuquerque, 2014). However, the nature of that relationship is inconclusive. There is considerable debate as to whether or not job satisfaction leads to organizational commitment (Feinstein & Vondrasek, 2001). Although the majority of the existing literature provides evidence that job satisfaction leads to organizational commitment, there is also compelling evidence to the alternative (Ünal, 2012).

Some studies (Feather & Rauter, 2004; Testa, 2001; Van Scotter, 2000) indicate that job satisfaction is an antecedent of organizational commitment. The more employees are satisfied with their job, the more likely they will be deeply committed to organizations. In support of this, Eker, Eker, and Pala (2008) reported that job satisfaction was a significant predictor of organizational commitment among health care employees. In additional, they identified factors influencing job satisfaction, such as working conditions and environment, administrative structure, job qualifications, payments, career improvement facilities, and job security, as having significant effects on organizational commitment. In opposition, Freund (2005) found the relationship between job satisfaction and organizational commitment as a predictor of turnover intentions and indicated that organizational commitment affects job satisfaction and not vice versa. However, Huang and Hsiao (2007) reported that job satisfaction and organizational commitment had a significant positive effect on each other.

In summary, job satisfaction is an important factor in organizational outcomes. Evidence in the literature reveals the existence of relationships between job satisfaction and organizational outcomes such as performance, turnover intentions, and commitment. These relationships indicate that job satisfaction significantly matters in terms of organizational outcomes.

Recent research by Lumley, Coetzee, Tladinyane, and Ferreira (2011) reported positive and significant relationships between employee satisfaction and organizational commitment. This study demonstrated that as the level of employee satisfaction increases, commitment to the organization also rises. Therefore, it is possible to determine if there is a positive association and a predictive relationship between employee satisfaction and organizational commitment among Millennial employees in Thailand.

Based on the previous, the following hypotheses were developed:

H3: There is a positive relationship between employee’s Job Satisfaction and Organizational Commitment.
H4: *Job Satisfaction positively influences the strengths of relationship between perceived Person-Environment Fit and Organizational Commitment.*

H5: *Job Satisfaction positively influences the strengths of relationship between perceived Job Security and Organizational Commitment.*

Due to the fact that many researchers argue that personal characteristics have a significant impact on various work values and employees attitudes (Solnet & Hood, 2008), an additional hypothesis was created:

H6: *Employee’s demographic characteristics affect perception of Job Security and Person-Environment Fit.*

**RESEARCH METHODOLOGY**

**Research Design**

The study used a quantitative and correlation design to examine the relationships between several quantitative variables: perceived person-environment fit, perceived job security, job satisfaction, and organizational commitment. The independent variables were the perception of environment fit (Person-Organization fit and Person-Job fit), the perception of job security, and the dependent variable was organizational commitment. Job satisfaction was represented as a moderating variable.

**Population and Sample Selection**

For the purpose of the current study, Millennials were defined as individuals who were born between 1980 and 2000, which means that at the time of the study their age ranged from 15 to 35 years old. According to the most recent report of the labor force in Thailand (National Statistical Office of Thailand, 2015) the total labor force is 38,279,200 people. Based on that information, as individuals older than 35 years old were excluded, a final population for the purpose of this study is estimated at 13,596,280 people. A sample size of 400 was calculated by using Yamane’s (1967) formula with a 95% confidence level. Millennial employees were chosen from 13 of the top 25 private companies in the Bangkok area of Thailand that responded to the researchers’ request for participation in this study.

**Research Instrument**

To achieve the purposes of the present study, the researcher employed a quantitative approach, in particular, a cross-sectional study using questionnaires for data collection with the intent of inferring from a general population into a sample. Survey research provides a numeric description of trends, attitudes, or opinions of a population by studying a sample of that population (Babbie, 1990). The study’s questionnaire was developed in the English language and was then translated into Thai by a certified translator. To avoid errors in interpretation and translator bias, a back-translation technique was applied. Therefore, the Thai version of the questionnaire was translated back to English by another certified translator. The questionnaire consisted of five sections by thematic factors with 39 questions in total; the majority of the questions were formatted with five-point Likert scale items which ranged from “strongly disagree” to “strongly agree.” The data collected from the questionnaires was subjected to statistical analysis, as indicated in Table 1.

**Reliability**

The results indicated a high internal reliability of all scales and subscales, with reliability coefficients ranging from .82 to .95. The Cronbach’s alpha coefficient for the entire scale was .94. This value is above .70, so the scale can be considered reliable for a research sample (Tavakol & Dennick, 2011).

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Data Analysis Technique</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: There is a positive relationship between perceived P-E fit and OC</td>
<td>Pearson product-moment Correlation</td>
</tr>
<tr>
<td>H2: There is a positive relationship between perceived Job Security and OC</td>
<td>Multiple Regression</td>
</tr>
<tr>
<td>H3: There is a positive relationship between employee’s Job Satisfaction and OC</td>
<td></td>
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</tbody>
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**Table 1. Statistical Analyses Used to Test the Study’s Hypotheses**
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H4: Job Satisfaction positively influences the strengths of relationship between perceived P-E fit and OC

H5: Job Satisfaction positively influences the strengths of relationship between perceived Job Security and OC

H6: Employee’s demographic characteristics affect perception of Job Security and P-E fit

Multiple Regression

T-test of independent samples

One-way ANOVA

RESEARCH FINDINGS

Findings of the study indicated that relatively high levels of job satisfaction positively affected organizational commitment. Table 2 presents the summary of hypotheses testing. Pearson coefficient identified strong, positive relationships between work-related factors, job satisfaction, and organizational commitment.

Table 2. Results of the Hypotheses Tested

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Test Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: There is a positive relationship between perceived P-E fit and OC</td>
<td>Accepted</td>
</tr>
<tr>
<td>H2: There is a positive relationship between perceived Job Security and OC</td>
<td>Accepted</td>
</tr>
<tr>
<td>H3: There is a positive relationship between employee’s Job Satisfaction and OC</td>
<td>Accepted</td>
</tr>
<tr>
<td>H4: Job Satisfaction positively influences the strengths of relationship between perceived P-E fit and OC</td>
<td>Accepted</td>
</tr>
<tr>
<td>H5: Job Satisfaction positively influences the strengths of relationship between perceived Job Security and OC</td>
<td>Accepted</td>
</tr>
<tr>
<td>H6: Employee’s demographic characteristics affect perception of Job Security and P-E fit</td>
<td>Partially accepted for:</td>
</tr>
<tr>
<td></td>
<td>• Age</td>
</tr>
<tr>
<td></td>
<td>• Marital Status</td>
</tr>
<tr>
<td></td>
<td>• Children</td>
</tr>
<tr>
<td></td>
<td>• Job level</td>
</tr>
<tr>
<td></td>
<td>• Tenure</td>
</tr>
</tbody>
</table>

Job satisfaction was the strongest predictor in the model, followed by job security and person-environment fit. The investigation of the moderating effect of job satisfaction on the relationships between work-related factors and organizational commitment revealed that the moderator enhanced the influence of the work-related factors. In general, higher levels of job satisfaction were associated with higher values of the predictors.

Finally, the analysis of the demographic differences in perception of person-environment fit and job security indicated that age, marital status, children, job level and tenure had statistically significant difference in the means. Married, employees with children, and those who holds management positions perceive fit and job security better than the other groups. Moreover, the difference in means for employees who were between 30-35 years of age with a work tenure from 6 to 10 years in the current organization was statistically different and higher than the others.

CONCLUSIONS

Findings from this study strongly support the presence of a positive association and predictive relationships between work-related factors and organizational commitment among respondents. This study found that young employees who either recently joined the organization or worked for just a few years, holding non-management positions, have lower levels of perceived job security than the others examined. Lack of awareness by employees on key issues related to their respective work processes, as well as overall poor communication, increases insecurity and causes a reduced level of trust towards management.

As a consequence, uncertainty adversely affects the commitment of the employees. To improve the perception of security, to build trust, and give employees confidence in the future, effective
communication, and frequent, clear feedback are required. An additional strategy to improve the
perception of safety among Millennial employees might consist of increasing the number of full-time
permanent positions over part-time contract jobs.

Based on the importance of perception of fit among Thai Millennials, during the early stages of the
recruitment process, HR managers should evaluate candidates, not only in terms of having the
necessary experience and skills, but also in terms of how well they will fit in the corporate culture and
organizational environment. Such a combined type of assessment will allow HR managers to properly
match people, thereby reducing the risks and consequences of misfit perception.

Another management practice that can influence the improvement of organizational commitment is
coaching. Continuous training and development, and promoting mobility of younger professionals
(between the ages of 18 to 29) within the organization might be necessary in order to constantly
increase the level of person-environment fit and the level of commitment. Such practices might help
to develop the working skills of professionals so they can be matched with the requirements of their
jobs and organization. Competent coaches should firstly identify the strengths of employees and then
facilitate their movement between the jobs so that the employees’ strengths are better applied.

Overall, job satisfaction was identified as a strong moderator and had a significant influence on the
level of organizational commitment. In order to keep Millennials satisfied, organizations should
provide the opportunities to meet basic needs of employees, such as good working conditions, fair
pay, personal growth, and opportunities to demonstrate responsibility and initiative. The job (or
organization) that does not meet the needs and expectations of employees reduces the level of their
organizational commitment. In conclusion, to maintain a high level of organizational commitment by
Millennial employees, a balance must be maintained among all the work-related factors examined in
this study.

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