

# Organization's Ethics, Job Performance Satisfaction and Effects on Employees' Engagement and Commitment

Anunya Thanasrisuebwong

**Abstract**—This research paper aimed to find out how was the ethical climate in an organization and job performance satisfaction of employees affected employees' engagement and commitment by using the case study of PTT Exploration and Production Public Company Limited, Thailand. The population of this research was 4,383 Thai employees of PTTEP, Thailand. From a total of 420 questionnaires sent out, 345 respondents replied. The statistics utilized was mean score and Multiple Regression Analysis. The findings revealed that the respondents had opinion towards ethical climate of their organization, job performance satisfaction and organization engagement and commitment at a high level. The test of hypothesis disclosed the determinant attributes of job performance satisfaction that affected the respondents' overall level of organization engagement and commitment. The set of these determinant attributes consisted of employees' responsibilities for duties, organization's policies and practice, relationship with organization's commanders, work security and stability, job description, career path and relationship with colleagues. These variables were able to predict the employees' organization engagement and commitment at 50.6 percent.

**Keywords**—Ethical Climate in Organization, Job Performance Satisfaction, Organization Engagement and Commitment.

## I. INTRODUCTION

**A**DAPTABILITY to changes is crucial in managing an organization. Flexibility and readiness for any changes are affected by globalization should be both at the organizational and individual levels. Effective and efficient organization and human resource management is thus an important science in driving corporations to success. The goals of managing human resources of an organization are to manage them in ways that contribute to productivity while maintaining satisfaction. Also necessary is the recruitment of human resources with high capabilities, skills and knowledge that will contribute as a quality [1]. Furthermore, organizations can no longer enjoy business as usual due to the fact that there are so many challenges to adapt to, for instance higher expectation of product quality, rapid changes of technology and high competitiveness. A company requires an adjusting strategy in managing production quality in order to meet customers' satisfaction. Internally, it is necessary that the company look at their human resource development. The more the internal people are developed in terms of their

competency, the more they contribute value to the company through their roles. This means that companies must not only adapt to external chances but also must continue to develop. PTT Exploration and Production Public Company Limited (PTTEP) is a huge corporation in Thailand that has played a great role in energy economics as well as the overall economics of the country. High competition, fast change of technology, increasingly higher energy demands and climbing oil prices are seen both as their threats and opportunities. The company needs to find sources of energy at an appropriate price with ability to serve the nation's long-term energy needs [2].

## II. LITERATURE REVIEW

Employees are an asset as the internal market of organizations both in the public and private sectors. Indeed an organization's success depends on directing and motivating their human resources into providing quality performance. By this, the organization will be able to remain competitive. Diverse factors or requirements have been involved in building and developing people's competency. Some important requirements include appropriate welfare and benefits to assure work and life security, and programs that build loyalty and foster their commitment to the organization. Organization loyalty and commitment is found to secure success of an organization in many ways. For example, the employees will come to work regularly with a lower turnover rate and exert themselves to their roles while also contributing beyond their normal assigned duties. This result is an increase in creativity, which can lead the organization to outperform its competitors by gaining competitive advantage. From a macro view point, this will decrease the national labor cost by reducing labor turnover and increasing national productivity. As abovementioned, human resource development cannot be focused only on the development of competency for having intellectual capital, because many times employees with a high level of skill and knowledge do not provide full competency and responsibility to work. Thus, in developing human resources of an organization, the management is required to look into other dimensions of human resource development, which is how to enhance employee engagement or commitment. Employees with a moderate level of competency are found to have a high contribution to their organization if they have engagement with the organization they work for; in addition, they will try to improve their level of competency in order to perform their duties more effectively and efficiently.

Anunya Thanasrisuebwong is with the Faculty of Management Science, Suan Sunandha Rajabhat University, Bangkok, 10300 Thailand (Phone: 6621601490; fax: 6621601491; e-mail: fms.9500@yahoo.com).

A survey by Gallup Institute reported that only 12 percent of Thailand's work force was engaged with their organizations whereas 6 percent had particular attitudes against their organizations [3]. This should be seen as problem leading to the question what are the causes behind this problem. Improving or creating an ethical climate in an organization is one strategy that brings high value to an organization and the business benefits. Having a good ethical climate in the organization can lead to higher productivity and business competitiveness. Employees will have a positive attitude towards the organization, while they also possess ability to work with ethics. Employees with these characteristics are considered valuable human asset of the organization and this value can be added by individuals' engagement in improving oneself in order to produce benefits to one's organization. Benefits that share mutual goals between the organization and internal people are people's possibility to developing themselves for engaging in their works, and the organization's success. This begs the question for this study how ethical climate in organization and job performance satisfaction of employees affected employees' engagement and commitment by using a case study of PTT Exploration and Production Public Company Limited (PTTEP), Thailand.

The conceptual framework is shown in Fig. 1.

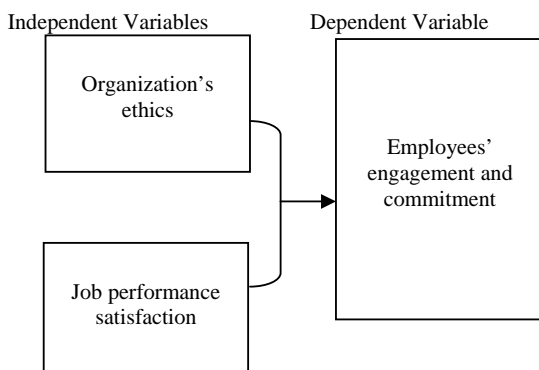


Fig. 1 Conceptual Framework

### III. METHODOLOGY

This research paper aimed to find out how the ethical climate in an organization and job performance satisfaction of employees affected employees' engagement and commitment by using the case study of PTTEP, Thailand. The hypothesis statement of this research was that ethical climate in an organization and job performance satisfaction of the employees of PTTEP affected their engagement and commitment towards the company. The conceptual framework was developed based on the definition of attributes that contributed to ethical climate in the organization, which included: A. personal ethical standard, B. behavior of commanders, C. organization's policies, D. ethical climate in organization, and E. behavior of colleagues, job performance satisfaction and organization commitment. The hypothesis was to test an effect of ethical climate in PTTEP and job performance satisfaction of employees on the employees'

engagement and commitment. The independent variables included ethical climate in the organization and job performance satisfaction, whereas the dependent variable was employees' engagement and commitment to the organization. The population of this research was 4,383 Thai employees of PTTEP, Thailand who worked in the exploration and production of oil, natural gas and condensates. The research used simple random sampling technique and got a total of 345 samples who replied to the questionnaire, from the total of 420 questionnaires sent out.

### IV. FINDINGS

The research findings revealed that the majority of the respondents were married males up to 30 years old, with bachelor degree as the highest educational level. An average income per month was between 10,001- 20,000 Baht, with an average length of working experience between 4-6 years. Moreover, the respondents had opinions towards ethical climate of their organization, job performance satisfaction and organization engagement and commitment at a high level. The test of hypothesis disclosed the determinant attributes of job performance satisfaction that affected the respondents' overall level of organization engagement and commitment. The set of these determinant attributes consisted of employees' responsibilities for duties, organization's policies and practice, relationship with organization's commanders, work security and stability, job description, career path and relationship with colleagues. These variables were able to predict the employees' organization engagement and commitment at 50.6 percent as shown in Table I.

TABLE I  
STEPWISE MULTIPLE REGRESSION ANALYSIS

Variable	B	SE	t	Sig.	Tolerance	VIF
Category						
Constant	1.391	.145	9.603**	.000		
Employees responsibilities for duties	.221	.038	5.864**	.000	.640	1.563
Organization's policies and practice	.201	.043	4.716**	.000	.492	2.033
Relationship organization's commanders	.167	.039	4.293**	.000	.395	2.530
Work security and stability	.129	.042	3.029**	.003	.335	2.985
Job description	.128	.039	3.312**	.001	.360	2.780
Career path	.085	.033	2.582**	.010	.382	2.619
Relationship with colleagues	.083	.029	2.894**	.004	.735	1.360
r = .718		ADJUSTED R2 = .506				
R2 = .516		SE = .367				

\*\* It is significant at 0.01

### V. DISCUSSION

The findings of this paper explain the importance of employees' responsibilities for duties, organization's policies and practice, relationship with organization's commanders, work security and stability, job description, career path and relationship with colleagues to the employees' engagement

and commitment. This was found to be similar to the findings of Nattaporn Yi Sun [4] and Watcharee Champadaeng [5] who conducted studies with employees of private organizations, concluding that the employees' job performance satisfaction had a relationship with their engagement and commitment to the organizations. Furthermore, the study of Jarawan Sonklin [6] and Phastraporn Chaowananon [7] conducted with public organizations also revealed the similar findings that the employees' satisfaction in job performance and their engagement and commitment to the organizations correlated in the same direction.

## VI. FUTURE STUDIES

In respects with the findings, the policies of PTTEP were found with a high level of ethic concern. This could imply that PTTEP placed an importance to providing appropriate benefits for employees, employees' respectability and dignity, while also taking care of the work environment and safety of its employees. The ethical climate of the organization was high yet showed the least mean score. It is a reality that in big organizations many employees are interested only in their job performance and success, whose successful actions can reflect poorly on their co-workers. Organization conflicts are common. People in the administrative level require fairness and openness in considering cases and making decision. By this, subordinates are able to perceive fairness and equality in the organization. There should be some activities which assist a friendlier atmosphere and unity within the organization such as ice-breaking and team-building activities. Besides, in terms of job performance satisfaction, the finding revealed that the employees had the highest level of satisfaction in job success, implying that PTTEP's employees put very much effort in achieving the duties assigned. However, they had a moderate level of job satisfaction in terms of benefits. This suggested that PTTEP may consider an importance of hygiene factors. An adjustment of salary and fringe benefit for the employees is required in order to ensure they are not dissatisfied, as this dissatisfaction may be a cause of decreased motivation in achieving duties in the future. The finding that the employees have high level of engagement and commitment to the organization explains that they believe in and accept the organization's goals and values. An advertency to retaining smart and good employees must not be overlooked.

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