The Relationship between Organizational Identification and Job Satisfaction in Retail Industry

M. Çağrı Pehlivanoğlu*
Mustafa Emre Civelek**
Emre Eymür***

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Abstract

The purpose of this study is to examine the relationship between organizational identification and job satisfaction among retail industry employees. Quantitative data was gathered using questionnaires. To ensure the scales' validity, principal component analysis was used. Cronbach alpha values were calculated to assess reliability. Simple regression was used to test the theoretical model hypothesis. The analyses were carried out using the statistical software SPSS. As the result of the analyses performed, the main hypothesis was supported. It has been empirically proven that Organizational Identification has positive effect on Job Satisfaction. Although these two constructs are subjects that have been researched for years, this research adds to the literature by investigating how the job satisfaction of employees working at a particular sector, the national retail industry, is affected within the framework of organizational identification. As a result, the study's findings indicated that further research should be done to improve organizational identification among employees in the retail industry to boost job satisfaction and decrease the risk of leaving.

Keywords: Job Satisfaction, Organizational Identification, Retail Industry.

JEL classification: J28, L2, L22

1. Introduction

The literature contains numerous definitions for retailing. In a brief explanation, a business relationship that exists between the producer and the consumer in matters such as marketing goods and services, offering them for sale, and consumer purchase is regarded as “retailing” *.

* Istanbul Kent University, Turkey, ORCID: 0000-0002-7519-3068, cagri.pehlivanoglu@kent.edu.tr
** Istanbul Ticaret University, Turkey, ORCID: 0000-0002-2847-5126, ecivelek@ticaret.edu.tr
*** Turkey, ORCID: 0000-0001-7943-043, emreeymur@gmail.com
(Arıkbay, 1996). Retailing facilitates the delivery of goods and services to customers, and retailers are essential for the trade and distribution of goods and services in an economic system. It is a labor-intensive industry with a large global workforce. The research sample, the Turkish retail industry, is a prominent business line of the country's economy and employs 2.7 million people as of 2021 (TAMPF, 2022).

Business sectors, professions, and employee expectations are all subject to change on a global scale. The free-market economy provides consumers with a wide range of options, but this also makes it difficult for the competitive environment on retailers’ perspective. On the path to success, particularly in the retail, the relationship between companies that produce goods and services, and consumers who supply the goods or services are crucial (Eymür & Pehlivanoğlu 2022). Within the context of the organization, job satisfaction of employees is an important factor to achieve organizational goals also in the retail, as it is in many other industries. In this perspective, organizational identification may be a way to deal with the fast changes while maintaining job satisfaction and maximize employee stability. The retail industry is one of the major industries in which employees frequently express a desire to leave their jobs and studies have been done in the literature on this issue (Tian-Foreman, 2009; Coetzee et al., 2015; Park et al., 2021).

In this study, organizational identification has been used to frame discussions about job satisfaction. To collect data from the research participants, Mael & Ashforth (1992)'s Organizational Identification (OI) and Brayfield & Rothe (1951)'s shortened version of the Job Satisfaction (JS) scale by Judge, Durham & Kluger (1998) were used. Various researchers have investigated the relationship between organizational identification and job satisfaction in the literature. However, sector-specific studies on this subject have been found to be scarce, particularly in the national literature. A quantitative analysis of the employees' organizational identification at national retail industry in this regard could produce key sectoral outcomes. This study therefore contributes to the body of knowledge by offering a more in-depth understanding of the evolution of employee job satisfaction and organizational identification in the light of recent data.
2. Conceptual Background

This section explains organizational identification and job satisfaction concepts considering the literature review. The research model was subsequently created.

2.1. Organizational Identification

Organizational identification is a psychological concept that refers to the degree to which an individual identifies with and feels a sense of belonging to a certain organization (Lee, 1969; Mael & Ashforth, 1992). It is a form of social identification (Ashforth & Mael, 1989), which is the process by which people start to perceive themselves as belonging to a group and experience a sense of community with that group. Organizational identification is a form of attachment to an organization (Riketta & Van Dick, 2005), and it frequently comes with a sense of loyalty and commitment to the objectives and tenets of the organization. It can be influenced by the person's interactions and experiences within the organization, the culture and values of the organization, and the person's values and beliefs (Edwards, 2005; Edwards & Peccei, 2007).

Organizational identification has its roots in social psychology and research on the conceptual structure dates to the 1950s and 1960s. During these dates, researchers began to investigate how individuals form psychological attachments to organizations and the factors that influence this process. Organizational identification became a well-known field of study in the discipline of organizational behavior in the 1980s. Researchers started delving deeper into the idea, looking at the variables that affect organizational identification and the effects it has on both people and organizations. Researchers such as March & Simon (1958), Merton (1968), Tajfel (1978), Porter et al. (1979), Turner (1985) and Ashforth & Mael (1989) contributed to organizational identification.

March and Simon (1958) made an early contribution to the organizational behavior and management literature by asserting that organizational identification has an apparent role in the “functioning of organizations”. Years later, Merton (1968) introduced the idea of "reference groups" in his studies of social identity and social structure. According to this theory, people use reference groups to define their own identities and understand their place in society. Other
researchers later built on the concept, starting to investigate how people develop psychological attachments to organizations and how these attachments affect both individual behavior and organizational performance. Another notable contribution to the development of organizational identification concept is the “social identity theory” developed by Tajfel (1978). Social identity theory expresses that an individual's sense of who they are is derived from the groups they belong; and the components of a person's self-concept are their social identity and personal identity. This theory asserts that people seek out prestigious and admirable groups to join to strengthen their social identities. Porter et al. (1979) added to the field's understanding of organizational identification and “how it relates to other organizational factors” by contending that organizational identification plays a key role in predicting a person's level of commitment to their organization, as well as their level of job satisfaction and risk of leaving. Later, Turner (1985) enhanced the literature by “the self-categorization theory”. This theory indicated that people evaluate themselves, others, and social situations by using their mental representations of the groups they belong to as a guide.

The organizational perspective of identification theories was influenced by Ashforth & Mael (1989). Organizational identification describes how a person feels as though they are a part of an organization and how they experience the achievement and failure of that organization as being like their own. People who have strong organizational identification view the organization's existence as influencing how they define their identities. People are more likely to develop a strong organizational identification when they start to feel that their organization's values align with their own (Ashforth & Mael, 1989). Organizational identification has been found to have several significant consequences for both individuals and organizations. Individuals can benefit from increased job satisfaction and commitment, as well as improved job performance and well-being (Efraty & Wolf, 1988 ; Lee et al., 2015). For organizations it can lead to increased organizational effectiveness and performance. The scale created by Mael & Ashforth (1992) is used in this study as the measurement tool.
2.2. Job Satisfaction

Job satisfaction is the sense of fulfillment and contentment that comes from doing enjoyable and rewarding work. It is the degree to which an individual enjoys or dislikes their job, and it is influenced by several factors, including the nature of the work itself (Spector, 1997), the working environment (Aziz et al., 2015; Pandey & Asthan, 2017), and the individual's relationship with coworkers and supervisors (Straiter, 2005; Stringer, 2006). Job satisfaction is a determinant component of total well-being and can have a significant impact on a person's mental (Lu et al., 1999) and physical health (Verbrugge, 1982). Low levels of job satisfaction can lead to increased stress (Appleton et al., 1998), absenteeism (Scott & Taylor, 1985), and turnover (Mbah & Ikemefuna, 2012), whereas high levels of job satisfaction can lead to increased productivity (Nanda & Browne, 1997; Hoboub et al., 2017), motivation (Danish & Usman, 2010; van Scheers & Botha, 2014), and engagement (Abraham, 2012; Simone et al., 2018).

Job satisfaction has been studied and debated for many years. Hoppock (1935) conducted one of the first studies to investigate the concept in the 1930s. Later, a remarkable study that sheds light on people's satisfaction is Maslow (1943)'s "Hierarchy of Needs" on determining the phases of human growth (Pehlivanoğlu, Eymür & Civelek, 2022). Early job satisfaction theories focused on the individual factors that influence an individual's job satisfaction, such as personality, skills, and abilities. Later theories investigated the role of the work environment and employee-supervisor relationships in determining job satisfaction. Researchers have recently begun to focus on broader social and economic factors that influence job satisfaction, such as the state of the economy, job security, and work-life balance. Overall, the study of job satisfaction has evolved over time to take a wide range of factors into account. There are many different theories of job satisfaction. Some of the most popular and extensively researched ones are as follows: The Two-Factor Theory by Herzberg, et al. (1959); The Job Characteristics Model by Hackman & Oldham (1975); Range of Affect Theory by Locke (1976); The Person-Environment Fit Theory (Lawton, 1983; 1985); The Social Exchange Theory (Homans, 1958; Blau, 1964). Job satisfaction theory and its evaluation on people also benefited from the development of the "Minnesota Satisfaction Questionnaire" by Weiss et al. (1967) and "Job
Descriptive Index" by Smith et al. (1969). The complex factors that affect a person's feelings about their work cannot be fully explained by a single theory. Instead, many theories present various viewpoints on the elements that affect job satisfaction. It is an important field of research due to the potential impact on individual well-being and organizational performance. In this study, the scale developed by Brayfield & Rothe (1951), as condensed by Judge et al. (1998), is used as the measurement tool.

2.3 Theoretical Model

The purpose of this study was to determine the relationship between the predictor variable organizational identification and the dependent variable job satisfaction. Figure 1 depicts the theoretical model developed in accordance with the theoretical underpinnings of these notions.

![Theoretical Model](image)

Figure 1. Theoretical Model

3. Hypothesis Development

Studies showed that a variety of factors influence organizational identification and job satisfaction. Job satisfaction is frequently influenced by factors such as an employee's salary, promotion opportunities, job security, coworkers, and workplace conditions. Organizational identification is generally related to the values, culture, image, and strategies of the employees' organizations. Employees who have an intense sense of organizational identification adopt their jobs, roles, organizational goals, values, and culture. These employees are highly motivated and feel like they are a part of the organization's success. This bond encourages employees to contribute more to the organization and make a greater effort into the organization's success. Studies examining the relationship between organizational identification and job satisfaction have increased since the second half of the twentieth century. Many studies investigating the
relationship between the two concepts have found positive relationships (Van Dick et al., 2004; Karanika-Murray et al., 2015; Li et al., 2015; Başar & Basım, 2015; Yavan et al., 2018; Sökmen, 2019; Bayram, 2019; Subba, 2019). When previous research findings in the literature are considered, it is predicted that employees with low organizational identification will be less satisfied with their jobs in general. These employees are expected to have difficulty adapting to their organizations' values, culture, and goals, which reduces their job satisfaction. The following hypothesis was developed for the research objectives, considering the prior findings and the apparent relationship between the two concepts in the literature.

H1: Organizational Identification has positive effect on Job Satisfaction

4. Research Methods

The research scales were derived from earlier studies. Quantitative data has been gathered using questionnaires. Principle component analysis has been conducted to verify the validity of the scales. To evaluate reliability Cronbach alpha values were computed. The theoretical model hypothesis has been tested by means of simple regression. The statistical programs SPSS has been used to carry out the analyses.

4.1. Sampling and Measures

The constructs in the theoretical model of the research are evaluated using scales derived from existing literature. 5-point Likert scales were utilized, ranging from strong disagreement to strong acceptance. Over 400 questionnaires were distributed, with 370 of them being valid. Three demographic questions and two scales comprise the measurement tools. To measure Organizational Identification, the scale suggested by Mael & Ashforth (1992) with 6 items was used; and to measure Job Satisfaction the scale suggested by Brayfield & Rothe (1951) and shortened by Judge et al. (1998) with 5 items were used. All the items are gathered using a 5-level Likert-type measurement tool. The research universe comprises of employees working at retail industry in Türkiye. The demographic distribution of the sample population is as follows: 43% are between 18-29, 36% are between 30-39, 18% are between 40-49, %3 is between 50-
59 years old. 50% of them have only high school, 21% have associate, 24% have graduate, 5% have postgraduate degree. In terms of work experience 30% of them have 0-5 years, 21% have 6-10 years, 24% have 11-15 years, 14% have 16-20 years, 11% have above 21 years.

4.2. Construct Reliability and Validity

The principal component analysis was conducted to verify the validity of scales. The fact that the KMO value of 0.824 is greater than 0.80 indicates that there is an excellent level of correlation between the variables suitable for factor analysis. The fact that the p value of 0.000 in the Bartlett sphericity test is less than 0.05 confirms that the relationship between the variables is sufficient for factor analysis. The data is suitable for factor analysis. To ascertain the validity of the scale, first, confirmatory factor analysis was applied, and it was determined that the validity of the scale was in 2 dimensions. Then, the independent variables were added to the analysis and Principal Component Analysis was applied. MSA (Measure of Sampling Adequacy) values in the Anti-image correlation matrix were examined to determine the sufficiency of the research questions for factor analysis. Since all values found diagonally here are greater than 0.50, the dimensions are found to be suitable for factor analysis. The results of the factor analysis in the direction of the Rotated Component Matrix are given in Table 1. In this study, it is observed that the factor weights of the questions belonging to the variables are greater than 0.5. Total variance explained value reached 55 percent.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Items</th>
<th>Factor Loads</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Identification (OI)</td>
<td>OI0510</td>
<td>0.757</td>
</tr>
<tr>
<td></td>
<td>OI0106</td>
<td>0.751</td>
</tr>
<tr>
<td></td>
<td>OI0409</td>
<td>0.674</td>
</tr>
<tr>
<td></td>
<td>OI0308</td>
<td>0.609</td>
</tr>
<tr>
<td></td>
<td>OI0207</td>
<td>0.605</td>
</tr>
<tr>
<td>Job Satisfaction (JS)</td>
<td>JS0202</td>
<td>0.797</td>
</tr>
<tr>
<td></td>
<td>JS0101</td>
<td>0.786</td>
</tr>
<tr>
<td></td>
<td>JS0505</td>
<td>0.759</td>
</tr>
<tr>
<td></td>
<td>JS0404</td>
<td>0.733</td>
</tr>
<tr>
<td></td>
<td>JS0303</td>
<td>0.545</td>
</tr>
</tbody>
</table>
Table 2 displays the dimensions' Cronbach's alpha and Pearson correlations values.

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Organizational Identification</td>
<td>.341*</td>
<td></td>
</tr>
<tr>
<td>2. Job Satisfaction</td>
<td></td>
<td>.715</td>
</tr>
<tr>
<td>Cronbach α</td>
<td></td>
<td>.779</td>
</tr>
</tbody>
</table>

*p < 0.05

4.3 Test of the Hypotheses

The theoretical model hypothesis has been tested by means of simple regression. Table 3 and Table 4 indicate model summary and ANOVA results respectively.

Table 3. Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.341</td>
<td>.117</td>
<td>.114</td>
<td>.75349</td>
</tr>
</tbody>
</table>

Table 4. ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>27,576</td>
<td>1</td>
<td>27,576</td>
<td>48,570</td>
<td>.000b</td>
</tr>
<tr>
<td>Residual</td>
<td>208,933</td>
<td>368</td>
<td>.568</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>236,509</td>
<td>369</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 5. Results of Tests

<table>
<thead>
<tr>
<th>Relationships</th>
<th>Standardized Coefficients</th>
<th>Unstandardized Coefficients</th>
<th>Hypotheses</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>OI → JS</td>
<td>0.341*</td>
<td>0.328</td>
<td>H1</td>
<td>Supported</td>
</tr>
</tbody>
</table>

*p < 0.05

As seen in Table 5, H1 hypothesis is confirmed. This means Organizational Identification (OI) has positive effect on Job Satisfaction (JS).
5. Discussion

Throughout the last few decades, job satisfaction has been a popular research topic. Many theoretical models have been developed, and studies from various geographies have provided a better understanding of the causes and consequences of job satisfaction. According to the study's findings, the analyses confirmed the main hypotheses. The predictor variable, Organizational Identification, has a direct effect on the Job Satisfaction dependent variable. Many studies have discovered a similar relationship between organizational identification and job satisfaction (Van Dick et al., 2004; Karanika-Murray et al., 2015; Li et al., 2015; Başar & Başım, 2015; Yavan et al., 2018; Sökmen, 2019; Bayram, 2019; Subba, 2019). These findings show that when employees feel a strong bond, organizational identification, with their organizations, they typically have a greater sense of job satisfaction. This connection can foster a sense of ownership and affiliation in the company, which in turn can boost job satisfaction of individuals. The former studies demonstrate the significance of organizational identification in determining job satisfaction in samples from various industries. Although the retail sector has served as a research sample for many studies in the national literature, the relationship between organizational identification and job satisfaction has not received much attention in this sector. In retail industry, job satisfaction of employees is crucial, particularly for positions that involve frequent interaction with customers. Employees who are not satisfied may act negatively toward customers and underperform at work.

6. Conclusion

Research has shown that individuals who have a high level of organizational identification tend to have higher levels of job satisfaction than those who have a low level of organizational identification. The reason for this relationship is that individuals who feel a strong sense of belonging to their organization are more likely to feel a sense of alignment with the organization's values and goals. Additionally, people who feel deeply a part of their organization are more likely to feel valued and appreciated by it. Therefore, in turn, can lead to increased job satisfaction as individuals believe their contributions are valued and that they are having a meaningful impact at work.
It is anticipated that the retail sector will continue to grow rapidly as a substantial business sector of the national economy. To support this expansion, the industry needs a skilled labor force. Retaining a trained manpower and generating short- and long-term plans are crucial in this regard. Companies must be thoughtful and strategic in their human resources policies because all individual's performances are essential factors in the performance of workforce. Employees who are dissatisfied with their jobs may eventually leave. At this point, the most prevalent process for long-term success is moving the workforce to a level of organizational identification that will respond to business needs and individual job satisfaction. Therefore, strategies that invest in human resources that will serve the sector should be adopted for businesses operating in retail sector to achieve stable growth rates and to make their performance permanent, considering the possibility that leaving every job will disrupt the workforce competency. Giving employees the chance to participate in decision-making and problem-solving is a way that organizations can promote a sense of ownership and responsibility among staff members to encourage organizational identification. Also, recognizing and rewarding employees for their contributions to the company is another way to inspire employees to work harder and pursue success as a result, helping to foster organizational identification. Employees who have high organizational identification are better able to comprehend the enterprises' goals and put forth more effort to do so. Consequently, happy workers improve the company's image as a great place to work, which helps it recruit more talented workers.

The findings are only applicable to this research sample size. The study has some limitations, and the findings must be evaluated in this context. The study's findings are based on the perspectives of 370 retail workers in Türkiye. A more comprehensive analysis can be carried out by working with a diverse sample. According to the findings of this study, job satisfaction is related to an individual's organizational identification. In future research, the relationship between these two constructs in retail industry could be tested using additional organizational research dimensions and various demographic variables.
References


