

The Impact of Organizational Competence on Job Satisfaction of Management Faculty in the State of Andhra Pradesh, India.

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1. The Problem:

Organizational Competence influences employee morale positively, which in turn is expected to influence job satisfaction in the same direction. In the literature, job satisfaction is recognized as a component of organizational commitment and also a predictor of organizational commitment. It is also observed that organizational commitment and job satisfaction are highly correlated (Tai et al, 1998). In fact, Markovits et al (2007) suggest that effective organizational commitment was “found to be the most influential with respective levels of intrinsic and extrinsic job satisfaction”. Further, Boles et al (2007) indicate that various facets of job satisfaction are more strongly related to organizational commitment. They also indicate that these relationships are not the same for male and female employees. Moreover, the issue of organizational commitment is important due to its link with propensity to leave and turnover (Brown and Peterson, 1993). Hence, it may be construed that organizational competence by providing competitive environment could exert significant commitment of an employee to the organization in which the person is working and such commitment impacts job satisfaction.

2. Objectives of the study

An attempt is, therefore, made in the present study to examine the theoretical rationale of organizational competence impacting job satisfaction and whether it has impacted job satisfaction of faculty in the study area.

The objectives of the study are a) to measure the magnitude of organizational competence of the selected institutions and b) examine the impact organizational competence on job satisfaction of faculty in management.

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3. The Study Area

After approaching many institutions offering management education in the state of Andhra Pradesh, the researcher could get permission from 14 leading institutes, which exist for more than a decade to conduct research in their organization. They are:

- a. Central University category:
 1. University of Hyderabad, Hyderabad
- b. State University Category:
 2. Andhra University, Visakhapatnam
 3. Osmania University, Hyderabad
 4. Sri Venkateswara University, Tirupathi
- c. Deemed University Category:
 5. GITAM University, Visakhapatnam
 6. KL University, Vijayawada
- d. Autonomous College category, affiliated to State Universities Providing Management Education:
 7. Gayatri Vidya Parishad Degree and PG College, Visakhapatnam
 8. Srinidhi Institute of Technology and Management, Hyderabad
- e. Category of Colleges affiliated to State Universities Providing Management Education:
 9. KMM College, Tirupathi
 10. M.R. PG College, Vizianagaram
 11. RIMS, Tirupathi
 12. St. Ann's Women's College, Hyderabad
- f. Category of Stand Alone Institutions approved by AICTE Providing Management Education:
 13. Badruka College, Hyderabad
 14. Indian Institute of Advanced Management (IIAM), Visakhapatnam

The researcher had confined the study to only faculty members and has not included the non-teaching and technical employees. Though the sizes of the Universities vary, the salient feature is that all the institutes operate on similar core educational technologies.

4. Theoretical Perspectives

Competition is a pervasive feature of all societies in which the desired things of life are provided by alternative sources. The need to withstand competition "must inevitably affect the structure and functioning of competing organizations, because competition makes multiple demands on an organization like the need for quick and well coordinated adaptation to the competitive moves of rivals, to creative and innovative moves to gain an edge over rivals;

achieve efficiency in operations and protect an organization from future depredations” (Khandwalla, 1981).

Firstly, unless there is inescapable or potential conflict of interest between a set of rival organizations, competitive conduct is unlikely. Competitive conduct is a property of those organizations that are rivals – that is, are alternative suppliers to clients of goods or service – and have a zero-sum or variable-sum structure to their relations – that is, have a competitive structure of relations.

Secondly, unlike several other features of the environment, competition is partly a decision variable for the managements of organizations with a competitive structure of relations. The form and the intensity of competitive conduct are shaped importantly by the strategic and tactical choices that competing organizations make. To some extent, one can foresee the sequence of interactive moves that may be unleashed by a competitive move, and so a decision maker has, within limits, the freedom to choose the sequence of moves and counter-moves.

Thirdly, there are several determinants of the intensity of inter-organizational rivalry, such as the number, size distribution, value homogeneity, and coordination of competing organizations, and the organization and sophistication of their clientele. These determinants of rivalry are affected, in turn, by other factors. Whereas the existence of competitive conduct is a property of a competitive structure of relations, the intensity of competitive conduct in a domain of activity is partly accounted for by the particular cluster of these determinants. The intensity of competition in a particular industry or domain of activity has important administrative consequences for the competing organizations, particularly with regard to top-level goals, managerial ideology, external and administrative strategy, organizational structure, and organizational functioning. (Khandwalla, 1981).

Contingency theorists have emphasized the distinction between an organization and its environment (Khandwalla, 1972; Shortell, 1977; Thompson, 1967). They have generally argued that since, as a living system, an organization is dependent on the environment for survival (Katz and Kahn, 1966; Miller, 1955), variations in the environment’s properties must necessitate corresponding variations in an organization’s properties. Competitive environment is also visible among educational institutions offering various programs of study, be it public or private. It is the just for offering quality education that motivates and drives educational institutions to adopt competitive organizational structures. This in turn could determine the image and brand value of the institution. Better institutions should be able to attract the best students and best faculty further enhancing the equality and branding of those institutions. Similarly, organizational environment is expected to attract more commitment from the

employees, which is seen from the infrastructure, stakeholder relationships and the ambience available in the institution.

An organization is expected to provide an environment in which an employee is motivated for more commitment towards work. This may be considered as organizational competence to extract the best out of every employee, and organization itself can be benefitted in terms of higher productivity. In case of an educational institution, institutional or organizational competence enhances the quality of inputs it provides, which in turn impacts quality of output (students). Institutional competence attracts more commitment from teachers which again impacts job satisfaction of the teachers. Hence, institutional competence through commitment of teachers is expected to impact job satisfaction. Job satisfaction is, therefore, directly related to Institutional competence.

5. Measurement of variables

A. Institutional/organizational competence

Faculty, administrative staff, infrastructure and student performance/placements may be considered as the important factors to measure educational institute's competence.

- a) Faculty: The academic strength of the faculty is an asset to an institution involved in the teaching-learning process. The qualifications, experience, research profile and compensation package may be considered as determining the academic strength of the faculty. In the present study academic strength is measured as follows:
 - i. Ph.D. /Industry experience is given a score of 1, otherwise '0'.
 - ii. Experience is measured in terms of number of years of teaching with 10 years and above given a score of 1 and less than 10 years with a score of 0.9 for 9 years, 0.8 for 8 years, 0.7 for 7 years and so on.
 - iii. Research Profile – Research publications and research guidance are considered for measurement of the variable. Both are given a score of 0.5 each with 0.5 given for 25 publications and 0.5 given for guiding 5 Ph.D. students in the last five years. The variable is accordingly adjusted for lower publications and guidance.
 - iv. Compensation package is allotted a score of 1 if sixth pay of UGC in toto is paid; 'o' for other types of package.

The total faculty academic strength is measured on a score of 4.

b) Administrative Staff

- i. The norms of All India Council for Technical Education (AICTE) are considered for determining the number of administrative staff required in an Institution offering MBA program. If the institution strictly appoints the number of administrative staff as per AICTE norms, it is given a score of 1, otherwise '0'.
- ii. Administrative staff with more than 20 years of service are given a score of 1, otherwise adjusted for the service with a decreasing score.
- iii. If the compensation is given as per state govt. scales of pay a score of 1 is given, otherwise adjusted with a decreasing score.

The unweighted average score for the three parameters is considered as a score for the competence of administrative staff.

c). Infrastructure – It is measured based on per the norms of AICTE again.

- i. Number of Class rooms as per AICTE norms is given a score of 1.
- ii. Library as per norms of AICTE is given a score of 1.
- iii. Computer Lab as per norms of AICTE is given a score of 1.
- iv. ICT enabled learning is given a score of 1.

If any institution deviates from these norms, the score is accordingly adjusted downwards.

d) Student Performance and Placements

- i. If the pass percentage is 100, a score of 1 is given.
- ii. If the placement is 100 per cent, a score of 2 is given.

Taking the scores, variable wise, the institutional competence score is arrived at for '1' with the following weights/share as perceived by the importance of each component:

i.	Academic staff:	0.5
ii.	Administrative staff:	0.1
iii.	Infrastructure:	0.3
iv.	Student performance and Placements :	0.1
	Total:	1.0

In order to estimate the relationship between organisational competence and job satisfaction regression method is used. The model specified is as follows:

$$\text{Log } Y = a + b \log X$$

Where Y=Job Satisfaction Score of teachers,
 X= Organizational Competence Score.
 b = estimated parameter

B. Job Satisfaction

The researcher has used questionnaire method to collect the data. A questionnaire is designed to elicit information from faculty on the variables identified that are considered to be impacting job satisfaction. The questionnaire contains information relating to personal particulars of the faculty and detailed information on all the thirteen identified factors that impact job satisfaction viz., overall motivating factors, work itself, working conditions, working relations, organization's policies and procedures, pay/fringe benefits and recognition, personal growth /promotion / retirement benefits, stress, coping strategies, teaching performance, research performance, and SWOT analysis. The questionnaire was then canvassed among the management faculty in selected institutions across Andhra Pradesh. The data were collected during July – Dec 2011. Job Satisfaction is measured on a 5 point scale with the answer to the question allotted scores of: Strongly Agree - 5, Agree- 4, Neutral- 3, Disagree- 2 and Fully disagree -1. The responses are aggregated on each of the thirteen factors and all the thirteen factors put together. The investigator also interacted with the faculty on some of the issues relating to job satisfaction.

6. The Results

Table-1 presents overall scores of organisational competence and job satisfaction scores of teachers working in selected business management institutions. Job Satisfaction is measured with a maximum score of 5.00 as well as with a maximum score of 1.00. Job satisfaction with a maximum score of 1.00 is calculated by dividing the job satisfaction scores for 5.00 by 5. Job satisfaction scores with a maximum of 1.00 is calculated with a view to have appropriate comparison of organisational competence score (maximum score is 1.00) with job satisfaction score and to use regression method. It is observed from this table that University of Hyderabad enjoys highest organisational competence score of 0.96 and highest job satisfaction score of teachers to the tune of 0.75. Andhra University and Osmania University under the category of State universities enjoy the same organisational competence score of 0.85, and more or less the job satisfaction scores. Sri Venkateswara University had lowest organisational competence score and job satisfaction score under the State Universities category. Though GITAM University under the deemed universities category enjoys competence score of 0.89 which is higher than that of two state universities viz., Andhra university and Osmania

University, it could not enjoy the same degree of higher job satisfaction score than that of the State Universities. KL University had lower organisational competence score comparable to that of GITAM University, but its job satisfaction score was more or less compared to that of the later under Deemed Universities category.

The organizational competence score of the two autonomous colleges varied considerably, their job satisfaction score was more or less the same. Affiliated colleges enjoyed more or less the same competence scores and job satisfaction scores. The organisational competence and job satisfaction scores of AICTE institutions varied widely.

As indicated earlier the impact of organizational competence on job satisfaction is estimated using regression method and the results are presented in Table- 2.

Table- 1. Organisational Competence and Job Satisfaction score by Institution

S.No.	Institute	Organisational Competence Score (Max. Score 1.00)	Job Satisfaction Score (Max. Score 5.00)	Job Satisfaction Score (Max. Score 1.00)	
1.	Central University	UOH	0.96	3.74	0.75
2.	State Universities	AU	0.85	3.61	0.72
		OU	0.85	3.63	0.73
		SVU	0.83	3.56	0.71
3.	Deemed University	GU	0.89	3.66	0.73
		KLU	0.71	3.58	0.72
4.	Autonomous Colleges	GAYATRI	0.65	3.52	0.70
		SIT	0.74	3.56	0.71
5.	Affiliated Colleges	KMM	0.54	3.51	0.70
		MRPG	0.55	3.52	0.70
		RIMS	0.55	3.30	0.66
		ST.ANNS	0.59	3.40	0.68
6.	AICTE Institutions	BADRUKA	0.63	3.52	0.70
		IIAM	0.56	3.33	0.67
	Average	0.71	3.55	0.71	

It is observed that the model could explain 60 per cent of the variation in job satisfaction. The coefficient of the variable (organisational competence) is significant at 1per cent probability level. The magnitude of the variable at 0.80 implies that 100 per cent change in organisational competence leads to 80 per cent change in job satisfaction.

Table- 2. Regression results of Impact of Organisational Competence on Job Satisfaction

Constant	0.64
X	0.80*
	(4.54)
\bar{R}^2	0.60
F Value	20.60

* Significant at one per cent level

7. Conclusion:

This study establishes a positive and higher degree of impact of organizational competence on employee job satisfaction. Therefore, it is suggested that the business management educational institutions should enhance their organisational competence in order to improve employee job satisfaction in addition to improving the factors that determine job satisfaction. This would help in enhancing the quality of management education.

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