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Organizational Commitment Components and Job Performance: Mediating Role of Job Satisfaction

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Abstract

The purpose of this paper is to analyze the impact of organizational commitment components on overall job satisfaction and job performance. This study proposes that organizational commitment components have a considerable effect on overall job satisfaction and job performance. It also posits that organizational commitment components influence job performance through overall job satisfaction. The relationships between variables in this study were analyzed by using factor analysis, reliability tests, descriptive statistics, and correlation and regression analyses. A total of 437 useful surveys were collected from employees who are working in furniture manufacturing firms in Federation of Bosnia and Herzegovina. The study results indicate that “affective” and “normative commitments” have effects on overall job satisfaction. Overall job satisfaction and “affective commitment” affect employees’ job performance. Overall job satisfaction mediates the relationship between “normative” and “affective commitment” and job performance. The study suggests that companies which manufacture furniture in Federation of Bosnia and Herzegovina can improve employees’ job performance by influencing their job satisfaction.

Keywords: organizational commitment, overall job satisfaction, job performance, furniture manufacturing industry, Federation of Bosnia and Herzegovina.

1. Introduction

The economic strength of a country is measured by the development of its manufacturing industries. The economist Eric Reinert (2007) expresses the importance of manufacturing for a country in his book “How Rich Countries Got Rich...and Why Poor Countries Stay Poor”. Throughout the book Reinert shows that manufacturing has been the most important component to welfare ever since the advancement of England in the 19th century, the US, Japan, Germany, and the USSR in the 20th century, to the newly industrializing countries like Korea, Taiwan, and now China. Since the Industrial revolution the manufacturing of developed countries mainly depended on raw materials transported from underdeveloped countries, whereas developing countries mainly manufactured products from available natural resources. Bosnia and Herzegovina (BiH) is one of these countries. BiH was severely affected by the conflicts in the 1990s. With the Dayton agreement signed in 1995, the country was divided into two ‘entities’ – the ‘Federation of BiH’ (FBiH) and the

Republic of Srpska – which assumingly do not have such a strong bond posed by a central government. In the last decade FBiH was restored substantially. With the support of developed countries, public institutions which were devastated in the conflict have been reconstructed and new organizations have been built. Currently, FBiH has many public and private companies. Since the forests covering almost 50% of the land area are one of the most important natural resources in the country, the wood processing industry accounts for almost 10% of overall GDP, and is therefore a crucial sector for BiH economy (Stanojic-Eminagic, 2010). Additionally, the Agency for Statistics of BiH and the Chamber of Commerce declared that over 60% of the wood sector production is exported, with steady annual export growth. The finished furniture in this sector is becoming more and more important export product (FIPA of BiH, 2015). Currently, the largest markets for furniture producers range from Western Europe, USA, and to the Middle East. Nevertheless, according to the 2015 report of the Foreign Investment Promotion Agency, the furniture production sector is characterized by a large gap between its current performances and its true potential. In this regard, question of ‘What should be done to increase production performance of furniture manufacturing companies?’ have attracted curiosity among firm owners and managers of this sector. Although there are many options which have the potential to improve the performance of this sector, such as starting new companies, modernizing the existing ones, and introducing new technologies and equipment, considering the rapid production growth, and scarce research on performance management in BiH, studies have determined a need for examining issues that are related to performance and workplace behavior of workers in furniture manufacturing sector (Fu and Deshpande, 2013; Springer, 2011).

Job performance (JP) is a term which refers to the quality of work of an employee (Caillier, 2010). Job performance of employees is related to the performance of manufacturing companies directly. Most of the manufacturing companies which are aware of this fact have concentrated on locating forces which enhance the performance of their employees. Among these factors, the most frequently cited one is job satisfaction (JS). Most of the scholars stress the strong relationship between employees' JS and JP (Hira and Waqas, 2012; Spector, 1997). However, JS and organizational commitment (OC) are frequently explored together. Several studies showed that JS has a large impact on OC (Huang, You, and Tsai, 2012; Fu and Deshpande, 2013). While there is an abundance of studies which have investigated employees' JS and OC relationship, literature focusing on direct and indirect effects of overall JS and OC components on the performance of employees is severely limited. What is also lacking are empirical studies examining the relationship among overall JS, OC components, and JP in developing countries. This study tries to answer the remaining questions in the literature and investigates the factors which affect employees' JP in furniture manufacturing firms in FBiH.

Overall, this study investigates the degree to which JS and OC components affect employees in FBiH. It also uses the path analysis illustrated in the research model (Figure 1). The model requires three paths that consist of several regression analyses. The first path explores the relationship between OC components and overall JS. The relationship between OC components, overall JS and JP is investigated in the second path. The third path explores the mediation role of overall JS in the OC components and JP relationship. Thus, the purpose of this study is to investigate whether organizations can foster overall JS and OC components of employees to enhance their JP.

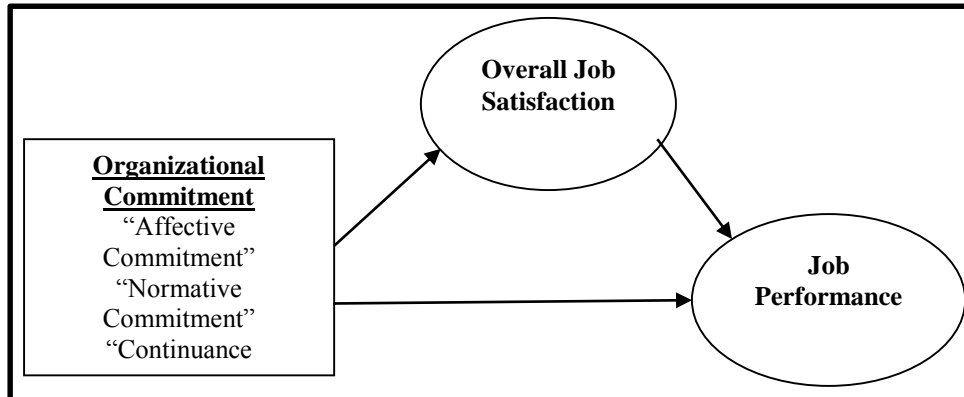


Figure 1: Organizational Commitment, Job Satisfaction and Job Performance

2. Theoretical Background and Hypotheses

2.1 Organizational Commitment and Job Satisfaction

Organizational commitment is crucial for organizations which have a desire to retain talented employees. It represents a degree to which employee associates with his or her organization (Fu and Deshpande, 2013). Guest (1995) also emphasizes that OC is at the core of human resource management. It changes traditional manpower management into a core of human resources. Porter, et al. (1974) define OC as "the relative strength of an individual's identification with and involvement in a particular organization" (p. 604). Dee, Henkin, and Singleton (2006) also describe it as a desire of an employee to commit to and be loyal to the organization. Most of the definitions stress the idea that employees who are devoted to their organizations are always hard workers (Singh, 1998), and have a stronger intent to stay in the organization, as opposed to employees who have weaker commitment (Allen and Grisaffe, 2001). There are many models which attempt to expound dimensions of OC. A famous one is the Meyer and Allen (1991)'s "three component model" (TCM). According to their conceptualization, the three components are "affective, continuance, and normative commitment". While "affective commitment" represents an individual's inner attachment to the organization, "continuance commitment" is the perception of costs which is related to leaving the organization. "Normative commitment" stands for the individual's sense of responsibility for remaining with the organization.

On the other hand, even though the TCM can be considered as the dominant model in OC literature (e.g. Bentein, et al., 2005), this model has been criticized because it represents a specific model for predicting the turnover behavior only. In a study which had criticized TCM, Solinger, Van Olffen, and Roe (2008) suggest using Eagly and Chaiken's (1993) model to generate specific models that can in advance assume different organizational behaviors beyond turnover, since TCM does not have a potential to be a general model of OC. Eagly and Chaiken's (1993) the attitude-behavior model combines an attitude directed at the organization with attitudes towards a behavior (leaving or staying). According to this model, "affective commitment" equals an attitude toward the organization, but "continuance" and "normative commitment" refer to anticipated results of a behavior, namely the act of leaving. Despite aforementioned critiques on Meyer and Allen (1991)'s TCM in the literature, that model is the focus of this study, for several reasons. Firstly, this model has been a point of interest of the organizational researchers and has been tested in

different empirical settings (Fu, Bolander, & Jones, 2009; Bentein et al., 2005; Lok, Westwood, and Crawford, 2005; Snape and Redman, 2003). Another reason is that a meta-analytic analysis which focused on antecedents and consequences of TCM showed that JP had been one of the strongly and positively correlated variables of this model (Meyer, Stanley, Herscovitch, & Topolnysky, 2002). Since JP is dependent variable of this article, it was selected in order to remain consistent with aforementioned meta-analysis. Finally, and most importantly, turnover rate employees in BiH has increased in recent years because of migration of young people to European countries in particular (Dinc and Huric, 2016). Since BiH is a context of this study, TCM which is for a more predicting turnover behavior of employees is preferred as a suitable scale.

Job satisfaction is a vital concept in organizational psychology. An ample amount of publications about JS since 1973 make it one of the most frequently studied topics in the organizational psychology field (Despande, 1996). Locke (1976) defined JS as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". JS includes various facets, and many researchers have classified them. One of these classifications was suggested by Smith, Kendall, and Hulin (1969), consisting of the "satisfaction facets with pay, satisfaction with promotions, satisfaction with co-workers, satisfaction with the work itself and satisfaction with supervision." There are many studies which examined OC and JS together and found a significant and positive relationship between these two employee attitudes (Dinc and Huric, 2016; Malik, Nawab, Naeem, and Danish, 2010). On the other hand, the order of the causal relationship between the two employee attitudes has not been clearly established. While in some studies, JS is considered to be antecedent to OC (Fu, Deshpande, and Zhao, 2011; Mowday, Porter, and Steers, 1982), several studies show that OC causes JS (Yucel and Bektas, 2012; Kacmar, Carlson, and Brymer, 1999). There are a few studies which have explored the relationship between JS and the components of OC developed by Meyer and Allen (1991). Allen and Meyer (1996) found a positive relationship between "affective commitment" and job satisfaction, a significant negative relationship between "continuance commitment" and JS, and a positive relationship between "normative commitment" and JS. Based on this, the first path examines the relationship between OC components and overall JS under the following hypothesis:

- **H₁:** "Affective" and "normative commitment" have significant positive influences on overall JS, but "continuance commitment" has a significant negative effect on overall JS.

2.1 Organizational Commitment, Job Satisfaction and Job performance

Job performance is defined as a work-related outcome referring to the aim to attain organizational objectives measured by the evaluation of performance on job related tasks (Sharma, Borna, and Stearns, 2009). Schermerhorn (1989) also defines JP as the quality and quantity accomplished by individuals or groups after completing a task. In today's competitive business world, organizations need high performing employees so as to reach their goals and to achieve a competitive advantage. At this point, according to Cascio (2006), it is strongly suggested for organizations that managers have to describe performance to allow specifically employees to recognize the organizational expectations in order for fulfilling the organizational goals. Particularly in manufacturing firms, the performance of employees is directly related to the firm performance. Due to this, many

manufacturing companies have searched for ways to enhance performance of their employees.

Social exchange theory (Blau, 1964) is among the most important theories to understand workplace behavior (Cropanzano and Mitchell, 2005) and it has been used to explain the relationship among employee attitudes such as JS, OC, and JP. Reciprocity principle in social exchange theory suggest that employees feel indebted to respond kindly when they encounter good behavior directed towards them. So, employees' exchange ideology increases their JS (Witt, 1991), commitment to organization (Andrews, Witt, & Kacmar, 2003), and performance (Orpen, 1994). In other words, employees who feel obliged to organizations because of their trustworthy and fair approach and they reciprocate with beneficial employee attitudes like JS and OC and, thus, their JP increases.

A variety of studies demonstrate the strong relationship between JS, OC, and JP. In a study conducted in the mid-level banking sector, Hira and Waqas (2012) and Edwards, Bell, Arthur Jr, and Decuir, (2008) found that there was a statistically positive relationship between JS and JP. Chen and Liu (2012) also found a positive impact of job involvement, JS, and internal marketing on work performance in Taiwan. Additionally, in Jamal's (2011) study, it was found that OC has an important influence on performance. Jaramillo, Mulki, and Marshall's (2005) findings also indicate that there is a positive and stronger relationship for sales employees than for non-sales employees between OC and JP. In the comparative analysis of three OC dimensions, Khan, Ziauddin, Jam, and Ramay (2010) showed that there is a positive relationship between OC and JP of employees and, in particular, "normative" component of OC has a positive and significant effect on employees' JP. Meyer and Allen (1997) have discussed that both "normative commitment" and "affective commitment" will be connected to performance, while "continuance commitment" will be unrelated, or even negatively related. Therefore, the influences of OC components and overall JS on JP can be hypothesized as follows:

- **H₂:** "Affective" and "normative commitment", and overall JS have significant positive influences on JP, but "continuance commitment" has a significant negative effect on JP.

Additionally, a number of studies have explored the mediating effect of JS between numerous variables. For example, in a recent study the mediating role of JS between ethical leadership and organizational citizenship behavior of employees working in private universities in a developing country has been investigated (Dinc and Aydemir, 2014). Fu *et al.* (2013) also reported that a caring work climate had an important indirect effect on JP through the mediating role of JS. These studies encouraged us to focus on the mediating role of JS between OC components and JP. Based on the literature mentioned above, the following hypotheses are suggested:

- **H₃:** Overall JS mediates the relationship between "affective commitment" and JP.
- **H₄:** Overall JS mediates the relationship between "normative commitment" and JP.
- **H₅:** Overall JS mediates the relationship between "continuance commitment" and JP.

3. Research Method

3.1 Sample and Data Collection

According to report compiled in the period from 2012 to 2014 (Industry Profile in FBiH, 2016), the number of furniture manufacturing firms in FBiH was 141. Total number of

employees in these firms was 4237. The study targeted employees who work in companies which produce furniture in Sarajevo, the capital of FBiH. 150 surveys were delivered in one public and three private companies which were selected randomly from the aforementioned report, resulting in a total possible sample of 600 employees. This study distributed 600 questionnaires which constitutes about 1/7 of the employee population. However, in previous studies on OC or JS among employees in manufacturing sector, such as Yousef (2000) and Su, Baird, and Blair (2009), the sample sizes were between 400 and 500. After a formal research approval was received from each company administration, surveys were distributed to firms that have agreed to take part in the study. In order to encourage a voluntary participation of employees, the purpose of the study was explained. The surveys were distributed to volunteer participants. The response rate (447 completed surveys of which 437 were useful) was 72%.

The sample characteristics of the study can be summarized as follows: the majority of participants (73.2%) were male, and 52.8% of them were older than 26. Most of the employees (73.6%) had high school level education. Average monthly income of the majority (91.2%) was more than 285 USD. 55.4% of the employees' total work experience was more than 6 years.

3.2 Instrumentation and measurement

Data was collected by using a three-page questionnaire with four sections. The first section contained questions about JP. While the second part was about overall JS, the third one included questions about OC. The last part contained demographic questions such as age group, gender, education, marriage, income, sector of the firm, duration of employment in the company, and total employment duration. The survey which was prepared in English was translated into the Bosnian language by experts who are competent in both languages and cultures. A pilot study was conducted on 30 employees of a private furniture manufacturing company. By this way, the survey validity was assessed and confusing items were reevaluated and finalized for data collection.

JP was measured using three items proposed by Fu and Deshpande (2013). The items were measured using a 5-point Likert scale (1 = very poor; 5 = very good).

JS was measured using three items developed by Fu and Deshpande (2013) who adapted the three item-version scale from Cellucci and Devries's (1978) JS scale. These three items were measured using a 5-point Likert scale (5 = mostly true; 1 = mostly false).

Meyer and Allen's (1997) the 18-item OC scale measured OC. It included three OC components: "affective", "continuance", and "normative commitment". Each of components consisted of 6 items. These items were measured using a 5-point Likert scale (5 = strongly agree; 1 = strongly disagree).

3.3 Data analysis

SPSS (v. 20) was used to analyze the collected data. The initial factor structure was analyzed by using exploratory factor analysis. The study demonstrated reliability of the scales by utilizing Cronbach's alpha values. After descriptive statistics analysis, demographic information of participants was summarized. Pearson's correlation analysis was used to demonstrate the relationships among JP, overall JS, and the OC components. Lastly, in order to identify the direct effect of OC components and overall JS on JP, and

the indirect effect of OC components on JP through overall JS, regression analyses were used.

4. Results

4.1 Initial Analyses

The exploratory factor analysis was used to check the construct validity of JP, overall JS, and OC scales. JP and overall JS scales were analyzed firstly. As the factor extraction method, the principal component analysis was used. In addition, the varimax method was utilized for component rotations. JP with three items and overall JS with three items emerged in the first run. The Cronbach's alpha for JP and overall JS was 0.74 and 0.59 respectively. Table 2 presents factor loadings and Cronbach's alpha for JP and overall JS.

Table 1: Factor Loadings and Chronbach's Alpha for Job Performance and Overall Job Satisfaction

Overall Job Satisfaction	Factor Loading	Chronbach's Alpha
<i>Job Performance</i>		0.74
How your boss would rate or rated their overall performance at work in the last year.	0.843	
How you rate your own overall performance.	0.800	
How your colleagues would rate their overall performance at work in the last year.	0.769	
<i>Overall Job Satisfaction</i>		0.59
Generally speaking, I am very satisfied with this job.	0.876	
I am satisfied with the activities I perform every day.	0.753	
I frequently think about quitting this job.*	0.598	

*Items are reverse coded

Secondly, the OC scale was analyzed. After five runs, items 9, 8, 17, 5, 12 were eliminated from further analysis because they were cross-loaded on two dimensions. In the last run, items 1 and 4 were also eliminated from further analysis because of their low Cronbach's alpha values. In addition, items 2, 3 and 13 were removed from analysis due to their incongruity with the literature. Three meaningful factors which have the Cronbach's alpha coefficients ranged from 0.57 to 0.71 were obtained. The three factors which were identified were (1) "affective commitment", (2) "normative commitment", and (3) "continuance commitment". The factor loadings and coefficient alpha of the OC scale are presented in Table 3.

Table 2: Factor Loadings and Chronbach's Alpha for Organizational Commitment

Components of Organizational Commitment	Factor Loading	Chronbach's Alpha
1. <i>“Affective Commitment”</i>		0.71
I do not feel like part of the family at my company.*	0.870	
I do not feel a strong sense of belonging to my company.*	0.810	
I do not feel emotionally attached to this company.*	0.630	
2. <i>“Normative Commitment”</i>		0.58
Even if it were to my advantage, I do not feel it would be right to leave my company now.	0.745	
I would not leave my company right now because I have a sense of obligation to the people in it.	0.723	
I owe a great deal to my company.	0.713	
3. <i>“Continuance Commitment”</i>		0.57
I feel that I have too few options to consider leaving this company.	0.832	
One of the few negative consequences of leaving this company would be the lack of available alternatives.	0.788	

*Items are reverse coded

4.2 Descriptive statistics and correlations for components of Organizational Commitment, overall Job Satisfaction and Job Performance

The mean, standard deviation, and correlation results for the variables are shown in Table 4. According to these results, JP is significantly correlated with the mediator and independent variables, except the “continuance commitment” component. The presence of JP (mean = 4.17) was identified by respondents. Overall JS (mean = 3.72) was second highly rated variable. Across the OC components, the highest score was for “normative commitment” (mean = 3.51), followed by “affective commitment” (mean = 3.45). The lowest score among OC components was “continuance commitment” (mean = 2.94).

Table 3: Mean, Standard Deviations and Correlations

Variables	Mean	SD	1	2	3	4	5
(1) "Affective Commitment"	3.45	0.969	1				
(2) "Normative Commitment"	3.51	0.809	0.171**	1			
(3) "Continuance Commitment"	2.94	0.956	-0.294**	0.098	1		
(4) Overall Job Satisfaction	3.72	0.790	0.394**	0.456**	-0.055	1	
(5) Job Performance	4.17	0.649	0.248**	0.133*	-0.067	0.287**	1

*P < 0.05; **P < 0.01

4.3 Hypotheses Testing

In testing H₁, Table 4 shows that "affective commitment" and "normative commitment" significantly and positively affected overall job satisfaction. However, "continuance commitment" did not significantly impact overall JS in this study. So, H₁ is partially supported.

In testing H₂, Table 4 demonstrates that "affective commitment" and overall JS significantly and positively impacted JP. However, "normative commitment" and "continuance commitment" did not have any influence on JP in this research. Thus, H₂ is supported partially.

Table 4: Path Analysis of the Relationship among Organizational Commitment Components, Overall Job Satisfaction, and Job Performance

Organizational Commitment Components	Overall Job Satisfaction	Job Performance
"Affective Commitment"	0,268***	0,105**
"Normative Commitment"	0,389***	0,005
"Continuance Commitment"	0,009	-0,006
Overall Job Satisfaction		0,183***

*P < 0.05; **P < 0.01; ***P < 0.001

4.3.1 Mediation Tests

In the final path, three-step procedure of Baron and Kenny (1986) was followed in order to analyze the mediating role of overall JS using regression. Firstly, the independent variable should be related to the mediator significantly; it should also be related to the dependent variable as a second step; in the final step, the mediator along with the independent variable included in the equation should have a relation with the dependent variable. If these three conditions exist, then we can say that there is at least a partial mediation. If the independent variable does not have a significant coefficient in the final step, then a full mediation exists.

In testing H₃, overall JS as the mediator was regressed on “affective commitment” as the independent variable. As it is demonstrated in Table 6, the “affective commitment” coefficients are significant. So, the first condition of the mediation suggested in H₁ is met. Next, JP as the dependent variable was regressed on “affective commitment”. To satisfy the second condition of mediation, the “affective commitment” coefficients had to be significant. The results from this step of the mediation analysis show significance for JP (.166). In testing the third condition of mediation, overall JS was regressed on JP, with “affective commitment” inserted into the equation. The results, demonstrated in Table 5, show that overall JS partially mediates “affective commitment” and JP relationship, as the “affective commitment” coefficients lessen after overall JS is included but remain significant (.107). Therefore, H₃ was partially supported.

Table 5: Regression Equation Tests for H₁, H₂ and H₃

	Equation 1: Mediator= f (Independent)	Equation 1: Dependent = f (Independent)	Equation 1: Dependent = f (Independent and Mediator)	
Models	Coefficients for Independent Variables	Coefficients for Independent Variables	Coefficients for Independent Variables	Coefficients for Mediators Variables
AC → JS → JP	.321 (.394) (8.95)	.166 (.248) (5.32)	.107 (.159) (3.21)	.184 (.041) (4.53)
NC → JS → JP	.445 (.456) (10.68)	.107 (.133) (2.80)	.003 (.003) (.063)*	.235 (.286) (5.52)
CC → JS → JP	-.045 (-.055) (-1.14)*	-.046 (-.067) (-1.40)*	-.035 (-.051) (-1.20)*	.234 (.284) (6.18)

Notes: * Not significant at .05 level. Values in the parentheses in the first rows are standardized coefficients. Values in the parentheses in the second rows are t-values.

In regard to H₄, overall JS was regressed on “normative commitment” the independent variable. The coefficients for “normative commitment” are significant and according to this result, the first condition of mediation for the hypothesis is satisfied. In the second step, in the regression of JP on “normative commitment”, the “normative commitment” coefficients are significant (.107). In the last step, JP was regressed on overall JS with

“normative commitment” included in the equation. “Normative commitment” has non-significant coefficients (.003) and thus overall JS fully mediates the relationship between “normative commitment” and JP. Therefore, this result fully supported H₄.

In H₅, the mediator was overall JS. “Continuance commitment” as the independent variable coefficients are not significant (-.045). In the regression of JP on “continuance commitment”, the “continuance commitment” coefficients are not significant (-.046). In the final step, JP was regressed on overall JS with “continuance commitment” included in the equation. The coefficients for “continuance commitment” were not significant (-.035). The relationship between overall JS and “continuance commitment” was not significant in the first step of the analysis. Therefore, the mediation posited in H₅ is not present.

5. Discussion

This study explores the impact of OC components on JP through JS at furniture manufacturing companies in the FBiH. The study results demonstrated that “affective” and “normative commitments” influenced JS whereas JS had a significant effect on JP. However, JS was found to mediate the relationship between “affective commitment” and “normative commitment” and JP. The study did not find support any relationship between the “continuance commitment” and JS and for “normative” and “continuance commitment” and JP relationship. However, a positive relationship between “affective commitment” and JP was found. In the following paragraphs, the theoretical and practical implications of the study are emphasized.

5.1 Theoretical Implications

This study has several theoretical suggestions. Firstly, its findings support the four different models of the JS and OC which is suggested by Martin and Bennett (1996): (1) JS is a predictor of OC, (2) OC is a predictor of JS, (3) OC and JS are mutually related, (4) OC and JS are independent. Many empirical studies in organizational behavior literature have researched the relationship between JS and OC, but the literature which has concentrated on the relationship between OC and JS has been scarce. This study shows that “affective” and “normative” components of OC are predictors of JS. This research thus indicates that employees who are committed to their companies affectively and normatively are more satisfied with their jobs. These results are in line with the literature (Namasivayam and Zhao, 2007; Vandenberg and Lance, 1992; Wong et al., 2001).

Another implication of this study is the impact of JS on JP. A plenty of research has examined the relationship between JS and absenteeism (Wegge et al., 2007), turnover intention (Amah, 2009), and burnout (Brackett, et al., 2010), but little research has investigated the influence of JS on JP among employees of manufacturing companies. This research which tries to fill in this gap in the literature points out that employees, whose JS is high are more likely to perform at a higher level. The strong relationship between employees’ JS and performance, which is found in this study, supports the literature (Jones, 2006). However, the study also finds support for the positive relationship between “affective commitment” and JP. Employees who have a strong “affective commitment” and are emotionally attached to the organization show high performance. These results are consistent with the literature (Meyer et al., 2002; Meyer et al., 1993; Meyer and Allen, 1997). These findings of the study with regard to “affective commitment”, JS, and JP relationship are also in line with principles of reciprocity in social exchange theory (Andrews, Witt, and Kacmar, 2003; Witt, 1991; Orpen, 1994)

Finally, JS is very important mediator in the relationship between the OC components and the JP. Even though many empirical studies have researched the relationship between OC and JP (Tourigny, et al., 2013; Khan, et al., 2010), there has been a gap in terms of investigating the mediating effect of overall JS in OC components and the JP relationship. This study demonstrates that JS is such a mediator. As a third theoretical contribution of this study, it was found that employees who have an “affective” and “normative commitment” to their firms are more satisfied with their jobs and their performance is high. This result is consistent with the literature (Jha and Pandey, 2015; Fu and Despande, 2013). Moreover, the research did not find any support for overall JS and “continuance commitment” relationship. Meyer et al. (1993) remark that employees with a strong “continuance commitment” remain with the organization because they need to. In other words, even if employees exhibit a low satisfaction with their job, they experience a “continuance commitment”. Previous studies which found negative relationship between JS and “continuance commitment” supports this result (Allen and Meyer, 1996; Tsai and Huang, 2008).

5.2 Practical Implications

In the light of the importance of JS as a mediator in OC components and JP relationship, the private and public furniture manufacturing companies in the FBiH should search for ways to enhance JP of employees. This study demonstrates that a furniture manufacturing company can improve employees' JP by influencing their JS. The study results suggest that furniture manufacturing companies can increase employees' satisfaction with their jobs and thus increase their commitment to the organization. These satisfied and committed employees are more likely to increase their JP which in turn positively affects the performance of their organization. Therefore, managers in these companies should focus more on increasing employees' JS. Smith *et al.* (1969)'s categorization of JS includes “satisfaction with pay, satisfaction with promotions, satisfaction with the work itself, satisfaction with co-workers, and satisfaction with supervision”. The first and foremost manner in which to satisfy employees in this post-conflict country is a steady monthly salary. The monthly salary of the majority of the employees working in furniture manufacturing companies in FBiH is between 285 and 570 USD. The managers in these companies should increase the monthly wage of the employees to increase work satisfaction. Additionally, they can also reward the employees with promotions to further increase work satisfaction. Another important way of satisfying employees is appointing proper supervisors. Sommer and Kulkarni (2012) proposed that employees whose supervisors used constructive feedback had higher JS. Managers in furniture manufacturing companies, and particularly supervisors in manufacturing departments of these companies, should be more tolerable, communicative, and fair toward employees in order to increase their satisfaction levels (Williams, 2005). Furniture manufacturing company managers should also pay more attention to the recruitment process of prospective employees and their training issues, in order to increase their present employees' satisfaction with their co-workers.

5.3 Limitations and Further Research

There are some limitations to this study. The first limitation is that the results in this study come from a limited sample. Surveys which have higher sample sizes may yield different results. Secondly, self-reported issue may be another limitation of this research. Final

limitation of this research is insufficient literature. Future studies should add JS facets in OC components and the JP relationship. Future studies should also investigate the effects of other factors, such as Ethical leadership and Ethical climate on JP in BiH.

6. Conclusion

The performance of employees is very important for furniture manufacturing companies. It is critical that those companies succeed in increasing their employees' performance. The results from this study suggest that the JS of employees plays a significant role as a mediator in the relationship between OC components and JP in the furniture manufacturing industry in FBiH.

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