



A Study on The Impact Of Organizational Commitment, Work Environment, And The Moderating Effect Of Job Satisfaction Towards the Security Guard Retention of Defense Strategist Security Agency Inc.

Gabriel Lance Aseron, Maria Katrina Duque, Patrick Hariramani*, Mikael Que, Jonathan Tanlim

De La Salle University

**Patrick.hariramani@dlsu.edu.ph*

Abstract: The group of researchers aimed to find and measure the impact of organizational commitment, work environment, and the moderating effect of job satisfaction towards the security guard's retention of Defense Strategist Security Agency Incorporated. The research team dispersed a survey questionnaire to 92 security guards in which are deployed in SM Inc. locations such as malls and vacant lots; a descriptive and quantitative analysis was conducted to come up with a conclusion. In addition to this, four (4) employees from the top management and two (2) security guards were interviewed. In doing so, the researchers are able to distinguish the factors that are significant in regard to the retention of security guards; the pattern-matching method was used to analyze the interviews. With the use of simple linear regression, it has been found that job satisfaction is a certain moderator for the model of organizational commitment and work environment toward employee retention. Furthermore, this moderating effect of job satisfaction varies in accordance to the different demographic categories of the respondents. With our pattern-matching analysis, the variables had an overall positive effect from both the security guards and the management team. The main concerns of the security guards regarding the low retention rate within the agency include the inadequacy of the current salary rate and personal preferences, which has a conflict with the agency. In addressing these problems, the research team recommends the following: to provide family support; motivate the security guards to pursue a higher education; hold quarterly meetings to celebrate the guards' performance; provide more monetary rewards and incentives; and lastly to increase the amount of leaves. All recommendations are in line with the goal of increasing organizational commitment, work environment, and job satisfaction all in which will keep the security guard retention high.

Key Words: Organizational Commitment; Work Environment; Job Satisfaction; Employee Retention; Casual Research

1. INTRODUCTION

The security guard industry has one of the highest turnover rates reaching over 100% for an average private security firm and an increase of up to 400% in smaller startup firms according to Service Employees International Union. This would mean that security

guards leave their job within the year or within the first four months of being employed (Bibi, Ahmad, & Majid, 2018). The Defense Strategist Security Agency Incorporated have found themselves losing an average of 20 security guards per month totaling a staggering number of 240 resignations and 48 Absences without Leave (AWOL) per year as compared to the 30



recruited every month, which then makes the retention rate to be 80%. The number seems relatively high already until it is compared to other industries whose average turnover rate is 15% (Bares, 2014). The outrageous percentage of turnover rates in the security guard industry as well as in the Defense Strategist Security Agency Incorporated begs to answer what factors may affect it and what the organization can do in order to improve the retention of their employees.

In this paper, the researchers evaluated the Defense Strategist Security Agency Incorporated. This organization's main operations are built on deploying security guards to malls, condominiums and the like. It was established in 2003 and has been growing ever since with a current population of over 1,000 security guards in their employee database.

The Defense Strategist Security Agency Incorporated along with its owner and employees are the main benefactors from the research found in this study but the group also aims to help other firms in the security guard industry, the academe, and future researches for the lack of studies conducted in the Philippines with regards to the security guard industry.

For this research undertaking, the researchers would like to address this main problem: ***Does organizational commitment and work environment while being moderated by job satisfaction affect the retention rate in Defense Strategist Security Agency.***

2. METHODOLOGY

2.1 Organizational Commitment

Chelliah, S., Sundarapandiyam, N., Vinoth, B. (2015) defines organizational commitment as a psychological construction of responsibility that an employee has towards the mission and direction of an organization. The conceptual framework of Meyer and Allen (1997) in which was adopted by Chelliah et al. (2015) depicts that job satisfaction, job involvement and organizational commitment shares a few similar factors with another variable in this research. Such factors include both monetary and nonmonetary rewards, supervisor support, career development opportunities, work-family support, and favorable job conditions (Khaliq et al., 2016). In addition, Khaliq

and his team expressed that organizational commitment has three basic components; (a) identification, a strong faith and reception of goals as well as values of an organization (b) effort, an eagerness to put effort for the goals of an organization (c) loyalty, an intention to remain part of the organization.

2.2 Work Environment

Nanzushi (2015) states that *Physical Workplace Environment, Workplace reward, Management/Leadership Style, Training and Development, and Work-life balance* are factors affecting Work Environment. Ismail, Ladisma, Amin, & Arapa (2010) states that an employees' functions and the well-being in the organization are influenced by the conditions of the Physical Work Environment. It was also stated that the internal and external office layout, temperature, comfort zone, and work setting were all included in Physical Work Environment. Luthans (2000) as cited by Nanzushi (2015) states that rewards can be categorized as either financial or non-financial in nature. Rewards may either be intrinsic or extrinsic (Nanzushi, 2015). Nanzushi (2015) states that intrinsic rewards are rewards that are immanent in the job itself, including what an employee may enjoy resulting from a completed task. On the other hand, rewards that are extrinsic in nature are external with regards to the task of the job such as pay, working conditions, fringe benefits, security, and contract of service. Awards are given to a workforce as an exchange for their contributions made to their organization, which can be defined as cash, non-cash, and psychological payments. Nanzushi (2015) states that employee morale is significantly impacted by how a manager uses a leadership style. Storey (2004) as cited by Nanzushi (2015) states that ideals, influence, inspirational motivation, intellectual stimulation, and individual consideration are components of a transformational leadership style which is considered an effective leadership style. The components highly impact employee satisfaction. Armstrong (2006) as cited by Nanzushi (2015) states that an unfolding process which allows individuals to progress from their current state of understanding and capability to a much more progressive state in which high levels of



skills, knowledge, and competencies are required is what is encompassed in development -- it is manifested through learning activities which are used to prepare individuals to handle increased responsibilities.

2.3 Job Satisfaction

According to Mishra (2016), the result of specific attitudes in specific job factors, individual characteristics, and group relationship outside the job is the general attitude known as Job Satisfaction. The aforementioned factors may never be isolated from one another for analysis. Job Satisfaction is the point of view of employees in relation to whether their work is favorable or unfavorable. It is the result of when job requirements suit the wants and expectations of the employees

According to Aslam, H., Khan, R. & Irfan Lodhi (2011) Job satisfaction is a way in which employees think, feel and perceive their own jobs. Therefore, the Human resource managers are in charge to search for ways on how to motivate, attract and retain their workforce. Giving the employees to reach job satisfaction and enhance organizational commitment. The study mentioned that factors such as Absenteeism, commitment, performance and productivity directly influence the level of job satisfaction. Job satisfaction improves the employee retention and minimizes expenses on hiring new employees. Job satisfaction is affected by many internal and external factors that may possibly bring positive and negative feelings his or her job.

2.3 Employee Retention

Msengeti and Obwogi (2015) states that efforts made by any business or organization to ensue strategies and initiative which support current staff into remaining in the organization is what best describes employee retention. Hence, Employee retention is when employees choose to remain in the workplace since it continuously addresses and satisfy their needs.

According to Rapport, Bancroft, & Okum (as cited in Sinha, 2012), the critical analysis of workforce trends directly points to the imminent deficiency of highly-skilled employees who have the required knowledge and ability to perform at satisfactory levels, which

means that organizations frailty to retain these highly-skilled employees will be left with an understaffed, and poorly qualified workforce that inevitably impedes their ability to remain competitive. With the additional challenge of having to motivate and retain these employees an environment that has proven to be increasing in uncertainties (Sinha, 2012, as cited in Mitchell, 2002).

2.3 Operational Framework

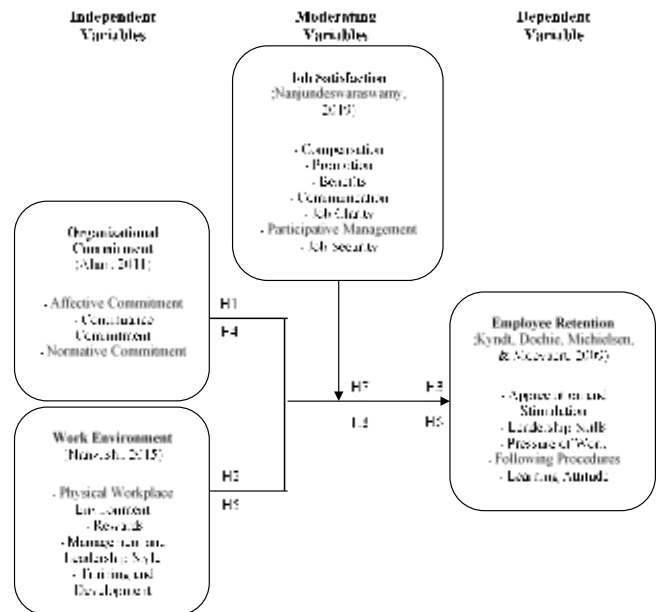


Figure 1 Operational Framework

In this framework, Organizational Commitment and Work environment would be tested on what will be its effect and relationship towards Employee Retention while being moderated by Job Satisfaction. Different literature was examined in order to come up with this framework.

3. RESULTS AND DISCUSSION

This research is a casual, correlational and descriptive. The type of data to be collected will be both qualitative and quantitative data using random sampling amongst the security guards and management.

Table 1 Summary of results of Hypotheses testing

Hypotheses	P-Value	Results
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H1: <i>There is no significant relationship between Org Comm and ER</i>	Multiple R - 0.61	Reject null hypothesis
H2: <i>There is no significant relationship between WE and ER</i>	Multiple R - 0.61	Reject null hypothesis
H3: <i>There is no significant relationship between Org Comm and WE to ER</i>	Multiple R - 0.70	Reject null hypothesis
H4: <i>There is no significant impact between Org Comm and ER</i>	P < 0.001	Reject null hypothesis
H5: <i>There is no significant impact between WE and ER</i>	P < .001	Reject null hypothesis
H6: <i>There is no significant impact between Org Comm and WE to ER</i>	P < 0.01	Reject null hypothesis
H7: <i>Job satisfaction does not moderate the relationship between Org Comm and WE to ER</i>	P > 0.05	Fail to reject the null hypothesis
H8: <i>Job satisfaction does not moderate the relationship between WE and ER</i>	P > 0.05	Fail to reject the null hypothesis

As seen in the correlation tests from all the 92 respondents of this study, there is a 61.25% moderate positive relationship between the model of organizational commitment and employee retention, a 61.15% correlation between work environment and employee retention, and lastly, a 69.73% correlation between organizational commitment and work environment to employee retention. In comparing all three correlation values, all have but a moderate positive correlation in which the relationship between organizational commitment and work environment to employee retention emerge as the highest correlation value.

Looking at the regression results of the model it can be said that the company should further increase its effort in improving Work Environment because this is correlated and significantly predicts Employee Retention. This is also the case with Organizational Commitment, the company must invest and place emphasis on organizational commitment to improve its retention issue.

In the model for H6 this model has a higher level of correlation (69.73%), an R-square value of (48.62%) and Adjusted R Square (47.47%). Given that the coefficient values of both organizational commitment and work environment are equally high, Defense Strategist Security Agency Inc. should place equal emphasis on both variables in its effort to result to higher employee retention.

Due to the fact that job satisfaction does not moderate the framework of Organizational Commitment and Work Environment to Employee Retention, Defense Strategist Security Agency Inc. should find more factors that will increase the association between work environment and retention. As seen in the multiple regression analysis between organizational commitment and work environment to employee retention, a high relationship and high coefficient yield, and p-values of ($p < .001$), this model should be adopted by the company although not fully forgoing the importance of job satisfaction nonetheless.

4. CONCLUSIONS

The variables in this study given the population can be argued to be correlated and significantly impacts each other. Job satisfaction was used as a moderating



variable in this experiment and was found out that it has no moderating effect to the model. Even though this was the outcome, the study and model has revealed a lot about the company and the variables. Looking at the descriptive data and mean scores per variable, it revealed different strategies how the company or other security agency in the Philippines can improve their business. There is a standard salary for all security guard but the company can still give incentives (bonuses, birthday incentives and complete attendance awards), give better work environment (Resting place, Clinic and Sleeping area), better work-life balance policies, encourage bonding among their employees in order to have a sense of belongingness and have an inclusive decision making strategy.

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