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Abstract: This study investigates the relationships between various facets of work values and job satisfaction, and organizational commitment among white-collar workers employed in foreign invested companies in China. Results of structural equation modeling indicate that work values are related to various facets of job satisfaction, which in turn influence employees' commitment to the organization. The effects of various job satisfaction facets seem to vary, with autonomy and job security predicting organizational commitment stronger than appraisal or pay satisfaction. These findings underline the importance of further research in understanding employee commitment in emerging countries.

Keywords: Work values, job satisfaction, organizational commitment, white-collar workers, China.

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Over the past several decades, organizational commitment has been recognized as an important concept due to its importance and contribution to organizational effectiveness, and has been variably and extensively defined, measured, and studied in research on organizational behavior (Mathieu & Zajac, 1990; Reichers, 1985). Numerous studies have attempted to understand the nature, antecedents, and consequences of organizational commitment. Evidence indicated that organizational commitment was significantly associated with certain employee-related organizational outcomes, such as employee work-related attitudes (e.g. job satisfaction and organization identification), turnover, and to a lesser extent, with other withdrawal behaviors such as turnover intention, absenteeism, burnout as well as decreased organizational performance (Francesco & Chen, 2004; Mathieu & Zajac, 1990; Meyer, Stanley, Herscovitch & Topolnytsky, 2002; Tett & Meyer, 1993).

Despite of tremendous research efforts being devoted to the understanding of the antecedents of organizational commitment, up to date, however, most of the previous research has been primarily conducted in Western developed countries, and less is known about organizational commitment and its correlates in non-Western countries (Meyer & Allen, 1997). However, in countries where the culture is greatly different from that of Western countries, the predictors of organizational commitment may be very different from the way Western human resource managers generally expect. In this study, we take China, which is generally considered as culturally very different from the West (e.g. Hofstede, 2001), as an example of a non-Western setting. Such cultural differences may lead to misunderstandings and complications. Indeed, the high rate of employee turnover (low organizational commitment) in foreign subsidiaries in China (Beamer, 1998; Sensenbrenner & Sensenbrenner, 1994; Wong, Wong, Hui & Law, 2001) can be interpreted as a consequence of the lack of understanding of how to manage people in China.

A better understanding of the work values of Chinese employees is important for Western companies in order to prevent these problems (e.g. Ralston, Holt, Terpstra & Yu, 1997). In a series of several studies, Ralston and colleagues (1993, 1997, 2001), showed how work values of Chinese managers differed from those of Americans. Ralston and colleagues came to the conclusion that values of Chinese managers partly converged to American values but at the same time remained their distinct features, such as group orientation, which human resources (HR) managers should take into account when designing HR practices for their subsidiaries in China. While their research gave us a good picture of the characteristics of Chinese work values, their recommendations of how to manage Chinese managers remain of speculative nature. This study goes one step further by actually testing how work values relate to job satisfaction and organizational commitment. To test these relationships we use a sample of white-collar workers employed at foreign companies.

This paper is organized as follows. In the next section, we present a literature review of organizational commitment research. Then, we present the conceptual framework and develop several hypotheses whose objective is to reflect the influences of different factors on organizational commitment. Before presenting the empirical results, we describe the data and measures. In the final section, we conclude with a discussion of the findings, their managerial implications, study limitations, and directions for future research.

LITERATURE REVIEW OF ORGANIZATIONAL COMMITMENT

Organizational commitment has been defined in a number of ways in the past several decades. Some view commitment as a function of the rewards and costs associated with organizational membership (Becker, 1960; Meyer & Allen, 1984; Rusbult & Farrell, 1983). Others suggest that

commitment is shown through the congruence between individual and organizational goals and values (Buchanan, 1974; Mowday, Steers & Porter, 1979; Mowday, Porter & Steer, 1982). Meyer and Allen (1991) further improved and described commitment as a psychological state that (a) characterizes the employee's relationship with the organization, and (b) has implications for the decision to continue or discontinue membership in the organization (p. 67). In addition, Meyer and Allen (1991) conceptualized and proposed a three-component model of organizational commitment that consists of affective commitment, normative commitment and continuance commitment. They argued that the normative component of organizational commitment refers to "the feeling of obligation to continue employment"; and the continuance component in turn denotes "an awareness of the costs associated with leaving the organizational" (p. 67). The most widely recognized and prevalent conceptualization of organizational commitment is affective commitment, developed by Mowday et al. (1982), who defined it as "the relative strength of an individual's identification with and involvement in a particular organization" (p. 27). According to Meyer, Paunonen, Gellatly, Goffin and Jackson (1989), and Meyer and Allen (1991), an employee who is affectively committed strongly identifies with the goals of the organization, desires to remain a part of the organization, and is willing to exert great effort on behalf of the organization. Accordingly, this study focuses on affective commitment. Furthermore, in a tight labor market, as it is the case in China these days, normative and particular continuance commitment plays a minor part.

Numerous antecedents of affective commitment have been identified, which primarily include demographic variables, individual attitudes (work values), and various facets of job satisfaction as well as organizational characteristics (Meyer et al., 2002; Mowday et al., 1982). Although demographic characteristics such as sex, age, education and tenure seem to be linked to

commitment (e.g. Angle & Perry, 1981; Lok & Crawford, 2001; Morrow & McElroy, 1987; Pierce & Dunham, 1987), the correlations are neither strong nor consistent (Aven, Parker & McEvoy, 1993; Mathieu & Zajac, 1990; Meyer et al., 2002). Work values and individual attitudes, such as the need for achievement, affiliation, higher order need strength, personal work ethic, locus of control have been shown to be correlated (Meyer & Allen, 1991), which indicate that work values and individual attitudes may play a very important role of explaining employees' affective commitment to an organization (Mowday et al., 1982). Another stream of research linked overall job satisfaction with commitment (Elliott & Hall, 1994; Russ & McNeilly, 1995; Smith & Hoy, 1992). Analyzing the role of job satisfaction more deeply, several studies examined the relationships between various individual elements of job satisfaction and organizational commitment, such as satisfaction with job security (Yousef, 1998), and satisfaction with pay and supervision (DeConinck & Stilwell, 2004). With respect to organizational characteristics, corporate culture (Lau & Ngo, 1996), organizational policies and procedures, such as pay or rewards (Schaubroeck, May & Brown, 1994), and perceptions of justice in reward distribution (Wong, Ngo & Wong, 2002), organizational support (Eisenberger, Fasolo & Davis-LaMastro, 1990), role conflict (Podsakoff, Williams & Todor, 1986), and supervisor relationship (Glisson & Durick, 1988) seem to be vital to positively affective organizational commitment.

Despite of extensive research on affective commitment, the majority of previous research in this area is limited to Western-based contexts. Only recently, a few cross-cultural studies of organizational commitment have been conducted in non US and non-UK countries, such as Canada, Belgium, Russia, South Korea, Singapore, Japan, and China (Cheng & Stockdale, 2003; Ko, Price & Mueller, 1997; Lee, Allen, Meyer & Rhee, 2001; Vandenberghe, 1996). However,

the most of those studies are only limited to the examination of the construct validity of Meyer and Allen's (1991) three-component model. Thus, a more broad perspective examining the determinants of organizational commitment is extremely urgent and top of the agenda.

CONCEPTUAL FRAMEWORK AND HYPOTHESES

As noted previously, this study explores the relations of employees' work values to the various facets of job satisfaction and organizational commitment in China. Drawing upon previous studies on the determinants of organizational commitment as well cross-cultural organizational commitment research, we propose that the extent of employees' organizational commitment in China is influenced by a set of work values and job satisfaction factors. To this end, we developed the conceptual framework as depicted in Figure 1. While these factors are by no means exhaustive, past research has not investigated or consistently emphasized the importance of these variables in the context of China. We will explain the various variables and links depicted in the model in more detail in the following.

(Insert Figure 1 around here)

Work Values

Culture is generally viewed as "the collective programming of the mind that distinguishes the members of one category of people from those of another" (Hofstede & Bond, 1988). In this study, we intend to measure culture at the individual level and show how it relates to the various facets of job satisfaction and affective organizational commitment. Since culture under Hofstede's understanding is a societal construct that is meaningless at the individual level, we

measure work values instead. Work values are reflected in culture (Hofstede, 1980; Schneider & Barsoux, 1997) and work values at an aggregate level can be interpreted as culture. Ralston et al. (1997) argued that national culture and economic ideology were primary forces that shaped managerial work values. Work values are generally defined as “the goals or rewards people seek through their work, and they are expressions of more general human values in the context of the work setting” (Schwartz, 1999, p. 43).

In this study, we investigate the impact of several work values on job satisfaction and organizational commitment for the case of Chinese white-collar workers. An extensive literature review was conducted in cross-cultural research and human resources management (HRM), to identify major work values that can influence Chinese worker job satisfaction and organizational commitment. The work values to be examined in this study include individualism/collectivism (e.g. Hofstede, 2001; Ralston et al., 1997; Triandis, 1995), risk aversion/risk seeking (e.g. Hofstede, 2001; Turban, Lau, Ngo, Chow & Si, 2001), and money ethic (e.g. Tang & Chiu, 2003; Turban et al., 2001). While these values are by no means exhaustive, past research has consistently emphasized the importance of these aspects in the context of China.

Individualism-Collectivism.

Of Hofstede’s (1980) four dimensions, individualism and collectivism are undoubtedly the most investigated cultural syndromes (Triandis, 1995). The individualism and collectivism dimension describes the relationship between the individual and the collectivity that is reflected in the way people live together. The essential difference between individualism and collectivism is with respect to the concept of self. People with individualism traits tend to take care primarily of themselves, do their own thing, without minding others, and believe that they can stand or fall on

their own, while collectivists emphasize a social framework and interdependence, and interpret themselves as a member of a group (Robertson, 2000).

In Western cultures, the term of individualism is considered as a common thing, with personal freedom and self-independence being highlighted. However, in China, people are very cautious to mention the term individualism. China is the leading socialist market economy, and collectivistic values are still dominant (Ralston, Yu, Wang, Terpstra & He, 1996). Employees with a high degree of individualism would try to resist the collectivism that place individuals in the social or collective communities. A company can also be understood as a collective community. Thus, in order to seek for self-independence, such people would consider the organizational authority and organizational behaviors that aim to control them as constraints and pressures. Likewise, they would neither feel strong identity or loyalty with their employing company. In other words:

Hypothesis 1. There is a significant negative relationship between employees' individualism and their organizational commitment.

The core of autonomy is the independence from others. Employees with a high level of individualism tend to adhere to the correctness of their own views. They emphasize more the independences and liberty from others by giving priority to their own thoughts, feelings and expressions, and subsequently tend to request more power and autonomy from their supervisors. One the other hand, less individualist employees are expected to feel more comfortable in accepting organizational views or suggestions. The two concepts of individualism and autonomy have a lot of common points, which leads us to propose that

Hypothesis 2. There is a significant positive relationship between employees' individualism and autonomy.

Furthermore, as employees with a higher level of individualism stress their independences and the importance of their individual self-reliance, it can be expected that they will be highly satisfied with Western-style individual performance appraisal systems. Conversely, traditional and collectivistic Chinese employees might feel too challenged and thus dissatisfied with the performance appraisal systems existing in foreign companies. Thus, we propose,

Hypothesis 3. There is a significant positive relationship between employees' individualism and their performance appraisal.

Risk Aversion-Risk Seeking.

Another cultural dimension observed by Hofstede (1980) is uncertainty, which reflects the attitude of willingness to take risks. According to Hofstede, uncertainty avoidance indicates the extent to which people feel threatened by risky and ambiguous situations and seek to avoid them. Previous studies suggested that individuals are believed to vary on the extent to which they attempt to avoid risk or are willing to seek risk (Turban et al., 2001). People with high degree of low willingness to take risks prefer to be taught explicitly by their superiors and company rules and do not want to take any risk. Conversely, people with high willingness to take risk tend to prefer more autonomy and control over their own behavior rather than simply following orders from their superiors, and thus tend to be less satisfied with limited autonomy. This leads to the following hypothesis:

Hypothesis 4. There is a significant positive relationship between employees' willingness to take risks and autonomy.

Unlike most of their domestic counterparts, foreign companies in China usually offer less job security and performance appraisal systems to promote its employees based on their performance (personal communication, Hewitt Associates, June 2006). Warner (1995) even goes as far to describe the job security situation in Chinese state-owned companies as the “iron-rice-bowl”, meaning lifetime employment at any cost. This dichotomy of work environments seems also to exist in the heads of potential job seekers. Turban et al. (2001) found that those university students who are more risk seeking are more interested in working for foreign companies. Performance appraisal and job security do not only have a signaling function for job applicants but may also affect current employees to different degrees depending on their willingness to take risks. People who are more risk averse may prefer formal rules, stable jobs and career paths over performance based appraisal systems. Risk seekers, on the other hand, who are confident in their skills and willing to take challenges, are expected to be more satisfied with the appraisal systems. Thus, we propose the following hypotheses:

Hypothesis 5. There is a significant positive relationship between employees' willingness to take risks and satisfaction with performance appraisal.

Hypothesis 6. There is a significant negative relationship between employees' willingness to take risks and their satisfaction with job security.

Money Ethic.

Money is traditionally considered as the instrument of commerce and the measure of value (Smith, 1937). Due to its importance, the topic of money has been long received interests in the literature of organizational behavior, and its relationships with several organizational outcomes, such as pay satisfaction, have been extensively investigated in previous studies (Hom & Griffeth, 1995; Laws & Tang, 1999; Tang & Chiu, 2003). On the one hand, some theorists argued that money need strength could not bring job satisfaction, even if possible; such a sense of satisfaction could not sustain for a long time. In addition, Herzberg, Mausner and Snyderman (1959), in his two-factor theory, summed up salary as one of the hygiene factors, and argued that it can never give positive satisfaction and its greatest contribution was nothing more than not to bring dissatisfaction towards the job, although dissatisfaction results from their absence.

On the other hand, money has always been used to attract, maintain and motivate employees and to achieve organizational goals in the interest of the owner (Tang, Luna-Arocas & Whiteside, 2003; Tang, Luna-Arocas, Sutarso & Tang, 2004). Previous findings also suggested that money attitude both significantly moderated and mediated self-reported income and pay satisfaction relationship (Tang et al., 2004). Similarly, Lawler (1971) found that people with a high level of money need strength, have a high pay expectation, and a large discrepancy between what they receive and what they expect to receive would lead to pay dissatisfaction. Thus, it seems that for employees, who value money highly, money is their major driving force of working. Taking the development level of China into account (developing country), one might believe that money plays an even more important role. Drawing on a huge survey spanning several decades and countries, Inglehart (1998) found that materialistic values are particularly important in developing countries. If money is the main driving force, organizational commitment might become a minor concern. In particular, given the tight labor market,

employees who have a higher need for money would often switch to other companies if they were offered higher salaries. In summary, we expect the following:

Hypothesis 7. There is a significant negative relationship between employees' money ethic and their pay satisfaction.

Hypothesis 8. There is a significant negative relationship between employees' money ethic and their organizational commitment.

Job Satisfaction and Organizational Commitment

Several researchers indicated that autonomy, performance appraisal, job security and pay satisfaction significantly influence organizational commitment (Iverson & Buttigieg, 1999; Meyer & Smith, 2000; Whitener, 2001; Wong et al., 2002). Job autonomy is generally defined as the degree to which the jobholder is free to schedule the pace of his or her work and determine the procedures to be used (Hackman & Oldham, 1975). If an employee has such autonomy, he/she can better identify him/herself with the work and in extension with the company, which would lead to a higher level of organizational commitment. Thus, we propose that:

Hypothesis 9. There is a significant positive relationship between employees' autonomy and their organizational commitment.

Career development is of central concern for employees and performance appraisals determine the career development for them. If employees are satisfied with the performance appraisal they probably see more a prosperous career development for themselves. Naturally, if they perceive a

more prosperous future within their current company they will feel more attached to their company. Thus, we expect the following:

Hypothesis 10. There is a significant positive relationship between employees' performance appraisal satisfaction and their organizational commitment.

Extensive studies have shown that job security led to greater organizational commitment and job performance (Ashford, Lee & Bobko, 1989; Iverson, 1996, Morris, Lydka & O'Creevy, 1993; Rosenblatt & Ruvio, 1996). In particular, job security might be extremely important for employees in China, since this was common practice in China (Warner, 1995). For instance, despite of the salary of no more than thirty thousand *Renminbi*, there are still thousands of university students competing for in China for a Civil Servant job. This is not because of the job's reputation but its job security. Thus, we believe that when examining employees' job satisfaction, one aspect that should be taken into account is the job's security. It follows logically that the more employees are satisfied with job security, the more they will be committed to the organizations to maintain their jobs in the organizations. Accordingly,

Hypothesis 11. There is a significant positive relationship between employees' satisfaction with job security and their organizational commitment.

While Hertzberg et al. (1959) emphasized that for manages, the approach of only using material incentives to motivate staff is unwise, other research (e.g. Borzaga & Tortia, 2006) has shown that material and monetary incentives are very crucial in influencing loyalty. For example,

research has shown that money is an important incentive for Chinese employees, and Chinese students were attracted to foreign-invested companies if they were more risk and money oriented (Turban et al., 2001). In their empirical study in China, Chiu, Luk and Tang (2001) found that money was an important incentive, and they further argued that money had an important influence on attracting job seekers. Conversely, Porter and Steers (1973) proved that employee's dissatisfaction with pay would automatically lead employees to leave. It is not difficult to understand why pay plays a crucial role of deciding whether to accept the new job. One reason is because pay is the most visible and tangible incentive for employees, and employees often do not know the other aspects of the job, such as colleagues, resources, superiors, etc. Therefore, pay becomes a key factor deciding whether to stay or leave. Consequently,

Hypothesis 12. The employees' pay satisfaction will be positively associated with their organizational commitment.

METHOD

Data Collection

Data were collected in China during the summer of 2006 to test our hypotheses. The target population for the present study is white-collar workers, employed in seven different German automotive companies in Shanghai. All of these companies can be described as multinational corporations (MNCs), and all of them have had a presence in China for more than ten years, employ more than 500 employees in China and also produce there. As *GuanXi* (i.e. establishing connections, good relationships and trust) is central to obtaining responses from Chinese people, in order to increase the response rate, key managers at the headquarters were contacted to carry

out the survey. The structured four-page questionnaire prepared in Chinese included a set of questions measuring respondents' work values, various facets of job satisfaction and their organizational commitment. We received 201 questionnaires, whereof ten needed to be excluded due to missing information, resulting in 191 questionnaires that were used for the data analysis. The sample consisted of 108 (56.5%) males. Of the subjects, about 50 percent were below 30 years old and 56.5 percent were married. About 75 percent had received an undergraduate or graduate education. Further, about 35.1 percent occupied managerial positions and about 78 percent have less than 4 years experience in the present job. Overall, the sample can be described as relatively young, highly educated and with a relative short tenure at their current job. While these characteristics would not be typical for established companies in Europe, these are not uncommon for China (personal communication, Hewitt Associates, June 2006), because MNCs usually require a workforce that is highly educated and can speak English, those criteria which most senior Chinese managers cannot offer. The relative young age and high turnover rates in the industry explain the relative short tenure reported by respondents. Table 1 shows the key characteristics of the sample.

(Insert Table 1 around here)

Measures

All measures were based on established scales, developed in a Western context and most of them had been used in an Asian context before. The original questionnaire was developed in English and then translated into Chinese and back-translated to ensure accuracy of the translation (Brislin, 1980). If possible, we requested the original Chinese translations from the authors (e.g. from

Tang & Chiu, 2003). Organizational commitment was captured through four five-point Likert-type items from “strongly disagree” (1) to “strongly agree” (5) taken from Meyer, Allen and Smith (1993), and previously employed in China by Chen and Francesco (2003). Higher scores represent higher level of commitment to the organization. We measured Chinese employees’ individualism and money ethic levels both using four five-point items developed by Earley (1989), and Tang and Chiu (2003), respectively. The five-point Likert-type measure was anchored by “strongly disagree” (1) and “strongly agree” (5), with higher scores representing higher levels of individualism and money ethic, respectively. To measure employee’s level of willingness of taking risks, a short version including three items was adapted from Gomez-Mejia and Balkin (1989). Each of the items was measured on a five-point Likert scale from “strongly disagree” (1) to “strongly agree” (5). Higher scores indicate higher willingness of taking risks. The various facets of satisfaction were captured as follows: two-item measures for autonomy, four-item measure for performance appraisal, one-item for job security, and three –item measure for pay satisfaction were taken from Kinnie, Hutchinson, Purcell, Rayton and Swart (2005), Rayton (2006), and Yu and Egri (2005) , respectively, and were amended them to fit the specific needs of this study. All job satisfaction rating questions asked respondents to rate their satisfaction towards autonomy, performance appraisal, job security and pay on a five-point Likert scale from “strongly disagree” (1) to “strongly agree”(5), and higher scores indicate a higher degree of satisfaction.

RESULTS

Measure Reliability and Validity

Before the influence of work values on various job satisfaction variables and organizational

commitment could be examined, the structural components of the construct were established. To accomplish this, data were analyzed using SAS System's CALIS procedure, and the models tested were covariance structure models with multiple items for all latent constructs. The results for these analyses were summarized in Table 2. Consistent with the two-step approach advocated by Anderson and Gerbing (1988), the present study estimated a measurement model via confirmatory factor analysis (CFA) prior to examining structural model relationships. This measurement model was estimated using the maximum likelihood method, and this model showed an excellent fit to the data, $\chi^2 (162) = 182.12$, $p = 0.13$, Goodness of Fit Index (GFI) = 0.96, Comparative Fit Index (CFI) = 0.98, Non-normed Fit Index (NNFI) = 0.97, Root Mean Square Residual (RMR) = 0.029, and Root Mean Square Error of Approximation (RMSEA) = 0.026 (90% confidence interval: 0.000 to 0.043).

(Insert Table 2 around here)

A number of tests were conducted to assess the measurement model's reliability and validity. Table 2 provides the composite reliability for each construct. Composite reliability is a measure of internal consistency comparable to coefficient alpha (Fornell & Larcker, 1981). The Composite reliability and coefficient alpha in Table 2 provide evidence of internal consistency, which suggests that the measures were internally consistent.

Convergent validity is indicated when path coefficients from latent constructs to their corresponding manifest indicators are statistically significant (i.e., $t > 2.0$). All indicators loaded strongly and significantly on their respective factors, with standardized loadings from 0.504 to 0.832. (see Table 2). Thus, these findings provide evidence supporting the convergent validity of

the item variables (Anderson & Gerbing, 1988).

To investigate the discriminant validity between the constructs, we performed chi-square difference tests between a model in which a factor correlation parameter was fixed at 1.0 and the original (unrestricted) confirmatory factor analysis model. Because every restricted model had a significantly poorer fit than the unrestricted model (that is, $\Delta\chi^2_{(1)} > 3.85$), we conclude that there is sufficient evidence for discriminant validity. Taken together, these findings support the reliability and validity of the constructs and their items.

Correlations

The means, standard deviations, and correlations among the variables examined in the present study are presented in Table 3. As expected, all the independent variables were highly correlated with their corresponding dependent variables. Despite the significant relationships among several constructs, no correlation between the study variables was deemed large enough to raise serious concerns about multicollinearity.

(Insert Table 3 around here)

Structural Equation Model Results

The structural model tested in the present study is identical to the one presented in Figure 1. The chi-square value for the structural model was statistically significant ($\chi^2(175) = 224.70, p = 0.007$). However, the chi-square statistic is very sensitive to sample size and departures from multivariate normality, and will very often result in the rejection of a well-fitting model. Thus, it

has been recommended that the model chi-square statistic be used as a goodness of fit index, with the chi-square value/*df* ratio lower than the rule of thumb of 2.00 (1.28 in this study). The Goodness of Fit Index (GFI), Comparative Fit Index (CFI) and Non-normed Index (NNFI) values are 0.91, 0.95 and 0.94, respectively. The Root Mean Square Error of Approximation (RMSEA) and Root Mean Square Residual (RMR) are 0.039 (90% confidence interval: 0.021 to 0.053) and 0.045, respectively. Taken collectively, these indices suggest a good and acceptable model fit, even though the chi-square index was significant.

Figure 2 presents the structural equation model results. Results show that there was a significant positive relationship between individualism, and autonomy and performance appraisal, as well as between willingness to take risks and autonomy. In other words, the findings indicate that the higher degree of individualism of employees, the more they value autonomy and performance appraisals, and the higher degree of willingness to take risks they have, the more they desire for autonomy. These results support hypotheses 2, 3 and 4 of the study. However, the results found in this study with respect to linkages between willingness to take risks and performance appraisal and job security, as well as between money ethic and pay satisfaction are statistically insignificant, which leads us to reject hypotheses 5, 6 and 7. Also, the results demonstrate that both the direct effects of individualism and money ethic on organizational commitment were statistically insignificant, rejecting hypothesis 1 and 8.

Furthermore, from Figure 2, it can be seen that all coefficients of individual elements of job satisfaction, including autonomy, performance appraisal, job security and pay satisfaction were significant and in the predicted direction, which supports Hypothesis 9, 10, 11 and 12. This implies that employees with higher level of satisfaction with autonomy, job security, pay and performance appraisal are more committed to their organizations. Thus, overall, the results in

this study show that employees' work values are important predictors of various facets of job satisfaction, which in turn significantly influence their organizational commitment. R^2 showed that employee's work values and job satisfaction variables accounted for 69.98 percent of the variance in organizational commitment, while employees' work values of individualism and willingness to take risks accounted for 12.06 percent and 61.65 percent of the variance in autonomy and performance appraisal, respectively. Furthermore, with respect to job security and pay satisfaction, the work values of willingness to take risks and money ethic accounted for 1.71 percent and 0.72 percent, respectively.

(Insert Figure 2 around here)

DISCUSSION

This study examined the influence of employees' work values on job satisfaction and organizational commitment among Chinese white-collar workers employed at foreign MNCs. While the majority of the hypotheses were confirmed, several hypotheses did not find support. In the following, we will try to put the results into perspective.

First, overall, the study provides empirical evidence that employees' work values, especially their degree of individualism and willingness to take risks, have statistically significant impacts on their job satisfaction (Meyer & Allen, 1991; Mowday et al., 1982). However, we did not find any evidence that employees' willingness to take risks and money ethic could influence their performance appraisal, job security, and pay satisfaction, respectively. One plausible explanation could be related to social desirability issues, i.e. responses regarding the sensitive issues of money were not given honestly in order to save face. The Chinese culture of

face-saving (*Mianzi* in Chinese) influences many facets of Chinese life, and face is believed to be lost when their values or behaviors fall below the minimum level generally considered acceptable. Another reason could be that we surveyed highly educated and probably ambitious white-collar workers. For such a group of people, in contrast to blue-collar workers, money ethic, job security and pay satisfaction might be less urgent matters and thus, were not found statistically significant.

Second, consistent with general expectations, the findings also demonstrate that the extent of employees' various facets of job satisfaction significantly influence the commitment to their organizations (Meyer & Smith, 2000; Rosenblatt & Ruvio, 1996; Whitener, 2001; Wong et al., 2002). The empirical results indicate that there is a significant positive relationship between the individual elements of job satisfaction, such as autonomy, performance appraisal, job security and pay satisfaction and employees' organizational commitment. Thus, it is in line with previous studies on job satisfaction that a greater degree of job satisfaction facilitates effective organizational commitment also for the case of foreign firms operating in China.

Third, in this study, we did not find any direct effect of work values on employees' organizational commitment. However, their effects appear to be mediated by various job satisfaction variables. In particular, the effects of individualism and willingness to take risks on organizational commitment seem to be mediated by autonomy and performance appraisal. In other words, while work values do not have direct effects on organizational commitment, they have an indirect effect by influencing various job satisfaction facets which in turn affect organizational commitment. Thus, work values are important indicators of organizational commitment.

Lastly, our study also provides some evidence regarding the relative importance of the

various determinants of organizational commitment in China. Since the reform and open-door policy in 1978, there have been extensive changes both in economic and personal values in China (Egri & Ralston, 2004). In contrast to the traditional stereotype that Chinese are very group oriented (e.g. Hofstede, 2001), the findings show that the influence of autonomy (independence of work) on organizational commitment among white-collar workers is much stronger ($p < 0.001$) than that of pay satisfaction ($p < 0.05$). This suggests that Chinese white-collar workers in the new era emphasize power and personal influence on their job more highly than pay.

Managerial Implications

Our results raised interesting policy issues related to employees' job satisfaction and commitment to their organizations. In terms of rewards and benefits, our study indicated that merely introducing higher wages will not increase higher level of pay satisfaction, at least for white-collar workers in China. Employers can not merely buy the organizational commitment by money. Foreign invested firms in China obviously need to give employees more power over their work and ensure them that their jobs are stable. Thus, managers only using money to attract, maintain and motivate their employees might not be an effective strategy nowadays in China. An employee autonomy and job security enhancing strategy is more effective for MNCs to successfully increase their employee organizational commitment.

Furthermore, China as a single country may give us the impression that it is a single unified and homogenous market. However, Chinese people are known to be largely different across regions and age. In addition to economic and social changes, China's one-child policy has created a new generation provided with the best of everything in life by their parents. Most of

them are highly educated and their work values are totally different from older generations, which in turn influence their job satisfaction and organizational commitment. Therefore, in order to successfully manage Chinese employees, a strategy targeting different employee populations is also needed.

Limitations and Future Research Directions

The limitations of this study point to some extensions for future research. First, the sample of this study consists of white-collar workers working at foreign companies in Shanghai within a single industry, who are relatively young, well-educated, and have relative short working histories.

Thus, the sample is not representative for the whole population of Chinese employees.

Nevertheless, we believe this is the target group of employees MNCs are most likely to deal with and concerned with. Future research could examine different employee types (e.g white-collar vs. blue-collar), and across different regions.

Second, this study has not investigated the complete set of work values and job satisfaction and its relationships with organizational commitment. We only focused on those that we considered most relevant. Future studies could explore additional variables. In addition, future studies could also look how these variables affect other organizational outcomes, such as turnover intention, performance or actual turnover.

Third, we only used a single item for measuring the job security variable and thus, its reliability could not be checked. Related to measurement improvement, we would also suggest future studies to take social desirability issues into account. This seems particular relevant in China, where saving face is an important issue.

Lastly, this study is limited to a single Chinese context. Every country is unique in terms of environmental characteristics and culture, thus, to understand more fully the issue of employees' commitment to their organizations, the degree of generalizability and boundary conditions should be extended into other non-Western contexts. Despite all these limitations, we believe that this study enhanced our understanding of Chinese white-collar workers' work values, job satisfaction and organizational commitment.

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TABLES AND FIGURES

Table 1

Sample characteristics

	Number	Percent of all (%)
Gender (= Male)	108	56.5
Marital status (= Married)	108	56.5
Age		
Below 30 years old	96	50.3
30-40 years old	87	45.5
Over 40 years old	8	4.2
Education		
High school or less	5	2.6
Applied university	24	12.5
Undergraduate	130	68.1
Graduate	32	16.8
Position		
Clerical/administration	63	33.0
Sales/technical	61	31.9
Managerial	67	35.1
Years employed		
Below 2 years	105	55.0
2-3 years	44	23.0
4-5 years	19	9.9
6-7 years	12	6.3
Over 7 years	11	5.8

N = 191.

Table 2*Items and internal consistency*

Construct and Items	Factor Loading ^a	Composite Reliability	Coefficient Alpha
Individualism		0.616	0.610
• IV1	0.625		
• IV2	0.709		
Willingness to take risks		0.680	0.652
• WR1	0.504		
• WR2	0.788		
• WR3	0.625		
Money Ethic		0.735	0.721
• ME1	0.620		
• ME2	0.751		
• ME3	0.613		
• ME4	0.570		
Autonomy		0.691	0.653
• AU1	0.766		
• AU2	0.687		
Appraisal		0.583	0.582
• AS1	0.631		
• AS2	0.652		
Pay satisfaction		0.812	0.807
• PS1	0.664		
• PS2	0.832		
• PS3	0.803		
Organizational commitment		0.785	0.778
• OC1	0.733		
• OC2	0.753		
• OC3	0.718		
• OC4	0.548		
Job security	-	-	-

IV= individualism; WR = willingness to take risks; ME = money ethic; AU = autonomy; AS = appraisal; PS = pay satisfaction; OC = organizational commitment.

^a All t tests of factor loading were significant at $p < 0.001$.

Table 3*Means, Standard Deviations, and Correlations Among Variables of Interest*

Variable	Mean	STD	1	2	3	4	5	6	7
1. Individualism	4.08	0.58							
2. Risk seeking	3.18	0.66	-0.21						
3. Money ethic	3.74	0.55	-0.30	0.28					
4. Autonomy	3.28	0.67	0.21	0.17	0.03				
5. Appraisal	3.99	0.47	0.77	-0.25	-0.08	0.31			
6. Job security	2.43	0.74	-0.14	0.13	0.00	-0.13	-0.26		
7. Pay satisfaction	2.72	0.65	0.08	0.07	-0.09	0.44	0.16	0.13	
8. Organizational Commitment	3.63	0.60	0.31	0.09	0.07	0.73	0.48	0.14	0.44

Correlations with absolute value greater than 0.15 were significant at the 5 percent level.

Figure 1

Conceptual Framework

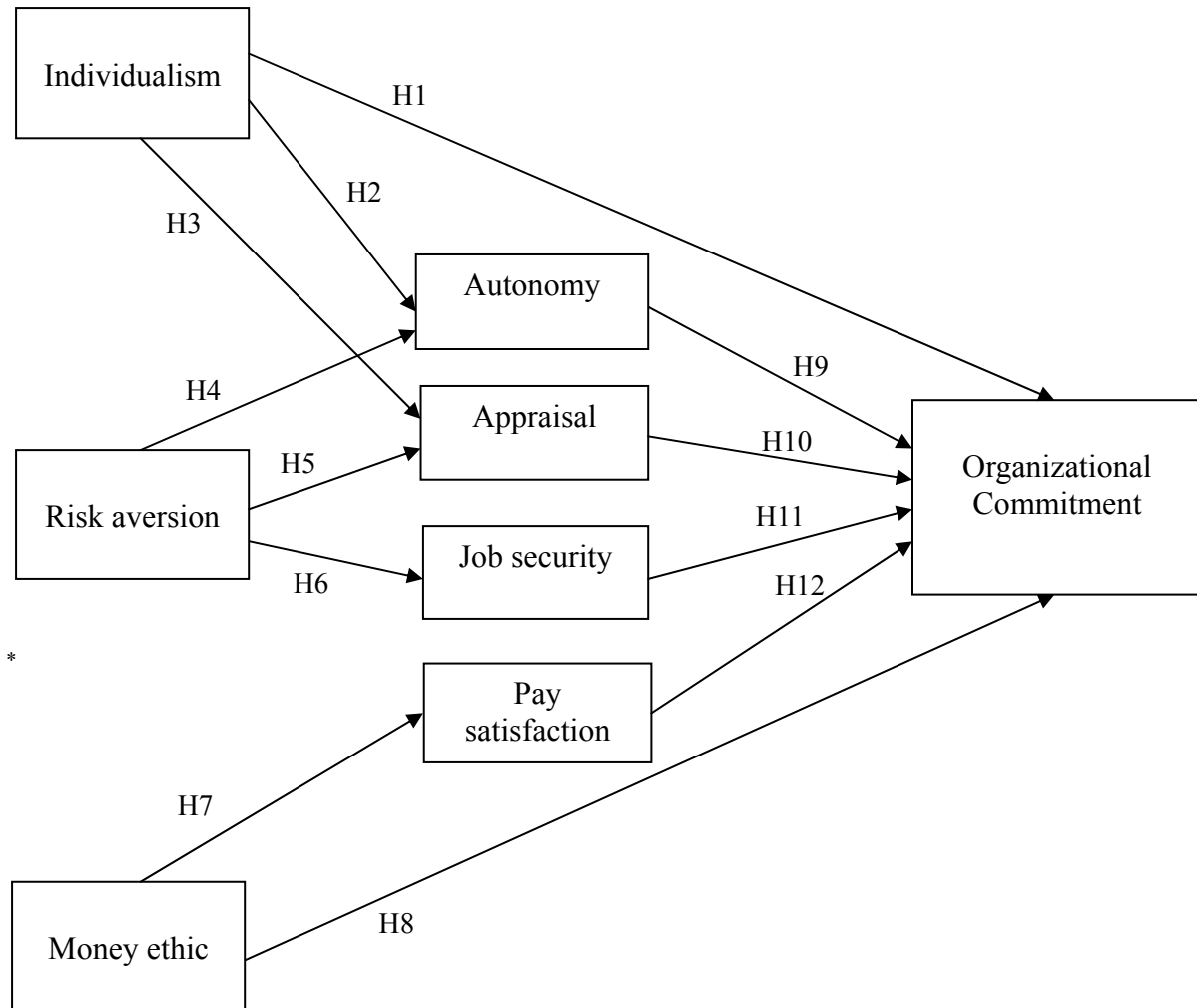
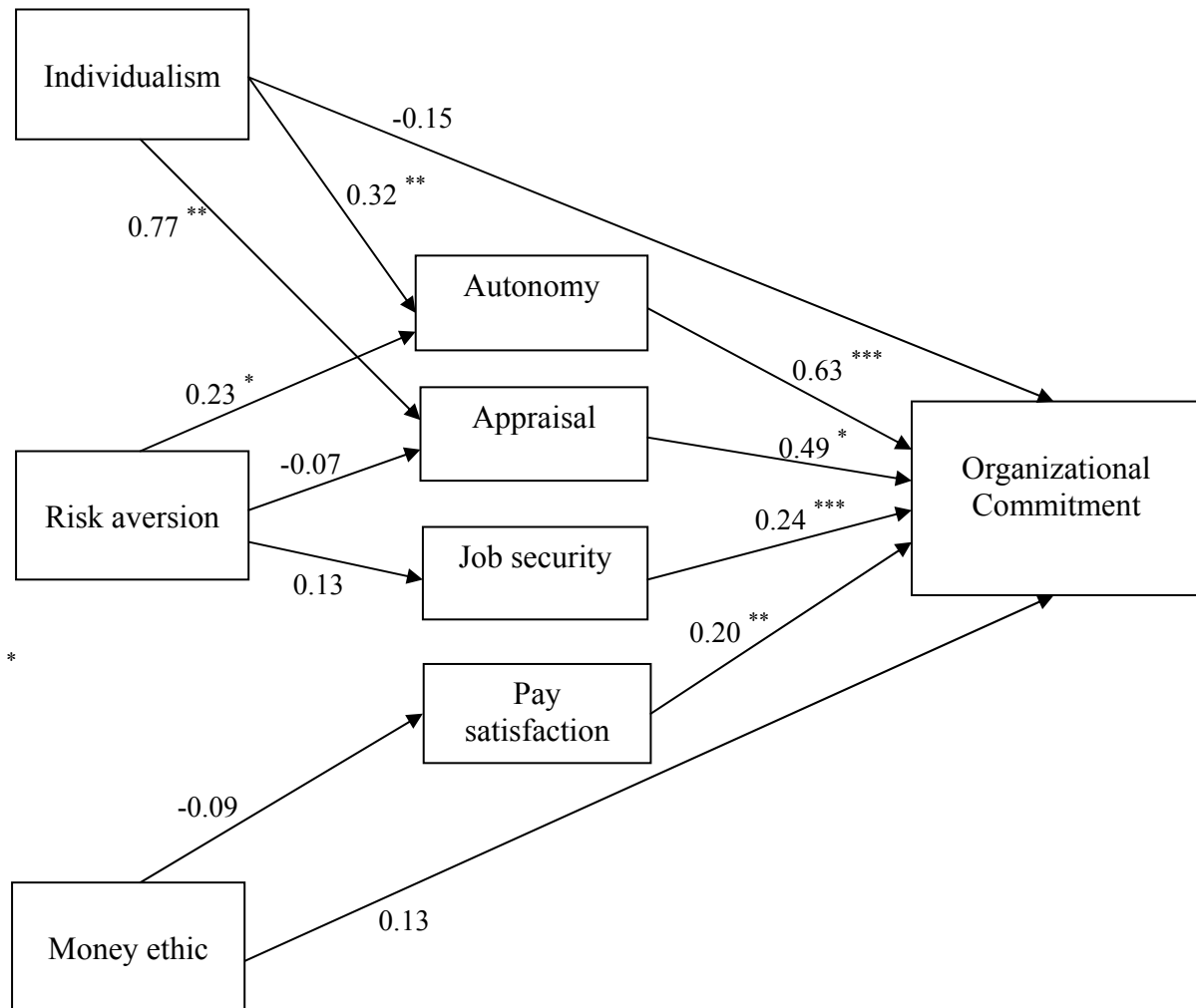


Figure 2

Structural equation model results



GFI = 0.91

CFI = 0.95

NNFI = 0.94

RMSEA = 0.039

RMR = 0.045

$\chi^2 (175) = 224.70$.

$p = 0.007$

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.