Exploring Factors Affecting Employees' Job Satisfaction at Work

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ABSTRACT

Purpose- The objective of this project paper is to find out which factor is contributing to the highest level of job satisfaction and identify the most satisfying and least satisfying factor selected in the study. The company's employees are highly satisfied which is a matter of curiosity. It has motivated the researcher to find out the factors that is contributing towards the highest level of job satisfaction.

Methodology/sampling- The research report has followed a descriptive analytical approach; a stratified random sampling of 40 out of 100 employees was used for analysis. Using descriptive and causal techniques-based survey; the data were collected through a close-ended questionnaire coupled with Likert scale. Data has been analysed by applying Regression, ANOVA and Correlation tests.

Findings- The result indicated that among four factors work environment has the highest magnitude that is contributing towards the highest level of job satisfaction of a multinational company's employees of Pakistan. The study concluded that in order to gain competitive advantage and adapt to the dramatic changing environment it is important for them to achieve management efficiency by increasing employee satisfaction in the organization.

Practical Implications- Since the company is working effectively and efficiently and has succeeded in satisfying its employees at its par excellence therefore it will provide a benchmark to other Pakistani organization.

Keywords : Self-Actualization, Remuneration, Working Environment

Jel classification : J280

* The material presented by the author does not necessarily portray the viewpoint of the editors and the management of the Institute of Business & Technology (IBT) or Institute of Cost and Management Accountants of Pakistan and FAST School of Management, National University, Karachi Campus.

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INTRODUCTION

In developing countries, large segments of the population are deprived of getting a good job to satisfy their needs. In the context of Pakistan, it is very much competitive to get a job in multinational. That is reason, those who are being employed in multinational organizations; perceive them as eligible, fortunate and privileged. But again being employed through this competitive process does not mean that employees are satisfied from all aspects. Accordingly, objective of this project paper is to find out which factor is contributing to the highest and lowest level of job satisfaction in the work place.

A successful business organization normally considers the average employees as the primary source of productivity gains. For such organization, satisfied employees are the assets. Such employees are satisfied with their job and are inclined to be more energetic, ardent, inspired, and committed to their work (Syptaket al., 1999). The research report of Behavioral and social science reveals that job satisfaction and job performance are positively correlated (Bowran and Todd, 1999). Job satisfaction is a key element of general satisfaction which gives employees energy to perform and continue his job adequately. Job satisfaction regulates the peace of mind, foster relaxation that leads to more enthusiasm and more innovative work (Maher, 2004). It gives the clear picture of completeness and accomplishment emanating from his work, a feeling which has nothing to do with money but a feeling of relief that the employee gets out of the work itself (Odwan, 1999).

Therefore, satisfaction can be classified as a "person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his or her expectations" (Kotler, 2003). Hence, job satisfaction being source of relief of tension caused by the gap between the expectations of the individual and unmet needs. It soaps up the apprehension of job dissatisfaction and factors associated with it thus helping the Managers to beacon employees' activities in a desired direction. In an organization the morale of the employees is considered to be deciding factor in the organization's efficiency (Chaudhary and Banerjee, 2004). It is justifiable to say that improving job satisfaction; managers, supervisors, human resource specialists, employees, and citizens in general are concerned (Cranny et al 1992). In order to evaluate employee's work performance, the manager must consider employee job satisfaction because employee job satisfaction is related to employee service quality and employee work performance.

1.1 Research Objectives

Accordingly, purpose of this research work is:

- To determine the degree of influence of work environment on employee job satisfaction in a multinational organization.
- To identify the degree of influence of remuneration on employee job satisfaction in a multinational organization.
- To examine the degree of impact of fairness on employee job satisfaction in a multinational organization.
- To investigate the degree of influence of promotion on employee job satisfaction in a multinational organization.
- To suggest some improvements in the organization where needed.

2. LITERATURE REVIEW

The job satisfaction of an employee is a topic that has received significant attention by managers and researchers alike (Gautam; Mandal and Dalal, 2006). Job satisfaction deals with the feelings that an individual has about his/her job. Organizational behavior research has revealed that individuals who express high satisfaction in their jobs are likely to be more productive, have higher involvement and are less likely to resign than employees.
with less satisfaction. In 1959, Herzberg, Mauser and Snyderman found that job satisfaction is elusive even a chimerical concept that has been immensely confronted since. In any field of business job satisfaction has been a matter of concern and attention nowadays. Job satisfaction is the backbone for an organization’s success; the key to successful organization is the secret of satisfied workers.

Job satisfaction is basically described as the feelings that an employee has about his/her job. Job satisfaction is an interesting topic to both people who work in organizations and people who study them. Job satisfaction can be formally defined “as the degree to which individuals feel positively and/or negatively about their jobs” (Steyn & Van Wyk 1999). Employees experience a feeling of accomplishment if their desired expectations are met, that will ultimately determine the degree of satisfaction. In other words, job satisfaction befalls when a job meets the, values, expectations and standards of an individual and will stimulate their commitment and performance (Gordon 1999). Higher will the level of job satisfaction if the degree of the expectations being met is greater. The report reveals that from the worker’s perspective, the level of job satisfaction increases when he finds his work more interesting and different (Dinler, 2008; Wright & Davis, 2003).

According to McShane and Von Glinow (2005), job satisfaction is a multi-faceted concept, which is a combination of past and present gratifying feelings that results when one evaluates his or her work role. Baron and Greenberg (2003) assert that job satisfaction is an attitude towards one’s job and it is basically the affective, cognitive and evaluative reactions towards their job. McNamara (1999) defines job satisfaction as one's feelings or state of mind regarding the nature of their work. Variety of factors influences job satisfaction e.g. the quality of the physical environment in which they work, relationship with their supervisor, and their commitment with the work. The definitions of job satisfaction in a nutshell can therefore be condensed as a collection of behavior, attitudes, feelings and beliefs that one has towards his or her job. For the purpose of this study it can also be concluded that job satisfaction is a work-related attitude that epitomize accomplishment of an emotional feeling that can be either quantitative or qualitative (Newstrom & Davis 1997). Absence of job satisfaction, on the other hand, is a predictor of relinquishing a job (Alexander, Litchtenstein, Hellmann, Jamal, Levinson and Moser (1997). Organizational commitment reduces and often leads to lethargy in the absence of job satisfaction (Levinson and Moser 1997). Organizational commitment recognizes job satisfaction as its one of its fundamental component (Kovach, 1977).

Various components of job satisfaction have been identified by the researchers that measure the relative importance of each component of job satisfaction and examine what effects these components have on workers' productivity. According to Maslow (1954) human needs form a five-level hierarchy ranging from physiological needs, safety, belongingness and love, esteem to self-actualization. Herzberg (1959) made some basic distinctions between intrinsic and extrinsic factors in his Two-Factor Theory of motivation. According to his theory, people are influenced by two sets of factors: Motivator Factors and Hygiene Factors. Motivator factor includes achievement, recognition, work itself, responsibility, promotion, growth and hygiene factors include pay and benefits, company policy and administration, relationships with co-worker, and supervision.

2.1 Faceted vs. Overall Satisfaction

Spector (1997) says job satisfaction should be typically measured in degrees and examined from multiple viewpoints using multiple constructs or categories. For instance, one can be satisfied with certain elements of a job, feel neutral about some, and be dissatisfied with others. Elements of a job can also have differing degrees of importance, which can cause those elements to be weighted differently in assessing overall job satisfaction. According to Mullins, 2002 some employees may be satisfied with few aspects of their work but dissatisfied with all other aspects. Likewise, Arnold and Feldman (1996) say that there are a variety of factors that make people feel positive or negative about their job simultaneously.
(Arnold and Feldman 1996). "I love my work but hate my boss" or "This place pays lousy, but the people I work with are great" - are the examples that represent different attitudes towards separate facets of workers' jobs. Smith (1996) however, very correctly says that whatever is the degree of satisfaction with the individual facets of a job, ultimately they accumulate in the form of overall job satisfaction.

Overall satisfaction focuses on the individual's general internal state of satisfaction or dissatisfaction. Positive internal state is created by positive experiences in terms of friendly colleagues, good remuneration, compassionate supervisors and attractive jobs. Negative internal state is created by negative experiences emanating from low pay, less than stimulating jobs and criticism. Therefore, overall satisfaction or dissatisfaction is a holistic feeling that is dependent on the frequency and intensity of positive and negative experiences (Cherrington, 1994).

2.2 Determinants of Job Satisfaction

2.2.1 Work Environment

Work environment plays a vital role since it influences job satisfaction, as employees are concerned with a comfortable physical work environment that will ultimately renders more positive level of job satisfaction. (Robbins 2001). Lack of favorable working conditions, amongst other things, can affect poorly on the worker's mental and physical well-being (Baron and Greenberg, 2003). According to Arnold and Feldman (1996) factors such as working hours, temperature, ventilation, noise, hygiene, lighting, and resources are all part of working conditions. Negative performance will be provoked by poor working conditions since employees job demand mentally and physically tranquility. Moreover, they (ibid) warned that if working conditions are two extreme ends i.e. either too favorable or too extreme, this could be taken for granted or ignored by most employees. Furthermore, when employees feel that management does not appreciate or acknowledge their efforts or work done they may use poor working conditions as an excuse to get back at management. So we hypothesize;

H1: Work environment has high degree of impact on job satisfaction of the employees.

2.2.2 Remuneration

There is no doubt that monetary rewards play a very influential role in determining job satisfaction. Pay is one of the fundamental components of job satisfaction since it has a powerful effect in determining job satisfaction. Individual has infinite needs and money provides the means to satisfy these needs, (Arnold and Feldman 1996). However, there is no such empirical evidence that asserts that pay alone improves worker satisfaction or reduces dissatisfaction (Bassett 1994). The author is of the opinion that handsome salary cannot be the only factor of job satisfaction even highly paid employees may still be dissatisfied if they do not like the nature of their job. Moreover, a study conducted by Young, Worchel and Woehr (1998) in the public sector organizations revealed the failure of any significant relationship between job satisfaction and pay.

However, Boggie (2005) says that poor pay and absence of recognition often leads to a problem with employee retention. Chung (1977) says that dissatisfaction and discontent can be the reason if salaries are not market related. Nel, Van Dyk, Haasbroek, Schultz, Sono, and Werner (2004) also say that employees will compare themselves with their colleagues in terms of salary and their inputs to their job and may leave an organization if they are not satisfied and contented. Hence, we suppose;

H2: Remuneration has low degree of impact on job satisfaction of the employees.
2.2.3 Promotion

There is a consensus among the researchers that job satisfaction is strongly associated to opportunities for promotion (Pergamit & Veum, 1999; Peterson et al., 2003; Sclafane, 1999). The positive relationship between job satisfaction and promotion is dependent on perceived equity by employees (Kreitner & Kinicki, 2001). As compared to recognition and achievement the degree of promotion has a stronger impact on job satisfaction. Locke (1976) advocates that the aspiration to be promoted emanates from the desire for social status psychological growth, the desire for justice. Therefore management should commemorate that promotion furnishes a positive motivating tool in ensuring that the employee attains goals at a higher level. So we hypothesize,

H3: Job promotion has low degree of impact on job satisfaction of the employees.

2.2.4 Fairness of Treatment

Adams (1965) claimed that in evaluating fairness, individuals first assess the ratio of their contribution (input) to the resulting economic or social compensation (output) and then compare the ratio with that of referent others. Receiving comparatively both too much (overcompensation) and too little (under-compensation) is evaluated as unfair, according to equity theory. Consequently, individuals try to reduce the unfairness by altering input (e.g., working less) or output (e.g., stealing from the company). Adam's work is considered the basis of organizational justice research. However, its popularity was waning by the mid-1980s (Greenberg, 1990). Along with various methodological criticisms, equity theory's predictive usefulness was questioned. A main drawback for organizational behavior researchers was that equity theory does not provide specific predictions about people's reactions to inequity (Byrne & Cropanzano, 2001). This limitation of equity theory promoted the shift of emphasis in organizational justice research toward procedural justice.

H4: Fairness has low degree of impact on job satisfaction of the employees.

3. RESEARCH METHODOLOGY

The study is based on linear equation model wherein the variables are as follows:

\[ JB = a + b_1 (WE) + b_2 (R) + b_3 (JP) + b_4 (F) + \epsilon \]

Whereas: JB denotes job satisfaction, WE denotes working environment, R denotes remuneration, JP denotes job promotion, F denotes fairness and \( \epsilon \) denotes the error term.

This study is survey based. The sample comprised 40 people in the organization; 15 manager and 25 non-managerial employees. The age and gender factors have been held constant because no significant differences were observed to exist in this regard. Respondents were presented a close-ended questionnaire containing 4 factors job satisfaction scale coupled with Likert Scale in person whereas discussions were also held in the cases which required some.

4. RESULTS

4.1 Regression

In the Table 1 below regression analysis, the value "R" is 0.548 which indicate that there is positive correlation (linear relationship) between Job satisfaction and Working environment, Remuneration, Job promotion, and Fairness.
Impact of Inflation on Taxes in Pakistan: An empirical study of 2000-2010 period

Table 1
Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.548(^a)</td>
<td>.300</td>
<td>.220</td>
<td>.66239</td>
</tr>
</tbody>
</table>

Table 1
Model Summary

a. Predictors: (Constant), Working environment, Remuneration, Job Promotion, Fairness.

4.2 Analysis of Variance (ANOVA)

Tabulated in the Table 2 below, ANOVA test results shows that F < 0.05 i.e. Significance value of F=3.753 which clearly explains that the research model is acceptable and deviation in the model is not just by chance.

Table 2
ANOVA \(^b\)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig. (^a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>6.587</td>
<td>4</td>
<td>1.647</td>
<td>3.753</td>
<td>.012(^a)</td>
</tr>
<tr>
<td>Residual</td>
<td>15.356</td>
<td>35</td>
<td>.439</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>21.944</td>
<td>39</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Working environment, Remuneration, Job Promotion, Fairness.
b. Dependent Variable: Job satisfaction

4.3 Coefficient Analysis

Table 3 below tabulates data on coefficient analysis and outcomes of hypotheses testing.

Table 3
Coefficients \(^a\)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>-1.367</td>
<td>1.538</td>
<td>-.889</td>
<td>.380</td>
</tr>
<tr>
<td>Working Environnment</td>
<td>1.130</td>
<td>.334</td>
<td>.496</td>
<td>3.385</td>
</tr>
<tr>
<td>Remuneration</td>
<td>-.070</td>
<td>.230</td>
<td>-.062</td>
<td>-.303</td>
</tr>
<tr>
<td>Job Promotion</td>
<td>.239</td>
<td>.220</td>
<td>.229</td>
<td>1.090</td>
</tr>
<tr>
<td>Fairness</td>
<td>-.055</td>
<td>.239</td>
<td>-.051</td>
<td>-.228</td>
</tr>
</tbody>
</table>

4.3.1 Work Environment

Equation for this relationship is: Working environment= -1.367+ 1.130WE, where, WE is working environment. Statistical result shows remuneration value is insignificant p < 0.05, p = 0.002 and t = -0.764 which shows that working environment had positive impact on the job satisfaction. The value of beta shows 1 unit changes in working condition will bring -0.764 unit changes in profitability. Hence, \( H_1 \) is accepted.

4.3.2 Remuneration

Equation for this relationship is: Remuneration = 1.367-0.303R, where R denotes remuneration. Outcome shows remuneration value is insignificant p < 0.05, p = 0.764 and t = -0.303 which shows that Remuneration had negative impact on the job satisfaction. The value of beta shows 1 unit changes in Remuneration will bring -0.303 unit changes in profitability. Hence, \( H_2 \) is accepted.
4.3.3 Promotion

Equation for this relationship is: \( \text{Job Promotion} = 1.367 + 1.090 \text{JP} \), where \( \text{JP} \) denotes job promotion. Results show that promotion on the job has insignificant \( p < 0.05, p = 0.283 \) and \( t = 1.090 \) which shows that job promotion has insignificant impact on the job satisfaction. The value of beta shows 1 unit change in job promotion will bring 1.090 unit changes in profitability. Hence, \( H_3 \) stood accepted.

4.3.4 Fairness

Equation for this relationship is: \( \text{Fairness} = 1.367 - 0.228 \text{F} \), where \( \text{F} = \text{Fairness} \). According to the results, the factor of fairness, it is insignificant \( p < 0.05, p =0.821 \) and \( t = -0.228 \) which shows that Fairness has insignificant impact on the job satisfaction. The value of beta shows 1 unit changes in job promotion will bring -0.228 unit changes in profitability. Hence, \( H_4 \) stood accepted.

5.4 Correlation Analysis

In the Correlation Matrix below, the independent variable \( R = 0.522 \) clearly shows a positive correlation between work environment and job satisfaction. On the other hand, remuneration \( R = 0.146 \), Job promotion \( R = 0.263 \), and Fairness \( R = 0.195 \) which is close to zero so it means there is low correlation between these independent variables (Remuneration, job promotion, fairness) with job satisfaction.

<table>
<thead>
<tr>
<th></th>
<th>AvgJS</th>
<th>AvgWE</th>
<th>AvgR</th>
<th>AvgJP</th>
<th>AvgF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Correlation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AvgJS Pearson Correlation</td>
<td>1</td>
<td>.522**</td>
<td>.146</td>
<td>.263</td>
<td>.195</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.369</td>
<td>.101</td>
<td>.229</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>AvgWE Pearson Correlation</td>
<td></td>
<td>.522**</td>
<td>.191</td>
<td>.221</td>
<td>.255</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.001</td>
<td>.238</td>
<td>.170</td>
<td>.113</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>AvgR Pearson Correlation</td>
<td>.146</td>
<td>.191</td>
<td>1</td>
<td>.646**</td>
<td>.686**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.369</td>
<td>.238</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>AvgJP Pearson Correlation</td>
<td>.263</td>
<td>.221</td>
<td>.646**</td>
<td>1</td>
<td>.704**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.101</td>
<td>.170</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Age Pearson Correlation</td>
<td>.195</td>
<td>.255</td>
<td>.686**</td>
<td>.704**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.229</td>
<td>.113</td>
<td>.000</td>
<td>.000</td>
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<td>N</td>
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<td>40</td>
<td>40</td>
<td>40</td>
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</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

5. CONCLUSION

The study concluded that in order to gain competitive advantage and adapt to the dramatic changing environment it is important for the organizations to achieve management efficiency by increasing employee satisfaction. Among four factors, work environment contributing with highest magnitude towards the highest level of job satisfaction of a multinational company's employees of Pakistan. Therefore it is concluded that in order to keep employees satisfied today, it takes an entirely different approach than it did just a few years ago. Nowadays the work environment is the most critical factor in keeping an employee satisfied in...
today's business world. For a growing number of workers, corporate culture is the key determinant in their choice to stay with an organization long term.

Since the company is working effectively and efficiently and has succeeded in satisfying its employees at its par excellence therefore there is no such recommendation for this company instead it will provide a benchmark to other Pakistani organization. Moreover this company knows how to develop their culture in an effective way and the quality of work life among the employees. Indeed, employees must absorb the organizational culture at the maximum strength and the top management should continue to provide a beacon to motivate the employees in achieving the company's objectives.

REFERENCES


