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A Study to Identify the Determinants of Employees Satisfaction

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Abstract

The research paper aims to discuss the concept of employee satisfaction, factors or determinants of employee satisfaction, and benefits or outcomes of employee satisfaction. The study is conceptual and exploratory in nature, and based on the past literature based on which research instrument has been developed and data is collected. Employee satisfaction leads to low level of employee turnover and absenteeism also. Based on satisfaction determinants identified an attempt has been made to understand the practical aspect of job satisfaction of health workers working in hospitals as nurses and paramedics.

Keywords: Employee Satisfaction, Employee Retention, Job Satisfaction, Job Commitment, Job Performance and Working Environment

INTRODUCTION

Employee satisfaction can be defined as the satisfaction of employee towards their job, towards the organization and towards the various aspects related to job. Employee satisfaction is a term which is comprehensive in nature. Employees who are satisfied with their job but not with the working environment, or not with the attitude of management or policies of the company will not be considered as satisfied employee. Employee satisfaction is a broader term which includes the satisfaction towards

the job, job profile, job features, working environment, working conditions, types of people working in the organization, culture of the organization, management behavior, policies of the company, financial and non-financial benefits of the job, and various other aspects related to job. Recruiting the efficient and skilled employees in an organization is not enough, it is also important to make them satisfied and happy with their jobs. Needs of the employees can be related to the working conditions, co-workers, leaders, supervision, growth opportunities and work itself etc. employee

satisfaction plays a crucial role in achieving the quality of services. Loveman (1998), discussed the relationship between employee satisfaction, customer loyalty and financial performance of an organization. Employee satisfaction ensures better customer services and increases in customer loyalty due to the better service quality and which in turn increases the profitability of the company. Thus, financial performance of an organization depends on the employee satisfaction.

Spector (1997), employee satisfaction can be defined as the satisfaction of an employee towards his job, and the liking for his job.

Locke (1976), explained the concept of employee satisfaction as a positive attitude of employees towards their job, an emotional state that gives pleasures to the employees while doing their job or performing a task.

Thus, it can be said that the primary goal of an organization should be employee satisfaction because employee satisfaction directly effects the productivity, profitability, service quality, employee retention rate, absenteeism, and employee turnover ratio.

OBJECTIVES OF THE STUDY

To do a review of the employee satisfaction, factors which affect the employee satisfaction and the theories based on the concept of job satisfaction evolved in past.

RESEARCH METHODOLOGY

The study is conceptual and descriptive in nature, and based on the past literature and survey. Researchers has gone through various research papers, published and unpublished reports and the

books on human resource management to extract the literature available on the employee satisfaction which is discussed in the following section. Based on the literature review the organizational factors were considered to understand the job satisfaction of health workers working in hospitals of Navi Mumbai region. 12 hospitals with bed capacity of minimum 100 and above were considered for the purpose of study. All health workers of selected hospitals chosen for study participated in filling the questionnaire given for the purpose of study. Out of the 675 distributed questionnaires, 550 questionnaires which were completed filled by the respondents were considered for further analysis. The analysis is presented after discussing the determinants of employee satisfaction

DETERMINANTS OF EMPLOYEE SATISFACTION

Employee satisfaction is dependent in nature. It depends on various factors. Researchers have discussed various factors which directly or indirectly influence the satisfaction level of employees in an organization. Some of the important factors or determinants of employee satisfaction have been discussed in detail as following:

1. Salary/Wages/Compensation: The most important factor which effect the employees' satisfaction is salary, wages or compensation. The financial value of the hard work put by an employee in completion of his job is the main factor that influences his satisfaction level towards the job (Sharma and Sindhu, 2015, Sharma and Mani, 2012).

2. Fringe Benefits: Fringe benefits are the financial benefits other than salary or wages. If an employee gets the salary plus various other fringe benefits than the satisfaction level of employees will be

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higher towards their job (Morgan, 2014).

3. Medical Facilities/Medical Insurance: Now a day, the medical facilities are very costly, and the employees wish to get the free medical insurance for employee and their family members from the organization or the organization should reimburse the medical expenses of the employees and their family members in addition to the salary or compensation. Medical insurance or medical facilities are the extra benefits that an organization can provide to its employees in order to increase the level of employees' satisfaction (Arora, 2017).

4. Training: Training is considered as an important determinant of employee satisfaction. Training to existing employees helps in increasing the knowledge of employees about a new concept, technology, new methods, or new processes or to refresh their knowledge about existing methods, or technologies used in the organization (Sharma and Sindhu, 2015). Training adds value to an employees and increases their worth in the market and make them competitive. Thus, training facilities available in an organization can make employees highly satisfied towards their job.

5. Growth and Development Opportunities: Growth and development opportunities provided by an organization to its employees highly influence the level of employees' satisfaction. If an employee perceives huge growth prospective in his organization, then his satisfaction level will be high or vice versa. (Sharma and Mani, 2012), researchers have stated that employees are ready to work with an organization for long term which provides high growth and development opportunities even if they receive less salary or wages.

6. Interpersonal Relationship: Interpersonal relationship are the relationship of an employee with

his colleagues, supervisors, subordinates, and management. Healthy and friendly relationships at workplace create the interest of employees to do their work efficiently and increase their satisfaction towards their job (Sindhu and Sharma, 2014).

7. Performance Appraisal: Performance appraisal plays an important role in employees' satisfaction. Employee satisfaction is higher in the organizations which conducts performance appraisal on regular basis and without biasness, provides feedback to employees about their performance and conducts training to improve the performance of employees (Sharma and Sindhu, 2015).

8. Participation in Decision Making: Employees feel themselves as an important part of organization if they have a right to take part in decision making process. They may come with creative and innovative ideas and will not show resistance during implementation of any policy or rules, which has been framed after considering their suggestions. Thus, the employees' satisfaction will be higher if the employees have a right to participate in decision making process (Nair, 2015).

9. Attitude of Management: Attitude of management also influences the level of employees' satisfaction in an organization. If management shows positive attitude, empathy and do friendly behavior towards the employees then the satisfaction level of employees will be higher. Concern of management towards the problems of employees and equal treatment to all employees, leads to high level of employees' satisfaction (Gomathi, 2014).

Thus, overall it can be said that there are various factors which affects the satisfaction level of employees either directly or indirectly. All the factors discussed above are related to the organizations or workplaces.

BENEFITS OF EMPLOYEE SATISFACTION

This section discusses the benefits of employee satisfaction both to an individual and to the organization.

1. Employee Satisfaction and Job Performance:

Researchers have found a positive and significant relationship between employee satisfaction and job performance. Job performance of an employee is directly affected by the level of satisfaction towards a job. When employees are satisfied with their job, they start loving their job profile, and take their job seriously and try to do work not as a duty but as their passion (Jain, 2016).

2. Employee Satisfaction and Organizational Commitment:

The employees who are satisfied with their jobs are found to be highly committed towards their jobs and their organizations. Organizational commitment is the output of employee satisfaction. High level of employee satisfaction, higher will be the organization commitment. Thus, it can be said that organizational commitment has born out of employee satisfaction. High level of organizational commitment leads to higher organizational performance (Jain, 2016).

3. Employee Satisfaction and Service Quality:

Researchers have found positive and significant relationship between employee satisfaction and service quality. The employees, who are satisfied with their job, do their work with greater efficiency and provide better customer services (Antonvoa, 2016). Satisfied employees tries to build long term relationships with the customers.

4. Employee Satisfaction and Customer Satisfaction:

Researchers have found a positive and significant relationship between employee satisfaction and customer satisfaction. If the level

of employee satisfaction is high then the customer satisfaction will also be high and vice versa. Customer satisfaction gets affected by the quality of services provided by the employees of an organization (Homburg and Stock, 2004). If the employees are satisfied they will treat the customers very well and will provide better service quality which leads to higher customer satisfaction. If the employees are satisfied they will share positive words with the potential customers and customers on the recommendation of the employees make purchases and it also increases the customer satisfaction (Sharma and Mani, 2012).

5. Employee Satisfaction and Corporate Image:

Employees of an organization plays an important role in creating a positive and sustained corporate image in the market. Employee satisfaction is another way to build a positive corporate image among the potential employees also (Jhajharia and Gupta, 2015).

6. Employee Satisfaction and Occupational Stress:

Employee satisfaction helps in reducing the occupational or workplace stress among the employees. (Antonvoa, 2016 & Sharma, 2015), researchers have found a negative and significant relationship between occupational stress and employee satisfaction. Thus, employee satisfaction helps in reducing occupational stress and which will lead to wellbeing and good health of the employees. Employees with good health and low level of stress are able to work efficiently and effectively.

7. Absenteeism and Employees' Turnover Rate:

Researchers have found a negative relationship between employees' absenteeism & employees' turnover rate and employee satisfaction. Employees who are not satisfied with their job becomes irregular and tries to avoid doing job. Organizations have to bear the cost of recruitment, loss of production hours due to high absenteeism ratio thus,

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employee satisfaction helps in retaining the skilled and talented employees in the organizations for long term (Sharma, 2015, Jain, 2016).

8. Employee Satisfaction and Productivity: Researchers have found a positive relationship between employee satisfaction and productivity. Employee satisfaction leads to high job performance, high organizational commitment, low cost on recruitment, few organizational conflicts, lack of occupational stress, high customer satisfaction and better service quality; all these factors leads to overall increase in the productivity of the organization and also increase in the productivity of employees (Jhajharia and Gupta, 2015).

Relationship between job commitment, job involvement, employees' absenteeism, employees' turnover and job satisfaction

Anshu (2015) developed a theoretical model to show the relationship between organizational commitment and job satisfaction among employees working in the management and technical institutes of developing countries. The researcher stated that job satisfaction is the important factor to be focused by the management as, the cost of recruitment and selection of new faculties is very high and the employees' turnover also affects the students learning process. Silman (2014) conducted a study to measure the relationship between work engagement and work-related basic need satisfaction among employees. The sample size of the study was 203 employees from various Universities of

Turkey. Researcher had used the *Work-Related Basic Need Satisfaction Scale* in order to measure the work related basic need satisfaction among employees and the *Turkish Form of Utrecht Work Engagement Scale* in order to measure the work engagement among employees. Researcher had used three types of basic work-related needs namely; need of autonomy, relatedness and competence. The level of satisfaction of employees towards these need determine the level of their work engagement. It was found from the study that need satisfaction and work engagement are positively related to each other. The employees whose work-related basic needs are satisfied by the management are found to be more engaged in their job. The level of adaptation and participation is also found to be high in those employees whose work-related basics needs are satisfied.

Research Instrument

Based on the literature review a self-administered questionnaire was developed. The instrument included sections of demographic characteristics, organizational factors provided by management which were to be rated on a Likert scale (Range of 1-5)

Data Analysis & Results

The reliability coefficient of questionnaire is found to be 0.89 (Cronbach's alpha). Regression analysis was applied for data analysis.

Following is the result analysis of job satisfaction based on Organizational factors

Table 1.1: Frequency Distribution Analysis

Overall satisfaction towards current job				
	Frequency	%	Valid %	Cumulative %
Highly Dissatisfied	31	5.6 %	5.6 %	5.6 %
Dissatisfied	84	15.1 %	15.1 %	20.7 %
Neutral	135	24.3 %	24.3 %	45.0 %
Satisfied	250	45.0 %	45.0 %	89.9 %
Highly Satisfied	56	10.1 %	10.1 %	100.0 %
Total	556	100.0 %	100.0 %	

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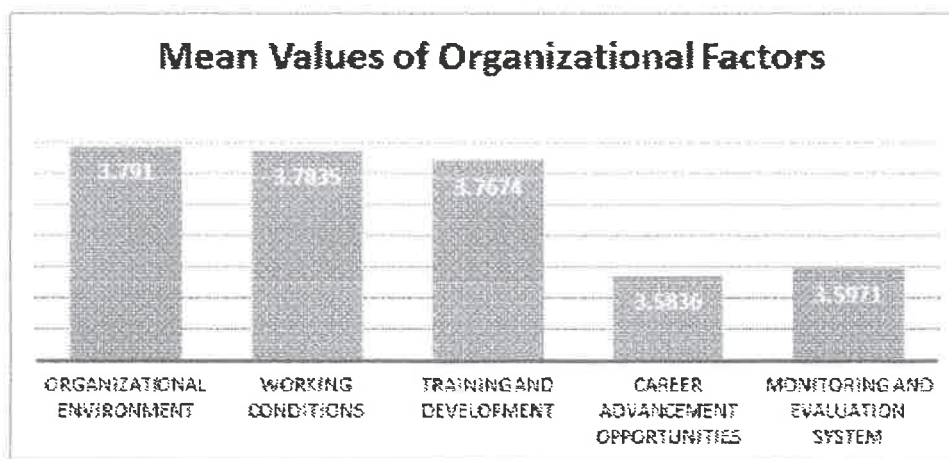
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Interpretation: Table 1.1 the overall satisfaction of healthcare workers towards their current job. It was found that 45 percent of the total healthcare workers surveyed during current study were found to be satisfied towards their current job, followed by the healthcare workers who were found to be

neutral means neither satisfied nor dissatisfied towards their current job. Hence, it can be said that the majority of the healthcare workers working in the hospitals of Thane and Navi Mumbai were found to be satisfied towards their current job.

Graph 1.1: Mean values (Organizational factors)



Source: Primary Data

Interpretation: Graph 1.2 shows the mean values of the organizational factors. The highest mean value was found to be 3.79 for the variable 'organizational environment', followed by the working conditions and training and development. While the least mean value was found to be 3.58 of the variable 'career advancement opportunities'. It shows that the healthcare workers are highly satisfied towards the organizational environment, working conditions and training and development and less satisfied towards the career advancement opportunities.

organizational factors on the job satisfaction of health workers, by using the multiple regression analysis. Researcher has used the following regression equation:

$$X = \alpha + \beta_1 Y_1 + \beta_2 Y_2 + \beta_3 Y_3 + \beta_4 Y_4 + \beta_5 Y_5 + \dots$$

Where; α , is the constant term, $\beta_1, \beta_2, \beta_3, \beta_4$, and β_5 , is the value of regression coefficients for the independent variables, denotes the error term, X is the dependent variable. The equation is explained as follows:

1.14.1 Regression Analysis

Multiple regression analysis is used to identify the influence of the factors and the association between the independent variables and the dependent variable. Researcher has measured the impact of

Overall satisfaction towards job = $\alpha + \beta_1$ organizational environment + β_2 working conditions + β_3 training or development + β_4 Monitoring and Evaluation system + β_5 Career Advancement Opportunities + ,

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The regression model summary given in table 1.2 shows that the R value as 0.375, it shows that there is a positive but low degree of correlation between organizational factors and the overall satisfaction of healthcare workers towards job. The value of R square was found to be 0.141, which indicates that organizational factors explain only 14 percent of the variation in the overall satisfaction of healthcare workers towards job. While rest of the 86 percent of the variation is caused due to other factors.

As per results of one-way Anova, the f-value was found to be 17.998, at 99 percent confidence level. Hence, it can be said that the dependent variable and independent variables are significantly related and the regression model emerged between dependent variable i.e. overall job satisfaction and the independent variables.

Regression coefficients represent the mean change in the response variable for one unit of change in the predictor variable while holding other predictors

in the model constant. The value of regression coefficients extracted through multiple regression analysis. It was found from the p-value corresponding to the regression coefficients that except one variable i.e. Monitoring and Evaluation system, were found to be positively and significantly related to the overall satisfaction of healthcare workers towards job.

Hence, it can be said that the overall satisfaction of healthcare employee towards the job depends on the organizational factors namely; organizational environment, working conditions, training or development, and Career Advancement Opportunities. If any improvement in monitoring & evaluation aspect will be made in these factors, then it will lead to overall satisfaction among health workers.

The following Table 1.2 presents the aggregate results of above analysis:

Table 1.2: Regression Analysis (Organizational factors & Job)

Regression Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.375 ^a	.141	.133	.96671
a. Predictors: (Constant), Monitoring and Evaluation system, Organizational environment, Career Advancement Opportunities, Working Conditions, Training and Development				

ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	84.099	5	16.820	17.998	.000 ^b
	Residual	513.988	550	.935		
	Total	598.086	555			
a. Dependent Variable: satisfaction towards current job						
b. Predictors: (Constant), Monitoring and Evaluation system, Organizational environment, Career Advancement Opportunities, Working Conditions, Training and Development						

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Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.607	.254		6.334	.000
Organizational environment	.262	.081	.191	3.240	.001
Working Conditions	.226	.107	.144	2.111	.035
Training and Development	.516	.100	.394	5.178	.000
Career Advancement Opportunities	.205	.075	.201	2.752	.006
Monitoring and Evaluation system	.120	.072	.106	1.666	.096

a. Dependent Variable: satisfaction towards current job

(Source: Primary Data)

Thus, overall it can be said that employee satisfaction plays a crucial role in the performance of an organization. Employee satisfaction is the result of investment by the organizations in improving their working environment and various aspects of job. Investment by the organizations in increasing the satisfaction level of employees, gives return in the form of high level of job performance, low absenteeism, high productivity, organizational peace, efficient, creative and effective workforce etc.

CONCLUSION

Thus, overall it can be concluded that employee satisfaction is the satisfaction of an employee towards his job, towards the working environment, towards the job conditions, management attitude, supervisor, leadership style, behavior of supervisor, knowledge and skill level of supervisors, participation in decision making process, interpersonal relationships, relationship with supervisors, co-workers, subordinates, superiors, policies of the company, rules, regulations, code of ethics, code of conduct, culture, communication,

working hours, training facilities, career growth and development opportunities, and other factors. Thus, it can be said that employee satisfaction is one of the important issue before the companies. Employee satisfaction may take the organization towards the success while dissatisfaction of employees may take an organization towards fall. The profits or sales, productivity, performance of the organization largely depends on the satisfaction level of employees. Employee satisfaction gets affected by both the internal and external factors. Internal factors are related to organizations and external factors are related to the personal life of employees. Organizational related factors can be improved by the companies to increase the employee satisfaction while personal factors of employees are beyond the control of the organizations.

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