The Study On The Factors Influencing Employee Satisfaction.

Amarasingham Pahirathan
Registrar, Eastern University, Sri Lanka.
pahirathan@esn.ac.lk

ABSTRACT

Employees are seen as a valuable resource that can contribute in various ways to an organization's activities. In order to prevent the phenomenon of “brain-drain” from the one organization to other organization and have a stable human resource, the organization needs to make employees feel satisfied in work and want to have a strong attachment to the organization for a long time by their loyalty. The aim of the study is to explore the factors affecting the job satisfaction of employees in the micro credit organizations in the Batticaloa, Sri Lanka, to examine the relationship between employees’ satisfaction; and to provide solutions to improve the degree of satisfaction in this organization. The research model includes five variables, including four independent variables (empowerment, salary and rewards, training, and career advancement opportunities), and dependent variable (employee satisfaction). The results indicated a remarkably positive correlation between employee satisfaction with all independent variables. However, empowerment has shown an higher insignificant relation with satisfaction in this organization than other independent variables tested in this study.

I. INTRODUCTION

1.1 Background of research

according to the research of Phillips (1997), the organization does not provide factors such as empowerment as well as training opportunities to develop new skills for employees, they will have abilities to express negative feelings and attitudes towards the organization where they are working. This will lead to a close-knit level of employees to the organization lower, at the
same time, the intention to leave the organization bigger (Ngoi, 2016). Practically, there are a large number of researchers who find and analyze the factors influencing the satisfaction of employees in work and raising employees' loyalty toward the organization. In particular, the factors as empowerment, training and career advancement opportunities have positive influences on the satisfaction of employees (Turkyilmaz, Akman, Ozkan & Pastuszak, 2011).

As Hellriegel & Slocum (2004) noted that a person with high satisfaction will have a positive behaviour towards work. Conversely, low satisfaction is the cause of leaving the job, absence, delays and even decrease the working spirit. Likewise, lacking in job satisfaction leads to loyal failure, committed insufficiency, reduction in faith toward the organization, and thus leading to search for new jobs (Reed, Kratchman and Strawser, 1994).

2. Literature Review

2.1 Employee satisfaction

Employee satisfaction or job satisfaction is a widespread topic for those who work in agencies and those who study them. In other words, job satisfaction has an important role in theory and practice of any organizations worldwide. That is the reason why many organizations focus more attention to measuring the job satisfaction level of staffs in trying to predict primary behaviors of employees, namely job performance (Ivancevich, 1978), leaving job (Hom, 2001) or stopping work (Scott & Taylor, 1985).

Although job satisfaction is a quite common research concept performed by many researchers, however, there is not consensus on what the concept of job satisfaction is among researchers. In practice, the definition and measurement of employee satisfaction or job satisfaction has been different in many approaches. Job satisfaction could be understood as “the extent to which a person’s hopes, desires, and expectation about the employment he is engaged in are fulfilled” (Dictionary.com). According to Vroom (1964) considered this concept as a perceptual of a person or an emotional reaction towards crucial aspects of work. Moreover, Weiss (1967) stated job satisfaction is considered as the attitude about the job and it is expressed by perception, belief and behavior of workers. Locke (1976) also defined job satisfaction as “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences”. Bergman (1981) considered that job satisfaction was affected by personal factors of employees or organizational impacts on perception of the job. As Kaliski
(2001), job satisfaction could be understood that there had an enthusiasm and happiness in work from staffs. It is also known as a combination of feeling and belief that he thought about his job (George & Jones, 2008). Ellickson and Logsdon (2002) pointed out that job satisfaction as the degree that employees like their work. Within the scope of this study, job satisfaction is considered as satisfaction of employees when performing the work or duties of the organization.

Employees will have a positive attitude toward their job if they have high satisfaction, in the opposite view, employees with low satisfaction will have a negative attitude towards their job (Robbins, 1993). The fact that some researchers showed that if satisfaction is absent in job, it means that there is always opportunity or prediction that employee will leave the job (Alexander, Liechtenstein & Hellmann, 1998; Jamal, 1997). Likewise, Smith (1992) claimed that job satisfaction can lead to reduce the cost for the organizations by decreasing job mistakes, mission faults, and absences from work. As regards Ramayah, Jatan and Tadisina (2001), job satisfaction interprets how willing enforce people to go to work, what makes people happy to go to work, and do not to leave the job. Employee satisfaction is a very important factor which helps the organization know about general emotions and expectations about the workplace, job and environment of employees. According to Wubuli (2009), job satisfaction is emphasized to be the most major element in the organization. Because to achieve success, the organization must keep their employees satisfied in the job. Similarly, job satisfaction is explained as the level of the positive or negative feeling of staffs toward their job. It is a sentimental response to job obligation as well as to the social conditions of the workplace (Ramman, 2011). Hence, more expectation of employee is satisfied, higher working efficiency is created. Thus, fulfillment of employee’s needs in job becomes strategic plan of not only human resource department but also the whole organization (Rizwan, Shahzad, Sheikh, Batool, Riaz & Saddique, 2013).

In the study of Akbar, Yousaf, Haq and Hunjra (2011), they illustrated that the empowerment, participation in making of decision, and the ability to take initiatives for employees leads to the higher level of job satisfaction.

The study of Calisir, Gumussoy & Iskin (2010) shown that salary and encouragement are the most important factors which affect job satisfaction. Similarly, Abdulla & Djeavani (2011) mentioned that some elements as acknowledgment of work, loyalty and promotion that have
an influence on the satisfaction of staff. And the special thing is that they found the primary factor for job satisfaction is salary.

According to Crossman and Abou-Zaki (2003) conducted a survey on 202 employees from nine commercial banks in Lebanon. The results showed salary and supervision have effects on satisfaction of employees. Besides, the research result of Mora, Ferrer-i-Carbonell and Ada (2009) indicated that within five factors of job satisfaction as job content, ability to apply knowledge acquired, job security, promotion ability, salary, three last factors affected job satisfaction significantly.

According to the study of Aiken and co-workers (2002), a survey was carried out on 43,329 nurses working at the hospital. The results illustrated that career advancement opportunity and salary have remarkable influences on job satisfaction of employees. The interesting thing of this research is that nurses in Germany were more satisfied with the opportunity for career advancement, whereas nurses in the United States and Canada felt more satisfied with their salaries.

According to the study of Opkara (2002), factors includes rewards, nature of work, leadership, colleagues’ relations, and chances for professional development has been contributed to job satisfaction. Moreover, Saba, Sadia & Tariq (2013) indicated that the factors as career advancement opportunities, recognition, responsibility, good feeling about the organization have a considerable relationship with employee satisfaction for work.

The research conclusion of Kennedy and White (1997) stated that training of employees play a crucial role in improving and developing the quality of service, concurrently strengthen professional skills of staffs, and ultimately raising their satisfaction and loyalty to the organization. Moreover, the research result of Butt, Rehman and Safwan (2007) demonstrated that some factors such as salaries, promotion and training have positive effects on job satisfaction.

A survey is conducted in Taipei City Government of Taiwan by Jun, Cai and Shin (2006) with the aim is to examine the antecedents of employees’ satisfaction and loyalty. The results asserted that empowerment, compensation, and teamwork are considerable predictors of employee satisfaction. Concurrently, it also claimed that increasing employee satisfaction led to the higher employee loyalty.
In the public sector, there are several researches which mentioned factors affecting job satisfaction. According to Pohlmann’s study (1999) shown that supervision, information, and salary are dissatisfied factors to employees in the public sector. Moreover, Ting (1997) stated that the experimental evidences shown that job characteristics such as salary, promotion opportunity, colleagues’ relations, supervisors have remarkable influences on job satisfaction of governmental staffs. Apart from that, another study indicated that job satisfaction of staffs in the public sector was significantly affected by the perception of their satisfaction on salary, promotion opportunity, relationships with supervisors, and the welfare (Ellickson et al., 2002). Furthermore, Turkyilmaz, Akman, Ozkan and Pastuszak (2011) have conducted an empirical study in the public sector in Turkey to examine some elements impacting job satisfaction of staffs. The results pointed out that training and development were two factors which have a significant effect on employees’ satisfaction. At the same time, the positive relation between employees’ satisfaction and loyalty is also found in this research.

2.2.1 The relationship between empowerment and employee’s satisfaction

Normally, it is said that the factor obstructs the process of finalizing an organization and causes dissatisfaction for employees is the managers. Because they have the power to decide, but they do not understand thoroughly every problems, conversely, employees understand clearly the situation, but they do not have the right to decide. In this case, the empowerment for employees could be a good solution. Clearly, in the current context of all organizations, if a staff is asked whether he wants to be empowered in the process of doing his job, the answer will be yes. Hence, it is said that empowerment has an important meaning for employees. This is because empowerment will create advantageous chances for employees to think, bring out decisions and action according to independent ways. Simultaneously, it leads to the satisfied feeling for employees when they can do any things which they think are right and be responsible for their job. He, Murrmann and Perdue (2010) illustrated that employee empowerment has good influences on perceived service quality and job satisfaction. The objective of empowerment is to develop and promote personal abilities and help workers gain their aims by allowing them to join in the process of making decisions in the organization (Velthouse, 1990).
2.2.2 The relationship between salary and rewards and employee’s satisfaction

One of the elements affect employees’ satisfaction which almost people think is salary and rewards. The salary is a way to express how valuable an employee is in an organization (Zohul, 1998). Basically, it is said that the salary is one of the key matters in order to keep and retain human resources, especially the talented people. Findings from a research which is done by Souza-Poza and Souza-Poza (2000a) indicated that the salary of staff is seen as a forecaster of job satisfaction. Likewise, the salary is considered as one of vital determinants to employees’ satisfaction, because it fulfills employee needs from the basic needs to and the upper-level needs. Employees often regard salary as a reflection of how management views their contributions toward an institution (Luthans, 2001).

Voynanoff (1980) sought that financial rewards are considerably associated with job satisfaction, regardless of occupational status. Maurer (2001) indicated that reward linked to an organization’s success as a result of job satisfaction of a staff, and it is also one of the primary elements to rise the satisfaction of employees (Turkyilmaz, Akman, Ozkan, & Pastuszak, 2011). If companies develop the reward system for their employees it will increase the satisfaction level of the employee (Coomber and Barriball, 2007).

2.2.3 The relationship between training and employee’s satisfaction

According to Birdi, Clegg, Patterson and Robinson (2008), training plays a major role in the competitive strategy of numerous institutions in the present circumstances. Training can help the institution reach a lot of vital targets (Li, Zhao & Liu, 2006). This is the reason that the majority of institutions have invested a great number of money on training for staffs annually (Allen & Hartman, 2005). Training has an important meaning, contributing positively in improving qualification, work ability, the quality and efficiency of work of officials (La, 2015). Training is seen as an invested form of an individual or an organization for source of human capital (Wetland, 2003). Training is the process which transferred from what people must learn to what they must do or how they perform on the job (Robinson & Robinson, 1995). Training is understood as the learning activities to improve current skills of employees for their job (Nadler, 1990). According to Noe (2008), training is the planned activities which are implemented by an institution in order to transfer the job knowledge and skills, enhance the attitude and behavior of workers which are suitable with objectives of the institution.
Pugh (1984) said that training have a positive effect on employees’ satisfaction, because untrained workers often feel uncomfortable and tend to change another job. Likewise, Landy (1985) considered that training as an increase in positive and effective attitude toward job and also gives opportunities to build a strong career which will increase the employee satisfaction in organizations.

2.2.4 The relationship between career advancement opportunities and employee’s satisfaction

Vroom (1982) shown that promotion opportunities are important to employees’ satisfaction in work. Vroom claimed that job satisfaction is directly concerned with the level that jobs supply individuals with corresponding results. It is clear that employees believe that the achievement of organizational objectives brings to personal rewards, particularly promotion prospects, from there, whether or not these rewards is able to influence their satisfaction. Furthermore, Schneider, Gunnarson and Wheeler (1992) mentioned that in a stable workplace, a promotion chance is important to the satisfaction of an employee. The clear proof is written by them is that: “Employees who perceive few opportunities for advancement have negative attitudes towards their work and their organizations” (Schneider et al., 1992, p. 58). Later researchers proved that career advancement opportunities have an closed relationship with workers’ satisfaction (Pergamit & Veuum, 1999; Peterson and his colleagues, 2003; Sdafane, 1999, as cited in Luddy, 2005).

3. Research Problem

3.1 Research Question

1. What is the level of empowerment, salary and rewards, training, career advancement opportunities and employee’s satisfaction in the micro credit organizations in Batticaloa.
2. What is the relationship between empowerment and employee’s satisfaction in the micro credit organizations in Batticaloa.
3. What is the relationship between salary and rewards and employee’s satisfaction in the micro credit organizations in Batticaloa.
4. What is the relationship between training and employee’s satisfaction in the micro credit organizations in Batticaloa.
5. What is the relationship between career advancement opportunities and employee’s satisfaction in the micro credit organizations in Batticaloa.

3.2 Research objectives

1. To measure the level of empowerment, salary and rewards, training, career advancement opportunities and employee’s satisfaction in the micro credit organizations in Batticaloa.
2. To find out the relationship between empowerment and employee’s satisfaction in the micro credit organizations in Batticaloa.
3. To find out the relationship between salary and rewards and employee’s satisfaction in the micro credit organizations in Batticaloa.
4. To find out the relationship between training and employee’s satisfaction in the micro credit organizations in Batticaloa.
5. To find out the relationship between career advancement opportunities and employee’s satisfaction in the micro credit organizations in Batticaloa.

4. Conceptualization
The conceptual approach for this research study is based on a broad theoretical framework and the study examines the influence empowerment, salary and rewards, training, career advancement opportunities and employee's satisfaction in the micro credit organizations in Batticaloa.

5. Methodology

5.1 Study Setting
For the study of the factors influencing employee’s satisfaction at the micro credit organizations in the Batticaloa, data were collected based on primary and secondary sources. Primary data collected by issuing questionnaire and secondary data collected from past research papers, literature, reports, and internet.

One hundred questionnaires were issued to the selected micro credit organizations in Batticaloa on a Simple random sampling method. For this study purpose, empowerment, salary and rewards, training, career advancement opportunities were analyzed to carry out the study on employee’s satisfaction. Employee’s satisfaction was considered as depended variable.
4.2 Unit of Analyses

The unit of analysis refers to the level of aggregation of the data collected during the subsequent data analysis stage. This study concerned the unit of analysis was individual staff of selected micro credit organizations in Batticaloa.

4.3 Time Horizon

This study was a cross sectional one in the time horizon, because data were collected in a one single time from the respondents.

4.4 Sample Size, Sampling Distribution

Sample selection is very significant process in conducting a research because in any research it is very difficult to examine entire research area or whole population. At the same time, when select a sample research should take more care because the findings taken through analyzing the sample is common for whole population. In this research researcher consider selected micro credit organizations in Batticaloa. There are 154 employees working in the of selected micro credit organizations in Batticaloa. Out of these staff, only 100 were selected as sample to conduct this research by using simple random sampling method.

4.5 Method of Measurement

Likert scale of 1-5 which ranges from “Strongly Disagree” to “Strongly Agree” was applied in the questionnaire to evaluate responses. The numerical values was given for the purpose of quantification of variable as follows:

1. Strongly disagree
2. Disagree
3. Neither Agree nor Disagree
4. Agree
5. Strongly agree

4.6 Data presentation, analysis and evaluation
Data was presented using tables, bar charts and pie charts. Meanwhile Inferential and descriptive analysis was used for data analysis. Hence under the descriptive analysis, mean and standard deviation was derived from the analysis of samples. In inferential analysis, correlation and multiple linear regressions were applied. Statistical package of SPSS 19.0 was used for this purpose. Furthermore criteria shown in table were adopted to evaluate mean values.

Table 1 Evaluation criteria for mean values

<table>
<thead>
<tr>
<th>Range</th>
<th>Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ≤ X ≤ 2.5</td>
<td>Low level</td>
</tr>
<tr>
<td>2.5 &lt; X ≤ 3.5</td>
<td>Moderate level</td>
</tr>
<tr>
<td>3.5 &lt; X ≤ 5.0</td>
<td>High level</td>
</tr>
</tbody>
</table>

Source- Formed for this research

5. Analysis and Findings

5.1 Descriptive statistics

This section presents mean standard deviation and correlation for the variables of empowerment, salary and rewards, training, career advancement opportunities. It further gives the same details to the individual statements of each variable. Mean values have been distributed based on Likert scale between the values 1-5 which represent “Strongly Disagree” to “Strongly Agree”. Meanwhile mean values were evaluated based on already established evaluative criteria which range from “Low level” to “High level”.

Table 2 Mean and standard deviation for the independent and dependent variable.
Table 2 presents the mean values and standard deviations for various variables in the study.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Independent Variables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empowerment</td>
<td>3.98</td>
<td>0.546</td>
</tr>
<tr>
<td>Salary and rewards</td>
<td>4.26</td>
<td>0.564</td>
</tr>
<tr>
<td>Training</td>
<td>3.95</td>
<td>0.537</td>
</tr>
<tr>
<td>Career advancement opportunities</td>
<td>3.59</td>
<td>0.519</td>
</tr>
<tr>
<td><strong>Dependent Variable</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee’s satisfaction</td>
<td>3.63</td>
<td>0.636</td>
</tr>
</tbody>
</table>

As presented in Table 2, Empowerment had a mean value of 3.98 which fall under the evaluative category of high level. The Standard deviation is 0.546 which indicate that most of the employees in the organizations is experiencing a higher level empowerment and their satisfaction is higher.

The dimension “Salary and rewards” had a mean value of 4.26 and standard deviation 0.564 (Table 2). It implies that most of the employees in the organization perceive their salary and rewards at high level.

The mean value and standard deviation for the dimension “Training” had 3.95 and 0.537 (Table 2). It implies that most of the employees in the organization have been given adequate training to perform their work effectively and efficiently.

The mean value and standard deviation for the dimension “Career advancement opportunities” had 3.59 and 0.519 (Table 2). It implies that most of the employees in the organization have been given adequate opportunity for career advancement opportunities.

The mean value and standard deviation for “Employee’s satisfaction” had 3.63 and 0.636 (Table 2). It implies that most of the employees in the organization are highly satisfied with the organization and their work.

**5.2 Correlation analysis**
Correlation values were found to determine relationship between variables of empowerment, salary and rewards, training, career advancement opportunities and Employee’s satisfaction. By observing the data, a significant positive relationship exists between the independent variables and dependent variable that is empowerment, salary and rewards, training, career advancement opportunities and Employee’s satisfaction. The table 3 showed a correlation matrix, which described such relationship between variables.

Table 3 Correlation between the variables of empowerment, salary and rewards, training, career advancement opportunities and Employee’s satisfaction.

<table>
<thead>
<tr>
<th>Independent Variable &amp; Dimensions</th>
<th>Employee’s satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Empowerment</td>
<td>0.690**</td>
</tr>
<tr>
<td>Salary and rewards</td>
<td>0.663**</td>
</tr>
<tr>
<td>Training</td>
<td>0.636**</td>
</tr>
<tr>
<td>Career advancement opportunities</td>
<td>0.546**</td>
</tr>
</tbody>
</table>

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

The table 3 showed that each independent variable marked a significance relationship with the employee satisfaction. Empowerment has a correlation value of 0.690, Salary and rewards have a correlation value of 0.663, Training has a correlation value of 0.636, and Career advancement opportunities have a correlation value of 0.546. The correlation analysis described how the relationship between dependent variables exists at 5% significant level.

This reveals that empowerment, salary and rewards, training, career advancement opportunities positively correlated with employee readiness for organizational change. These results showed that each independent variable had higher significant relationship with employee satisfaction. Thus, the scale can be applied to ascertain employee attitudes and behaviours regarding employee satisfaction.
6. Conclusion and recommendations

6.1 Conclusion
An organization is managed and built up by human beings. Without human beings, the organization does not exist. It is said that “human is the most valuable property of the organizations”. That is to say the human resource is the key to success.

To perform this, these organizations need to increase the satisfaction in work for employees. Because, job satisfaction is one of the key factors for both workers and the success of every organization. Thus, to increase job satisfaction of employees, managers need to pay special attention to the issue of salary and rewards. Simultaneously, the organization is also interested in the matters of training and empowerment for employees. This will bring satisfaction for staffs. The fact that once employees get the job satisfaction, they will be motivated to work harder, that in turn leads to higher work efficiency. Thence, employees become close-knit to the organization, and consider this place is their “family” as well as increase their loyalty to the organization. As a result, they want to contribute much more their abilities to the overall development of the organization. In other words, they determine on pursuing the common goals of the institution.

6.2 Recommendations
In order to improving the satisfaction and loyalty of employees, managers focus on increasing all items which are belong to the variables such as empowerment, salary and rewards, training, and career advancement opportunities.

It is true to affirm that salary and rewards are important factors in protecting the benefits of workers. Obviously, good policies will contribute to improving staffs’ satisfaction in work. Because when employees feel their interests are implemented better from organizations, it will increase the level of employee satisfaction.

The fact that a reward not only has material interests, but also has a great meaning is to create an invaluable spiritual motivation to affirm the social position of a person or a group toward the community according to certain social norms. Concurrently, the rewards
also make employees feel more satisfied in work. Therefore, the best solution of managers is to have a general unification on the issue of rewards in all levels.

Managers should focus more on training and empowerment because of the importance of these factors. Thus, managers should create numerous chances for employees to learn and research through training programmes in the short and long term of the institution.

7. Reference.


