

CHAPTER II

LITERATURE REVIEW

This chapter reviews the relevant literature on job satisfaction, its determinants and its effects. There are many definitions of job satisfaction. Mumford (1972) defines job satisfaction as “an individual liking more aspects of his work than he dislikes”. Vroom (1962) defines job satisfaction as “the positive orientation of an individual towards the work role which he is presently occupying”. Applewhite (1965) describes job satisfaction as “the sum total measure of the people met, the opportunities, the prestige, and the money and security on the job”. Blum and Naylor (1956) defines job satisfaction as “the result of various attitudes possessed by an employee.....related to the job and concerned with such specific factors as wages, supervision, steadiness of employment, conditions of work, advancement opportunities, recognition of ability, fair evaluation of work, social relations on the job, prompt settlement of grievances, fair treatment by employer, and other similar items”. As a subject of study, job satisfaction is closely related to motivation, organisational environment, personal needs and expectations, employee turnover, production, performance, etc.

An Overview of Job Satisfaction

If a study is carried out to measure the performance of a group of people who are doing the same job, the outcome will be that some will do it better than

others. This will be true whatever the group consists of: secretaries, clerks, assemblers, salesmen or managers. Furthermore, a quantitative measurement of their performance may reveal that the best person in the group performs two, five or even ten times better than the poorest person. What are the causes of these differences in performance?

One factor which causes differences in performance is the varying abilities or skills of the individuals concerned. People have different amounts and different kinds of experiences and vary in the degree to which they possess the necessary intellectual and other endowments to learn from this experience. This particular aspect has led to a number of different strategies on the part of organisations for improving worker performance: to select workers for a particular job who have the ability or skills necessary for its performance, to emphasise on training to develop the necessary abilities or skills of workers, and even to change the content of jobs to make them consistent with the existing abilities or skills of the workers.

Another factor which causes differences in performance is the workers' motivation. At any given point in time, workers vary in the extent to which they are willing to direct their energies towards the attainment of organisational objectives.

Through many studies, it is now clear that this difference in performance can be attributed to both factors: the ability or skills of the individual to perform the job, and his motivation to use this ability or skill in the actual performance of the job. Furthermore, performance is not equal to the sum of an individual's ability and motivation, but rather to the product of these two variables. Increasing the motivation of persons high in ability will lead to a greater increase in performance than increasing the motivation of persons low in ability. Similarly, there is more to be gained from increasing the ability of individuals who are high in motivation than of individuals

who are low in motivation. Therefore, the effects of each of these variables on performance is dependent upon the existing amount of the other.

The second of these two variables, motivation, is closely related to the subject of this study - job satisfaction. In studies on motivation, researchers have established an inseparable link between motivation and job satisfaction. In fact, many studies on motivation use job satisfaction as a measurement of the individual's response to the motivational techniques employed by the management. In one of the approaches to motivate workers, management assumes that employees will be motivated to perform their jobs effectively to the extent to which they are satisfied with these jobs. This leads to the belief that the greater the extent to which an employee's needs are satisfied in his job, the greater the extent to which he will respond (presumably out of gratitude or loyalty) by performing effectively in that job. In another approach to motivate workers, management assumes that an employee will be motivated to work if rewards and penalties are tied to his performance. This approach (which is based on the Law of Effect or the principle of reinforcement) assumes that if a person undertakes an action and this action is followed by a reward which satisfies his needs, the probability that the action will be repeated is increased. In yet another approach to motivate workers, management assumes that individuals can derive satisfaction from doing an effective job *per se*. They become ego-involved with their jobs, emotionally committed to doing them well and take pride from the evidence that they are effective in furthering the objectives of the organisation. All these approaches have one thing in common: the inseparable link between motivation and job satisfaction.

Individual Need Satisfaction

For an individual to participate in an organisation and contribute towards organisational goals, he must receive in return inducements which would satisfy his personal needs. Simon (1947) provides an explanation of this inducements-contributions theory, which views individuals as receiving inducements in the form of pay, recognition, prestige, etc., and then contributing in the form of time, effort, production, etc., to the organisation. The individual's decision to participate in the organisation is determined by the relative magnitude of inducements and contributions when both are measured in terms of his values or motives.

Maslow (1943) in his theory of human motivation portrays a conception of the range of basic human needs. This hierarchy of needs starts from physiological needs (most basic of all human needs: need for biological maintenance, food, water, etc.), advances to safety needs (need for security, protection and stability in the physical and interpersonal events of day-to-day life), love needs (need for love, affection, sense of belonging in one's relationships with other persons), esteem needs (need for the esteem of others: respect, prestige, recognition, need for self-esteem, personal sense of competence, mastery), and finally need for self-actualization (highest need level: need to fulfill one's self; to grow and use one's abilities to the fullest and most creative extent). Individuals are motivated by the desire to achieve or maintain the various conditions upon which their basic satisfaction rests and by certain more intellectual desires. Maslow states that these basic needs are related to one another, being arranged in a hierarchy of prepotency. This means that the most prepotent need will monopolise consciousness and will tend of itself to organise the recruitment of the various capacities of the organism. At this stage, the less prepotent needs are

minimized, even forgotten or denied. But when a need is fairly well satisfied, the next prepotent or higher need emerges to dominate in turn the conscious life and to serve as the center of organisation of behaviour, since gratified needs are not active motivators.

Accordingly, the human being is a perpetually wanting animal. Ordinarily, the satisfaction of these wants is not altogether mutually exclusive. The average person is most likely partially satisfied and partially unsatisfied in all of his wants. Furthermore, the hierarchy principle is usually empirically observed in terms of the increasing percentage of non-satisfaction as one goes up the hierarchy. Reversals of the usual order of the hierarchy are sometimes observed. An individual may permanently lose the higher wants in the hierarchy under special conditions. There are ordinarily multiple motivations for his usual behaviour as well as many determinants other than motives.

What are the other determinants of human needs? Morse and Weiss (1955) in their research of working men in the United States revealed that in addition to the economic reason of earning a livelihood, men work to have a purpose, to gain a sense of accomplishment and to express themselves. Not working will leave them aimless and without opportunities to contribute, no adequate outlets for physical activity and no purpose in life.

Determinants of Job Satisfaction

Jobs and the environments in which they are performed have seldom been designed to satisfy the needs or motives of those who are to work in them. The principal consideration has been the effectiveness with which the work is carried out and the degree to which the goals of the organisation are attained. Nonetheless, the

requirement that persons be found who will be willing to perform them, has resulted in at least minimal attention to the congruence between the nature of jobs and human motives. In addition, the organisation of workers into trade unions has augmented their individual bargaining power over wages, hours and the physical conditions of work, and governments have frequently regulated the minimum standards of work. Within these limits, it is evident that there are marked differences in the degree to which individuals derive need satisfaction from their work. What then are the determinants of job satisfaction?

Frederick Herzberg (1966) in his Motivation-Hygiene Theory proposes that satisfaction and dissatisfaction should be regarded as different dimensions rather than different ends of the same dimension. He argues that satisfaction results primarily from the content of the job, whereas dissatisfaction results from the context of the job. Herzberg, Mansner and Snyderman (1959) find five factors stand out strongly as determinants of job satisfaction: achievement, recognition, the work itself, responsibility and advancement. They also find another set of factors which account for job dissatisfaction: company policy and administration, supervision, salary, interpersonal relations and working conditions. Herzberg et al. contend that these two sets of factors have two separate themes. The factors which contribute to job satisfaction (called the motivators) all seem to describe man's relationship to what he does: his job content, achievement on a task, recognition for task achievement, the nature of the task, responsibility for a task and professional advancement or growth in task capability. On the other hand, the factors that contribute to job dissatisfaction (called the hygiene factors) all seem to describe man's relationship with the context or environment in which he does his job: the kind of administration and supervision

received in doing the job, the nature of interpersonal relationships, working conditions that surround the job, and the effect of salary. One cluster of factors relates to what the person does and the other cluster to the situation in which he does it. The hygiene factors serve to prevent job dissatisfaction, while the motivators serve to motivate the individual to superior performance and effort. The reasons behind the two different sets of factors may be explained at the psychological level of a person. For the hygiene factors, they lead to job dissatisfaction because of a need to avoid unpleasantness. For the motivators, they lead to job satisfaction because of a need to grow or self-actualisation.

Apart from Herzberg et al., other researchers have also linked job satisfaction with the factors which affect it. Barnett, Handelsman, Stewart and Super (1952) find that pay is positively correlated with improved job satisfaction. Zelenik, Christensen and Roethlisberger (1958) find a similar positive correlation with the amount of acceptance by co-workers. Likert (1961) finds a similar positive correlation with the amount of consideration shown by superiors. Walker and Guest (1952) find a similar positive correlation with the number of different operations performed in jobs. Vroom (1960) finds a similar positive correlation with the amount of influence in decision making. Porter (1962) finds a similar positive correlation with the level in the organisation.

Other findings have also revealed more factors related to job satisfaction: Guest (1957) reports increased job satisfaction following job enlargement; Morse and Reimer (1956) report more favourable worker attitudes following an increase in their influence in decision making, and less favourable attitudes following increased hierarchical control; and Meyer, Kay and French (1965) report more

favourable attitudes towards management and towards the appraisal system on the part of employees as a consequence of the introduction of a work planning and review system which provides greater opportunities for subordinates to participate in problem solving and in the setting of performance goals.

Basic to why the above factors influence people to behave in a certain manner is the theory of motivation. Jones (1959) points out that motivation theory attempts to explain “how behaviour gets started, is energised, is sustained, is directed, is stopped and what kind of subjective reaction is present in the organism”. Vroom’s (1964) expectancy theory states that an employee’s motivation to perform effectively is determined by two variables. The first variable is contained in the concept of an effort-reward probability. This is the individual’s subjective probability that directing a given amount of effort towards performing effectively will result in his obtaining a given reward or positively valued outcome. This effort-reward probability is determined by two subsidiary subjective probabilities: the probability that effort will result in performance, and the probability that performance will result in the reward. Vroom refers to the first of these subjective probabilities as an ‘expectancy’, and to the second as an ‘instrumentality’.

The second variable is the concept of reward value or valence. This refers to the individual’s perception of the value of the reward or outcome that might be obtained by performing effectively. In turn, the reward value of outcomes stems from their perceived ability to satisfy one or more needs, and such needs are the list of needs suggested by Maslow (aforementioned).

The evidence indicates that, for a given reward, the reward value and the effort-reward probability combine multiplicatively in order to determine an

individual's motivation. This means that if either is low or non-existent, then no motivation will be present. Thus, for an individual reward or outcome, the multiplicative combination of its value and the appropriate effort-reward probability is necessary. Furthermore, since an individual's motivation is influenced by more than one outcome, it is necessary to combine the data concerned with a number of different outcomes. This can be done for an individual worker by considering all the outcomes he values and then by summing the products obtained from multiplying the value of these outcomes to him by their respective effort-reward probabilities.

In this study, of all the factors described above, six factors are used to study the job satisfaction of engineers. These are: economic rewards, superior-subordinate relationship, relationship with peers, relationship with the job, organisational climate and off-the-job rewards.

Effect of Job Satisfaction

The effect of job satisfaction or the lack of it has been studied to correlate it with consequences of management concern like turnover, absenteeism, productivity, performance, mental health, etc.

In a study on need satisfaction and employee turnover, Ross and Zander (1957) established the fact that the degree of satisfaction of certain personal needs supplied by a person's place of employment has a significant direct relationship to his continuing to work for that company. These personal needs are for recognition, for autonomy, for a feeling of doing work that is important and for evaluation by fair standards. In addition, knowing important people in the organisation is related to continued employment. Besides this degree of need satisfaction provided by the job,

the degree to which the employment situation limits satisfactions which the worker can receive from his family and from his community is found to be related to turnover as strongly as the failure to receive need satisfaction on the job. However, such interference with off-the-job sources of satisfaction is not related to experiencing dissatisfaction on the job. Therefore, there are two essentially different kinds of reasons for leaving the employing organisation. Some people resign for one of the two reasons, and some resign for both reasons: that the job itself does not satisfy needs and that it also keeps them from receiving off-the-job satisfaction. They conclude from the study that workers whose personal needs are satisfied on the job are more likely to remain in the organisation.

Can the same be true for performance? Will increased satisfaction make workers more motivated to produce?

Under conditions of marked dissatisfaction, it is likely that low productivity may serve as a form of aggression which reflects workers hostility towards management. Another possible situation is that production will increase with increases in satisfaction. This situation assumes that the worker will demonstrate his gratitude by increased output, or that the increased satisfaction frees certain creative energies in the worker, or that the satisfied employee accepts management's goals, which include high production.

However, Brayfield and Crockett (1955) find that the motivational structure of individual workers is not so simple, and that differences between workmen may make a difference in their reactions to increased satisfaction. The relationship between satisfaction and job performance is one of concomitant variation rather than cause and effect. Individuals are motivated to achieve certain environmental goals and

the achievement of these goals results in satisfaction. Productivity is seldom a goal in itself, but is more commonly a means to goal attainment. Therefore, high satisfaction and high productivity may occur together when productivity is perceived as a path to certain important goals and when these goals are achieved. However, under other conditions, satisfaction and productivity may be unrelated or even negatively related. From their analysis of the individual's needs and satisfaction in relations to his community inside and outside of the plant, relationship with work group and company structure, Brayfield and Crockett come to two conclusions: first, that satisfaction with one's position in a network of relationships need not imply strong motivation to outstanding performance within that system and, second, that productivity may be only peripherally related to many of the goals towards which the individual worker is striving.

Locke (1970) agrees with such findings of weak or no relationship between job satisfaction and performance. Tannenbaum (1966) also states that an individual may be satisfied, but this indicates little of his motivation to work, particularly when satisfaction does not depend on the amount of effort put into the work.

Kornhauser (1965) adds another consequence of job satisfaction from his analysis of workers in Detroit: mental health. He concludes that jobs in which workers are better satisfied are conducive to better mental health; jobs in which large numbers are dissatisfied are correspondingly conducive to poorer average mental health. Moreover, in each occupational category, the better satisfied individuals enjoy better mental health than those less satisfied. Finally, the satisfied in lowest-level jobs have mental health scores similar to those of workers in higher jobs, and the

dissatisfied among skilled and high semi-skilled workers tends to resemble the lower-skill groups. The evidence as a whole shows that gratifications and deprivations experienced in work and manifested in expressions of job satisfaction and dissatisfaction constitute an important determinant of workers' mental health. Such job conditions impinge on employee wants and expectations to produce satisfaction and frustration which in turn give rise to favourable or unfavourable perceptions of self-worth, opportunities for self-development and prospective gratification of needs.

Job Satisfaction and Job Factors

In this study, job satisfaction was explained in relation to six job factors which contribute towards it. These job factors are discussed in the following paragraphs.

Job Satisfaction and Economic Rewards

Economic rewards come in the form of salary, incentive scheme, bonus, promotion, allowance, commission, subsidised housing, loans, etc. Opsahl and Dunnette (1966) give five interpretations of money in affecting job satisfaction. The first views money as a generalised conditioned reinforcer because of its repeated pairing with primary reinforcers. Skinner (1953) has stated that such a generalised reinforcer should be extremely effective because some deprivation will usually exist for which the conditioned reinforcer is appropriate.

The second views money as a conditioned incentive, where repeated pairings of money with primary incentives establish a new learned drive for money. The

act of receiving money serves to establish a drive-increasing function, and becomes a drive-reducing function when money is easily obtainable.

Money also acts as an anxiety reducer, reducing the anxiety signifying the absence of it. Anxiety caused by the lack of money is believed to be acquired in childhood through a process of higher-order conditioning.

Money also acts as a hygiene factor, as postulated by Herzberg et al. It is a potential dissatisfier if not present in appropriate amounts, but not a potential satisfier or motivator. According to Herzberg et al., improvement in salary may only remove impediments to job satisfaction but does not actually generate job satisfaction. The main value of money is that it leads to both the avoidance of economic deprivation and the avoidance of being treated unfairly. Therefore, its hygienic role is one of avoiding pain and dissatisfaction (disease) but not one of promoting heightened motivation (health).

The fifth interpretation views money as an instrument for gaining desired outcomes. Vroom (1964) explains that money acquires valence because of its perceived instrumentality for obtaining other desired outcomes. In this way, the force that impels a person towards action is the product of the valence of an outcome and the person's expectancy that the action will lead to attainment of the outcome.

Gallerman (1963) also states that money in itself has no intrinsic meaning and acquires significant motivating power only when it comes to symbolise intangible goals. Money acts as a symbol in different ways for different persons, and for the same person at different times.

While there are other studies on this factor, it can be concluded that economic rewards is an important factor contributing to job satisfaction, but not the only one.

Job Satisfaction and Superior-Subordinate Relationship

Leadership in an organisation is a contributory factor in motivation and has an effect on the job satisfaction of employees. The behaviour of the superior has a great deal of influence upon the subordinate and can be a source of motivation or demotivation.

On the superior-subordinate relationship, Simon (1947) suggests that there is an “expectation of obedience” by the superior and a “willingness to obey” by the subordinate. He states that the subordinate will obey as far as the instruction falls within an established “area of acceptance” or a “zone of indifference”. Fiedler (1967) postulates that the effectiveness of a group is contingent upon the leadership style and the degree to which the group situation enables the leader to exert influence. The leader plays an active role in group performance, group morale and job satisfaction.

Another aspect of this relationship is in the process of decision making. Participation in decision making is an important source of job satisfaction which is often ignored by management. By participating, the employee becomes ego involved instead of merely task involved, deriving more job satisfaction along the way.

Job Satisfaction and Relationship With Peers

The work group serves as a source of job satisfaction in terms of social relationships, interaction and sharing things in common. In addition, group norms such

as job behaviour, level of output and pattern of work are established. While associating with the peer group will provide a certain amount of job satisfaction, alienation from the group may prompt feelings of powerlessness, meaninglessness, normlessness, isolation and self-estrangement.

The famous Hawthorne studies by Elton Mayo show that groups which work closely together develop certain practices, and the values and norms of the group become more important to the group members than monetary rewards. Such work groups also have less absenteeism than less cohesive groups.

Katz (1964) states that the stimulation, approval and the support derived from interacting with colleagues are a potent form of motivation and represent a form of instrumental reward. Such satisfaction from work groups may also increase if members have similar attitudes and values.

Finally, the importance of peer relationships in contributing to satisfaction is not surprising since man is a social animal and has a need for human interaction and relationships. This need is part of Maslow's hierarchy of human needs.

Job Satisfaction and Relationship With the Job

The job itself provides opportunities for the worker to achieve job satisfaction through achievement, recognition, utilisation of skill and knowledge, self advancement and self actualisation. Herzberg et al. term job content as the motivator, the factor which contributes directly to job satisfaction.

Lawler (1969) contends that job content is the critical determinant of whether employees believe that good performance on the job leads to feelings of accomplishment, growth and self-esteem, that is, whether individuals will find jobs to

be motivating. Katz (1964) notes that job satisfaction for an employee comes from doing the job itself and accrues from the expression of his ability and from the exercise of his judgment.

Job satisfaction is derived from the intrinsic rewards in the job and stems directly from the performance of the job itself. These rewards satisfy higher order needs, such as self-esteem and self-actualisation.

Job Satisfaction and Organisational Climate

This factor refers to the organisational structure, the decision making process and organisational goals and policies.

Simon (1947) states that individuals are willing to accept organisation membership when their activity in the organisation contributes, directly or indirectly, to their own personal goals. For the individual, he places his time and effort at the disposal of those directing the organisation, to be used as they see fit within certain limits, in return for the achievement of personal goals (inducements). For the organisation, the offer of the inducements entitles it to bring the individual into the authority and system of the organisation, for the attainment of organisational goals.

The structure of the organisation plays a contributory role towards job satisfaction. Ivancevich and Donnelly (1975) report from a study of 295 salesmen in three organisations that a relationship exists between organisational structure and job satisfaction. Those in flat organisations perceive more satisfaction in terms of autonomy and self-actualisation because of fewer hierarchical levels and greater participation in decision making and other organisational activities.

Working conditions also play a role in improving job satisfaction. Conditions such as air-conditioning, cleanliness, adequate work space and adequate equipment affect a person's satisfaction during work.

Job Satisfaction and Off-The-Job Rewards

More and more value seem to be placed on off-the-job rewards like more leisure time, greater involvement in community work and contributions to society and nation.

Sutormeister (1976) observes that as society becomes more affluent and lifestyles begin to change, there is increased appreciation for less hectic work schedules and more leisure time. Satisfaction derived from things apart from work contributes to the person's quality of life. The social needs of workers can be satisfied off-the-job, as in community activities.

Such changes in the needs of individuals and evidence of management's recognition of these changes can be seen in the introduction of flexi-time, job sharing, shorter working weeks, early retirement, etc.

Review of the Employment Survey by the Institution of Engineers Malaysia

The Institution of Engineers Malaysia (IEM) carried out an employment survey among its members in 1994. The purpose of the survey was to obtain information pertaining to the employment of its members: employment status (fully, partly, or self employed), job classification (technical, management, sales/marketing, lecturing/teaching, etc.), industry (consultant, construction, public utilities, manufacturing, education, etc.), and remuneration. The survey included a probing

question on job satisfaction to gauge the respondents' perceived satisfaction on the job and on their remuneration. Finally, the respondents were asked to choose factors that matter to job satisfaction from a list of six factors: personal growth opportunity, salary, job responsibility, good working relationship with peers, opportunity to be innovative, and more free time from the job. As the target population of the IEM survey (all IEM members) is different from that in this study, only relevant information will be highlighted.

The IEM survey found that the major industry employers are the consulting industry (24.8%), followed by the construction industry (15.6%). Public utilities/services employ 13.1% and the manufacturing industry employ 12.7%, while the remaining industries employ less than 10% each.

For average gross annual salary by industry, the consulting industry ranks sixth after trade/services, petroleum, construction, property development, and manufacturing. The industry pays better than telecom/power, information technology, education and public utilities/services. However, for remuneration in kind, the consulting industry ranks last.

On satisfaction with remuneration and overall job satisfaction, the responses received in the survey are shown in Table 2.1. For remuneration, 76.3% of the respondents were satisfied while 23.7% were dissatisfied. For job satisfaction, 66.5% of the respondents were satisfied while 33.5% were not. In the quadrant where the respondents were satisfied with both the job and remuneration, there were 60.6% of the respondents, compared with 17.8% in the quadrant where the respondents were dissatisfied with both the job and remuneration. 15.7% of the respondents were satisfied with their remuneration but dissatisfied with their job, compared with 6% who

were dissatisfied with their remuneration but satisfied with their job. Unfortunately, no statistical analysis was carried out to test the significance of the relationship between satisfaction with remuneration and job satisfaction.

TABLE 2.1
SATISFACTION WITH JOB AND REMUNERATION

Remuneration Perception	Job Satisfaction				Row Total
	Not at all satisfied	Not too satisfied	Satisfied	Very satisfied	
Very poor	27	28	8	1	64
Poor	15	293	107	6	421
Satisfactory	11	290	807	42	1150
Good/Excellent	1	19	310	79	409
Column Total	54	630	1232	128	2044

Source : IEM Employment Survey (1994)

Finally, the IEM survey found the following job factors to be important to job satisfaction: personal growth opportunity (1381 responses), salary (1278 responses), job responsibility (1106 responses), good working relationship with peers (914 responses), opportunity to be innovative (811 responses), and more free time from the job (356 responses). However, three of the factors above (personal growth opportunity, job responsibility and opportunity to be innovative) were highly correlated among themselves and so can be grouped together as one factor, viz. relationship with the job. The outcome of the survey should therefore have only four factors: relationship with the job, salary, relationship with peers and more free time from the job. It should be noted that other important factors, such as superior-subordinate relationship and organisational climate, were inadvertently not included in the survey.