

Chapter 1

1.0 Introduction

During the last seven decades, many studies have been conducted relating to job satisfaction. Most of these studies have been done in the United States. The interest to study about job satisfaction began in the 1920's. The first man who conducted a related studied was Elton Mayo at the Western Electrical Company in 1920s (Gruneberg, 1976). Since than, research on job satisfaction has been continuously increased. In 1976, Locke (1976:1297) estimated that more than three thousand articles concerning job satisfaction have been produced. Yet, many researchers are not satisfied with the progress of the understanding of job satisfaction. They have tried hard to understand employee morale and to establish relationships between job satisfaction and other independent variables (Cohen, 1974). Elton Mayo had his famous Hawthorne studies conducted at the Western Electrical Company in the 1920s (Gruneberg, 1976). Mayo's studies were primarily to investigate the effects of physical conditions and equipment used for production. In this research, Mayo found that factors of a social nature were affecting job satisfaction and production.

Before the 1990's, people like Frederick W. Taylor and Charles Babbage were more concerned on money as a great motivating factor (influences) to increase productivity and performance. But, in the 1920's Hendry Fayol, was the first administration man, who talked about motivation and job satisfaction. Fayol argued that money itself is insufficient to lead to a better performance and productivity. Since then, many theories concerning job satisfaction have been developed . For example, Maslow's Hierarchy

Theory (Herzberg, 1959:95), Inequity Theory (Adam , 1963:424), Human Resources Model (Elton Mayo :1920's), Theory X and Theory Y Model (Donald Mc Gregor) and etc. .

In the current Malaysian context, it seems clear that a great number of people live or transfer from one organisation to another, due to the great expansion in the development of the economy in general: and the industrial sectors as specifically. This leads to circumstances over which the organisation had no control. For example, an employee may seek to gain meaningful experience in the next job. Another may want to move because of a better offer, but not as result of dissatisfaction with his current job. However, some employees leave because their organisations fail to exercise control over jobs and instil discipline. Good administrators must realise that a high rate of turnover of employees would undoubtedly result in an organisation of limited commitment, ineffective curriculum development and organisation unrest. It not only affects the goodwill of the organisation, but also the well being of the employees as well. (Nicholson and Milgus, 1972). The studies indicate that job satisfaction is a prerequisite to long tenure and good performance; and hence to organisational effectiveness (Wood, 1976).

Each working individual spends nearly one third of his day's activities at the work place. Dissatisfaction of the work may lead to frustration and end up with depression. The main cause of dissatisfaction of employees is because, employers treat employees as a mean and not as ends in themselves. A German philosopher Immanuel Kant said that the employer as a rational creature should always treat employees as ends in themselves and never as only means to ends. Price (1977:11) and Mobley (1982:10)

were very much concerned about the relationship between the “individual members” and the “organisation”. A poor relationship will cause high turn over and vice versa. So it clearly shows, that poor relationships mean poor individual satisfaction toward the organisation and cause high turnover of employees. Developing a good relationship leads to good job satisfaction. Emphasis on job satisfaction should be given to all aspects of a job.

Job satisfaction and dissatisfaction may also affect society as a whole. In the research of Quinn, Staines and Mc Cullough (1974) they observed dissatisfied employees and the implications to society :

- i) Dissatisfied employees become a burden to society because they may rely on unemployment benefits from government.
- ii) Dissatisfied workers make less contributions to society. This because their skills and abilities are under-utilised.
- iii) Dissatisfaction would cause excessive absenteeism, high turnover, sabotage, etc. and lead to low productivity and high product cost.

1.1 The concept of job satisfaction

The term job satisfaction is currently widely used in many studies all over the world. There are several definitions of job satisfaction. These definitions differ depending on

the researchers view point and the various problem to be addressed. Edwin Locke (1976) created his early definition as follow :-

“It is hypothesised that job satisfaction results from the appraisal of one’s job as attaining or allowing the attainment of one’s important job value, providing these values are congruent with or help to fulfil one’s basic needs. These needs are of two separate but interdependent types: bodily or physical needs especially the need for growth. Growth is made possible mainly by the nature of the work itself ”.

Morse (1953:27-28) said that job satisfaction depended upon objectives to which the individual aspires and how much environmental return the individual receives. Morse argued, that satisfaction is not only influenced by environmental return but also by other factors such as the strength of the individual’s desire. If the environment gave little possibility for need-satisfaction, than those with the strongest desire were the least happy.

Hulin (1963:1) defined job satisfaction as “Persistent affective state which has arisen in an individual as a function of the perceived characteristic of his job in relation to his frame of reference”. He expressed that the frame of reference would change as a result of alternatives individually perceived; and individual variables. For example, experience, education, obligation, fatigue and irritation.

Vroom (1964:99) said that job satisfaction is the effectiveness of individual orientations toward work roles which the individual was presently occupying. According to him the term “job satisfaction” and “job attitude” are interchangeable. “Job satisfaction” indicates positive attitudes towards the job; and “job dissatisfaction” indicates negative attitudes toward the job.

Hooppock (1977:47), stated that job satisfaction is caused and influenced by internal and external factors or both of them - Meaning, not only factors inside the individuals but also factors outside of the individual. Hooppock defined job satisfaction as “Any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say, ‘I am satisfied with my job’ ”.

Smith (1975:6) in his book:- The “Measurement of Satisfaction in Work and Retirement”, stated that “Job satisfactions are feelings or affective responses to facets of the situation..... these feelings are associated with what is expected as a fair and reasonable return (or, when the evaluation of future prospects is involved, what is aspired to) and what is available in a given situation”.

Generally, I would say that all the definitions are interrelated with one another. Any differences lie in the fact that each study looked at job satisfaction from a different angle.

1.2 Objective of the study

It is undeniable that we are in a competitive world. One of the ways to achieve competitive advantage is through economies of scale and cost leadership advantage. This means that only effective and efficient management especially in production will be able to achieve these advantages. Fittingly, many studies have shown that job satisfaction has a significant relationship to productivity and performance. When employees are well taken care of, job satisfaction may lead to economies of scale and cost advantages.

Therefore it is important to study **employee** job satisfaction level. The primary objectives of this research paper are as follows:-

- i) To analyse the overall job satisfaction of employees in the organisation.
- ii) To analyse the variation of the **level** of job satisfaction with demographic factors such as age, sex, education, occupation, **income**, length of service and etc. if **any**.
- iii) To analyse the level of job satisfaction on five different job facets: **work**, pay, promotion, supervision and co-worker.
- iv) To analyse the major demographic **factors** influencing the satisfaction level of Job Description Index and Overall Job Satisfaction.

1.3 Importance of the study

This research is important for the following reasons :

- i).About 40 % of the total work force are in the manufacturing industry. Obviously their contribution to Gross National Product (GNP) is of vital significance. Thus, their continuous contribution and faithful to the company would be determined by the role of job satisfaction.
- ii)It is important to know the level of job satisfaction of employees in relation to achieving economies of scale and cost leadership advantage. These would **unable** the

organisation, to have a competitive stance in the business world. Happy workers are more productive and efficient in their performance.

iii) It is also important to give opportunities to the employees to express their views on their jobs. This may give the chance to management to study and establish suitable policies and programs to raise the level of job satisfaction for employees, raise goodwill and increase profit for the organisation.

iv). Very little research has been conducted in Malaysia. Most of the past research over here are small case studies. Therefore the studies cannot be generalised. Also factors-influencing job satisfaction are situational. Research conducted elsewhere cannot be applied here. So this specific research should shed some light on the study of job satisfaction in Malaysia.

1.4 Scope of the study

The study is confined to a particular automobile manufacturing industry in Shah Alam. That is Perusahaan Otomobil Nasional Berhad (PROTON). This is the first Malaysian car manufacturing company and has pioneer status. This organisation was incorporated in May, 1983 with authorised capital of 1.0 billion Ringgit and paid-up capital of 509 million Ringgit. This company was listed in the KLSE on March, 1992. The major shareholders are HICOM Berhad (27.5%) and Khazanah Holding Berhad (17.5%). The company's organisation chart is as shown in Appendix 1.

The total number of employees in this company are 4,575 people (as at June, 1995). They are 692 executives, 1,568 indirect workers and 2,315 direct production workers.

The company's market share was 73% in 1994. It's pre-tax profit was RM 281.5 million. Since 1989, the growth of the company has been tremendous - an average growth of 15.46% per year. This industry plays an important role in the Malaysian economy and is critical to national status particularly at the international level. This company has become the symbol of change, that is from being an agricultural nation to an industrial nation.

1.5 Limitations of the study

This research has several limitations. There are :-

- i).The selected sample may not be representative of the entire organisation. This because limited time and money failed to gather sufficient samples to be representative to the organisation.
- ii).The sampling instrument (questionnaire) itself has several defects. That is, some relevant variables like technology, social, and economics are not included. This is due to constraints of time and money to develop a complete set of instrument which covered all the related aspects of job satisfaction. It also impossible to develop such instrument, because it may solve one problem and would create another problem which required other factor to consider and it will go on without ending.
- iii). This research focused on a particular type of organisation. Hence, the results may not be applicable to other organisations because of differences of management styles, culture and etc. .

1.6 Organisation of study

The report of this study is organised in the following manner. Chapter one describes Introduction, the importance of the study, the Objectives and Limitations of the study, organisation of study and methodology of the study. The past literature reviews and some theoretical frame work related to job satisfaction, employee attitudes and morale are included in Chapter Two. The general findings of the study and reliability coefficient of Job Description Index were described in chapter three. In Chapter Four, the findings of the study are analysed. In the Final Chapter, the Conclusion and Implications are derived; and recommendations for further research are made.

1.7 Methodology of the study

In this research, I was using primary and secondary data. Secondary data refer mainly to books, journals, articles etc. These resources were obtained especially from the company (Perusahaan Otomobil Nasional Berhad) and also from library sources.

Primary data were collected from Perusahaan Otomobil Nasional Berhad employees randomly, using the Job Description Index instrument which design by Smith Kendall (1969). The Bahasa Malaysia and English version of job description index. were used in this study. Attached a copy of job description index instrument in appendix 2. The number of respondents about 130 samples were collected. A set of questionnaire was used to collect these information. Basically, the questionnaire was divided into two parts. Part One comprised the "job description index", such as work, promotion, supervision, co-workers and salary. In this section, three scale measurements were

used . The Second Part comprised biodata of the respondent such as sex, age, education, etc. .

The SPSS statistical software was used to analyse the primary data .Some of the tools used in the analysis process are as follow:-

- i) The internal reliability coefficient of the questionnaire were tested using cronbach alpha coefficient. This measurement uses the split-half coefficients, resulting in a better estimate of reliability.
- ii) Frequencies analysis was used to see the distribution of the job satisfaction items and demographic factors and measure the mean score of that items.
- iii) Pearson Chi-Square test was used to see the effects of demographic factors on job satisfaction items (72 items).
- iv) Analysis of Variance (ANOVA) was used to analyse the significant correlation effects of demographic factors on Job Description Index.
- v) Linear regression analysis was used to analyse the significant correlation of overall job satisfaction and demographic factors.