

Chapter 2

Theoretical Review and Past Research Studies

2.0 Introduction

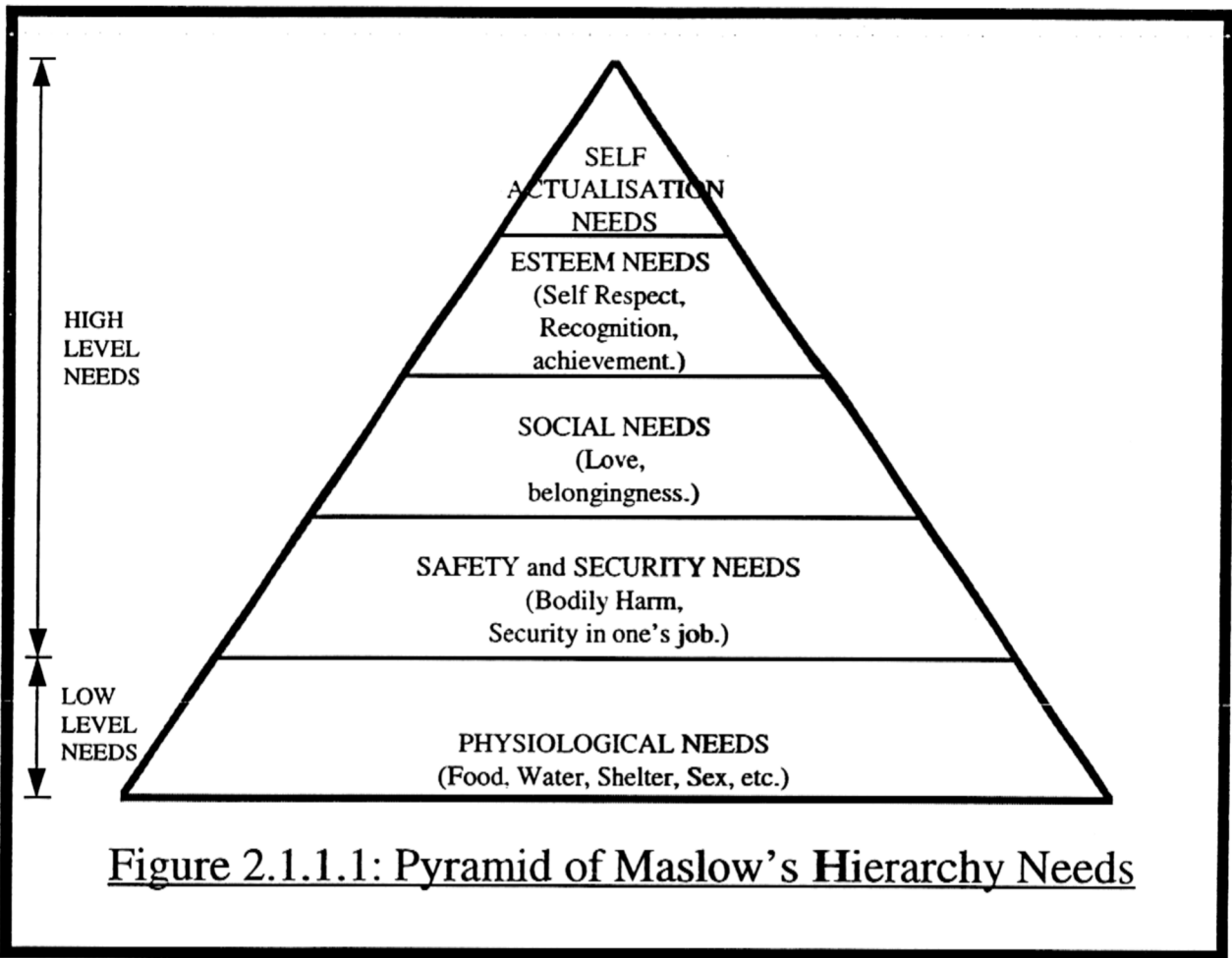
Basically this chapter reviews literature related to job satisfaction. A lot of studies have been done focusing on the theoretical aspects of job satisfaction, job dimensions and the factors that influence it. Generally, there have been few researches done on job satisfaction in the manufacturing industries either locally or overseas. In this chapter we will discuss theories and dimension related to job satisfaction. I will also look at the behaviour of employees, organisations, occupational and demographic factors affecting job satisfaction. Finally, I will review the past research studies on job satisfaction in Malaysia.

2.1 Job Satisfaction Theories

2.1.1 Maslow's hierarchy of needs theory.

This theory was formulated by Maslow. The foundation for his model is the five basic need levels as a human motivating factor to lead to satisfaction and better performance. The lowest level of needs are physiological needs that consist of the fundamental biological function of the human organism. The second level needs are safety and security needs which are derived from the desire for a peaceful, smoothly running, stable environment. Third level needs are social needs - love, belongingness, etc. . These needs are very important in modern society. Maslow feels that much emotional maladjustment stems from frustration of these needs. The next level needs are esteem needs. These needs reflect the desire to be highly regarded by others - such as desire for achievement, competence, status and recognition. The highest level of

needs identified in this model is self-actualisation. These refers to the individual wanting to achieve fulfilment of life goals and also to realise the potential of his or her personality. The Maslow's Hierarchy of Needs model is shown in figure 2.1.1.1. These needs are related to one another and are arranged in a hierarchy of importance. The more important a need the more it precedes other needs in human consciousness and demands to be satisfied. This observation leads to the fundamental postulate of this theory that once the low level needs are satisfied than the high level needs become the motivating factor. This theory indicates that the satisfied worker has a greater possibility of attaining self actualisation and mental health than the dissatisfied worker. So, it is important for the organisation to find ways of satisfying both lower and higher level needs. This probably could be done by providing the worker with opportunity for growth and responsibility.



Adapted from Management (fifth edition) by James A. F. Stoner and R. Edward Freeman, 1992, p.443.

2.1.2 Herzberg's Two Factor Theory

Besides the Maslow's Hierarchy Needs theory, the Two Factor Theory is also another popular content theory which was proposed by Herzberg, Mausner and Snyderman. According to Hoy and Miskel, this theory has been widely accepted by administrators and managers in many organisations.

Herzberg introduced one set of factors (motivators) which he said, produces satisfaction; and another set of factors (hygiene) which produces dissatisfaction. In this theory he emphasised two processes of motivation. The first process involves very high level of needs:- self-fulfilment or actualisation needs. The second process of

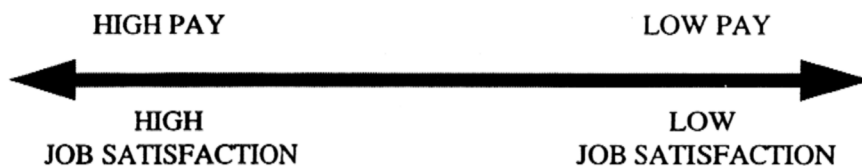
motivation involves the lower level needs:- physiological needs. In the motivation factors are five elements which are believed to be the key to work performance. They are achievement, recognition, work itself, responsibility and advancement. Whereas hygiene factors which serve to prevent job dissatisfaction also have several elements. They are salary, positive growth, interpersonal relationship to subordinates, status, interpersonal relationship to supervisors, interpersonal relationship to peers, supervision - technical, company policy and administration, working condition, personal life and job security. Basically, every worker in an organisation would expect these needs to be fulfilled.

Herzberg in his theory concludes that each individual starts from a neutral stance, without any positive or negative attitudes towards a job. The satisfaction of certain motivation factors, increases the individual's job satisfaction beyond the neutral point. If this does not take place then the motivators are not gratified - dissatisfaction occurs. On the other hand, where the hygiene factors are not gratified, negative attitudes are created which produces job dissatisfaction too. This means that satisfaction of hygiene factors leads only to minimal job satisfaction. Consequently, motivators lead to job satisfaction; and hygiene factors lead to job dissatisfaction.

From the traditional view point of job satisfaction, one assumes that job satisfaction and job dissatisfaction have a direct opposite relationship. For example, if an employee were paid well it would correspond to high satisfaction. If it were the reverse then low satisfaction results.

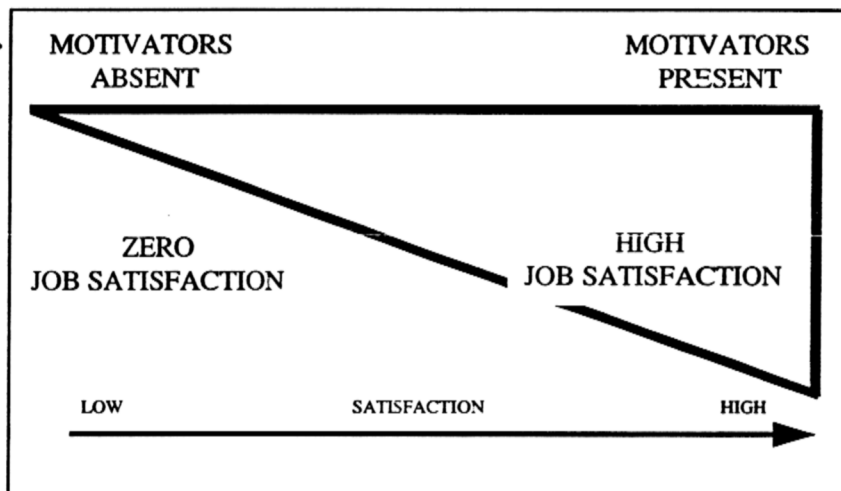
Figure 2.1.2.1., shows the different view points of the Traditional Approach and the Two Factor Theory on job satisfaction.

A). TRADITIONAL APPROACH OF JOB SATISFACTION



B). HERZBERG'S APPROACH OF JOB SATISFACTION

1).



2).

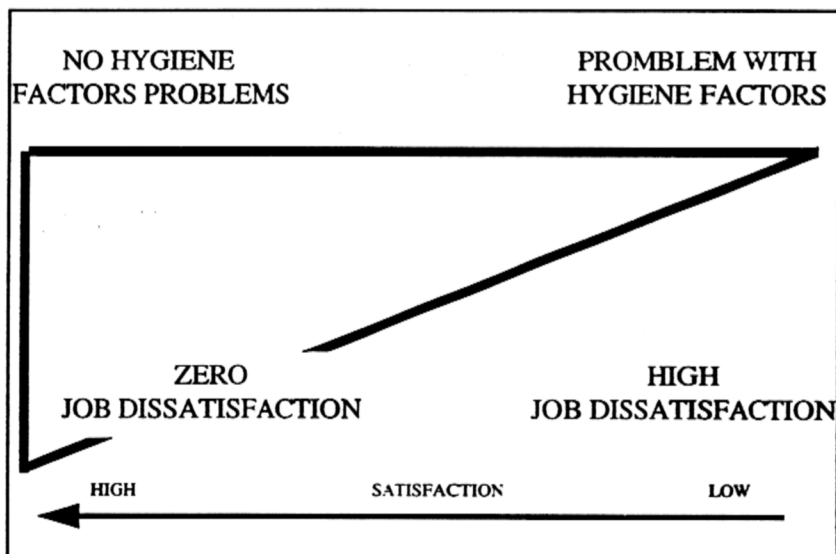


FIGURE 2.1.2.1: TRADITIONAL APPROACH VERSUS HERZBERG'S TWO FACTOR THEORY

2.1.3 Theory X and Theory Y

Mc Gregor in the 1950's developed the popular Theory X and Y. This theory explained the fundamental alternatives for managing employees work. Theory X proposes that people are basically lazy. They don't like to work. So, managers must use the "carrot and stick" method to motivate them to work. That on average, people by nature, lack ambition, dislike responsibility and prefer to be led. These individuals are self-centred and indifferent to organisational needs unless motivated.

Theory Y is formulated in contrast. It assumes that individuals have a psychological need to work and they have the desire for achievement and responsibility. That on the average people like to work because it may be the source of satisfaction and will be voluntarily performed; or work may be a source of punishment and will be avoided if possible. Theory Y also proposes that people will exercise self-direction and self-control in the service of objectives to which they are committed. This is because by nature they are active, responsible, ambitious and supportive to organisational needs.

Theory X implies that, managers either use hard-sell tactics (coercive leadership) or soft-sell tactics (diplomatic). In each case, workers must be persuaded, rewarded, punished and controlled. Whereas Theory Y - managers believe that feelings, attitudes and the performance level of workers are a direct reflection of their attitudes and actions. These two theories offer two different extreme views to motivate workers to achieve better performance and satisfaction.

There are many other theories related to job satisfaction. Example, Expectancy Theory by Vroom (1964), explained that the cause of satisfaction is the influence of the behaviour of the individual. The Existence, Relatedness and Growth Theory (ERG) by

Alderfer (1972) concluded that these three elements, Existence, Relatedness and Growth are used to conceptualise human needs to achieve their satisfaction. Equity Theory by Adam (1963) stress the treatment of the employment situation as an exchange relationship of inducements/contributions between an employer and employee. This theory is based on the attitude balance aspect and social comparison to equate their satisfaction level.

2.2 Dimension of job satisfaction

Job satisfaction is commonly viewed as multidimensional (Locke, 1976), raising the possibility that particular elements of job satisfaction vary with respect to the degree of influence of generic factors. It has been suggested that job satisfaction dimensions or elements that explicitly represent extrinsic work environmental factors like the work condition, supervision, etc., are less likely to demonstrate genetic components than job satisfaction elements that may reflect more direct experiences of the job by individuals (i.e., the 'intrinsic' aspects of job satisfaction, such as challenge or achievement). The distinction between these two generic types of job satisfaction elements has been described in earlier research (Muchinsky, 1983; Wernimont, 1966).

Smith, Kendall and Hulin (1975) stated that there are five important areas which were the most discriminably different for the workers. They are work, pay, promotion, supervision and people. The element of satisfaction has been found to be related to work in many past studies. Herzberg et. al, (1957) explained that intrinsic job factors such as interest, prestige, pride, skill requirement and ease contributed to both satisfaction and dissatisfaction. Herzberg in his book stated that :-

“intrinsic job aspects have apparently similar influence as a contributor to both satisfaction and dissatisfaction Specific studies lead to the

suggestion that some aspects of this factor would probably contribute more to one of these than to another. For example, prestige and pride more frequently lead to satisfaction whereas speed requirements more frequently to dissatisfaction”.

These intrinsic job factors also were related to age and length of service. Some facets of the job appeared less important with an increase in age; and satisfaction with responsibility increased with an increase in length of service. Locke (1976) presented a summary of the job dimensions which had been found that consistently contribute significantly to job satisfaction. The specific dimensions which represents job characteristics typically used to assess job satisfaction are illustrated in table 2.2.1.

General Categories	Specific Dimension	Dimension Descriptions
1. Events		
a). Job	Job itself	Includes intrinsic interest, variety, opportunity for learning, difficulty, amount, changes for success, control over work flow, etc.
b). Rewards	salary	Amount, equity, basis for salary, etc.
	Promotions	Opportunities for, basis of, fairness of, etc.
	Recognition	Praise, criticism, credit for work done, etc.
c). Context of Work	Working environments	Hours, rest pauses, equipment, quality of the workplace, temperature, ventilation, location of plant, etc.
	Benefits	Pensions, Medical, Life insurance plan, vacations, annual leaves, etc.
2. Agents		
a). Self	Self	Values, skills, abilities, etc.
b). Company	Supervision	Supervisory style and influence, technical adequacy, administrative skills, etc.
	Co-Workers	Competence, friendliness, helpfulness, technical, competence, etc.
c). Environment	Customers	Technical competence, friendliness, etc.
	Family Members	Supportiveness, knowledge of job, demands for time, etc.
	Others	Depending upon position, e.g. Students, parents, voters, etc.

Table 2.2.1: Job Dimensions Typically Considered Relevant to Job Satisfaction and Classified as Events and Agents According to Locke

(Adapted from Locke, 1976.)

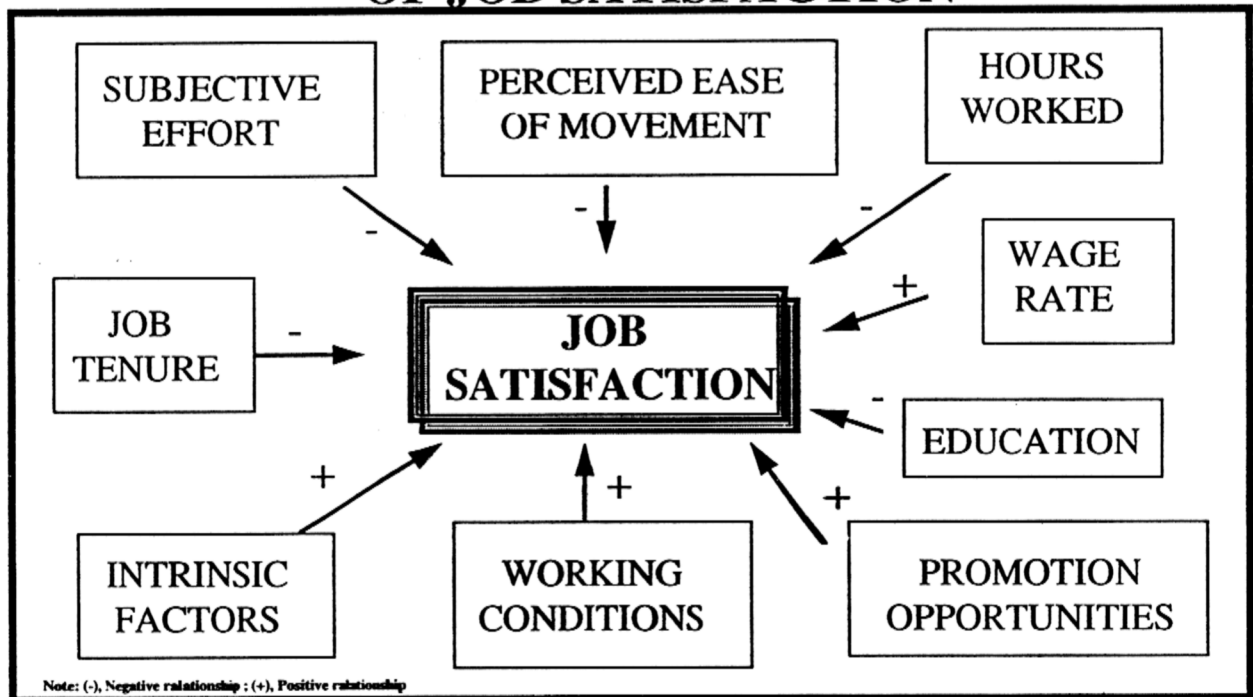
The theoretical underpinnings of Hulin et al.'s (1985) model of job satisfaction hypothesised that affective responses to work - role memberships are a function of the

discrepancy between contributions and inducement. The more inducement that employees receive relative to the contributions they invest, the more satisfied they are expected to be with their jobs. Hulin et al.'s (1985) model proposes that job satisfaction is a function of the balance between work - role inputs, or what the individual invest in the work role, (e.g., education, time and effort), in comparison with work - role outcomes, or what is received (e.g., pay, status, working conditions, or intrinsic factors). As outcomes received relative to input invested increase, work - role satisfaction is hypothesised to increase. In the study, educational level, hours worked and perceived effort were selected as representations of work - role inputs. It was expected then that, controlling for work - role outputs, the more education the employee has achieved and the more hours worked and effort put forth, the lower the predicted level of job satisfaction would be. Wage rate, intrinsic factors, promotion opportunity and working condition were selected as manifestations of work role outputs and expected to influence job satisfaction positively.

He further proposed that employees' direct costs and opportunity costs exert an effect on job satisfaction. In a period of labour oversupply (i.e., unemployment), employees will perceive their inputs as less valuable because there are others in the labour market willing to contribute their inputs for a given level of outcomes and the opportunity costs of employees' work roles subsequently declines (i.e., current work role membership is less costly relative to other opportunities). Therefore, as unemployment raises, the subjective utility of inputs falls, reducing the perceived value of inputs in relation to outcomes and, thus, increasing job satisfaction. The converse was also hypothesised, in which low unemployment reduces job satisfaction. Figure 2.2.2

shows that expected perceived ease of movement to be positively related to job satisfaction. Employees who believe it would be difficult to find a comparable job are more likely to be satisfied with their current level of outcomes. Hulin also hypothesised that employee's frame of reference, which they define as past experience with relevant outcomes, is expected to influence how an employee perceives current outcomes that are received. In other words, workers become accustomed to a certain level of outcomes and those experiences influence how they evaluate their outcomes. Figure 2.2.2 shows that, as a frame of reference variable, job tenure is expected to relate negatively to job satisfaction. Employees who have had past experience with a certain level of outcome are more likely to be critical in evaluating current job outcomes.

FIGURE 2.2.2: HYPOTHESIZED CAUSAL MODEL OF JOB SATISFACTION



Adapted from Journal of Applied Psychology 1993, vol.78, no. 6, p.941.

2.3 Past research review of job satisfaction

Among the many properties characterising work in formal organisations, pay is one of the most important. Pay would influence significant organisational behaviour variables such as absenteeism, union voting and turnover (Heneman, 1985; Lawler, 1971; Shapiro & Wahba, 1978). The interesting findings of pay satisfaction research is the modest strength of the relationship between how much people are actually paid and their satisfaction with pay. Even though there is a significant positive relationship but actual salary generally accounts for less than 25% of the variance in pay satisfaction (Motowidlo, 1982,1983). Martin (1981) summarized that the empirical studies have shown that, in many cases, “greater rewards do not provide greater contentment”. It means high pay does not always guaranteed high satisfaction of pay.

Robert, Suzanne, (1990) in their study found that, the explained variance in pay satisfaction rose from 26.1% when only salary and demographic variables were used as predictors to 46.7% when discrepancy related variables associated with four standards of comparison were used.

Nieva and Gutek (1981) concluded in their study that women value pay and promotions less and interpersonal relationships more than men do. Jackson (1989) in his article “Paradox of the contented working woman” stated that individuals (women) even though receiving less pay and differential opportunities yet they were satisfied with their jobs. An argument by Harris & Earle, (1986) said that if women value money less than men do, than money related issues may have less salience for women. For example, perceived fairness of pay and promotion may be of less importance in the development of job satisfaction for women. Broadwell (1969) also stated that

women were significantly more satisfied than men with promotions available in jobs even though opportunities for promotions were scarce. He explained that the reason is because females expectations for high pay were lower than males.

Gerhart (1987), found evidence for consistency in job satisfaction across employer and occupational changes using a youth cohort. When jobs were coded for complexity and importance of changes in job complexity on job satisfaction were examined, changes in job satisfaction were found to be significantly associated with changes in job complexity. Staw and Ross (1985) in their article suggested that,

“ Job attitudes may reflect biologically based traits that predisposes individuals to see positive or negative content in their life Differences in individual temperament ranging from clinical depression to a very positive disposition, could influence the information individuals input, recall and interpret within various social situation, including work”.

Clausen (1986) conducted an investigation of the input of disposition of job attitudes and found consistent evidence of affective dispositions influencing job attitudes over periods of time. However it was impossible to determine if affective dispositions originated from genetic or social forces and how external factors might influence these affective states. Rowe, (1981). said genetic factors might influence a wide range of individual differences including general intelligence, information processing, personality dispositions, psychological interest and attitudes. Locke, (1976) viewed job satisfaction as multidimensional, raising the possibility that particular elements of job satisfaction vary with respect to the degree of influence of genetic factors.

Supervision - Vroom (1964) stated that job satisfaction could be changed with changes in supervision. Vroom believed that new supervisors with new leadership styles would introduce changes which cause individuals to change their behaviour.

Gilmer (1975) said that "To the worker, the supervisor is both a father figure and an irritating boss who is an equally strong contributor to both satisfaction and dissatisfaction. Women seem more sensitive to supervision than do men, but for both, bad supervision may be a primary reason for absenteeism and labour turnover".

Harfield and Huseman (1982) found that communication between supervisors and subordinates were significantly related to satisfaction with work satisfaction, supervision satisfaction and job satisfaction.

Rhodes (1983) concluded that overall job satisfaction is positively associated with age. This statement supported by eight different studies (Aldag & Briet, 1975 ; Near, Rice & Hunt, 1978 : etc..) even though other studies reported a U-shaped relationship or non-significant relationship. Rhodes may have been a bit premature in formulating the conclusion that a positive linear from best characterises the relationship between age and job satisfaction. Levinson et al (1978) advocated a close relationship between periods in a person's career cycle and age. He believed that some specific aspects of career stage would develop a better understanding of the age - job satisfaction relationship. Miller and Form (1951) suggested that a positive relationship between age and job opportunities, indicating that upper levels of administrations are usually not open to young men or women. This implies that the increased power and status

often associated with upper level positions are also not available to younger employees.

There are also several studies related with length of service and job satisfaction. Serfontein (1967) in his study stated that workers with longer service were more dissatisfied compared to shorter service workers in their works. He said the older agents were mainly dissatisfied with clientele relations, achievement, supervision, responsibility, recognition and administration and policies because apparently they had sufficient experience to be aware of all the dissatisfaction that went along with the job. Gibson and Klein (1970) also stated similar statement as Senfontein that length of service and job satisfaction has a linear negative relationship.

Porter, (1963) mentioned that higher level managers tend to be satisfied with the amount of motivational enthusiasm inherent in their jobs. The reason is because - Friedlander (1966), said that the higher-status employees put greater importance on the intrinsic nature of the work itself than do lower-status employees. Litchman (1970), also shows positive relationship between organisational level and job satisfaction.

Hackman and Oldman (1976) hypothesised that job satisfaction and behaviour are affected by five core objective job characteristics. He emphasised that there seems to be little doubt that employees who are more satisfied with their job and who are absent less frequently, perceive theirs as being higher on the characteristic delineated. Hackman also emphasised job enlargement and enrichment, which was concerned with the job itself and how actual job change would affect employee reactions. Fried

& Ferris (1987) in their meta-analysis study showed that employee reports of jobs characteristic reliably correlate with expected outcomes, such as job satisfaction. Hacker (1990) found that correlation between perceived job characteristics and satisfaction have been about the same across studies, regardless of how similar or dissimilar the jobs were.

Kelloway and friends (1993); The effects of negative and positive industrial relations stress on both mood and job satisfaction are examined. Twenty industrial relations practitioners completed daily reports of industrial relations stress, mood, and job satisfaction over a 20-day period. After controlling for serial correlation, negative industrial relations stress affected negative mood and, in turn, job satisfaction. Positive industrial relations stress had direct effects on both positive mood and job satisfaction with positive mood also affecting job satisfaction. All effects were concurrent with no next-day effects of stress on mood or job satisfaction.

Schneider and friends (1993); The research on job satisfaction has generally focused on either the private sector or the public sector. The similarities and differences between public and private sector management are discussed and research on job satisfaction is reviewed to compare the 2 sectors. A survey is undertaken to compare job satisfaction between the private and public sector within a sample of managers in the state of Missouri. The results of the survey do not reveal any great differences in job satisfaction levels between public and private sector employees in the sample group. Significant differences were reported between the public and private sector employees with regard to pay satisfaction, but no other job descriptive index (J.D.I.) scale was statistically dissimilar.

Gaines, Harry (1993) have found that several major companies are using processes that balance the needs of the organisation with the individual needs and talents of employees. Advantages of this approach include the following: 1. more motivated, productive, and satisfied people, 2. stronger teams, 3. reduced turnover, and 4. greatly improved relationships between supervisors and staff. The process of improving job satisfaction must be highly individual and painstakingly specific. A key element is expecting to enabling employees to communicate needs, values, problems, successes, and ideas to supervisors. An effective approach for improving employee job satisfaction involves both employees and managers in separately evaluating and ranking employees' work skills. Employees can then identify and clarify their own values, objectives, and criteria for job satisfaction and compare them with the skills assessments and supervisors' assessments.

Ostroff, Cheri (1992) have been investigated the relationship between employee satisfaction, other job-related attitudes (commitment, adjustment, and psychological stress), and organisational performance. Organisational performance data were collected for 298 schools. Employee satisfaction and attitude data were collected from 13,808 teachers, 352 principals, and 24,874 students within these schools. The magnitude of the interrelations among the satisfaction and attitude measures ranged from .30-.73 and were similar to those of prior studies at the individual level. Across 12 organisational performance indexes, the magnitudes of the zero-order correlations between satisfaction and organisational performance ranged from 0.11 - 0.54 and those between commitment and performance ranged from 0.05 - 0.60. Lower average correlations were observed for adjustment (0.17) and psychological stress (0.10) across the performance measures. Organisations with more satisfied employees tended to be more effective than organisations with less satisfied employees.

Kelly and John (1992); The Job Characteristics Model specifies 5 dimensions of job content - task variety, task identity, task significance, autonomy, and feedback - that affect work outcomes via their influence over 3 critical psychological states. A review of 31 methodologically rigorous case studies and experiments in job re-design

shows only limited support for the model. Where job re-design led to employee perceptions of improved job content, employees were also likely to experience higher job satisfaction. Job performance improvements, however, were not significantly associated with job perceptions, intrinsic work motivation, or job satisfaction, although they were associated with pay rises and job losses among employees. These findings are accounted for by a twin-track model which suggests that the determinants of performance are different from the determinants of satisfaction. While job re-design appears to give employees higher job satisfaction, there is no strong evidence that in and of itself it motivates them to higher performance.

Long, Samuel (1992); An Organisational Culture Survey was designed to investigate, among their topics, job satisfaction, work ethic values, job alienation, and individual stress. Samples of management and staff employed at 8 major corporations based in the New York City metropolitan area were used. The results reveal that, while overall job satisfaction for these employees is 65%, the average level of satisfaction for specific features of the organisations is 50%, with a range of 35% to 65% satisfied. For survey participants: 1. general job satisfaction exceeds specific aspects of job satisfaction, 2. the perception of contributing to organisational success is an important determinant of overall job satisfaction, and 3. job satisfaction sources can be classified into 2 main dimensions, satisfiers and motivators, both of which exert some influence on productivity. Managers need to recognise employees for good performance - a symbolic and relatively inexpensive gesture.

2.4 Malaysia's Past Research Review

Chan (1992) in his study, found that the textile firms employees in lower-level jobs were less satisfied than those in higher level jobs. Other than these he also observed that the demographic factors like sex, age, education level, race and length of service significantly affect their job satisfaction levels.

Yee (1991) concluded that the majority of the police officers were satisfied with the immediate supervision. Lim (1990) found that there was no direct relationship between job satisfaction and size of the organisations, especially, small and medium-sized metal based industries. Khor (1988) in his study of supervisory behaviour, role stress and job satisfaction of industrial salespeople indicated that supervisory behaviour is positively related to overall job satisfaction.

Yap (1989) showed that 8.1 percent of government hospital doctors were dissatisfied with their jobs. In another study by Markandan (1984) it has shown that 22.9 percent of government school teachers were not satisfied with their jobs.