

**AN EMPIRICAL STUDY ON EMPLOYEE SATISFACTION**Arun S B¹, Dr. Ciby Thomas²¹Mechanical department, RIT government engineering college, kottayam.² Professor, Mechanical department, RIT government engineering college, kottayam.

Abstract – Satisfied employees are the ones who are extremely loyal towards their organization and stick to it even in the worst scenario. The study analyses the factors affecting employee satisfaction. A questionnaire was prepared based on the factors and survey was conducted among a sample size of 140 employees of the company. The questionnaire was analysed using SPSS software. ANOVA analysis was done with the help of SPSS software to find the influence of demographic details like age, gender, experience and employee status on factors of employee satisfaction. Factor analysis was done with the help of SPSS software to find the influencing factors.

Keywords - Employee satisfaction, Factor analysis, satisfied employees.

I. INTRODUCTION

Employee satisfaction is the terminology used to describe whether employees are happy and contented and fulfilling their desires and needs at work. Many measures purport that employee satisfaction is a factor in employee motivation, employee goal achievement, and positive employee morale in the workplace. Employee satisfaction, while generally a positive in your organization, can also become a downer if mediocre employees stay because they are satisfied and happy with your work environment. Job satisfaction of its workers for organizations, a work force that is motivated and committed to high quality performance. Increased productivity quantity and quality of output per hour work deems to be a by-product of improved quality of working life. Employee attitudes are inversely proportional to levels of job satisfaction. If employee underperforming or over performing, it is only because of respective deviations in drawing job satisfaction. For instance if the owner driven by a desire to run a successful organization, it is imperative that you pay utmost attention to changing employee attitudes. The general temperament of your workforce is mostly the defining factor of organizational behaviour and steer it towards your predetermined objectives. A company that values its employees has higher chances of sculpting a winning team and a loyal workforce, than the one with a myopic view pertaining to profits only.

1.1 Problem Definition

Company provides 6 to 7 training per year for their employees. Most of the training provided by the firm are off the job training (mainly special coarse training and induction training). Employees should attend a minimum of three trainings per years and it's compulsory. The fund provided for training purpose and number of training per year is increasing but the impact of training is not measured by the company.

Company provide 20 leaves per year for the employees including causal leave and medical leave. Absenteeism percentage is increasing that is out of 180 employees about 35% of employees are taking leaves more than the permitted leave.

Impact of the training and increase in absenteeism rate can be addressed through a study on employee satisfaction.

1.2 Objectives

1. To identify the factors leading to employee satisfaction
2. To study the influence of these factors on employee satisfaction
3. To recommend the ways for improving employee satisfaction

II. FACTORS AFFECTING EMPLOYEE SATISFACTION

From literature review it is clear that several factors influence the employee satisfaction. Based on literature review, the relevant factors are identified and are classified into groups as job characteristics, training, compensation and benefits, external conditions, social relationship, Personal variables, motivation.

Job characteristics

- Target
- Interest
- Use of skill and ability
- Responsibility
- Performance Appraisal
- Feedback
- Safety
- Lighting and air- conditioning.
- Equipment's
- Work place safety

Training

- New skill
- Training needs
- Training relevance
- Adaptability
- Explore growth
- Convey organization goal

Compensation and benefits

- Job security
- Salary
- Penalties
- Wages
- Benefits
- Vacation
- Leave
- Rewards
- Job Policies

External conditions

- Canteen facilities
- Rest room facilities
- Hygiene work environment
- Transportation facility

Social relationship

- Relationship with management
- Relationship with colleagues
- Team work
- Relationship with clients

Personal variables

- Expectation:
- Work life balance.
- Recognition.
- Organization culture.
- Demographic characteristics

Motivation

- Self-motivation
- Motivation by others

III. METHODOLOGY

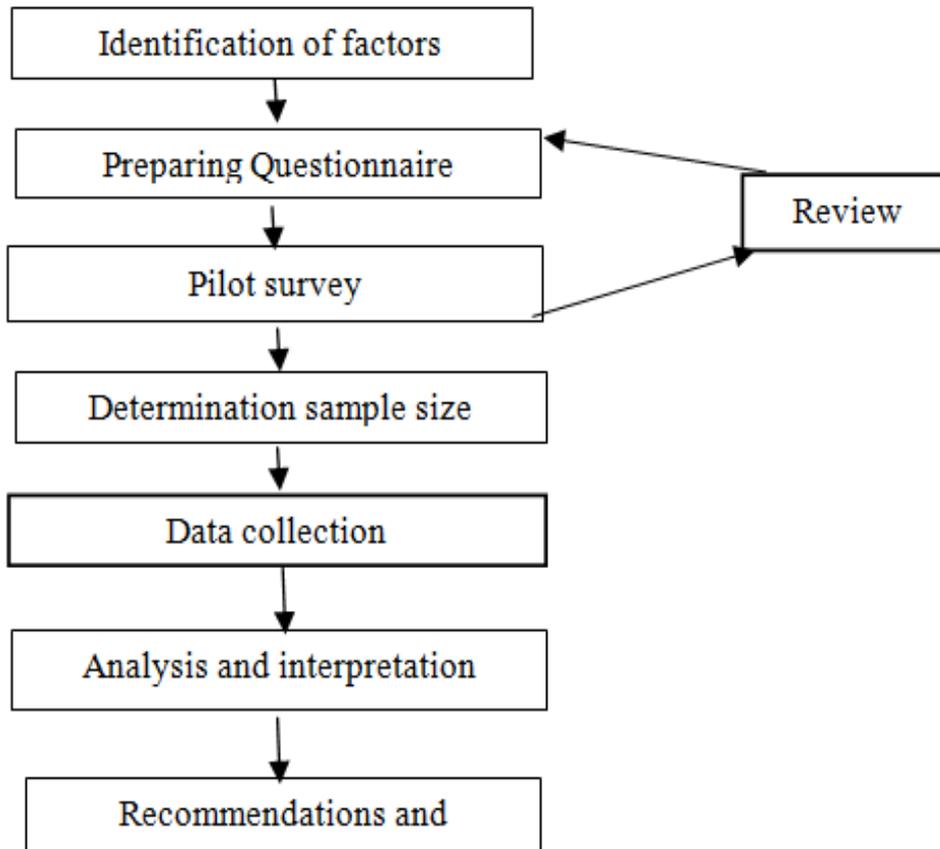


Figure 1. Research Methodology

3.1 Piloting the questionnaire

Once the questionnaire was prepared, it has to be piloted. This means that it must be tested out to see if it gives the required result. This was done by asking people to read through it and see if there were any ambiguities. They were also asked to comment about the length, structure and wording of the questionnaire. Changes were made accordingly.

3.2 Determination of sample size

The sample size has been calculated using the equation,

$$\frac{Z^2 pqN}{e^2(N-1) + Z^2 pq}$$

n is the sample size

N is the total population

Z is the standard normal variate

p is the percentage of response

q is the percentage of non-response

e is the confidence interval or error

Total number of employees in EICL are 180 (N=180)

At a confidence level of 95%, the value of the standard normal variate $Z = 1.96$. Assuming equal probability of response, p and q are taken as 0.5 and the error estimate is assumed to be 4% ($e=.04$). Hence the required sample size, $n=140$.

IV. RESULT AND DISCUSSIONS

4.1. Dissatisfaction list as rated by respondents

Based on the feedback from the employees a dissatisfaction list is developed. The mean value of responses were taken for the study from that the mean value above 2.5 shows the respondents are dissatisfied with the item

Table 4.1. Dissatisfaction list as rated by the respondents

Sl.no	Item	Mean
1.	Target	2.8571
2.	Use of skill and abilities	2.6357
3.	Lighting and air conditioning	2.6211
4.	New skill	2.7429
5.	Training needs	3.0214
6.	Training relevance	3.0143
7.	Adaptability	3.0714
8.	Job security	2.8571
9.	Salary	2.7357
10.	wages	2.6786
11.	Benefits	2.7714
12.	Leave	3.0571
13.	Rewards	2.7071
14.	Canteen facilities	3.1429
15.	Rest room facilities	3.15
16.	Hygiene work environment	3.1571
17.	Transportation facility	2.9429
18.	Relationship with clients	3.0786

From the table 4.1 eighteen items are rated as dissatisfied by the respondents. Training needs, training relevance, adaptability, leave, canteen facilities, restroom facilities, hygiene work environment and relationship with client's shows higher mean value that is above 3, that means these factors are rated as higher dissatisfaction by the respondents.

The factors like target, use of skill and abilities, lighting and air conditioning, new skill, job security, salary, wages, benefits, reward and transportation facilities has lower mean value (less than 3), that is these are also rated as dissatisfactory by the respondents but the rate of dissatisfaction is comparatively lower than others.

4.2. Regression model

Regression analysis helps to understand how the typical value of the dependent variable (employee satisfaction) changes when any one of the independent variables is varied, while the other independent variables are held fixed, here independent variables are job characteristics, training, compensation and benefit, external conditions, social relation, motivation, personal variables.

Table 4.2. Regression analysis

Factors	Coefficients	Sig.
(Constant)	.874	.000
personal	.201	.005
job	.294	.001
training	.116	.000
compensation	.208	.007
external	.148	.006
social	-.413	.019
motivation	.100	.008

From the table all the values in the significant column are above 0.05, so that the regression analysis is suitable for developing the regression model.

A linear regression line has an equation of the form $Y = a + bX$, where X is the independent variable and Y is the dependent variable and a is constant.

From the table 4.2, regression model can be developed as

Employee satisfaction = 0.874 +0.201* (personal variables) +0.294* (job characteristics) +0.116* (training) +0.208* (compensation and benefit) +0.148* (external conditions) - 0.413*(social relation) +0.100*(motivation).

From the model coefficient for personal variable is 0.201. So for every unit increase in personal variable, a 0.201 unit increase in employee satisfaction is predicted, holding all other variables constant. For every unit increase in social relation, we expect a 0.413 unit decrease in the employee satisfaction, holding all other variables constant.

In principal component method factor is called as components. The initial number of factors is same as the number of variables and is used in the factor analysis as seen in Table 4.3.

Table 4.3.Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings ^a
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	11.972	30.698	30.698	11.972	30.698	30.698	7.134
2	3.431	8.798	39.496	3.431	8.798	39.496	8.308
3	3.287	8.427	47.924	3.287	8.427	47.924	5.969
4	2.585	6.629	54.552	2.585	6.629	54.552	6.669
5	2.310	5.922	60.474	2.310	5.922	60.474	5.568
6	1.803	4.622	65.096	1.803	4.622	65.096	4.771
7	1.618	4.150	69.246	1.618	4.150	69.246	2.715
8	.942	3.697	72.943				
9	.923	3.265	76.208				
10	.905	2.653	78.860				
11	.881	2.260	81.120				
12	.799	2.048	83.168				
13	.781	2.002	85.170				
14	.713	1.827	86.998				
15	.591	1.515	88.512				
16	.521	1.336	89.849				
17	.478	1.224	91.073				
18	.466	1.196	92.269				
19	.417	1.068	93.338				
20	.382	.980	94.317				
21	.348	.892	95.210				
22	.286	.733	95.943				
23	.231	.592	96.535				
24	.195	.500	97.035				
25	.189	.483	97.519				
26	.167	.429	97.948				
27	.146	.374	98.322				
28	.122	.313	98.635				
29	.116	.297	98.932				
30	.102	.261	99.193				
31	.079	.201	99.395				
32	.062	.160	99.554				
33	.050	.127	99.681				
34	.041	.104	99.786				
35	.037	.094	99.879				
36	.017	.045	99.924				
37	.013	.032	99.957				
38	.010	.026	99.983				
39	.007	.017	100.000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

From table: 4.3 the total number of factors extracted are 39. However, not all 39 factors were found to be relevant. It is seen that only seven factors have eigenvalue more than 1. Also these seven factors explain 70% of variance.

The Table 4.4 shows the rotated factor loadings using IBM SPSS. The method of rotation is promax with Kaiser Normalization. Variables that show a communality over at least 0.3 are considered for a second assessment. Variables with communality more than 0.5 are acceptable. A low communality indicates that the variable loads into more than one factor and if there is closeness in these loadings, that variable has to be rejected.

Table 4.4. Factor loading.

Factor	Items	Factor Loadings
Job characteristics	Target	.860
	Use of skills and abilities	.807
	Interest in work	.729
	Responsibility	.631
	Performance Appraisal	.581
	Feedback	.571
	Safety equipment's	.542
	Lighting and air- conditioning	.528
	Work place safety	.501
Training	Training on new skill	.830
	Training needs	.762
	Training schedule	.756
	Training relevance	.713
	Adaptability	.694
	Convey organization goal	.619
Compensation and Benefit	Job Security	.813
	Salary	.762
	Penalties.	.708
	Wages	.628
	Benefits	.571
	Vacations	.562
	Leaves	.552
	Rewards	.510
External conditions	Canteen facilities	.910
	Rest room and standing facilities	.850
	Clean and hygiene work environment	.720
	Transportation facilities	.692
Social relation	Relationship with management	.679
	Relationship with colleagues	.663
	Team work	.643
	Relationship with clients	.578
Motivation	Self-motivation	.872
	Motivation by others	.617
Personal Variables	Promotion	.740
	Organization culture	.689
	Expectation	-.589

Table 4.4 shows the factor loading. The components extracted were Job characteristics, Training, Compensation and benefits, External conditions, Social relationship, Motivation and personal variables. The first component which is named as Job characteristics has been loaded with the factors target, use of skills and abilities, interest in work, responsibility, performance, appraisal, feedback, safety equipment's, lighting and air- conditioning. Here the maximum loaded factor is target. Similarly the other components which are named as use of skills and abilities, interest in work, responsibility, performance, appraisal, feedback, safety equipment's, lighting and air- conditioning are loaded with factors with loading value as shown in table.

The second component named as Training which has been loaded with the factors training on new skill, training needs, training schedule, training relevance, adaptability, convey organization goal. Here the maximum loaded factor is training

on new skill. The third component named as compensation and benefits which has been loaded with the factors job security, salary, penalties, wages, benefits, vacations, leaves, rewards. Here the maximum loaded factor is job security. The fourth component named as external condition which has been loaded with the factors canteen facilities, rest room and standing facilities, clean and hygiene work environment, transportation facilities and canteen facilities is maximum loaded factor. The fifth component named as social relations which has been loaded with the factors relationship with management, relationship with colleagues, team work, and relationship with clients and the maximum loaded factor is relationship with management. The sixth component named as motivation includes the factors like self-motivation and motivation by others. The seventh component named as personal variables which has been loaded with promotion, organization culture and expectation.

From the table 4.4 the maximum loaded component is canteen facilities with a factor loading of .910 so it's clear that canteen facilities plays an important role in employee satisfaction. Two components are rejected due to the loading value below .5. The rejected components are equipment's for work and job polices.

V. CONCLUSION

Several factors were identified through literature review and interview with employees of the company. A questionnaire was prepared based on the factors and survey was conducted among a sample size of 140 employees of the company. The questionnaire was analysed using SPSS software. ANOVA analysis was done with the help of SPSS software to find the influence of demographic details like age, gender, experience and employee status on factors of employee satisfaction. Regression model was developed which gives a mathematical relation between the factors affecting employee satisfaction and employee satisfaction. Factor analysis was done with the help of SPSS software to find the influencing factors.

5.1. Findings

- Training needs, training relevance, adaptability, leave, canteen facilities, restroom facilities, hygiene work environment and relationship with client's are the highly dissatisfaction rated by the respondents.
- From regression model personal variable can be used for predicting unit decrease in employee satisfaction and all other factors can be used for predicting the increase in employee satisfaction.
- Thirty nine factors that influence the employee satisfaction of employees were determined using factor analysis.
- The factors were classified into seven broad categories as job characteristics, training, compensation and benefits, external conditions, social relation, motivation and personal variables.
- From the factors, canteen facilities included in external condition has the highest influence in the employee satisfaction and the factor loading value is 0.910, restroom facilities also have high influence.
- Target and use of skill and ability has a greater influence in job characteristics.
- Job security, salary has a greater influence in compensation and benefits. Training to new skills and ability, training needs, training schedule, training relevance has a greater influence in training.
- Self-motivation has a greater influence on motivation. Promotion has a high influence on personal variables.
- Two factors are rejected due to the low factor loading value, they are working tools and job polices. Social relation has low factor loading value compared to other factors.

5.2. Recommendations and suggestions

- Canteen facilities of the company should be improved. Management should provide clean and hygiene canteen environment for employees.
- Target provided to the employees influences the employee satisfaction so that the management should be more concern about target fixing.
- Training programs helps to increase satisfaction level so that company should provide relevant training programme for increasing competencies of employees.
- Job security should be increased, trainee and contract employees are considered to be more concern about job security.
- Company should provide proper ventilation to decrease the air pollution caused by sand and dust produced while manufacturing.
- Management shall include contract employees to different management committees.
- Canteen facilities can be improved by providing a canteen committee which included both the persons from the management and employee which will govern canteen activities.
- Target fixing to the employee shall consider the ability and skill of employees and also consider the opinion of employee which will increase the satisfaction of employees.
- Company shall provide training related to the work to improve the skill and ability, and also provide training to employees on new skills.
- Company shall provide transportation facilities to contract employees and trainees.
- Company shall provide more comfortable facilities for restroom like proper ventilation and more sitting arrangement.
- Company floor shall be cleaned at proper time intervals
- Management shall provide motivation classes to employees.

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