

IEBMC 2017
8th International Economics and Business Management
Conference

**FACTORS THAT INFLUENCE EMPLOYEES JOB
SATISFACTION**

Manisah Othman (a)*, Norazlina Kamarohim (a) & Loke Kaar Maan (a)

*Corresponding author

(a) Faculty of Economics and Management, Universiti Putra Malaysia,
Selangor, Malaysia, manisah@upm.edu.my

Abstract

The satisfaction brings implication to lives. There is one-third to one-half of people spend their life on work. On the assumption that people are happy with their job and have the passion for it, their lives then become much enjoyable. This research aimed to evaluate the comprehensive job satisfaction level of Asia Brands Berhad, thus reveal the factors that commit to job satisfaction in the organization. The outcome of the research is mainly to aid the organization to enhance job satisfaction and motivation of employees efficiently. The objectives of this study were to determine whether benefits, work environment and rewards are related to the employee's satisfaction. Employees from Asia Brands Berhad were randomly selected as research participants. Total 180 questionnaires administered, 150 were completed and returned and 136 were found useful. Finding from this study, it can be seen that the factor that influence employees job satisfaction in Asia Brands Berhad such as benefit/compensation, work environment and supervisor support are having positive relationship

© 2018 Published by Future Academy www.FutureAcademy.org.UK

Keywords: Job satisfaction, work environment, compensations, supervisor support



The Author(s) 2018 This article is licensed under a Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License (<https://creativecommons.org/licenses/by-nc-nd/4.0/>).

1. Introduction

The satisfaction brings implication to lives. There is one-third to one-half of people spend their life on work. On the assumption that people are happy with their job and have the passion for it, their lives then become much enjoyable. On the contrary, people will choose to change employment when they do not achieve happiness and satisfaction on their job. Consequently, employee turnover will occur and may affect company performance. Job satisfaction describes how content an individual is with his or her job. According to the (Chahal, Chahal, Chowdhary, & Chahal, 2013), job satisfaction view as any combination of physiological, environmental circumstance and psychological, which cause a person honorably, happy with his or her job. Based on Locke (1969) defines job satisfaction will occur when a person is in an enjoyable emotional state, whereas job dissatisfaction happens when a person is in an unhappy emotion state.

However, there are lots of factors that influence on employee level of job satisfaction, such as compensation or salary pay, career promotion, working environment, supervisor support and much more. If the organizations are concern about the employee needs, the turnover rate will be turning down and at the same time can create many loyalty employees to help the organization to grow bigger.

According to Vroom (1964), job satisfaction is an adaption of emotions that employees acquire towards the part that they are operating in their work environment. The difference is between the amounts of benefit that each of the employees receives and their own perception towards the company and the job performed. Based on Rain, Lane, & Steiner (1991) there is a correlation between life satisfaction and job satisfaction. This indicates that people who satisfied with their job will satisfy with their life or vice versa. However, according to Lane, Esser, Holte & McCusker (2010) state that the factor such as salary, working environment, autonomy, communication, and commitment is one of the factors that influence job satisfaction.

Usually, different people will consider compensation differently. However, Neog and Barua (2014) defines as the monetary benefit which the company gave to the employee as a return of the employee services. The research paper by Sing and Mini (2013) about the relationship of benefit/compensation and job satisfaction found out the main aspect towards job satisfaction is salary. Satisfaction is expected to be achieved if the compensation is equitable with the job of the employee that is performed. According to Gurusamy and Mahendran (2013) salary located at the first rank for disclosing the job satisfaction in their study compared to other determinants.

According to Arnold and Feldman (1996) did mention that working condition is one of the factors that influence job satisfaction such as lightning, temperature, hygiene, working hours, noise and resources. The employee will likely to work under the desired working environment that will make them more comfortable and able to perform a better result. However, based on George and Jones (1999) said that poor working conditions will make the employee feel dissatisfied. Besides that, Bakotic and Babic (2013) revealed that for the employee who works under strenuous working conditions, whereby the working conditions is a necessary factor for job satisfaction, the employee will feel dissatisfied. To promote the satisfaction of employee working under the strenuous working condition, it is important for the upper-level authority to take note and develop better working conditions. A study by Ramlall (2003), there is a direct

relationship between a positive and favourable working environment which bring employee retention and thus employees feel that they are valued.

Supervision role relating to job satisfaction in terms of the supervisory capability to prepare emotional and technical support and instruction related to the work task. Based on Neog and Barua (2014), mention that support from the supervisor is one of the critical factors for employee retention and this also defined that leader is responsible towards employees' welfare or benefit and concern about employee contribution. However, the study carried by Ladebo (2008), reported that job satisfaction is a predicted by supervision, which figures the employee jobs satisfaction and the organizational behavior. A researcher Buckingham and Coffman (1999) have explained that talented employee will join an organization with many reasons, but when comes to the determinant of the relationship with the immediate supervisor, how long he or she will stay and be more productivity. Besides that, Chakrabarty, Oubre & Brown (2008) say that supervisor who presents himself as a role model to manifest a legitimate working technique will cause the employee to be understood on how the job could be done.

2. Problem Statement

Employees are the back bone of the organization. They are the most precious asset among the entire asset in the organization. According to Salleh, Nair, & Harun (2012), the major issue that happens in Malaysia's retail industry is high employee turnover rate and it became a major issue that needs to take note. The company performance will be affected if there is turnover rate occur. Furthermore, this turnover rate problem will cause the company to spend more money on recruitment and training activities. Besides that, the employee turnover will affect the other existing employee mental thinking about the company image and status.

The organization that was selected for the study was local organization that leading people in advance. Asia Brands is a company behind the range of ladies' intimate wears, baby products specialist, children wear as well as adult wears and many more. Asia Brands is proud to announce that they have multiple brands and licenses joining them together for greater success. People are the source of Asia Brands strength, and the people make the organization. This organization are facing turnover rate every year. The employees who are satisfied with the current work, then the turnover or resignation rate will not be increasing. Asia Brands had been selecting people based on the staff personality and character previously, where they used to believe staff with good attitude staff is the key element whereas skills can be trained afterwards. To look on the problem, the research would focus on study the factor that influences on job satisfaction of employees at Asia Brands Berhad.

Many organizations fail to understand the important of a working environment for employee job satisfaction and therefore, the organization face the difficulties in their production (Raziq & Maulabakhsh, 2015).

3. Research Questions

This research is focused on the relationship of employees' job satisfaction by benefits, work environment, and supervisor support. This research explored the important questions: do benefits, work environment and supervisor support and any relationship with job satisfaction?

4. Purpose of the Study

This research aimed to evaluate the comprehensive job satisfaction level of Asia Brands Berhad, thus reveal the factors that commit to job satisfaction in the organization. The outcome of the research is mainly to aid the organization to enhance job satisfaction and motivation of employees efficiently. The basic information provided from the outcome can be used to support the outlining of strategy and direction of a company. This can be further helping other organizations in setting up their direction in selecting and training employees.

Additionally, this study contributes an opportunity in transforming the learning knowledge into practical skills by various ways such as carry out the analysis, interview and survey. Undeniably, there is a unique relationship between motivation of employees towards their works and companies. Increase of job satisfaction and job performance can be seen when motivation on employees towards work is high.

4.1. Framework and Hypothesis Development

The current study is being guided by the model done by Mafini and Dlodlo (2014) and Raziq & Maulabakhsh (2015). According to Mafini and Dladlo model, it is to study the quality of work life, remuneration, promotion, supervision and teamwork that positively affects job satisfaction. Besides of the Mafini & Dladlo framework model, the current study framework model also being guided by Raziq & Maulabakhsh (2015) model. Whereby the model been researched by Raziq and Maulabakhsh is about working environment whereby the employees are working within an organization; the dependent variable is the job satisfaction of employees. Therefore, the conceptual model for this research can be seen in figure 1. The independent variable of this research is benefit/compensation, work environment, and supervisor support. The dependent variable will be the job satisfaction of an employee who works in the organization.

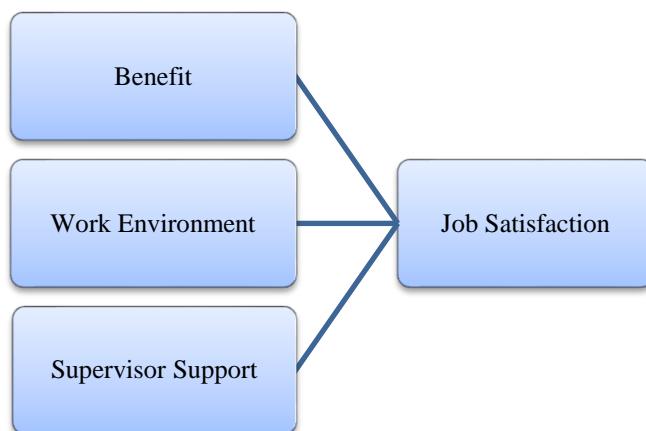


Figure 01. A conceptual framework of factors that influence employee job satisfaction

Thus, the following hypothesis is constructed for this study:

H1: There is a positive relationship between benefits and job satisfaction.

H2: There is a positive relationship between work environment and job satisfaction.

H3: There is a positive relationship between supervisor support and job satisfaction

5. Research Methods

The quantitative research approach was used in which questionnaire as a primary research data was appropriated to employee in Asia Brands Berhad.

5.1. Sample

Data was collected from employees of Asia Brands Berhad. The questionnaire was self-administered with aid of 2 research assistants. The questionnaires was distributed to employees during working hours by hand and collected back after 2 days. Of the 180 questionnaires administered, 150 were completed and returned and 136 were found useful while 14 were discarded for insufficient and poor response.

5.2. Measurement

All scales used in this study have been validated in previous. However, while all items were adopted from previous measures, they were modified to suit the context of this study. All measures have been measured on a five-point Likert-type scale from 1 = strongly disagree to 5 = strongly agree (Likert, 1932). Instruments Benefit and compensation were extracted, adopted, and integrated from multiple sources such as Neog and Barua (2014), instrument for work environment from Raziq and Maulabakhsh (2015), Job satisfaction is extracted from Karasek, Triantis, and Chaudhry (1982) and the last section is elicited about the job satisfaction of the respondent is adapted from Spector (1985).

6. Findings

The data analysis was conducted by using Statistical Package for Social Science (SPSS 22.0)

6.1. Descriptive Analysis

Organizational data of the respondents comprise of the age, gender, position and year of service. Frequency statistics and percentage of the demographic are given in Table 1

Table 01. Demographic

Demographic		Frequency	Percent
Age	16 – 20 years	2	1.5
	21 – 25 years	26	19.1
	26 – 30 years	33	24.3

	31 – 35 years	43	31.6
	36 and above	32	23.5
Gender	Male	28	20.6
	Female	108	79.4
Position	Clerk	4	2.9
	Assistant Supervisor	24	17.6
	Supervisor	1	0.7
	Executive	66	48.5
	Manager	41	30.1
Year of Service	< 1 years	17	12.5
	1 – 3 years	41	30.1
	4 – 6 years	47	34.6
	7 > years	31	22.8

6.2. Reliability

Table 2 exhibited the reliability analysis of each variable used in this study. Since all Cronbach's Alpha values were greater than 0.60, this means that the tested instruments had internal consistency (DeVellis, 2016).

Table 02. Reliability Score

Description	N of Items	Cronbach's Alpha
Benefits	6	0.833
Work Environment	6	0.848
Supervisor Support	6	0.85
Job Satisfaction	6	0.858

6.3. Multiple Linear Regression

Regression analysis was used to analyse the effect of benefits, work environment and supervisor support (independent variables) on the employees' job satisfaction (dependent variables). The R-square results is 0.699 (refer to Table 3), which means that 70 percent of the variance in the dependent variable (job satisfaction) can be predicted from the combinations of all independent variables.

Table 03. Result of multiple regression – Model Summary

Multiple correlation coefficient (R)	R-Square (R ²)	Adjusted R-Square	Std. Error of the estimate
.836 ^a	.699	.693	.49420

Regression analysis found that three dimensions, benefits, work environment, and supervisor support, played important roles in influencing employees job satisfaction in Asia Brands Berhad (refer to Table 4). The most significant variables that explain job satisfaction are supervisor support ($\beta=0.470$ $p=0.000$), benefits ($\beta=0.260$ $p=0.000$), and last is work environment ($\beta=0.156$ $p=0.000$).

Table 04. Result of multiple regression analysis (N = 136)

Variables	Unstandardized coefficient B	Standardized coefficient β	Sig value or p-value
Benefit	.330	.260	.000
Work Environment	.225	.156	.000
Supervisor support	.574	.470	.000

F value =114.870; Sig. F=.000; dependent variable = job satisfaction

6.4. Discussion

This study provides an evidence on the influence of the supervisor support, benefits that employees get from the organization, and work environment that organization provide to employees to the employees satisfaction in Asia Brands Berhad. Three hypothesis proposed in this study, all are supported. Findings have indicate there are significant relationship between supervisor support and job satisfaction. And this findings is consistent with Neog and Barua, (2014), found that the supervisor support has positive relationship with job satisfaction. Besides that, in their study, Mafini and Dladlo (2014), also found the positive relationship between supervisor support and job satisfaction. It is also important for the company to provide the better benefits in order to increase the satisfaction among employees. Neog and Barua (2014) in their study found that the benefit has positive and strong correlation with job satisfaction. The significant relationship between work environment and job satisfaction is in this study supported by the previous researcher, Raziq and Maulabakhsh, (2014), found that the work environment has positive relationship with job satisfaction.

7. Conclusion

The finding shows that the highest correlation to the job satisfaction is employees have a good supervision from their direct superior. This shows that the employee's supervisors are work closely with them and able to communication between each other's. In addition, their supervisor also will play an important role to motivate their team members to make sure they are enjoying with their current job. If the employees are facing with any difficulties, their direct supervisor will advise them and also giving them a chance to make their own decision. As long as the decision the employee in Asia Brands make are legally and in the correct manner.

However, the second highest of relationship with job satisfaction is benefit/compensation. This shows that, even though the supervisor support plays a most important role in job satisfaction but at the same time, the benefit/compensation of the employee is also important. Example, the company pay policy, compensation system and also others benefit that provide by Asia Brands.

Furthermore, the working environment has positively relationship with job satisfaction. This means that, the work environment in Asia Brands play roles to ensure that the employee are satisfied with their job. For example, the employee in Asia Brands able to access to basic equipment when they need to perform their daily job task. Besides that, the Asia Brands building structure also provide the employee a comfortable working area. When employees are happy with their working environment, it will directly relate to their job satisfaction.

According to the above finding and result, it can be seen that the factor that influence employees job satisfaction in Asia Brands Berhad such as benefit/compensation, work environment and supervisor support are having positive relationship. However, there are some matters that Asia Brands can be used to improve their employee job satisfaction. First, Asia Brands can improve on the working environment to make sure their employees are happy with current working situation. Example, they can improve with their building hygiene maintenance, provide a cozy pantry area for the employee to enjoy their break hour or a place for them to build their relationship among the colleagues. Secondly, the management of Asia Brands should have made a yearly review on the employee salary based on the annual appraisal. This is to ensure the employees are always been motivated to contribute their service to Asia Brands. Besides that, it may also recommend to the next researcher if they would like to continue to this research, which is do interview with the employees to understand their thought and feeling towards Asia Brands. By this technique, will able to provide additional new information for this research.

References

- Arnold, H., & Feldman, D. (1996). *Organisational Behaviour*. McGraw Hill.
- Bakotic, D., & Babic, T. (2013). Relationship between working conditions and job satisfaction: The case of croatian shipbuilding company. *International Journal of Business and Social Science*, 4(2).
- Buckingham, M., & Coffman, C. (2014). *First, break all the rules: What the world's greatest managers do differently*. Simon and Schuster.
- Chakrabarty, S., Oubre, D. T., & Brown, G. (2008). The impact of supervisory adaptive selling and supervisory feedback on salesperson performance. *Industrial Marketing Management*, 447-454.
- Chahal, A., Chahal, S., Chowdhary, B., & Chahal, J. (2013). Job Satisfaction Among Bank Employees: An Analysis Of The Contributing Variables Towards Job Satisfaction. *International Journal Of Scientific Technology Research*, 2(8), 11–20.
- Das, B. L., & Baruah, M. (2013). Employee retention: a review of literature. *Journal of Business and Management*, 14(2), 8-16.
- DeVellis, R. F. (2016). *Scale development: Theory and applications* (Vol. 26). Sage publications.
- George, J. M., & Jones, G. R. (1999). *Understanding and Managing Organizational Behavior*. Addison, USA: Wesley Publishing Company.
- Hoppock, R. (1935). Job Satisfaction. *Harper and Brothers, New York*, 47.
- Karasek, R. A., Triantis, K. P., & Chaudhry, S. S. (1982). Coworker and supervisor support as moderators of associations between task characteristics and mental strain. *Journal of Organizational Behavior*, 3(2), 181-200.
- Krejcie, R. V., & Morgan, D. W. (1970). Determining sample size for research activities. *Educational and psychological measurement*, 30(3), 607-610.
- Ladebo, O. J. (2008). Perceived supervisory support and organisational citizenship behaviours: Is job satisfaction a mediator? *South African Journal of Psychology*, 38(3), 479-488.
- Lane, K. A., Esser, J., Holte, B., & McCusker, M. A. (2010). A study of nurse faculty job satisfaction in community colleges in Florida. *Teaching and Learning in Nursing*, 5(1), 16-26.
- Likert, R. (1932). A technique for the measurement of attitudes. *Archives of psychology*.
- Locke, E. A. (1969). What is job satisfaction?. *Organizational behavior and human performance*, 4(4), 309-336.
- Mafini, C., & Dlodlo, N. (2014). The relationship between extrinsic motivation, job satisfaction and life satisfaction amongst employees in a public organisation. *SA Journal of Industrial Psychology*, 40(1). <http://doi.org/10.4102/sajip.v40i1.1166>
- Neog, B. B., & Barua, M. (2014). Factors influencing employee's job satisfaction: An empirical study among employees of automobile service workshops in Assam. *The SIJ Transactions on Industrial, Financial & Business Management*, 2(7), 305-316.

- Gurusamy, P., & Mahendran, K. (2013). Employees' Job Satisfaction in Automobile Industries. *Global Research Analysis*, 2(7).
- Rain, J. S., Lane, I. M., & Steiner, D. D. (1991). A current look at the job satisfaction/life satisfaction relationship: Review and future considerations. *Human relations*, 44(3), 287-307.
- Ramlall, S. (2003). Organizational application managing employee retention as a strategy for increasing organizational competitiveness. *Applied HRM Research*, 8(2), 63-72.
- Raziq, A., & Maulabakhsh, R. (2015). ScienceDirect Impact of Working Environment on Job Satisfaction. *Procedia Economics and Finance*, 23(October 2014), 717-725.
- Salleh, R., Nair, M. S., & Harun, H. (2012). Job satisfaction, organizational commitment, and turnover intention: A case study on employees of a retail company in Malaysia. *World Academy of Science, Engineering and Technology*, 72(12), 316-323.
- Singh, J. K., & Jain, M. (2013). A Study of employee's job satisfaction and its impact on their performance. *Journal of Indian research*, 1(4), 105-111.
- Spector, P. E. (1985). Measurement of human service staff satisfaction: Development of the Job Satisfaction Survey. *American journal of community psychology*, 13(6), 693-713.
- Vroom, V. H. (1964). Work and motivation. 1964. NY: John Wiley & sons, 45.