Factors Affecting Employee Satisfaction in the Private Organizations of Bahawalpur Pakistan

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Abstract
Research was conducted to analyze the effect of empowerment, rewards, training & development and working conditions on employee satisfaction and also the impact of top level management on all these variables. The aim of this study was to find out the degree of satisfaction level of employees and the behavior of top level management in suffocated conditions in the developing city of Islamic Republic Pakistan. For this purpose 200 questionnaires were distributed from which 160 were got back and 151 were selected to examine and analysis. It was found after analysis that only rewards has positive significant effect on worker, rest of the variables showed insignificant effect on employee satisfaction. The top level management had the positive significant effect on rewards, training & development and empowerment.

Keywords: Empowerment, Rewards, Training & Development, Working Conditions
1. Introduction

As there are lot of researches, but there is no specific description about employee satisfaction. Every scholar and researcher describes employee satisfaction according to their perspective and siege. Before exploring employee satisfaction, it is necessary to know about the importance of vigorous action of human activities should be carefully realized. Employee satisfaction is a phrase used to explain how much an employee is happy and calm in his job. Employee satisfaction is a circumstance in an employee enthusiasm, employee goal achievement and positive morale in the particular work place (Susan M Heath Field). Furthermore Hoppock (1935) describes employee satisfaction, the blend or set or collection of psychological, physiological and external factors such as surroundings or environment that compels a person to say honestly that he is happy from his job. According to this approach even though employee satisfaction is under the influence of many external factors, but it remains something internal that has to do with the way that how the employee feels. Employee satisfaction gives collection of positive and negative feelings that employee have towards their job. According to Davis et al 1985 Employee Satisfaction is the combination of expectations which synchronize with the real world or it is the synchronization of one’s ideal world with the real world.

Now a day’s world is continuously changing and everyone knows about his or her rights, so today researchers and human resource managers paying special attention in this area to know about that factors which lead to the employee satisfaction at their job environment (Igalens and Rousch, 1999). In this era of competition every employer is thinking to know the satisfactory level of employee. According to Spector 1997 Employee Satisfaction is how a person takes his job and what his feeling about his job is. Ophara, 2002 discussed employee satisfaction a result of different circumstances e.g. salary, appreciation, the job itself and the behavior with the colleagues. In 2004 Frye discussed that fair appreciation and performance are directly proportional to employee satisfaction. In 2003 Park et al discovered that if you want to give development to your organization, than organization must give the equity based appreciations and compensations to their employees.

Many researchers came and give their point of view about satisfaction of an employee Mr. Robert et al in 2010 discussed employee satisfaction in advanced level and gave the idea of employee satisfaction, according to researcher the major terms which lead to employee satisfaction are employee empowerment, training & development, rewards, working conditions, working environment, power on job, self authority, equity based performance evaluation all are key points to accelerate employees satisfaction.

The purpose of this paper is to check the degree of employee satisfaction under these variables, Hales and Klidas 1998 described empowerment as the sharing of knowledge, information and power to the employees by the employers. According to Cunningham et al 1996, the dedication of decision making power to the employees, that the employee can take decision on his behalf without any hesitation and giving trouble to their employers.

Rewards are the benefits other than salary given to employees on their hard work, on their efficiency or to increase their morale and confidence in the organization. According to
Nguyen et al (2003) Employee satisfaction is the outcome of promotion opportunities in the organization.

Training is the process of polishing and enhancing the beauty of skills and updates the employee’s skills according to the advanced techniques, that an employee will be able to adopt the changes and face the technical challenges in the organization. Silla et al (2005) and Ceyclen (1998) discovered that working conditions have strong impact on the satisfaction level of employees. Working conditions are consists of technology, good staff, neat and clean environment etc.

2. Literature Review and Hypotheses

In this section we provide a brief literature review of the concepts used in our research, which leads to the development of our hypotheses.

Locke 1969 described that employee satisfaction is the comparison between one’s expectations and what he is getting from his job. Again in 1976 Locke said employee satisfaction is that state of positive emotional factor excluding from the evaluation of one’s work experience. In 1997Spector defines that employee satisfaction is the extent to which employee feels happy or unhappy from his job. In 1993 Schermerhon says that the response of an employee towards different directions of the work. C.R Reily 1991 defined employee satisfaction that the mentality of an employee towards his job that what does he think about his job and what is his feeling (good or bad). Hussami 2008 said that employee satisfaction doesn’t only rely on nature of job but it also rely on what are the expectations of an employee, that what is his thinking and what does he want from his job and organization.

We can conclude from discussions that employee satisfaction is the observing and thinking reflections of a particular employee.

2.1 Employee Satisfaction Factors

There are many factors which make an employee satisfy or dissatisfy from his job. These factors are differing from one employee to the other employee and from day to day activities (Chum Lo and Ramayah, 2011). The manager must know about the needs of worker to achieve the high level of employee’s satisfaction (Locke, 1976).

Factors affecting employee satisfaction are;

- Rewards
- Working conditions
- Empowerment
- Training & Development

2.1.1 Impact of rewards on Employee Satisfaction

Employee satisfaction is a fruit of various factors like pay, promotion, appreciation, compensation and equity based evaluation (Ophara, 2002). In 2004 Frye found that there is
A direct relationship between fair compensation and performance. It was concluded that compensation plays a crucial role in the satisfaction level of employees. Park et al. (2003) discussed further that if an organization wants to achieve its goals and enhance the performance of employees, equity-based compensation should be given to employees. Employee satisfaction is the outcome of promotion opportunities in the organization (Nguyen et al., 2003).

From the above discussion, we propose the following hypothesis:

**H1:** Reward has a positive impact on Employee Satisfaction

### 2.2.2 Impact of Empowerment on Employee Satisfaction

Empowerment plays an important role in employee satisfaction, but still there is no single-dimensional definition of empowerment (Pececi an Rosenthal, 2001). According to Hales and Klidas, empowerment is the dedication of powers to employees by the employers. Cunningham et al. (1996) further said that the capability of an employee to take decisions on his behalf is called empowerment. Thomas (1990) discovered that empowerment is not limited in one direction but it is the internal enthusiasm which is the blend of sense, competence, choice, and impact. Employee empowerment is considered as the key to accelerate the satisfaction level of an employee. In 2010 He et al proved that employee empowerment has a positive relationship on Employee Satisfaction.

So from the above discussion, we conclude that:

**H2:** Empowerment has a positive impact on Employee Satisfaction

### 2.2.3 Impact of Training and Development on Employee Satisfaction

Employee training gives a chance to employees to enhance their capability and competency to gain individual development (Jun et al., 2006). Sakes (1996) said that well-trained employees are not equal to those who are not trained and both have different levels of satisfaction; the trained employee will be more satisfied than the non-trained employee. Martensen & Gronholdt (2001) discovered that there is a positive significant effect of training on employee satisfaction. When an organization holds training programs, the employees think that the company is investing in them and they want to polish their skills; due to this, they get an opportunity to develop and progress (Jun et al., 2006; Rizwan et al., 2013).

As a result of the above discussion, we developed a hypothesis:

**H3:** Training & Development has a positive impact on Employee Satisfaction

### 2.2.4 Impact of Working Conditions on Employee Satisfaction

Employee satisfaction mentions to the degree at which the working conditions meet the expectations and needs of employees. The ingredients of working conditions are work itself, social interaction with coworkers, physical environments, and the relation between these actors. Working environment is an important factor of employee satisfaction (Herzberg, 1968, Spector, 2008). Guest (2004), Silla et al. (2003) concluded that the working conditions have...
significant affect on employee satisfaction. It includes temperature, lighting, ventilation etc.

It supports following hypothesis:

**H4:** Working Conditions has positive impact on Employee Satisfaction

**Top Level Management**

Top Level Management plays a vital role in a particular organization and it is considered to be one of the important rules of total quality management because of their relationship with employee satisfaction (Kofi, 2000; Rizwan et al., 2013). Researchers discovered that there is a positive relationship between top level management to empowerment, rewards, training and development.

2.2.5 Impact of Top Level Management on Rewards

If the organization do justice with employees and conduct equity based compensation then the employee will be happy from his organization and he will try to give his best to the particular organization. Due to this he will be more loyal for his company and his satisfaction level will be match to his expectation (Frye, 2004). Rewards are the cash or non cash benefits provided by the employer to the employees (ACA,p.9). So according to above discussion we are going to develop the hypothesis that:

**H5:** Top Level Management has positive Impact on Rewards

2.2.6 Impact of Top Level Management on Empowerment

The primary objective of empowerment is to give the employees the power of decision making that employees can take decisions on their behalf and there will be no restrictions on them. Many researchers believe that organization can accelerate and improve their productivity through empowerment (Hales and Klidas). From this discussion we develop the hypothesis:

**H6:** Top Level Management has positive Impact on Empowerment

2.2.7 Impact of Top Level Management on Training & Development

Training means that how much organization is investing to teach and enhance the beauty of the skills of their employees and it is the continuous process of making the employees effective and efficient according to time, development means the career achievement in future. Training compels the employees to do their work efficiently and effectively. This will lead to positive relationship between Top Level Management and employees because due to this employee will perceive their superiors as responsible for their employees. This thing will force the employee to work according to the demand of their superiors Silla et al (2005) and (Jun et al, 2006).

So we concluded that

**H7:** Top Level Management has positive relationship on training & Development
3. Research methodology

The current study is descriptive in nature. Descriptive research can be defined as to explore something or to describe the specific circumstances. According to Creswell (1994) descriptive researches are those researches, which study the already existing problems instead of drawing conclusion and results. The main objective of the descriptive research is verification of the developed hypothesis that reflects the current situation. This type of research provides information about the current scenario and focus on past or present for example quality of life in a community or customer attitudes towards any marketing activity (Kumar, 2005).

3.1. Sample Data

In order to collect the data for understanding the situation about the satisfaction level of an employee in the private organization, a sample of 200 respondents will ask to participate in a self-administered questionnaire. The population for the current research is the employees of private organizations working in Bahawalpur Pakistan.

3.2. Instruments and Measures

The survey instrument of the current study address two major purposes: First is to analyze the relationship of different variables in the adoption of employee satisfaction. Second, to collect information about the different characteristics of the respondents that can be used to understand the variations in different categories.

The survey instrument contains two sections. Section I includes different personal and demographic variables. This section will obtain the respondent’s information about gender,
age, income and organization. This section of study is developed based on the past literature and already used questionnaires (Table 1)

The scales of the study were adopted from the previous literature and published studies. The first variable is employee satisfaction contains 7 items and these scales were taken from Churchill et al. (1974). The second variable is Reward contains 4 item were taken from Roshan Levin Roberts (2005). The third variable is Working conditions contains 3 items, were taken from Roshan Levina Roberts (2005). The fourth variable is Empowerment that contains 4 items and was taken from Hackman and Oldham, (1975). The fifth variable is Training & Development contains 5 items, were taken from Lee (2005). The last and sixth variable is Top Management Leadership having 4 items and were taken from Ugboro, K Obeng (2000).

**TABLE 1:**

<table>
<thead>
<tr>
<th>#</th>
<th>Variables</th>
<th>Items</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employee satisfaction</td>
<td>1. I find my work very satisfying</td>
<td>Churchill et al. (1974).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. I feel that I am really doing something worthwhile in my job.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. My work is challenging</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. My job is very interesting.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5. My work gives me a sense of accomplishment</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6. My work is very creative</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>7. My job is often dull and repetition.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. I earn the same as or more that other people in a similar job.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. The basis of payment, for example overtime payment, is reasonable.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>4. Salary increases are decided on a fair manner.</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Working Condition</td>
<td>1. My working hours are reasonable.</td>
<td>Roshan Levin Roberts (2005)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2. I am never overworked.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3. I get the opportunity to mix with my colleagues and to communicate on aspects of our work.</td>
<td></td>
</tr>
</tbody>
</table>
|   | Empowerment                          | 1. I have the authority to correct customer problems when they occur.  
|   |                                     | 2. I am encouraged to handle customer problems by myself.  
|   |                                     | 3. I have control over how I solve customer problems.  
|   |                                     | 4. I am able to control the social contact with others around me.  
|   |                                     | Hackman and Oldham, (1975)  
|   | Training and Development            | 1. My company provides me the opportunity to improve my skills  
|   |                                     | 2. There is lot of chance to learn new things in this company  
|   |                                     | 3. My company frequently arranges training programs for the employees  
|   |                                     | 4. Doing job in this company will benefit me in the future  
|   |                                     | 5. I am satisfied with the training and development provided by the company  
|   |                                     | Lee (2005)  
|   | Top Management Leadership           | 1. Top management has devised credible reward systems that recognize employee and managers for the quality achievement.  
|   |                                     | 2. Necessary policy changes have been made to encourage employees; participation and involvement in TQM process.  
|   |                                     | 3. Top management provides needed funds for equipment.  
|   |                                     | 4. Top management provides necessary funds to train employees on the essential TQM techniques.  
|   |                                     | Ugboro, K Obeng (2000)  

3.3. Procedure

The questionnaire was distributed among 200 respondents in Bahawalpur. These respondents
are selected based on the criteria above mentioned. Before giving the questionnaire, the purpose of the study and questions were explained to respondents so they can easily fill the questionnaires with relevant responses. A total of 151 were selected and rest of the questionnaires was not included in the further analysis due to incomplete or invalid responses. After collecting the completed questionnaires, these questionnaires were coded and entered into SPSS for further analysis.

3.4. Reliability Analysis

The Chronbach’s alpha of the Employee Satisfaction questionnaire items were more than acceptable and recommended value 0.50 by Nunnally (1970) and 0.60 by Moss et al (1998). This shows that all the items were reliable and valid to measure the opinions of employees towards employee satisfaction.

Table 2:

<table>
<thead>
<tr>
<th>Scales</th>
<th>Items</th>
<th>Chronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top level management</td>
<td>4</td>
<td>0.796</td>
</tr>
<tr>
<td>Rewards and benefits</td>
<td>4</td>
<td>0.741</td>
</tr>
<tr>
<td>Training and development</td>
<td>5</td>
<td>0.824</td>
</tr>
<tr>
<td>Empowerment</td>
<td>4</td>
<td>0.768</td>
</tr>
<tr>
<td>Working conditions</td>
<td>3</td>
<td>0.526</td>
</tr>
<tr>
<td>Employee satisfaction</td>
<td>7</td>
<td>0.733</td>
</tr>
</tbody>
</table>

4. Results & Analysis

4.1. Profile of the Respondents

Personal and demographic information such as gender, age, income and organization are presented in table given below. In which we are going to discuss the demographic information of the respondents.

Table 3:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>96</td>
<td>63.6</td>
</tr>
</tbody>
</table>
4.2. Hypothesis Testing

4.2.1. Impact of Reward on Employee Satisfaction

According to the results of the study the variable Rewards has significant positive relationship with Employee satisfaction i.e. (Beta =0.300) and Significance values is less than 0.05 i.e. 0.002. So the hypothesis is accepted. It means reward contributes 30% in employee satisfaction.

4.2.2. Results of other Hypotheses towards Employee Satisfaction

The three hypotheses Impact of training and development towards Employee Satisfaction, Impact of empowerment towards Employee Satisfaction and Impact of working Conditions toward Employee Satisfaction are rejected, because their significance value is greater than 0.05.
Table 4:

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.546</td>
<td>.210</td>
<td>7.346</td>
<td>.000</td>
</tr>
<tr>
<td>Reward</td>
<td>.197</td>
<td>.063</td>
<td>.300</td>
<td>3.104</td>
</tr>
<tr>
<td>Working conditions</td>
<td>-.002</td>
<td>.067</td>
<td>-.002</td>
<td>-.027</td>
</tr>
<tr>
<td>Empowerment</td>
<td>-.074</td>
<td>.070</td>
<td>-.090</td>
<td>-1.058</td>
</tr>
<tr>
<td>Training and development</td>
<td>.089</td>
<td>.069</td>
<td>.125</td>
<td>1.287</td>
</tr>
</tbody>
</table>

4.2.3. Impact of Top Level Management on rewards

The results shows that there is positive relationship between top level management leadership and rewards i.e. (beta=0.495) and having significance 0.000, which is less then recommended 0.05 so this hypothesis is accepted. Top level management contributes above 49 % in rewards.

Table 5:

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>1.429</td>
<td>.215</td>
<td>6.652</td>
<td>.000</td>
</tr>
<tr>
<td>Top management</td>
<td>.528</td>
<td>.076</td>
<td>.495</td>
<td>6.962</td>
</tr>
</tbody>
</table>
4.2.4. Impact of top level management on training & development

Results shows that there is positive relation between top management and training & development having (Beta=0.601) and significance of 0.000. It is clear that significance is less than 0.05 so it is accepted. Top management contributes above 60% in training and development.

Table 6:

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.719</td>
<td>.182</td>
<td>3.941</td>
<td>.000</td>
</tr>
<tr>
<td>Top management</td>
<td>.591</td>
<td>.064</td>
<td>.601</td>
<td>9.176</td>
</tr>
</tbody>
</table>

4.2.5. Impact of Top level Management on Empowerment

Results shows that there is positive relationship between Top level Management and Empowerment having (Beta=0.354) and significance of 0.000. As significance is less than recommended 0.05 so it is accepted. Top level Management contributes more than 35% in Empowerment. As mention in

Table 7:

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.387</td>
<td>.185</td>
<td>7.505</td>
<td>.000</td>
</tr>
<tr>
<td>Top management</td>
<td>.301</td>
<td>.065</td>
<td>.354</td>
<td>4.617</td>
</tr>
</tbody>
</table>
### Table 8: Regression Results

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Modal Variables</th>
<th>Beta</th>
<th>Significance</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Rewards</td>
<td>0.300</td>
<td>0.002</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>Empowerment</td>
<td>-0.090</td>
<td>0.292</td>
<td>Not supported</td>
</tr>
<tr>
<td>H3</td>
<td>Training and development</td>
<td>0.125</td>
<td>0.200</td>
<td>Not supported</td>
</tr>
<tr>
<td>H4</td>
<td>Working conditions</td>
<td>-0.002</td>
<td>9.979</td>
<td>Not supported</td>
</tr>
<tr>
<td>H5</td>
<td>Top management and rewards</td>
<td>0.495</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H6</td>
<td>Top management and empowerment</td>
<td>0.354</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H7</td>
<td>Top management in training and development</td>
<td>0.601</td>
<td>0.000</td>
<td>Supported</td>
</tr>
</tbody>
</table>

#### 5. Discussions

Research was conducted to explore the satisfaction level of employees. Research was developed in Bahawalpur City of Pakistan; private sector was selected to study thoroughly. The aim of the study was to know about the job conditions in developing city. We studied many past researches and from those researches we found these variables: empowerment, rewards, training & development and working conditions. On the basis of these variables we developed hypotheses which we discussed above. We choose the sample of 200 workers from the private organizations of the concerning city, from which 151 were selected for further analysis.

We have two parts in this research one part discusses the behavior of Top level Management towards empowerment, rewards, training & development and the next part discusses the level of employee Satisfaction. First we use Top Level Management as independent variable which is effecting empowerment, rewards and Training & development. In the next part we use Employee Satisfaction as dependent variable on rewards, working conditions, empowerment
and training & development. After analysis we found that top level management has significant effect on rewards and it contributes more than 49 % in rewards, more than 60 % in training & development and more than 35% in empowerment. In the next part only rewards are supporting the employee satisfaction which has significance less than 0.05 and contributes 30 % in employee satisfaction other hypotheses has been rejected.

6. Conclusions

Results revealed that in Pakistani environment rewards, appraisal, appreciation and compensation are playing important role in playing satisfaction, rest of the variables has insignificant effect. We concluded that if organizations want to increase the productivity of employees, they have to pay special attention towards rewards. No doubt Pakistani human resources are fighting for basic requirements so the results are close to reality. Since, researchers collected data from 151 respondents; therefore, increase in sample size can generate more generable results.

7. Research Limitations

The research is limited in the small city of Pakistan and only private small organizations were selected. If the same research is conducted in metropolitan city, increased in sample size and public & other big organizations are involved may be the results will be deviated.

References


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