



JOB SATISFACTION OF EMPLOYEES WORKING IN MANUFACTURING SMEs

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A B S T R A C T

Nowadays attracting and retaining of talented employees is the big challenge to the organization in the competitive business labour market. An unsatisfied employee is the first enemy of the organization. A satisfied employee will be an asset to the organization. The present study is an attempt to know the level of job satisfaction among employees. The objective of the study is to measure the status of job satisfaction and to know the affect of demographical attributes of employees on job satisfaction. This study has been carried out in metal fabrication SMEs in and around Bangalore; data were collected from 163 employees from 6 manufacturing firms. Data were collect through the structured questionnaires Study reveals that majority of employees are not satisfied, study also reveals that Age and experience of employees have a great impact on job satisfaction of employees.



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1. INTRODUCTION: SMALL AND MEDIUM ENTERPRISES IN INDIA

The Small and Medium Enterprises (SMEs) are significantly important to the Indian economy. They contribute significantly to the nations GDP and employment after agriculture SMEs is the second largest sector that provides employment. The SMEs units are more oriented towards manufacturing sector when compared with the service sector. The significance of SMEs in the manufacturing sector is predominant due to the quantum of units that come under this category. Nearly 90% of the industrial units in the country fall under this category. Furthermore, nearly 45% of the nation's industrial output is contributed by the SMEs. The SMEs also approximately contribute 40% of the total exports. This mammoth contribution of the SMEs is a result of the combined and focused efforts of the

Government, policymakers, lawmakers, industrial bodies and associations towards overall improvement and development of the SMEs. Cluster-based operation model has paved the way for rapid growth among the SME units. The SMEs generally act complementary to the large-scale industries as ancillary units and paves the way for the socio-economic development of the country. They are generally regarded as nurseries for innovation and entrepreneurship and are distributed pan India. The primary focus of SMEs is more often on running the industry on a daily basis. They are known to produce a wide variety of products and services in order to cater the needs of both the domestic as well as international market. The SMEs sector is generally considered that sector which significantly contributes to alleviating poverty, unemployment, and insecurity. Apart from this SMEs facing a lot of challenges in retaining of skilled and

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committed employees in the competitive business environment.

2. JOB SATISFACTION

Job satisfaction is basically an individual's evaluation of his/her Job. It can be an emotional state arising after careful evaluation of one's job either pleasurable or unpleasurable. Job satisfaction can be described as an individual's attitude towards multiple parameters which is encountered in a particular job be it people or some other variables. It is a largely accepted hard fact that dissatisfied employees are very much inclined to underperform below their capabilities which may translate into higher turnover of employees. Job satisfaction is therefore a critical and significant component holding its relevance to both the employee as well as the employer, since its impact on organizations performance, development and behavior is profound and magnanimous.

The term job satisfaction has garnered attraction and attention from numerous research scholars and practitioners of different backgrounds and streams such as psychologists, Total quality management, Human Resource Management and Organizational Behavior as the very term job satisfaction is multi-dimensional and interdisciplinary.

Many researchers and practitioners have emphasized and underlined potential attributes of satisfaction such as satisfaction with leadership styles, Management style, Relationship with Co-workers, Work environment, Compensation and benefits, Promotion and growth opportunities, Training and development and many others.

3. LITERATURE REVIEW

Kumari and Rachna's (2011) research used following dimensions to measure the employee job satisfaction Culture, Leadership, Communication, Commitment, Training, Job Content, Rewards and Recognition Opportunities, Superior Subordinate relationship and Delegation, Teamwork. The study identified that communication between superior and subordinates is the main factor effects on employee job satisfaction. The study revealed that other factors such as clear goals, minimum ambiguity relating to goals have an impact on Job satisfaction.

Ali and Ahmed's (2009) study highlights the impact of Rewards and Recognition programs on employee's motivation and satisfaction. The study used following drives to measure the employee Job satisfaction such as payment, promotion, working condition, promotion, payment, recognition, working conditions, benefits, personal, leadership. The results of the analysis showed that there was a positive relationship between reward and employee satisfaction.

Singh and Jain's (2013) research used following drives such as policies of compensation and benefit, Job security, working conditions, relationship with superior authority, promotion and career development, leadership styles, work group to measure level of employee job satisfaction, study reveals that Job satisfaction of employees effects on the employee performance.

Kumari and Pandey's (2011) study included both affective and cognitive processes to obtain a broad measure of an individual's subjective experience of tension regarding His/her Job. The study also emphasized on the analysis of an individual's behavior in work environment for better output. The study also explores the cause variables which affect employee involvement. The effect of the sentimental relationship upon employee involvement is prominent and positive. Employee's with personality traits of higher inner control display higher level of involvement than those with an external control. The study also indicates that Job holders vary regarding the extent of ambivalence experienced with respect to their attitudes towards their Job.

Sinha (2013) tried to measure the satisfaction level of employee's by using following eight drives which are Empowerment, Work environment, Working Relation, Salary, Future prospects, Training, Work Involvement and Job Rotation. The study reveals that salary is significantly associated with employees' job satisfaction.

Voon et al. (2011) study revealed that transformational leadership style positively associated with job satisfaction, contingent reward, active management by exception and passive management by exception are dimensions used to compare the job satisfaction under different leadership styles.

Parvin and Kabir's (2011) research used following dimensions to measure job satisfaction working conditions, pay and promotion, job security, fairness, relationship with supervisors and co-workers. The research revealed that the factors such as working condition, pay and promotion, fairness, job security, relationship with co-workers and supervisors had a significant influence on job satisfaction. The study also used firm and employee demographical attribute to compare the job satisfaction such as types of firm, the experience of employees, age, salary and gender of respondents.

Bhatti and Qureshi (2007) in their research study analyzed employee participation, job satisfaction, and employee commitment and employee productivity. The results of this study indicate that there is a positive relationship between employee participation, employee job satisfaction, employee productivity and employee commitment.

García-Bernal et al. (2005) research used following variables that could have an impact on the level of an

individual's satisfaction with their job through the factor analysis which are as follows wages, relationship with co-workers and supervisors, promotion opportunities, interpersonal relationships, the nature and physical conditions of the job, retribution and security, impact on society and interest on the job. The study also indicates that the level of job satisfaction is determined by four factors which are economic aspects, interpersonal relations, working conditions and personal fulfillment.

Jain and Kaur's (2014) study were considered work environment, duties and responsibilities, refreshment and recreation facilities, grievance handling procedure, fun at workplace, health and safety facility to measure the employee's job satisfaction. Research revealed that all these factors have a direct impact on attrition rate and job satisfaction.

Silpa and ChittiBabu (2016) conducted a research to find out the important factors that affected Job satisfaction and also to find the relationship between Employee satisfaction and its determinants. The factors considered for the study were Working Hours, Respect from superiors, satisfactory salaries, welfare facilities, decision making and training opportunities.

Neog and Barua (2014) conducted a research to find out the factors that affected job satisfaction of employees. The factors that were considered for analysis were compensation, work environment, salary, supervisor support and job security. The study revealed that salary was the prime motivator for satisfaction.

Absar et al. (2010). Revealed the relationship between job satisfaction and Human resources practices, the factors that were considered are HR planning, recruitment and selection, training and development, performance appraisal, compensation, and industrial relations. The study concluded that there was a high positive correlation between HR practices and Job satisfaction.

The aim of Sharma and Khanna's (2014) study was to assess employees job satisfaction with respect to different factors which have an impact on the satisfaction level. The factors that were considered for the study were a relation with co-workers, challenge with the changing working system, relation with punctuality, the effect of frequent transfers and salary. The study concluded that cordial relations among co-workers built up a favourable work environment and job satisfaction.

Kumari's (2016) research used various determinants such as communication, work culture, work environment, performance appraisal system, rewards and recognition and training were used to evaluate the status of job satisfaction. The study concluded that rewards and recognition and communication were the most significant factors than others factors.

Swarnalatha and Sureshkrishna (2012) in their study to assess the level of Job satisfaction following factors were considered employee empowerment, teamwork, employee compensation and management leadership. The study revealed that the factors such as employee empowerment, employee compensation, team-work and management leadership as predictors of employee satisfaction.

It is noticed that most of the researchers have used different variables that have a bearing on Job satisfaction because of the fact that the subject Job satisfaction is multi-dimensional. It is also noticed that a few variables are consistently used in the research studies such as pay and compensation, working conditions, promotion, security, supervisor, leadership style, co-workers, career development, Training and many others.

4. OBJECTIVES OF THE STUDY

For the purpose of the present study, the following objectives are laid down,

- To know the status of Job satisfaction of employees.
- To check the relationship between the status of Job satisfaction and the demographical characteristics of the respondents.
- To check the relationship between the components of Job satisfaction.

5. QUESTIONNAIRE

The questionnaires have been designed on the pretext of the twelve factors that have been identified through the literature review and by considering present senior of the labor market. The factors on which the questionnaires were designed are:

- Work-life balance
- Career development opportunities
- Training and development
- Working condition
- Communication
- Relation and cooperation
- Recognition/Rewards
- Welfare facilities
- Benefits
- Leadership styles
- Promotion
- Compensation

The questionnaires were drafted both in English and Kannada languages. The questionnaires were designed on the basis of a close-ended approach. Each item of the questionnaire related to job satisfaction and employee commitment is rated on a scale ranging from "strongly agree" to "strongly disagree" based on the Likert five-point scale wherein 1 corresponds to "strongly disagree" and 5 corresponds to "strongly agree". Data were collected from shop floor workers, operators and helpers working in manufacturing SMEs.

The questionnaire was designed under two headings as follows:

- i. Demographical information related to both employees as well as firm.
- ii. Employee's perception towards Job satisfaction.

Data Collection and analysis: The primary data is collected by distributing the questionnaires among the prospective sample employees. Data were collected from 163 employees from 16 SMEs. For the purpose of analysis and report generation, a database was created using Softwares like MS Excel and Minitab in which the responses from the questionnaires were stored and later used for the purpose of Statistical analysis like percentage analysis, frequency analysis, Chi-square analysis, Correlation analysis and Regression analysis.

5. HYPOTHESIS

Based on the present study's primary objectives and the problem definition various Hypotheses are developed. The Hypothesis so developed is tested against the research objectives.

Null Hypothesis H011: There is no significant relationship between Job satisfaction and demographical attributes of respondents.

6. DATA ANALYSIS AND PRESENTATION

Data which is collected from the survey of 163 employees from 16 firms located in and around Bangalore, Karnataka. The collected data can be categorized into two different sections namely demographical characteristics of firms and demographical characteristics of employees.

Demographical factors of employees mainly comprise of age, gender, experience, salary paid, type of job, education level, designation. Demographical characteristics of firms include Age of the firm, Size of the firm and cost of the project (Plant & Machinery).

The collected data was also analyzed to assess the status of Job satisfaction of employees. The analysis also included measuring the status of Job satisfaction with respect to the components of Job satisfaction.

7. DEMOGRAPHIC DISTRIBUTION OF RESPONDENTS

In this section, the basic profile of the organization and respondents from which the sample respondents were selected are presented. Demographic characteristics of the firm such as information regarding the number of employees cost of investment in terms of plant and machinery and age of the firm are presented. Demographic attributes of respondents are shown in table 1.

Table 1. Demographic distribution of respondents

Sl. No	SMEs and Respondent Characteristics	Description	Number of firms/ Respondents	Percentage
1	Size of the firm	11-25	8	50
		26-50	8	50
		Total	16	100
2	Cost of the project (In lakhs)	26-50	11	68.8
		51-100	5	31.2
		Total	16	100
3	Age of the firm (In years)	less than 10	1	6.3
		11-20	11	68.8
		21-30	4	25.0
		Total	16	100
4	Age of the employees (In years)	20-30	17	10.4
		31-40	79	48.5
		41-50	59	36.2
		51 & above	8	4.9
		Total	163	100
5	Gender	Male	163	100.0
		Female	0	0
		Total	163	100
6	Experience of the employees (In years)	Up to 5	29	17.8
		6-10	55	33.7
		11-20	61	37.4
		more than 20	18	11.0
		Total	163	100
7	Level of Education	Diploma	3	1.8
		ITI	63	38.7
		SSLC	34	20.9
		Others	63	38.7
		Total	163	100
8	Designation of the employees	Machine Operator	50	30.7
		Fitter	45	27.6
		gas cutter	1	0.6
		Grinder	24	14.7
		maintenance personnel	8	4.9
		senior fitter	1	0.6
		the shift supervisor	1	0.6
		Welder	33	20.2
		Total	163	100
9	Nature of Job	Technical	64	39.3
		Non-Technical	99	60.7
		Total	163	100

Among the 16 firms that were surveyed, the analysis of the data shows that exactly half of the firms employed between 11-25 employees and the other half of the firms employed between 26-50 employees, around 69 percent of the firms made an investment between 26-50 lakhs and around 31 percent of the firms made an investment between 51-100 lakhs., around 69 percent of the firms were in operational existence between 11-20 years and around 25 percent of the firms were in operational existence between 21-30 years and around 6 percent of the firms were in operational existence for a period of less than 10 years, Among the 163 respondents around 49 percent of the employees are between the age group 31-40, around 36 percent of the employees are among the

age group 41-50, around 10 percent of the employees are between the age group 20-30 and around 5 percent of the employees are above the age of 51 years. This outcome is very significant as it conveys the fact that the fabrication and machining industries do not entertain female employees at all apart from the house keeping jobs, around 18 percent of respondents have less than 5 years of experience, around 34 percent of employees have between 6-10 years of experience, around 37 percent of employees have between 11-20 years of experience and around 11 percent of respondents have more than 20 years of experience, around 2 percent of the respondents have attained an education level of diploma, around 39 percent of respondents have attained an education level of ITI, around 21 percent of respondents have attained an education level of SSLC and around 38 percent of respondents have attained an education level below that of SSLC, around 31 percent of respondents were machine operators, around 27 percent of respondents were fitters, around 0.5 percent were gas cutters, around 15 percent of respondents were grinders, around 5 percent of respondents were maintenance personnel's, around 1 percent of respondents were shift supervisors and senior fitters and around 20 percent of employees were welders, around 40 percent of respondents belonged to the Technical cadre and around 60 percent of respondents belonged to the Non-Technical cadre. Among the 163 respondents who were surveyed, all of their average salaries are in between 10000-20000, which indicates that despite different designations prevailing their salary is uniformly skewed.

8. STATUS OF JOB SATISFACTION OF EMPLOYEES

To know the status of Job satisfaction among the respondents they were divided as satisfied and unsatisfied based on the overall score that an individual obtained. The job satisfaction value for each individual sample respondent was arrived at by adding the values of each of the twelve components of job satisfaction namely from Questions 1 to 50 from the questionnaire, and then dividing by the total number of questions i.e. 50. Each item in the questionnaire had a ranking score from 1 to 5,

where 1 is the least and 5 being the maximum. By the above method, the mean value of job satisfaction of each of the respondents was obtained. From this, overall mean or grand mean were estimated by taking the average of the mean value of individual respondents. For the current study, the overall mean so obtained is 3.14. Those scoring more than that of the overall mean of job satisfaction were said to be satisfied and those scoring below the overall mean were said to be unsatisfied.

Table 2. Status of Job satisfaction

Status of Job Satisfaction	Number of respondents	Percentage
Satisfied	72	44.2
Unsatisfied	91	55.8

Among the 163 respondents who were surveyed, the analysis of data shows that around 44.2 percent of the respondents are satisfied and around 55.8 percent of respondents are unsatisfied. This very clearly indicates that majority of the employees are unsatisfied with their job.

9. THE RELATIONSHIP BETWEEN DEMOGRAPHICAL ATTRIBUTES AND JOB SATISFACTION OF EMPLOYEES

To analyze the relationship between demographical attributes and Job satisfaction of employees, the hypothesis was tested for independence by conducting chi-square analysis. Based on the perception of the employees towards Job satisfaction they were grouped into two, namely satisfied and unsatisfied. Also, after the chi-square analysis, the values χ^2 and the significance levels are presented in the table 3.

From the chi-square analysis it is identified that only Age and experience of the employees ($p < 0.05$, χ^2 calculated $> \chi^2$ table), since the calculated chi-square value is greater than the table chi-square value reject the Null hypothesis and accept the alternative hypothesis, that is age and experience of employees has a relationship with job satisfaction.

Table 3. Relationship between Demographical characteristics of employees and Job satisfaction

Sl no	Demographical characteristics of employees		Status of Job Satisfaction of Employees		Table value χ^2	Calculated value χ^2	P value	Significance level
			Satisfied	Unsatisfied				
1	Age	20-30	6	11	7.81	9.345	0.025	5%
		31-40	27	52				
		41-50	35	24				
		51 and above	4	4				
2	Experience	Up to 5	6	23	7.81	13.709	0.003	5%
		6-10	22	33				
		11-20	31	30				
		More than 20	13	5				

Table 3. Relationship between Demographical characteristics of employees and Job satisfaction (continued)

Sl no	Demographical characteristics of employees		Status of Job Satisfaction of Employees		Table value χ^2	Calculated value χ^2	P value	Significance level
			Satisfied	Unsatisfied				
3	Type of job	Technical	28	36	3.84	.008	0.931	NS
		Non-Technical	44	55				
4	Education level	Diploma	0	3	7.81	2.88	0.409	NS
		ITI	28	35				
		SSLC	17	17				
		Others	27	36				
5	Salary	Less than 5000	0	0				NS
		5000-10000	0	0				
		10000-20000	72	91				
		More than 20000	0	0				
6	Designation	Machine operator	23	27	14.1	3.89		NS
		Fitter	18	27				
		Gas cutter	1	0				
		Grinder	11	13				
		Maintenance personnel	3	5				
		Senior fitter	1	0				
		Shift supervisor	0	1				
Welder	15	18						

10. STATUS OF COMPONENTS OF JOB SATISFACTION

Table 4 shows the number of employees satisfied and unsatisfied based on the twelve components of Job satisfaction.

Form the table 4 it can be concluded that 60 percent of respondents are not satisfied with work-life balance, recognition/reward and benefits. 60 percent of employee's opinion is they have good career development opportunities.

Table 4. Status of components of Job Satisfaction

Sl no	Components of Job satisfaction	Status of components of Job satisfaction			
		Satisfied		Unsatisfied	
		Number of employees	Percentage	Number of employees	Percentage
1	Work life balance	66	40	97	60
2	Career development opportunities	97	60	66	40
3	Training and development	90	55	73	45
4	Working condition	89	55	74	45
5	Communication	82	50	81	50
6	Relation and Cooperation	87	53	76	47
7	Recognition/Rewards	65	40	98	60
8	Welfare facilities	75	46	88	54
9	Benefits	70	43	93	57
10	Leadership style	86	53	77	47
11	Promotion	91	56	72	44
12	compensation	92	56	71	44

11. CORRELATION BETWEEN JOB SATISFACTION OF EMPLOYEES AND COMPONENTS OF JOB SATISFACTION

Pearson correlation test is conducted to analyze the quantum of the influence of the Job satisfaction components on the actual Job satisfaction of the employees, for a 5% level of significance. The results are presented in table 5.

Table 5. Correlation Analysis

Components of Job satisfaction	Correlation coefficient (r)	P value	Result
Work life balance	0.023	0.000	Significance
Career development opportunities	0.595	0.000	Significance
Training & development	0.813	0.000	Significance
Working condition	0.681	0.000	Significance
communication	0.017	0.000	Significance
Relation & cooperation	0.480	0.000	Significance
Recognition/Rewards	0.925	0.000	Significance
Welfare facilities	0.756	0.000	Significance
Benefits	0.567	0.000	Significance
Leadership styles	0.036	0.000	Significance
Promotion	0.830	0.000	Significance
Compensation	0.830	0.000	Significance

From the results, it can be noticed that there is a high correlation between Job satisfaction of employees and the Recognition/Rewards. And the least correlation exists between Job satisfaction of employees and the communication methods. This signifies that the component Recognition/Rewards has a very high impact on Job satisfaction of employees.

12. CONCLUSION

For the available literature based on the frequency of usage twelve drives of Job satisfaction was identified they were, Work life balance, Career development opportunities, Training and development, Working condition, Communication, Relation and cooperation, Recognition/Rewards, Welfare facilities, Benefits, Leadership styles, Promotion, Compensation.

Among the 163 respondents who were surveyed, the analysis of data shows that around 44.2 percent of the respondents are satisfied and around 55.8 percent of respondents are unsatisfied. This very clearly indicates that majority of the employees are unsatisfied with their job. Age and experience of employees have a relationship with job satisfaction.

From the results, it can be noticed that there is a high correlation between Job satisfaction of employees and the Recognition/Rewards. And the least correlation exists between Job satisfaction of employees and the communication methods. This signifies that the component Recognition/Rewards has a very high impact on Job satisfaction of employees.

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