

A STUDY ON FACTORS AFFECTING JOB SATISFACTION AND ITS EFFECT ON EMPLOYEE PERFORMANCE OF INDIAN RAILWAYS

Ritu Garg Agrawal

Assistant Professor, Oriental College of Management, Barkatullah University, Bhopal

ABSTRACT

Happy workers are productive workers and productive workers are likely to be happy. Employee job satisfaction is essential to face the dynamic and ever-increasing challenges of maintaining productivity of the organization by keeping their workforce constantly engaged and motivated. Furthermore, environmental pressures, rising health costs and various needs of the workforce also pose a challenge for the management. This could be overcome by creating a work environment that maintains employee job satisfaction as well as motivates people towards exceptional performance at the workplace achieving work-life balance. This paper outlines the broad contours of various variables responsible for employee satisfaction and various ways by which one can maximize employee satisfaction.

KEYWORDS: Job Satisfaction, Employee Performance, Motivation, Productivity.

INTRODUCTION

Employee satisfaction refers to a collection of positive and/or negative feelings that an individual holds toward his other job. Job Satisfaction is a part of life satisfaction. It is the amount of pleasure or contentment associated with a job. Job Satisfaction is an emotional response to a job. Job satisfaction is one of the most popular and widely researched topics in the field of organizational psychology (Spector, 1997). Locke (1976) defines job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. Job satisfaction has been studied both as a consequence of many individual and work environment characteristics and as an antecedent to many outcomes.

Employees who have higher job satisfaction are usually less absent, less likely to leave, more productive, more likely to display organizational commitment, and more likely to be satisfied with their lives (Lease, 1998). There are a variety of factors that can influence a person's level of job satisfaction. Some of these factors include the level of pay and benefits, the perceived fairness of the promotion system within a company, the quality of the working conditions, leadership and social relationships, the job itself (the variety of tasks involved, the interest and challenge the job generates, and the clarity of the job description/requirements). The happier people are within their job, the more satisfied they are said to be. The concept of job satisfaction has gained importance ever since the human relations approach has become popular. Job satisfaction involves complex number of variables, conditions, feelings and behavioral tendencies

DEFINITION OF JOB SATISFACTION

Job Satisfaction is a very important factor of Human Resource Management hence it has been defined in many ways by the researchers. However, it can be defined in a very simple manner in two ways: "Job satisfaction is that emotional state which is achieved when one achieves his job values" and the other as: "the extent of satisfaction or dissatisfaction of people from their jobs".

Theories of Job satisfaction and theories of motivation are inter linked with each other. Maslow's motivation theory and Herzberg's theory have already been discussed previously

while dealing with motivation. The following chart describes the category, theory and theme of that theory to provide relevant information in a brief manner.

| CATEGORY | THEORY | MAJOR THEME |
|-------------|---------------------|--|
| NEEDS | Maslow | Satiate needs to change behavior |
| | Alderfer ERG | Can satisfy multiple needs simultaneously |
| INDIVIDUAL | Achievement | Personality trait |
| | Intrinsic | Some are more motivated than others |
| COGNITIVE | Goal setting | Set goals to change behavior |
| | Expectancy | Links between behaviors, performance, and rewards |
| | ProMES | Links above categories w/evaluations and needs |
| SITUATIONAL | Job Characteristics | Modify task/job to increase motivation |
| | Operant Approach | Change rewards/punishments to change behavior |
| | Herzberg 2-factor | Hygiene factors lead to dissatisfaction; motivators result in satisfaction |
| | | (Johnson, 2000) |

The JCM model encourages internal motivating features. As per this model, some of the key job characteristics are task significance, skill variety, work identity, autonomy and feedback and many more. Subsequently, these key factors will result in healthy working environment for employees and increase job satisfaction.

With the increasing work pressures and challenges related to jobs, the significance of job satisfaction is increasing day by day. It has become a great matter of concern for the management to keep the workers happy and satisfied in their jobs.

REVIEW OF LITERATURE

Thakor and Joshi (2005) studied that how salesperson can be motivated for better customer orientation and satisfaction they receive with their pay. Research results have shown that experienced meaningfulness had positive main effect on customer orientation and that both organizational identification and pay satisfaction enhances this positive main effect.

Locke and Latham (1990) provide a somewhat different model of job satisfaction. They proceed from the assumption that the objectives set at the highest level and high expectations for success in work provides achievement and success in performing tasks. Success is analyzed as a factor that improves job satisfaction.

Taber and Alliger (2012) studied on factors which make an employee enjoy his work and this research was carried on employees of an American educational institute. They found that work satisfaction was the most important factor which makes employees enjoy their job. Some factors like supervision, concentration were not very much connected with the feelings of employee at work.

Bradley and Brian (2003) of University of Newyork made research on employees of public sector relating to their satisfaction with job. They examined the role of working environment on public employee feelings of job satisfaction, linking characteristics of the work context perceived to be more prevalent in public organizations with specific job characteristics that serve as important antecedents of job satisfaction. It was found out that there was two third of the difference in job satisfaction and suggests that the work context may not only be important in distinguishing between public and private sector employment but also may be at the root of any sector differences in job satisfaction.

Anitha (sep. 2011) examined the factors affecting satisfaction level of employees of paper mills at Udumalpet and Palani taluk. The sampling method used was random sampling method and chi square test was applied to test the hypothesis. It was found that working conditions, safety and security and rewards were the most important factors and had a great impact on job satisfaction.

Brunneto and Wharton (2012) of (Technology and Innovation Management Centre, University of Queensland, St Lucia, Queensland, Australia) studied on “Using social identity theory for explaining the employee satisfaction of public sector. It analyzed the reasons affecting JS level of one group of public sector employees and second, uses social identity theory to explain the results. The outcome of the analysis showed that when employees are not satisfied with their working conditions, it is likely that their workplace effectiveness may be jeopardized and in turn, the efficiency and effectiveness of scarce public resources may also be compromised.

According to **A. Pocztowski (2003)** the satisfaction obtained from a job of an employee is dependent on many factors like salary and wages, advancement opportunities, management style, content of work, interpersonal relations, working conditions, work organization, management and corporate reputation.

In turn, **P. Makin, G. Cooper and Ch. Cox (1991)** claim that job satisfaction is an emotional mental state in the perception of positive and pleasant which proceeds with the evaluation of their own work or experience. They also mentioned some factors which influenced the job satisfaction such as: interesting work, well-paid jobs, the possibility of advancement, good superiors and good relationships with co-workers.

Zaim Halil, Zaim Selim (2007) measured Employee Satisfaction in Small and Medium Sized Enterprises, by using factors such as pay and benefits, peers, management, working environment and superiors. The survey instrument was composed of questions relating to employee satisfaction and loyalty. The study focused on the textile industry including textile mill products and apparel. The findings showed that there is a positive linear relationship between each of the five factors of employee satisfaction. These are Pay & Benefits (PB), Satisfaction from Peers (P), Satisfaction from Management (M), and Satisfaction from Working Environment (WE). However, among these factors, pay and benefits was found to be the most important criterion followed by management and working environment.

Brikend (2011) studied Job Satisfaction and found that it (Job satisfaction) is influenced by a number of factors such as: The nature of work, Salary, Advancement opportunities, Management, Work groups and Work conditions. Job satisfaction represents a combination of positive or negative feelings that workers have towards their work.

A study was made on Employee Satisfaction in Banking Sector by **Meena and Dangayach (2012)**. This study was carried on employees of private and public sector banks of Rajasthan to examine their job satisfaction. Three banks of public sector namely the SBI, BOB and PNB were taken and ICICI and HDFC from the private sector was chosen for this purpose. Total three hundred fifteen (63 from each bank) employees were considered as the samples in this study. It was found that satisfied employees made positive contributions to the organizational effectiveness and performance.

Friedlander and Margulies (1969) were of the view that human relationships was the most important factor for satisfaction of the employees. They suggested that efficient administration and cordial relation with the workers is essential for increasing their satisfaction level. But as per **Herzberg (1966)**, effective supervision is not very essential for

increasing the level of job satisfaction.

Balaji (2013) proposed that Motivation plays one of the most important dynamic forces which affect our actions and directions while working. Motivation is a mix of various processes which influence our behavior to reach or to accomplish a specific task. Motivation, rewards, employee welfare or job satisfaction are some of the factors which are interrelated in their work and give the result accordingly. Employee satisfaction is the last thing achieved by the employee, which can only be accomplished when they put their efforts in performing the activities and functions. Motivation is required when the employee relations are not in good pattern.

Yesuraja and Nandini (2013) conducted a study to evaluate the efficacy of Employee welfare measures in their organization i.e. ABT industries. Welfare measures are a very important facet of an industry, it provides security to the employee who helps them to guide their actions and working and develop the circumstances in which the employees are working. Questionnaire method had been used to know the views of the employees on welfare measures. The result which has been concluded is that the employees are highly satisfied with the employee welfare measures which are provided to them in the organization.

According to **Parvin and Kabrinarul (2011)** the Pharmaceutical industry plays an important role behind the economic expansion of a nation. Through this study an attempt has been made to evaluate the level of job satisfaction of employees of this industry. This research paper focuses on many different aspects of pharmaceutical industry, as the industry carries huge investment and having high level of job security issues among its employees, this study also discusses some of the unique subjects of job satisfaction in the industry. This paper focus on a broad verdict of job satisfaction manifestation of pharmaceutical company, the issues grounds the discontentment & ideas to develop them. The analysis revealed that lack of Job security is one of the major factor for low satisfaction level among the employees.

Kaliyamurthy and Devi shyamala (2012) made a study on labour welfare measures. A labour welfare measure is adopted in any organization to improve the health, security, growth, and performance and motivation level of an employee. Labour welfare facilities are provided to the employees by government, trade union, non government organizations apart from the employers. The satisfaction level of employees was evaluated after getting the labour welfare measures in the organizations and the results showed that the employees were highly satisfied with the welfare facilities given to them. They also suggested various measures to improve the efficiency of welfare measures.

Ashok kumar and Bhati (2013) examined the different welfare requirements given to the employees under the factories act 1948. This research paper hold the study on worker contentment to well being amenities beneath the act. In this study the effect of well being necessities on worker contentment was measured, correlation technique and one way annova test was applied to evaluate the results. It was found out that the employee contentment to different welfare facilities was different. They were more satisfied with medical facilities, lighting and ventilation, relation with superiors but less satisfied with the wage policy, incentive system, promotion policy etc.

OBJECTIVES OF THE STUDY

I have chosen this topic for research paper because when we think about railway, our brain only gets the picture of trains, stations, loco pilots, only those things which are working in front of our eyes. But in railways there are so many departments where many employees are working. Indian railway is doing many such welfare practices for the benefit and satisfaction

of their employees but still the employees lack job satisfaction which is reflected from the falling productivity.

Hence, the reason behind this research paper is to

1. To identify the various welfare factors which influence the job satisfaction of employees.
2. To identify the impact of employees' job satisfaction on their performance.
3. To identify the factors which improve the satisfaction level of employees.

METHODOLOGY

I have used Random Sampling Method for the research in the West Central Division of Indian Railways. The data was collected from employees through google form. For practical implementation of the survey for the purpose of researching, I have targeted 200 Railway employees of Rail Coach Factory, Nishatpura, Bhopal. The secondary sources of data include the reports published in railway journals, yearbooks and magazines.

DATA INTERPRETATION

The Data included a questionnaire in which questions related to employer-employee relationship, job security, basic pay, policies, working conditions, medical insurance, retirement plan, quarter facilities, bonus plans, promotion and children education assistance. The respondents had to reply whether satisfied, dissatisfied or can't say. The responses were tabulated and inferences were drawn.

Job Satisfaction of the employees is the main factor of concern for organizational goals and day by day each organization is improving and modifying their welfare facilities and policies for their employee's satisfaction. The employees are majorly satisfied with the various welfare facilities although few of them are not satisfied. Job satisfaction is important to enhance productivity and it also boost the morale of the employees. An employee feels satisfied in his job when he gets right work as per his skills and education, proper welfare facilities and environment, training and development facilities and growth opportunities.

Job dissatisfaction arises when employee doesn't feel motivated in his job and loses interest in his job. It may either be due to lack of welfare measures, unhealthy work environment, rigid organization policy, no scope for future growth or lack of support from top management.

IMPORTANCE OF EMPLOYEE SATISFACTION

Employee satisfaction has a significant role in the growth of an organization. It increases the productivity of an organization and helps in achieving its targets. It enhances employee retention and reduces turnover and absenteeism in the organizations. A happy employee helps in improving the corporate image which results in customer satisfaction and maintaining healthy customer relations. A satisfied employee is an asset to the organization. Job satisfaction is not only a concern for the organizations but also for the employee himself as his productivity will affect his relationship with the organization. A satisfied employee is more committed to his work and is concerned about his work delivery. Satisfied employees will create and deliver superior value to their customers.

VII GENERAL EMPLOYEE JOB SATISFACTION PROMOTERS

1. Policies of Compensation and Benefit: This is the most important variable for employee satisfaction. Compensation can be described as the amount of reward that a worker expects

from the job. Employees should be satisfied with competitive salary packages and they should be satisfied with it while comparing their paypackets with those of the outsiders who are working in the same industry. A feeling of satisfaction is felt by attaining fair and equitable rewards. Following points may be delineated under this category:

1. Salaries or wages
2. Bonus
3. Incentives such as medical allowance, educational allowance, HRA etc.

2. Job Security: Job security is an employee's assurance or confidence that they will keep their current job. Employees with a high level of job security have a low probability of losing their job in the near future. Certain professions or employment opportunities inherently have better job security than others; job security is also affected by a worker's performance, success of the business and the current economic environment. Following

points come under this category:

1. Facility of transfer
2. Accessible / reasonable target
3. Leaves

3. Working conditions: Employees are highly motivated with good working conditions as they provide a feeling of safety, comfort and motivation. On the contrary, poor working condition brings out a fear of bad health in employees. The more comfortable the working environment is more productive will be the employees. Following these points come under this category:

1. Feeling safe and comfort in working environment.
2. Tools and equipment.
3. Working methods.
4. Security guards and parking facility.
5. Well ventilated with good light fans and air- conditioning.
6. Neat and clean office place, rest area and washrooms.

4. Relationship with Superior authority: A good working relationship with your supervisor is essential since, at every stage, you need his or her professional input, constructive criticism, and general understanding. Following these points come under this category:

1. Relationship with immediate supervisor.
2. Communication between employees and senior management.
3. Treatment to employee.

5. Promotion and Career Development: Promotion can be reciprocated as a significant achievement in the life. It promises and delivers more pay, responsibility, authority, independence and status. The opportunity for promotion determines the degree of satisfaction to the employee. Following points come under this category:

1. Opportunity for promotion.
2. Equal opportunity to grow despite being male or female.

3. Training program.
4. Opportunity for use of skills and abilities.

6. Leadership Styles: The satisfaction level in the job can be determined by the leadership style. Employee satisfaction is greatly enhanced by democratic style of leadership. Democratic leaders promote friendship, respect and warmth relationship among the employees. On the contrary, employees working under authoritarian and dictatorial leaders express low level of employee satisfaction. Following points come under this category:

1. Prefer democratic style of leadership
2. Friendship, respect and warmth relationship.

7. Work group: It is a natural desire for human beings to interact with others. Therefore, existence of group in organization is a common observable fact. This characteristic results in the formation of work group at the workplace. Isolated workers dislike their job. The work groups make use of a remarkable influence on the satisfaction of employees. Following points come under this category:

108

Journal of Indian Research Vol.1, No.4, October-December, 2013

1. Relationship with the group members.
2. Group dynamics
3. Group cohesiveness
4. Need for affiliation.

8. Personal Variables: The personal determinants also help a lot in maintaining the motivation and personal factors of the employees to work effectively and efficiently. Employee satisfaction can be related to psychological factors. Therefore, numbers of personal variables determine the employee satisfaction of the employees. There are five variables under this category – Personality, Expectation, Age, Education, and Gender Differences.

9. Other Factors: There are some other important variables which affect the level of employee satisfaction in organization. Following points come under this category:

1. Group outgoing (feel like a part of family).
2. Encouragement and feedback.
3. Use of internet and other technology for doing job.

VIII IMPACT OF JOB SATISFACTION ON EMPLOYEE PERFORMANCE

1. **Satisfaction and Productivity:** “Happy workers are productive workers” is a myth. Various research mentions, “Productive workers are likely to be happy”. Satisfied workers are more productive and more productive workers are highly satisfied. Worker productivity is higher in organizations with more satisfied workers.
2. **Satisfaction and Absenteeism:** Satisfied employees have fewer avoidable absences, while it certainly makes sense that dissatisfied employees are more likely to miss work.
3. **Satisfaction and Turnover:** Satisfied employees are less likely to quit. Organizations take actions to retain high performers and to weed out lower performers.

4. **Satisfaction and Workplace Deviance:** Satisfied employees are less likely to create a deviant behavior at the workplace, while dissatisfied employees creates an anti-social kind of behavior at the workplace including unionization attempts, substance abuse, stealing at work, undue socializing and tardiness.
5. **Satisfaction and Organization Citizenship Behaviour (OCBs):** Satisfied employees who feel fairly treated by and are trusting of the organization are more willing to engage in behaviors that go beyond the normal expectations of their job.
6. **Satisfaction and Customer Satisfaction:** Satisfied workers provide better customer service. Satisfied employees increase customer satisfaction because they are more friendly, upbeat, and responsive; they are less likely to turnover, which helps build long-term customer relationships; and they are experienced. Dissatisfied customers increase employee job dissatisfaction.

HOW TO IMPROVE EMPLOYEE SATISFACTION?

Employee attitudes typically reflect the moral of the company. In areas of customer service and sales, happy employees are extremely important because they represent the company to the public.

1. Clear, Concise and Consistent Communication: In many organizations, employee doesn't know what is mission, vision, objects. Building a corporate culture that requires employees to be an integral part of the organization can be an effective way of getting the most from the talents or competencies brought to the organization by each employee. We

should keep employees informed on the company's position, progress made, issues/challenges, and how they directly contribute to the success of the business.

2. Getting to Know Your Employees and Create a Team: It can be done by hiring the right employee for right job and clearly defined and communicated employee expectations. Every organization should spend time to instill trust and accountability, laying out clear expectation and securing their commitment to the business and build a culture around working together to meet challenges, create new advantage, and propel the business to greater success.

3. Training and Other Improvement Programs: Provide necessary education, training and coaching that increases employees skills and shows the employee that you are interested in their success and readiness for new responsibility.

4. Empower Employees Across the Company: Step up appropriate levels of new responsibility across the company. Push appropriate decision making and allow people closes to the issue to make the call. Make sure your employee knows that you trust them to do their job to the best of their ability.

5. Work Itself: We can increase employee satisfaction by making job rotation, job enlargement like knowledge enlargement and task enlargement as well as job enrichment. Target should be accessible for employee.

6. Fair Compensation and Benefits: Policies of compensation and benefits are most important part of organization. But you should build your policies at "suitability" not "the best".

7. Opportunity for Promotion and Career Development: Develop programs to promote all titles in the organization and build programs for career development of each title. Organization should give opportunity to every employee focusing their abilities, skills and creativeness.

8. Monitor Performance and Reward for Contribution: People naturally keep score. Use this as advantage by monitoring positive contribution and behavior, rewarding as appropriate. Motivate others to reach new performance levels by knowing how they measure up to expectation. We should build the proper evaluation and fair and encourage

employees perform work.

9. Provide Regular, Honest Feedback: Don't wait for a crisis situation to give feedback. Instead, give regular constructive input into the employee's performance across a wide variety of issues, build loyalty, challenge to new levels of performance and keep it real.

10. Provide Best Equipment and Safe Working Condition: Invest in employees by making sure their tools and equipments don't keep them from being successful. Give them the very best tools to deliver the very best performance to the company, customers and the marketplace. Companies should build occupational health and safety program.

CONCLUSION

On the basis of above deliberations, we can say that employee attitudes typically reflect the moral of the company. In areas of customer service and sales, happy employees are extremely important because they represent the company to the public.

Every organization should develop strategies that strengthen the work environment and increase the employee's morale and employee's satisfaction to enhance employee performance and productivity, which ultimately results in high profits, customer satisfaction as well as customer retention. Job satisfaction represents one of the most complex areas facing today's managers when it comes to managing their employees. Policy makers and managers have turned their attention to provide different kinds of facilities to their employees in order to satisfy their employees. A good work environment and good work conditions can increase employee job satisfaction and the employees will try to give their best which can increase the employee work performance.

REFERENCES

1. Ellickson, M.C. and Logsdon, K. (2002). Determinants of Job Satisfaction of Municipal Government Employees. *Public Personnel Management*; **31**(3), 343-358.
2. Böckerman, Petri, and Pekka Ilmakunnas. (2009). The Job Satisfaction-Productivity Nexus: A Study Using Matched Survey And Register Data. *Industrial Relations*, 48(1), 73-96.
3. Holzer, M. and Seok-Hwan, L. (Eds). (2004). *Mastering Public Productivity And Performance Improvement From A Productive Management Perspective*. Public Productivity Handbook, 2nd ed., Marcel Dekker, New York.
4. Institute for Corporate Productivity. (2011). *Pay For Performance*. Survey report.
5. Kumari Geeta and Pandey K.M (2011). Job Satisfaction in Public Sector & Private Sector: A Comparison. *International Journal of Innovation, Management and Technology*, 2(3).
6. Subrahmanian Mu. & Anjani, N. (2010). Constructs of Quality of Work Life— A Perspective of Textile and Engineering Employees. *Asian Journal of Management Research*.
7. Thornhill, D. (2006), "Productivity attainment in a diverse public sector", paper

- presented at the Institute of Public Administration Seminar on Promoting Productivity in a Diverse Public Sector, Dublin, 21 April.
8. Herzberg, F., Mausner, B., & Snyderman, B.B. (1959). *The motivation to work*. New York: Wiley, pp. 157.
 9. Herzberg, F. (1966). *Work and the Nature of Man*. London: Staple Press.
 10. Kathawala, Y., Kevin, M. & Dean, E. (1990). Preference between Salary or Job Security Increase. *International Journal of Manpower*. Vol.11 (7).
 11. Lane, K.A., Esser, J., Holte, B. & McCusker, M.A. (2010). A study of nurse faculty job satisfaction in community colleges in Florida. *Teach. Learn. Nurs.*, Vol.5: 16-26.
 12. Lease, S. H. (1998). Annual review, 1993–1997: Work attitudes and outcomes. *Journal of Vocational Behaviour*, Vol. 53(2): 154–183.
 13. Locke, E. (1976). The nature and causes of job satisfaction. In M. D. Dunnette (Ed.). *Handbook of industrial and organizational psychology*, pp.1297–1349. Chicago: Rand McNally.
 14. Maslow, A.H. (1954). *Motivation and Personality*. New York: Harper & Row.
 15. Mulinge, M. & Muller, C.W. (1998). Employee Job Satisfaction in developing Countries: The Case of Kenya. *World Dev.*, Vol. 26(12): 2181-2199
 16. Parvin, M.M. & Nurul Kabir, M.M. (2011). Factors affecting employee job satisfaction of pharmaceutical sector, *Australian Journal of Business and Management Research*, Vol.1 (9):113-123, December-2011. Accessed online on 2 nd January, 2013 at http://www.ajbmr.com/articlepdf/AJBMR_19_23i1n9a13a.pdf
 17. Politis, J.D. (2001) The relationship of various Leadership Styles to Knowledge Management. *Leadership and Organization Development Journal*, Vol.22(8):354-64.
 18. Scandura, T.A. & Williams, E.A. (2004). Mentoring and transformational leadership: The role of supervisory career mentoring. *J. Vocat. Behav.*, Vol. 65: 448-468.
 19. Spector, P.E. (1997). *Job Satisfaction: Application, Assessment, Causes, and Consequences*. Thousand Oaks, CA: Sage.
 20. Spector, P.E. (2000). *Industrial & Organizational Psychology* (2nd ed.). New York: John Wiley & Sons.
 21. Reilly, C.R. (1991). Organizational Behavior. *Annual Review of Psychology*, pp. 427- 458