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## Job Satisfaction for Employees: Evidence from Karachi Electric Supply Corporation

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**ABSTRACT**

Research has been conducted in order to critically evaluate and examine the level of employees' satisfaction as well as the factors of dissatisfaction among the employees of Karachi Electric supply Corporation (KESC). The purpose of this study is also to observe and analyze the factors which create job dissatisfaction especially among the hardworking managers, and to find out the reasons which make them realize that they do not have a clear career path along working with KESC. The primary data for this study was compiled through questionnaire filled in on a one-to-one basis by 60 respondents from a representative sample of employees of (KESC) in Karachi district in the last quarter of 2008. The results have shown that Working Environment, Total Compensation, Growth Opportunities and Training & Development are significant factor and these four are affecting Job Satisfaction and correlated with each others. The study was faced by certain limitations and those limitations included time constraints and resources constraints, which limited this research to only the Karachi Head office of the KESC organization. According to a number of literatures studied, lack of job satisfaction is a serious issue in various organizations and job dissatisfaction has become a major obstacle in employees' productivity and company's growth. There are numbers of factors which can create job dissatisfaction among employees but in this study the very critical factors are discussed upon which KESC management should really work on.

**JEL. Classification:** J28; J30; J33; J44; J45; J88; J83;

**Keywords:** KESC, Factors; Employees' Job Satisfaction; Productivity; Growth; Compensation

**1. INTRODUCTION**

Employee's satisfaction and retention have always been an important issue for employers. After all, high level of absenteeism and staff turnover can affect the production. The relationship between man and work has always attracted the concentration of philosophers, scientists and novelists. A most important part of man's life is spent at work. Work is a social reality and social expectation to which men seem to validate. It not only provides rank to the person but also binds him to the society.

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Studies in the area of job satisfaction as an important and popular research topic started decades ago. In research designs it has been used variously as dependent, independent and moderating variables. In 1935, the concept of job satisfaction gained currency through the publication of a monograph by Hoppock on "Job Satisfaction". Hoppock in his monograph defined job satisfaction as "any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say I am satisfied with my job" (AOJ 2009)

"Theories of job satisfaction assume that relationship between a person's needs and rewards that a job provides, determines the job satisfaction felt by the person. A person's view of his/her career may explain job satisfaction better than the match between needs and rewards" ( Scarpeloo and Campbell 1983).

According to Robbins, a job satisfaction refers to a person's general attitude towards his or her job. A person with a high level of job satisfaction holds positive approach towards job, while a person who is disappointed with his or her job holds a negative attitude about the job."

Job satisfaction is associated to production, motivation, absenteeism, waste accidents, mental health, physical health and general life satisfaction.

Locke (1976:1300) cited in Morgan, McDonough and Ryan (1995) defines job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience."

Job satisfaction is a result of employee's perception of how well their job provides those things that are viewed as important. It is generally recognized in the organizational behavior field that job satisfaction is the most important and frequently studied attitude (CIS2009).

Keeping in view the importance of job satisfaction in different organizations generally and observing the turnover of employees in KESC particularly, this study has been conducted. The research is focused on employee's job satisfaction in general and KESC employees as particular.

Few important variables mentioned here are:

- Job insecurity
- Efficient employees are disappointed of promises which never materialized
- No career ladder
- Lack of training and development
- No rewards or appreciation on any additional effort

Various factors are discussed in detail, later in the thesis. Loss of job satisfaction creeps up on people causing burnout, mounting stress and depression. There are many causes and multiple ways to change it, which will be suggested for this study.

## 1.2 Scope of Study

This study will be helpful to point out the important areas where company HRM lacks in creating job satisfaction.

The actions which can motivate employees to perform efficiently and produce quality work.

The factors which can create job security.

The ways to develop sense of responsibility among employees.

A sense of proper planning for training and development of employees.

This study brings the attentions of management towards the importance of existence of clearly designed career ladder for employees.

### **1.3 Purpose of Study**

Research has been conducted in order to critically evaluate and examine the level of employees' satisfaction as well as the factors of dissatisfaction among employees of KESC.

The purpose of this study is also to observe and analyze the factors which create job dissatisfaction especially among the hardworking managers, and to find out the reasons which make them realize that they do not have a clear career path along working with KESC.

Specifically, this study highlights the important points that KESC's top management must consider in order to increase job satisfaction among their employees and to develop loyalty for the company.

### **1.4 Limitations**

This research is being conducted in KESC (Karachi Electric Supply Corporation) because of the time and resource constraints. Testing effect also affected our research in a way that employees answered the questions in a way which showed their loyalty to their organization and which sets in the best interest of organization.

### **1.5 Organization of Remainder Paper**

Organization of Remainder Paper is as under: section-2 gives the literature review and conceptual framework. In section-3 research methodology is discussed and hypotheses are set. In section-4 data analysis, results and discussions are given. Section-5 concludes the study and finally section-6 recommends solutions

## **2. LITERATURE REVIEW**

View of job satisfaction is supported by a considerable literature showing that compensation is usually way down in the list of reasons why good people quit their job. Job satisfaction when people feel unhappy, undervalued or unappreciated and they soon leave. Good workers need to have their skills used and tested constantly. If challenge is missing they will soon be missing as well. Job dissatisfaction also occurs when employees' expectation does not match work and reasons of leaving the job can be mismatch between job and person, lack of confidence in company, non-cooperative coworkers, less growth opportunities, stress, lack of respect from supervisor and unclear objectives. Improving employee retention will be more effective over long run than ordinary negative approach of simply reducing turnover. It is exotic that high turnover comes from poor management and low turnover is the result of good management. Employees are asset of an organization and frequent quality of employees will affect the goodwill of an organization. This literature can be verified by Pressler and Majju.

As we know that employee dissatisfaction leads to burnout, it is the psychological condition of an employee brought about by undervalues work stress. Burnout happens for several reasons like workload, lack of control, insufficient rewards. It occurs when unrealistic tasks are given which are not achievable. Employees suffer with burnout when job requirements are not made clear, when bosses expect employees to be superhuman and complete enormous amount of work with too little time and inadequate resources and job stress lead to physical illness. Employees become de-motivated when there is lack of performance appraisal,

when they feel that doing more or less will give the same rewards. Symptoms of job burnout are intense frustration and unhappiness will eventually lead to anger. An employee may notice that his or her performance is declining and perhaps will not care either way. Excessive absenteeism, lack of interest in work, lack of quality and quantity of work and off the job work means misusing company facility for personal use are also strong symptoms of job dissatisfaction. One way to turn around is for the employee to reward himself / herself a few times throughout the day. A company's success mostly depend on employees' performance so a fair performance appraisal should be conducted regularly which lead to improvement of work quality and decrease of job dissatisfaction. This can be further studied in the literature (Marshidha; Scott 2009).

Numerous researchers have worked on why good workers leave their job. The job or workplace was not expected. Managers misrepresent pay deals, hours are not as promised, training or promotions don't come through. At their root, these complaints means expectations are not met. People generally assume that fixing the reasons employees give for leaving will result in higher retention rates. Leavers more likely to focus behavior, job challenges, lack of flexibility and non-measurement of work (Branham; Newstorm 2009; Misbach).

We know that employee satisfaction and retention is not only the matter of money but the feeling experienced at work, work environment, supervision, good communication, clear job description, involvement of employees in decision making, growth opportunities respect by supervisors, motivation by management and fair performance appraisal leads to job satisfaction and employee retention (Krigar; Johson; Hudy; Zimmer)

## **2.1 Conceptual Framework**

The Job Satisfaction models have been drawn mainly from Lawler, E.E. (2001) process model which dominated the early research on Job Satisfaction.

Five main variables in our research are

The dependent variable

“Job Satisfaction” is our dependent variable

The independent variable

Work Environment

Total Compensation

Growth Opportunities

Training & Development

## **3. RESEARCH METHODOLOGY**

### **3.1 Research Design**

#### **3.1.1 Methodology**

Data was collected, to achieve the results for objectives, scope and hypothesis of this study. For the collection of data, there are two types of references and resources, primary and secondary.

### **Primary Source**

This study is mainly depending on primary data. In order to collect primary data, methods of inquiries can be case study, statically method and sample survey method. In this study convenient Technique known as Purposive Sampling Survey is applied based upon structural questionnaire.

### **The sample**

The primary data for this study was compiled through questionnaire filled in on a one-to-one basis by 60 respondents from a representative sample of employees of KESC, in Karachi district in the last quarter of 2008. In this research the 'Population' is the category of employees who were General Managers, Deputy General Managers, Managers, Assistant Managers and Officers from the KESC head office. The list of respondents was got from a representative of KESC office.

As Karachi is metropolitan city, and due to time and budget constrains and human resources, it was very difficult to reach every individual who is employee of KESC. While selecting the respondents randomly survey was conducted from areas of typical nature in order to get complete information about the whole district.

### **3.2 Research Methods and Instruments**

In this connection it is worth mentioning here that in order to collect the data on the prescribed closed-ended questionnaire, it was compelling need to stay and build up reputation with respondents. In order to get the questionnaire filled meeting with respondent was difficult. Therefore co-operation of reputed personalities of the departments was sought. Job was also difficult in the sense that respondents hesitated to cooperate with strangers due to privacy and bad conditions of law and order situation in Karachi.

Questionnaire used is self-administered based on Likert scale format with a five point response scale. In this type of questionnaire the respondents were given five response choices. These options served as the quantification of the participant's agreement or disagreement on each question. Below are the designated quantifications used in questionnaire and the Data analysis through SPSS. The hypothesis was tested through multiple regressions. The equation for regression analysis is:

$$\text{Job Satisfaction} = \beta_0 + \beta_1 (\text{Working Environment}) + \beta_2 (\text{Total Compensation}) + \beta_3 (\text{Growth Opportunities}) + \beta_4 (\text{Training \& Development})$$

### **Hypothesis:**

H1: There is positive Impact between Working Environment and Job Satisfaction in KESC

H2: KESC is providing Fair Compensation Package to employees

H3: There is Growth Opportunities involves in Job Satisfaction in KESC

H4: There is Proper Planed Training & Development in KESC

### **Secondary Data**

Secondary data has been collected from relevant journals, books and other published resources and electronic resources are also sought.

#### 4. DATA ANALYSIS, RESULTS AND DISCUSSIONS

##### 4.1 Data Analysis

Table-1

Descriptive Statistics

	Mean	Std. Deviation
Job Satisfaction	2.0917	.34679
Working Environment	2.5208	.30061
Total Compensation	1.9375	.29306
Growth Opportunities	2.1708	.38393
Training & Development	2.2242	.25964

Table-1 shows the respondents' opinions on the Job Satisfaction through Working Environment, Total Compensation, Growth Opportunities, and Training & Development were obtained. The table below shows the mean and Standard Deviation of respondents. The respondents' opinion on dependent variable Job Satisfaction was at the mean of 2.0917, whereas the rating on Working Environment ranked highest with a mean of 2.5208 and the Total Compensation was the lowest with a mean of 1.9375.

Table-2

CORRELATION

		Job Satisfaction	Working Environment	Total Compensation	Growth Opportunities	Training & Development
Job Satisfaction	Pearson Correlation	1	.289**	.251**	.222*	.201*
	Sig.(2tailed)		.001	.001	.004	.005
	N	60	60	60	60	60
Working Environment	Pearson Correlation	.289**	1	.221*	.265**	.231*
	Sig.(2tailed)	.001		.003	.000	.002
	N	60	60	60	60	60
Total Compensation	Pearson Correlation	.251**	.221*	1	.231**	.203*
	Sig.(2tailed)	.001	.003		.000	.004
	N	60	60	60	60	60
Growth Opportunities	Pearson Correlation	.222**	.265**	.231**	1	.232**
	Sig.(2tailed)	.004	.000	.000		.000
	N	60	60	60	60	60
Training & Development	Pearson Correlation	.201*	.231*	.203*	.232**	1
	Sig.(2tailed)	.005	.002	.004	.000	
	N	60	60	60	60	60

Table-2 shows the correlation and test indicates the correlation between the variables. In this table Working Environment is positively correlated with dependent variable Job Satisfaction with the highest value of .289\*\* and Training & Development is positively correlated with the lowest value of .201\*.

Table-3

Model Summary

R	R Square	Adjusted R Square
.489	.237	.224

Table-3 shows the model summary that there is a 22% relationship between dependent variable and independent variables, where all the other things are taken as constant.

Table-4  
ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	27.714	4	3.928	15.267	.000
Residual	72.269	56	.225		
Total	99.983	60			

The regression test implies that model is fit having F value 15.267

Table 5

Coefficients

MModel		Un-standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.202	.314		9.890	.000
	<i>Working Environment</i>	.219	.122	.849	2.281	.006
	<i>Total Compensation</i>	.299	.105	.393	2.101	.006
	<i>Growth Opportunities</i>	.181	.100	.305	2.089	.007
	<i>Training &amp; Development</i>	.151	.088	.204	1.912	.018



In the Table-5 the data was analyzed through SPSS software by using correlation and regression. The t value for Working Environment is 2.281; Total Compensation 2.101; Growth Opportunities 2.089; and Training & Development 1.912. In all the above variables t value is lesser than 2.5. According to the rules if t value is lesser than 2.5 ( $2.5 > t$ ) than null hypothesis will be accepted and alternate hypothesis will be rejected. According to the statistical analysis the managers feel that they are not provided a working environment which is really positively competitive and productive due to which their motivation level is decreased. The KESC employees strongly disagree on the fact that company has clear organization policies regarding Total Compensation Package. When the Respondents are asked regarding Growth Opportunities of them, they replied that they don't see any growth opportunities in KESC. A major percentage of employees expressed their concern for their training and development according to their need, analysis and requirement of job tasks but KESC do not consider Training & Development as an important factor.

## 4.2 Results and Discussions

### Hypothesis

H1: There is positive Impact b/w Working Environment and Job Satisfaction in KESC. REJECTED.

H2: There is providing Fair Compensation Package in KESC. REJECTED.

H3: There is Growth Opportunities involves in Job Satisfaction in KESC. REJECTED.

H4: There is Proper Planed Training & Development in KESC. REJECTED.

## 5. CONCLUSIONS

According to a number of literatures which have been studied, lack of job satisfaction is a serious issue in various organizations and job dissatisfaction has become a major obstacle in employees' productivity and company growth.

There are numbers of factors which can create job dissatisfaction among employees but here in this study conclusion after the analysis is discussed as bellow about the most very critical factors upon which KESC's management should really work on.

According to the statistical analysis, the managers feel that they are not provided a working environment, which is really positively competitive and productive due to which their motivation level is decreased.

The employees feel satisfied when they are well aware of the company Compensation policies and they feel that they are treated fairly by the management in whatever the case may be. But here in KESC all employees strongly disagree on the fact that company has clear organization Compensation policies.

When an employee does not find the exposure to grow in job then becomes de-motivated and dissatisfied because feel that no matter whatever extra effort one does, but would not grow the way one deserves. When the managers were asked regarding this fact, they replied that they don't see any growth opportunities in KESC.

Periodical promotions on the basis of appraisals are the most effective factors in motivating employees. But it is found that people are really de-motivated regarding this fact. They clearly said that their work is not being evaluated by the management. There is no such policy of promotion on the basis of performance or on the basis of further qualification.

Those organizations, which have their proper regular training & development program for their employees are more productive than those who do not consider Training and Development as an important factor. A major percentage of employees expressed their concern for their training and development according to their need analysis and requirement of job tasks.

## 6. RECOMMENDATIONS

There are number of steps which an organization can take to motivate the employees and rectify this problem of job dissatisfaction which is a constant source of non productivity and low performance. After all the analysis, it is recommended that a developed rich Human resource culture can raise the level of employees' satisfaction regarding their jobs.

According to researchers' view point, following are the few points that should be under consideration by the management:

The management of KESC should set short term objectives for all the departments and create a healthy competition among them. Periodical meetings among the entire department to discuss their goals and achievements will keep their spirit warm.

The second most important step that should be taken by the management is that all the departmental heads should sit together and mutually set the clear policies for employees' growth, their career and for all other issues. The policies should be set in a way that seems fair and non-discriminatory to the employees.

Every individual need a career where he finds opportunities and his growth. There should be career ladder for the employees so that they can work hard to move on and on to their career path. Any potential individual will not stay at a place where he does not find opportunities to grow.

Another important factor for career oriented employees is training & development. If an organization continues to train the employees, it increases their efficiency and motivation. It makes them feel that company thinks of their development.

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