Chapter 2
Theoretical Framework
JOB SATISFACTION OF EMPLOYEES

What is employee satisfaction?
Employee satisfaction is the individual employee’s general attitude towards the job. It is also an employee’s cognitive and affective evaluation of his or her job. Several factors such as Compensation and benefit, promotions, training, work tasks, coworkers, supervisors, etc affect the job satisfaction of an employee. A satisfied employee is a valuable asset for the company.

Employee satisfaction index (ESI)
Employee satisfaction index is an index to measure satisfaction of employee in an organization.

How to calculate ESI?
There is a five-point scale in the questionnaire or survey from employee responses. They are
- Strongly Agree,
- Agree,
- Undecided,
- Disagree,
- Strongly Disagree.
You should remark number attached, include strongly agree (5) to strongly disagree (1). Then, total number of questions with answers against each response is calculated (5, 4, 3, 2, 1). Identify total point of each response. Identify total number of questions answered
ESI = ( total point / total question ) * 100.

Analyze employee satisfaction index
You can identify ESI by company, department, field...and then, you can use 80/20 principle or Pateto tool to analyze employee satisfaction.

Importance of employee satisfaction
Purpose / benefits of employee satisfaction include as follows:

1. Importance of employee satisfaction for organization
- Enhance employee retention.
- Increase productivity.
- Increase customer satisfaction
- Reduce turnover, recruiting, and training costs.
- Enhance customer satisfaction and loyalty.
- More energetic employees.
- Improve teamwork.
- Higher quality products and/or services due to more competent, energized employees.
2. Importance of employee satisfaction for employee
• Employ will believe that the organization will be satisfying in the long run
• They will care about the quality of their work.
• They will create and deliver superior value to the customer.
• They are more committed to the organization.
• Their works are more productive.

Factors influencing employee satisfaction
It can include the following factors.

1. Organization development factors
• Brand of organization in business field and comparison with leading competitor.
• Missions and Vision of organization.
• Potential development of organization.

2. Policies of compensation and benefits factors
• Wage and salary
• Benefits
• Rewards and penalties

3. Promotions and career development factors
• Opportunities for promotion.
• Training program participated or will do.
• Capacity of career development

4. Work task factors
• Quantity of task
• Difficult level of task

5. Relationship with supervisor factors
• Level of coaching
• Level of assignment for employee
• Treatment to employee etc.

6. Working conditions and environment factors
• Tools and equipment
• Working methods
• Working environment

7. Corporate culture factors
• Relationship with coworkers
• Level of sharing etc

8. Competencies, Personalities and Expectations of employee factors
• Competencies and personalities of employee are suitable for job?
• Expectations of employee are suitable for policies of organization?

How to maintain employee satisfaction?
You should remember that “achieving results were difficult but keeping the results are more difficult”
To maintain employee satisfaction, you can use 2 solutions as follows:

1. Determining suitable frequency of appraisal
Appraisal frequency should be at least 3 or 6 months / time. This help you regularly review satisfaction trends of employees.
For some department, you should increase appraisal frequency for them because of lack of management skills or unsuitable personalities.
Many organizations only perform appraisal satisfaction of employees 1 time per year, simply by applying the standard management rather than the needs of the organization. This is a very long time because the dissatisfaction of employees can occur at any time.

2. Implementation of feedback program regularly
You can not assess satisfaction of employees every month because it is very time-consuming. So how you know the opinions of employees? You can implement the program on the response of employees monthly or suddenly when a problem happened.
The feedback of the staff are their comments, attitudes about problems that will occur or has occurred.
The feedback can conduct independent or attached to the assessment of the work monthly.

How to improve employee satisfaction?
factors can improve employee satisfaction:
• Organization development
  • Shared mission or vision: 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.
  • Feedback programs: These programs will help organization what is opinions of their employees.
• Work itself
You can increase job satisfaction by
  • Job rotation
  • Job enlargement: knowledge enlargement, task enlargement.
  • Job enrichment
• 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”.
• Appraisal program
You should build the proper evaluation and fair and encourage employees perform work.
• Relationship with supervisors
Relationship with management is the key factor often happen dissatisfaction of employees. The company should have policies to:
  • Management must be fair treated with staff.
  • Ready to help them.
  • Full training for staff
  • Ready to listen and respond to employee.
• Promotions and career development
  • Develop programs to promote all titles in the organization.
  • Develop training programs for employees
  • Build programs for career development of each title.
**Build corporate culture**
- Build channel of communication in organization
- Relationship with coworkers
- Build sharing culture.

**Working condition and environment**
- Build occupational health and safety program.

**Improvement programs of employee satisfaction**
HR department must have the monitoring methods for improvement programs of employee satisfaction. Many organizations just do appraisal of employee satisfaction but not pay attention to role of monitoring.

Build solutions to improve satisfaction
Training all level of management about the importance of satisfaction and methods to increase satisfaction.

**Employees by them self**
- Hiring the right employees:
- Clearly defined and communicated employee expectations.

(This chapter should cover all theoretical concept of your topic in details. This will be your second chapter of your project. An ideal second chapter will contain 7-10 pages.)

---A model questionnaire for surveying employee satisfaction is provided below.
A good questionnaire will have 20-25 questions objective type. If your respondants are illiterate then you may prepare an interview schedule ----
Instructions:

Please tick the most appropriate answer from listed options.

1. I am proud to work for our company.
   (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

2. I am satisfied with the training provided for my current job.
   (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

3. Our company is concerned with the long term welfare of the employees.
   (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

4. I feel secure that I will be able to work for the company as long as I do a good job.
   (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

5. I feel I can voice my opinion without fear.
   (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

6. My immediate superior is technically competent.
   (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

7. My immediate superior is competent in human relations.
   (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

8. I like my job i.e. the work I do.
   (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

9. My immediate superior deals with all employees fairly.
   (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

10. The communication I received from company is timely & accurate.
    (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

11. Our company maintains salary levels that compare well to other companies in this area.
    (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

12. I receive co-operation from all other departments.
    (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

13. My department is well organized for the work it does.
    (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

14. The employees in my department work well in a team.
    (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

15. Company employee policies are properly and equally administered in my department.
    (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

16. I feel there is adequate opportunity for me to move to a better job within the company.
    (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

17. I feel the top management is committed to quality of the product and services.
    (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

18. The company recognizes the accomplishment of employees.
    (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

    (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

20. The company has adequate safety & health standard.
    (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

    (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.

22. I have an annual set of performance standards.
    (1) strongly agree (2) agree, (3) neither agree nor disagree, (4) disagree, (5) strongly disagree.