## A Study on Employees' Job Satisfaction in Leather Goods Manufacturing Companies

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### Abstract

The purpose of this study is to analyze the employee's job satisfaction, understand the Human Resources Management (HRM) practice with the aim of job satisfaction, supervisory support, pay practice, promotional potentials, reward systems, peer relationship, motivational factors etc., and also to explain the relationship among these variables in leather goods manufacturing companies in Chennai. Job satisfaction includes reduction in complaints and grievances, absenteeism, turnover, and termination; as well as improved punctuality and worker morale. Job satisfaction occupies the major factors like personal satisfaction, self- respect, self-esteem, and self-development etc.,(Brown, 1996: p.123). A higher job satisfaction is associated with increased productivity, lower absenteeism and lower employee turnover (Hackman& Oldham, 1975).

**Keywords:** Employees, Job Satisfaction, Psychological Factors, Leather Goods Manufacturing Companies.

### Introduction

Human resource management plays an important role in managing organizations, and they are considered as intangible assets (Acker, 1998; Boles, & Babin, 1996; Baral & Bhargava, 2010). Now a day's Job satisfaction is an important element in manufacturing industries, commercial organizations, government, non-government and private sectors. Job satisfaction is a worker's sense of achievement and success, and directly linked with the productivity as well as to personal wellbeing (Source: Harvard Professional Group, 1998). Therefore, job satisfaction is a product of the events and conditions that people experience on their jobs. If a person's work is interesting, pay is fair, promotional opportunities are good, his or her supervisor is supportive, and co-workers are friendly, then a situational approach leads one to predict the worker is satisfied with his/ her job (Brief, 2002). Satisfied employees are more likely to be creative, flexible, innovative and loyal, but the unsatisfied employees are motivated by a fear of job loss, and they will not put100 % effort for very long period on their Job. Satisfaction is a matter of growing interest for the individuals concerned, with the quality of working life and organization efficiency. It is stated that Job satisfaction is an attitude that individuals have about their jobs it results from their perception (Ivancevich and Matteson, 1990). Besides, the content of this definition, involves a strong emphasis on feeling which is called "affect". These emotional or evaluative components refer to an individual's positive, neutral or negative feelings, of what might be called the attitude object, or the focus of attitude (Greenberg and Baron, 2000).

### Objectives

➢ To determine the various factors which create impact on employees job Satisfaction.
➢ To study the relationship between pay practice and promotion potentials on employees job satisfaction.

➢ To study the relationship between age and psychological factors of the employees.
➢ To study the relationship between age of the employees and appreciation and reward system of the company.

**Review of Literature**

Job satisfaction is one's, feeling or state - of - mind regarding the nature of their work. Many researchers have identified in several ways to define of job satisfaction, (Greenberg and Baron, 1997) defines job satisfaction as an individual's cognitive, affective & evaluative reaction towards his or her job. (Locke, 1970) states specific definition on job satisfaction is a pleasurable or positive emotional state resulting from appraisal of one's Job or Job experiences.  The term job satisfaction was brought to lime light by (Hoppock, 1935)  suggests that the job satisfaction conducted and observed prior to 1933 is a combination of psychological, physiological and environmental circumstances that causes a person to say. "I am satisfied with my job".  This description indicate the variety of variables that influence the satisfaction of an individual, fails to give an idea about the nature of job satisfaction.

One of the biggest preludes to the study of job satisfaction was "Hawthorne study". These studies (1924 – 1933) primarily credited to Etton Mayo of the Harvard business school, sought to find the effects of various conditions on worker's productivity. These studies ultimately showed that novel changes in work conditions, temporarily increase productivity (called that Hawthorne Effects). It was later found that this increase resulted, not from new conditions, but from knowledge of being observed. This finding provide strong evidence that people work for purpose other than pay, which paved the way for researchers to investigate other factors in job satisfaction.

The Scientific management also had a significant impact on the study of job satisfaction. (Frederick Winslow Taylor's, 1911) has states in the book of "Principles of Scientific Management", that there was a single best way to perform any given work task and the same has been contributed to a change in industrial production philosophies, causing a shift from skilled labor and piecework towards the modern approach of assembly lines and hourly wages. (Kaliski, 2007) suggests that job satisfaction is an employee's sense of success and achievement on the job.

Job satisfaction implies doing a job which is not only exhausting, but also joyful and doing it well can bring some rewards to the person. Moreover, job satisfaction is the key factor that leads individual towards income, recognition, promotion, and the achievement of other objectives which results in a feeling of fulfillment. According to (Rao, 2005) States, job satisfactions refer to a person's feelings of satisfaction on the job, which act as a motivation to work. It is not the self-satisfaction happiness or self- contentment but the satisfaction of the job.

(Aswathappa, 2003) states his opinion that, job satisfaction of employees can be judged through the system of wage payment. Different organization adapts different type of wage payment system, along with wages and salaries. They are paying incentives perquisites and non-monetary benefits. (Rollinson et.al., 1980) sates that job satisfaction shows how much an employee likes his work as well as the level of his preoccupation with work. Job satisfaction can affect work behavior, and through that the organizational performance. For a long time job satisfaction has been viewed as a unique concept, but today it is seen as very complex cluster of attitudes towards different aspect of the work.

Job satisfaction is a complex concept and is difficult to be measured objectively. The level of job satisfaction is affected by a wide range of variables relating to individual social, cultural, organizational and environmental factors and stated below:

I. **Individual factors**: personality, education, intelligence and abilities, age, marital status, orientation to work.
II. **Social factors**: Relationships with co- workers, group working and norms, opportunities for interaction, informal relations, etc.
III. **Cultural factors** : Nature and size, formal structure personnel policies and procedures, industrial relations, nature of work, technology and work organization, supervision and styles of leadership, management systems, working conditions.
IV. **Environmental factors**: Economic, social, technical and governmental influences.

These factors affect job satisfaction of certain individuals in a given set of circumstances but not necessarily in others. Some workers may be satisfied with certain aspects of their work and dissatisfied with other aspects. Thus, overall degree of job satisfaction may differ from person to person.

**Methodology and Design of Questionnaire**

In this study, the researcher has made an empirical investigation into employee job satisfaction through the factors like training needs, supervisory support, pay practice, promotional possibilities, work load, social and welfare measures, working condition and job satisfaction on employee performance. A structured questionnaire was administered to receive the responses of the employees of different level on the variables of research study. The questionnaire included 25 variables of job satisfaction using three points, such as highly satisfied (1), satisfied (2), dissatisfied (3). This study has 50 as sample size particularly from leather goods manufacturing companies in chennai. Using statistical package for social sciences (SPSS) the following test were administered 1) factor analysis 2) T-test, 3) discriminant Analysis and 4) one –way anova. The most important dimensions of factors with related to organization, work and employees are taken to measure the level of job satisfaction of the employees who are engaged in the leather goods manufacturing companies.

**Data Analysis**

**Factorial Reliability and Validity**

Reliability test was conducted by considering independent and dependent variables which are consistent with 25 numbers of items by using the cronbach's alpha. It may be mentioned that its value varies from 0 to 1 but the satisfactory value is required to be more than 0.6 for the scale to be reliable (Malhotra, 2000, Cronbach, 1951) as a result, from table-1 it is clear that values of Coefficient alpha (Cronbach's Alpha) have been obtained, the minimum value of coefficient alpha obtained was **.808**.This shows that the data has satisfactory in internal consistency reliability.

**Table :1 –Cronbach's Alpha**

| Cronbach's Alpha | N of Items |
|---|---|
| **.808** | **25** |

**Obj-1: To determine the various factors which creates impact on employee job satisfaction.** Bartlett's test of sphericity is used to examine the hypothesis that the variables are correlated. It is based on Chi- Square transformation of the determinant of correlation matrix. A large value of the test statistic will favor the rejection of the null hypothesis. With the help of factor analysis the Kaiser – Meyer – Olkin value is identified i.e.0.715, Bartlett's test of sphericity chi-square statistics is 931.647, that shows the 25 statements are correlated and hence as inferred in KMO, factor analysis is appropriate for the given data it can be seen in Table-2.

**Table: 2-KMO and Bartlett's Test**

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | 0.715 |
|---|---|---|
| Bartlett's Test of Sphericity | Approx. Chi-Square | 931.647 |
| | Df | 300 |
| | Sig. | 0.00 |

Factor analysis is a good way of identifying the latent or underlying factors from a collection of important variables. High values between 0.5 and 1.0 indicate factor analysis is appropriate. Values below 0.5 imply that factor analysis may not be appropriate. The Table -3 shows the values of factor loading associated with the organization, work, and employees.

**Table: 3 - Total Variance Explained**

| Factors | Component | Initial Eigen values | | | Extraction Sums of Squared Loadings | | | Rotation Sums of Squared Loadings | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % |
| **Factors associated with organization** | 1 | 3.637 | 24.247 | 24.247 | 3.637 | 24.247 | 24.247 | 2.677 | 17.845 | 3.637 |
| | 2 | 3.217 | 21.447 | 45.695 | 3.217 | 21.447 | 45.695 | 2.497 | 16.648 | 3.217 |
| | 3 | 2.077 | 13.848 | 59.543 | 2.077 | 13.848 | 59.543 | 2.365 | 15.769 | 2.077 |
| | 4 | 1.300 | 8.664 | 68.207 | 1.300 | 8.664 | 68.207 | 2.364 | 15.757 | 1.300 |
| | 5 | 1.247 | 8.314 | 76.521 | 1.247 | 8.314 | 76.521 | 1.575 | 10.502 | 1.247 |
| **Factors associated with Work** | 6 | .687 | 4.581 | 81.103 | | | | | | .687 |
| | 7 | .627 | 4.182 | 85.285 | | | | | | .627 |
| | 8 | .579 | 3.857 | 89.142 | | | | | | .579 |
| | 9 | .459 | 3.063 | 92.205 | | | | | | .459 |
| | 10 | .382 | 2.546 | 94.751 | | | | | | .382 |
| **Factors associated with employees** | 11 | .252 | 1.679 | 96.429 | | | | | | .252 |
| | 12 | .235 | 1.566 | 97.995 | | | | | | .235 |
| | 13 | .136 | .910 | 98.904 | | | | | | .136 |
| | 14 | .100 | .664 | 99.568 | | | | | | .100 |
| | 15 | .065 | .432 | 100.000 | | | | | | .065 |

Extraction Method: Principal Component Analysis.

Eigen Value represents the total variance explained by each factor. Percentage of the total variance attributed to each factor. One of the popular methods used in Exploratory Factor Analysis is Principal Component Analysis, Where the total variance in the data is considered to determine the minimum number of factors that will account for maximum variance of data.

**Table: 4 - Rotated component matrix**

| | Component | | | | | | |
|---|---|---|---|---|---|---|---|
| | **1** | **2** | **3** | **4** | **5** | **6** | **7** |
| Work Environment | -.013 | .073 | **.915** | -.061 | .003 | -.020 | .088 |
| Organization culture | -.056 | .065 | **.950** | -.090 | -.107 | .020 | .041 |
| Company policy | -.063 | -.005 | **.869** | .212 | .010 | -.075 | -.054 |
| Communication | .225 | -.005 | .330 | .606 | .083 | .004 | -.142 |
| Training Needs | -.073 | .052 | .011 | **.890** | -.110 | .064 | .042 |
| Team work and Cooperation | -.023 | .009 | -.104 | **.847** | .015 | -.174 | .124 |
| Employee empowerment | .121 | -.060 | .003 | .163 | .012 | -.928 | -.075 |
| Employee responsibility | .121 | -.022 | .027 | -.008 | .034 | -.977 | -.150 |
| Use of skill and abilities | -.267 | .187 | .037 | -.078 | .007 | -.628 | .322 |
| Supervisory support | -.232 | .510 | -.207 | .026 | -.014 | -.384 | .363 |
| Work relationship | -.120 | .669 | -.234 | .231 | .018 | -.162 | .051 |
| Pay practice | .110 | **.866** | .096 | -.036 | .069 | .062 | -.038 |
| Promotion potentials | .052 | **.938** | .094 | .026 | -.049 | .053 | -.034 |
| Appreciation and reward systems | .135 | **.861** | .112 | -.029 | .074 | .018 | -.106 |
| Safety in work place | -.140 | .067 | -.070 | .019 | **.909** | -.009 | -.059 |
| Social Security and Welfare measures | .082 | .055 | -.045 | -.123 | **.902** | -.104 | -.124 |
| Work load and stress | .029 | -.020 | .016 | .035 | .684 | .132 | .331 |
| Atmosphere of Trust | .099 | -.253 | .097 | .106 | .389 | -.047 | .607 |
| Career development | .210 | -.058 | .080 | .019 | .236 | -.052 | **.744** |
| Motivation talks | .264 | -.118 | -.012 | .116 | -.132 | .224 | **.740** |
| Flexibility of working hours | .621 | -.208 | -.032 | -.090 | -.129 | .041 | .314 |
| Job security | .720 | -.016 | .042 | -.153 | .021 | -.170 | .230 |
| Performance appraisal system | **.846** | .141 | .042 | .079 | .001 | -.088 | .102 |
| Exit interview / Counseling | **.923** | .084 | -.052 | .075 | .029 | -.087 | -.167 |
| Job Rotation | **.780** | .071 | -.009 | .053 | .033 | .265 | .033 |

Extration Method:  Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation coveraged in 5 interations.

Interpretation of factors is facilitated by identifying the statements that have large loadings in the same factor. The factor can be interpreted in terms of the statement

6

that loads high on it. Out of 50 individual statements having 25 factors, 15 individual factors influence the employee on job satisfaction it can be seen in table – 4.

**Obj-2: To study the relationship between Pay practice and Promotion Potentials on employee job satisfaction.**

**H$_o$:** There is a no relationship between pay practice and promotion potentials on employee job satisfaction.

**H$_1$:** There is a relationship between pay practice and promotion potentials on employee job satisfaction.

**Table: 5 - Independent Samples Test**

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | | | | | | | | | 95% Confidence Interval of the Difference | |
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | Lower | Upper |
| Pay practice | Equal variances assumed | 5.044 | .029 | 1.647 | 48 | .106 | .31429 | .19077 | -.06929 | .69786 |
| | Equal variances not assumed | | | 1.478 | 21.310 | .154 | .31429 | .21265 | -.12754 | .75612 |
| Promotion potentials | Equal variances assumed | 3.715 | .060 | 1.533 | 48 | .132 | .29524 | .19265 | -.09210 | .68258 |
| | Equal variances not assumed | | | 1.376 | 21.337 | .183 | .29524 | .21458 | -.15058 | .74106 |

*significant at .05 level

The table -5 output for the Independent-Sample T Test. This output consists of two major parts: group statistics and independent samples test. With respect to group statistics the gender of the employees and independent samples consist with two aspect i) pay practice and ii) promotion potentials, there were 50 individual statement, as a results the (sig. 2 tailed ) of t test for equality of means the significance level is greater than .05, in "Equal variances assumed" and "Equal variances not assumed," respectively. Independent Samples Test output provides95% confidence intervals for the difference between the group means. This interval allows us to estimate the actual difference found between the gender and pay practice and promotion potentials.

**Obj-3: To study the relationship between age and the psychological factors of the employees.**

Discriminant analysis is used to collect the interval variables to predict a categorical variable that may be a dichotomy or have more than two values. The technique involves finding a linear combination of independent variables (predictors) – the discriminant function – that creates the maximum difference between group memberships in the categorical dependent variable. The age of respondent and the psychological factors like Team work and cooperation, Safety in work place, social security and welfare measures, performance appraisal system, Exit interview / counseling, and motivational talks are considered for discriminate functions.

**Table: 6–Discriminant Function**

|  | Function | | |
|---|---|---|---|
|  | 1 | 2 | 3 |
| Motivation talks | **.754**$^*$ | .022 | .098 |
| Team work and Cooperation | .461$^*$ | .444 | .081 |
| Social Security and Welfare measures | -.349$^*$ | .023 | -.040 |
| Exit interview / Counseling | .199 | -.208 | **.914**$^*$ |
| Performance appraisal system | .328 | -.510 | .652$^*$ |
| Safety in work place | -.130 | -.095 | -.285$^*$ |

Pooled within-groups correlations between discriminating variables and standardized canonical discriminant functions. Variables ordered by absolute size of correlation within function.

$^*$.Largest absolute correlation between each variables and any discriminant function.

Table-6 shows the correlations of each variable with each discriminate function. Here we consider the six factors which related to the age and psychological factors of the employees, the low scores which suggest a personal confidence and effectiveness as the function that discriminates between satisfaction and dissatisfaction. Generally, The factors like social security and welfare measures, safety in work place is clearly states that less scores in the discriminant function, i.e. is the weakest predictor and suggests that teamwork and cooperation, social security and welfare measures, performance appraisal system and safety in work place is not associated with age of the employees but a function of two factors having high scores is associated with age of the employees.

**Obj-4: To identify the relationship between age of the employee and appreciation and reward system.**

**Variance between Samples**

**Variance within Samples**

Sum of Between = SSC= Total SS between – Correlation factor (SSC-CF)

Sum Square with in = SSE= Total SS-Total SS between (SST-SSC)

Correlation factor =$T^2$/N (Total Square / N)

**Relationship between Age of Respondent and Appreciation and Reward System are shown in Table-7.**

**Table :7 – ONE WAY- ANOVA**

| Source of Variation | Sum of Squares | df | Mean Square | F | F. Limit (5%) |
|---|---|---|---|---|---|
| SS Between Groups | 91 | C-1 (3-1)=2 | 91/2 = 46 | F=46/18 =2.55 | (2,9) = 2.55 |
| SS Within Groups | 163 | N-C (12-3)=9 | 163/9 = 18 | | |
| **Total** | **254** | | | | |

F- Calculated Value = 2.55

F – Table Value = 4.26

Degree of freedom = (2, 9)

The above table shows that the calculated value is lower than the table value 5% of level of significance with the degree of freedom being $V_1=2$, $V_2=9$ this analysis support the null hypothesis. This indicates there is no significant relationship between age and Appreciation and Reward System of the organization.

**Suggestions and Future Discussion**

Employee retention is a vital issue and challenge to all organizations in recent days. There are numbers of factors which promote the employee's to stay or leave the organization. It may be external factors, internal factors and the combined effect of both. In this, the job satisfaction is important with different organizational factors like job control, leadership style, pay practice, training needs, promotional potentials and organization culture etc.,

This study is considered to be important for both employer and employee. This includes the study of technical and non-technical employees of leather goods manufacturing companies in Chennai. In every organization the employees have their own perceptions and also want to increase their performance so as to get the best possible results and thus to retain them. This study has been conducted in normal companies with in the surrounding areas of Chennai. However, this study has further discussed on the large factories, which also employ large number of employees.

**Conclusion**

In the current scenario the leather and leather products sector being labor intensive, provides employment to millions of skilled and semi-skilled labor force. The job satisfaction here is a phenomenon and is not totally clarified. This paper is thus focused on the important factors of working conditions for overall job satisfaction.

From the present study it may be concluded that most of the employees are being more positive and satisfied with the available facilities and extend their maximum support for the improvement of the company. The data reflects the fact, that the employees have a significant and positive attitude towards the factors like training needs, pay practice, promotional potentials, reward system, supervisory support,

employee responsibility and job rotation etc., According to the result, the employer can introduce new systems, so that the human resources can contribute significantly to a sustainable development in manufacturing companies.

It is concluded that almost all the factors or indicators directly or indirectly influence employee's job satisfaction. But it is a challenge for an organization to have more concern about their employees to pace with them for a longer period.

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