

Effect of Job Design on Employee Satisfaction (*A Study of Fertilizer Companies Listed in Lahore Stock Exchange*)

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Abstract

Human is declared as “Better” in all living creation. That is the reason behind the importance of the Human Resource whether in Business Organizations or Non-Business Organization. It is the asset which can neither be copied nor be created. In the past two decades, the importance of Human Resource becomes shinier for the organizations especially for the business sectors. Human Resource Management, now a day, is the most important area for Business Organizations and Vital Topic for the Researchers as well. Achieving target and goals, capturing new markets and niches, acquiring and selling are one dimension of success for the organization, but now organizations are putting a valuable consideration to Human Resource Management and its issues. Job Design, Job Enrichment, Job Enlargement, Employee Satisfaction and Motivation, Brain Drain, Performance and Reward are some factors which captured the attention of the organizations. This Research exist in the orbit of the topic “Effect of job design on Employee Satisfaction” and declare 6 Variables of job design which is Independent Variable and find the relation of these variables with employee satisfaction through correlation and linear regression technique. Through Questionnaire, Primary data is collected and by the use of SPSS and Excel 2007, the results are concluded that there is a strong positive correlation between Job Design and Employee Satisfaction and both of these variables move in the same direction.

Keyword: Job Design, Employee Satisfaction, Fertilizer Companies, Lahore Stock Exchange

1. Introduction

Human Resource is the back bone for the success in any organization. Since the last two decades Organizations are putting major focus on the issues like employee satisfaction, retention, turnover, Brain Drain, Job enrichment, job enlargement, job design, performance evaluation and other human resource functions in order to keep the employees loyal to the organization. As human resource is common in both type of organization either it is manufacturing and trading or it is service organization. So the importance of human resource management become more shiny and compulsory as human resource cannot be copied and it is the dimension of management which creates the difference in order to achieve the success of the organizations.

With increasing competition in the markets, issues of human resource management become more vital for the management as well as for the researchers. In today’s era, achieving the target is not enough for the organizations but they are more focused on the employee satisfaction as well. The term job satisfaction refers to an individual’s general attitude towards his or her job. A person with a high level of job satisfaction holds positive attitude towards the job, while an unsatisfied employee holds negative attitude about work. As satisfaction of the employee is the key step to sustain the employee and keep him/her loyal to the organization. There are different variables which are considered in order to measure the employee satisfaction in an organization. However, this research is revolving around the aspect of job designing and its impact on the employee satisfaction.

This Research is revolving around the topic “Effect of Job Design on Employee Satisfaction”. Job design is actually

“A process of putting together various elements to form a job, bearing in mind organizational and individual worker requirements, as well as considerations of health, safety, and ergonomics”

Job Design typically refers to the way that a set of tasks, or an entire position, is organized.

The second part of the topic is Employee satisfaction. Employee satisfaction or job satisfaction is simply how content or satisfied employees are with their jobs. Job satisfaction can be measured by the method of survey. There are a number of variable that are addressed in the surveys which are conducted to explore employee job satisfaction. These variables are compensation, workload, perceptions of management, flexibility, teamwork, Career Development, Working Condition, supervisory attitude etc.

For the sake of conducting this research the Research Team Chose Fertilizer Industry for data collection. Data is collected from two companies which are listed in Lahore Stock Exchange that are Dawood Hercules Corporation Ltd. Engro Corporation Limited.

1.1 Rationale of the Study

The rationale for this study is the basic psychology of the human mind about job satisfaction. This topic is chosen because of the increasing importance of human resource management in not only profit organizations but also in not-for-profit organizations like universities, hospitals etc. Components of Job design is considered a major factor in employee satisfaction, so this research is going to explore the effect of this dimension of human resource management on the issue of employee satisfaction and how it effect the level of satisfaction of the employee.

2. Literature Review

Employee satisfaction remains very important topic not only for the organizations but also for the researchers. A number of researches have been done on the topic of employee satisfaction. According to Spector (1997) Job satisfaction is defined as “the extent to which people like or dislike their jobs”. Ramayah, Jantan, and Tadisina (2001) reveal that Job satisfaction explains how employees are floating to join the work and how they get motivated and enforced to perform their jobs. What are the factors who make the employee happy on doing work and not to leave the job? Velnampy (2008), in his study on job attitude and employees performance says that job satisfaction have positive impact on the performance of the employees as it increase job participation and the higher performance also makes people sense more satisfied and loyal to the organization. It is a cyclical work of satisfaction and performance of the employee. Job satisfaction and involvement of the employee leads him to have high levels of performance. Parvin (2011) stated the purpose of job design is to increase the level of job satisfaction which shall ultimately cause the good performance of the employee. Job design may include job rotation, job enlargement and job enrichment. According to Nancy C. Morse (1997) “Satisfaction refers to the level of fulfillment of one’s needs, wants and desire. Satisfaction depends basically upon what an individual wants from the world, and what he gets.” Employee satisfaction is a measure of how happy workers are with their job and working environment. It is sure that there may be many factors affecting the organizational effectiveness and one of them is the employee satisfaction. Effective organizations should have a culture that encourages the employee satisfaction.

(Hom and Kinicki, 2001; Lu and Lin 2002; Bernhard and Sverke, 2003) Reveal that it is not the new concept of having the effect of job design on the employee satisfaction.

Velnampy (2008), in his study on job attitude and employees performance concluded that job satisfaction contains positive influence on the performance of the employees as it enhances job involvement and the higher performance also makes people feel more satisfied and committed to the organization. The satisfaction and performance of the employee works in a cycle and are interdependent. Job satisfaction and involvement of the employee leads him to have high levels of performance.

(Judge et al., 2001; Rainey, 2003) Satisfaction is a general or global affective reaction that individual holds about their job. Most scholars recognize that job satisfaction is a global concept comprised of various facets such as employee satisfaction with pay, supervisors, and co-workers.

Sauter et al. (1997) conducted a psychometric evaluation of the organizational job satisfaction scale. Their findings revealed that there are four dimensions of organizational job satisfaction scales, which includes pay, interaction, administration and status. They also found that job satisfaction leads to job enjoyment and correlate significantly with autonomy, stress and commitment.

(Ben Akpoyomare Oghojafor, 2012) The effect of job design on job satisfaction should never be underestimated. Any attempt to assume that job design is irrelevant to productivity and performance is hazardous to the good name and long term survival of any organization because absenteeism, high turnover of labor and low performance will each take its toll on the organization.

Job design has been one of the most effective tools used for optimizing an employee's performance. It can be defined as changing the content and processes of a job to increase an employee’s satisfaction, motivation and productivity Knapp and Mujtaba, (2010) An effective job design brings involvement of an employee in work related activities which clearly forecasts employee output, departmental productivity and organizational success (Bates, 2004; Harter, 2002; Bauru, 2004). Herzbergs' claim was that the job should be designed or assigned in such a way that it aid in enhancing their growth in competence, achievement, advancement, recognition and responsibility.

Hackman and Lawler (1971) also suggested that those employees who are willing to do their best for putting their best potential in doing a task are high on the core dimensions of autonomy, variety, task identity and feedback. As a result the employees become motivated and give their best efforts in order to achieve the organizational goals as well as personal goals, in response the performance improves and employees keep on giving their best effort to show good results. These employees continuously work hard to enhance their performance.

(Parvin, 2011) Job satisfaction describes how content an individual is with his or her job. It is a relatively recent term since in previous centuries the jobs available to a particular person were often predetermined by the occupation of that person's parent. 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. Job satisfaction is not the same as motivation, although it is clearly linked. Job design aims to enhance job satisfaction and performance methods include job rotation, job enlargement and job enrichment.

(Alam Sageer, 2012) Job satisfaction is impacted by job design. Jobs that are rich in positive behavioral elements- such as autonomy, task identity, task significance and feedback contribute to employee's satisfaction.

According to (Hodgetts and Hegar, 2005) Job design is a very important issue in human relations as well. After all, as job design give the feeling to the employee regarding understanding of work, identification of task and its significance and provided with skills variety, independence and feedback stimulate motivation and by extension, job satisfaction.

3. Research Methodology

As this research is trying to explore the effect of job design on the employee satisfaction, this project is designed and research has been conducted to have clear view of the relationship. Research is going to analyze the employee satisfaction in the context of job design. A **Questionnaire** is used for measuring the different variables of job design connected with the job satisfaction. This research is qualitative and exploratory in nature as it is going to explore the relationship of job design and employee satisfaction. Data is analyzed by using descriptive statistics including means, median and standard deviation. Linear Regression analysis and Correlation techniques are also implemented to explore the effect of job design on the employee job satisfaction.

3.1 Data Type and Data Collection Tool

Primary data is collected by the method of questionnaires distribution technique. A Questionnaire is designed to collect primary data from the employee of the selected two fertilizer companies. Questionnaire contains the questions on the basis of one-best-selected answer method. Questionnaire contains Two Section. One is Job Design Section with five Variables including "Autonomy", "Task Variety", "Task Significance", "Task Identity" and "Feed Back from Job". First Section contains 5-item Likert Scale question "Never", "Not Often", "Some Time", "Mostly", and "Always". While Section Two contains 6-item likert scale questions for measuring job satisfaction with the options "Disagree Very Much", "Disagree moderately", "Disagree slightly", "Agree slightly", "Agree moderately" and "Agree very much".

Questionnaire tool is used because the focus of the study is on the single industry which is Fertilizer industry. The reason behind this tool is to focus the particular targeted companies in this industry.

3.2 Participants

By the use of simple random sampling, a sample of 50 employees is selected from the 2 companies from fertilizer industry of equal volume and work load. Sample size is taken from the Entry level employee to middle level as they bear more work load in an organization.

Different Researches use different sampling techniques such as Stratified Sampling, Simple Sampling, Systematic Sampling etc. but by keeping the diversity in the organization, this research use the simple random sampling in order to have more generalized responses.

3.3 Data Processing

SPSS and MS-Excel 2007 are used to get the data sorting and data analysis. Means and Standard Deviation calculation, Correlation and Linear Regression techniques are used to determine the effect of independent variable (Job Design) on the dependent variables (Employee Satisfaction).

3.4 Hypothesis

H0= Majority of the Employee consider their job design as rigid and non-Flexible.

H1= Majority of the Employee consider their job design flexible.

H0=Majority of the employees are dissatisfied with their Jobs in Fertilizer Industry of Pakistan.

H1= Majority of the employees are satisfied with their Jobs in Fertilizer Industry of Pakistan.

H0= There is no Relation between Job Design and Job Satisfaction

H1=There is a Relationship between Job Design and Job Satisfaction.

4. Data Analysis

For the Research Topic: "Effect of Job Design on Employee Satisfaction" Data was collected from the sample size of 50 employee from Fertilizer Industry. Data Collection Source is questionnaire which contains Two Section. One is Job Design Section with five Variables which are "Autonomy", "Task Variety", "Task

Significance”, “Task Identity” and “Feed Back from Job”. First Section contains 5-item Likert Scale question “Never”, “Not Often”, “Some Time”, “Mostly”, and “Always”. While Section Two contains 6-item likert scale questions for measuring job satisfaction with the options “Disagree Very Much”, “Disagree moderately”, “Disagree slightly”, “Agree slightly”, “Agree moderately” and “Agree very much”. Mean Values of Job Design Variables and Job Satisfaction are mentioned in Table 4.1 and Table 4.2,

Table 4.1

JD Value		Js Values	
3.3333	3.375	3.5833	4.1111
3	3.0833	3.8056	3.9167
3.2083	3.2917	3.6667	4
2.875	2.9167	3.9444	3.8333
3.25	2.3333	3.6389	3.1111
2.7083	2.2917	3.8611	3.1389
3.2083	2.9583	3.8333	3.8611
3.125	3.1667	3.6111	4.1944
2.4583	3.2917	3.8333	4.0278
3.1667	2.8333	3.6667	3.9722
3.1667	2.375	4.1944	3.8056
3.0417	3.0417	4.3333	3.8611
2.3333	3.0417	3.6389	3.7778
2.0833	3.2083	3.3333	4.25
3.1667	3.2083	4.1111	4.0556
3.375	2.8333	4	3.8611
2.9583	2.875	4.1389	3.5833
2.5417	3.125	3.5278	3.9444
2.5833	3	3.1667	3.9167
2.4583	3.2917	3.3889	3.8333
3.2083	3.25	3.9444	3.8056
3.25	3.0833	4.0278	4.0556
3.125	2.9583	4.1667	4.2222
2.9583	3.0833	4.1667	4.1111
3.1667	3.7083	4.1944	4.0833

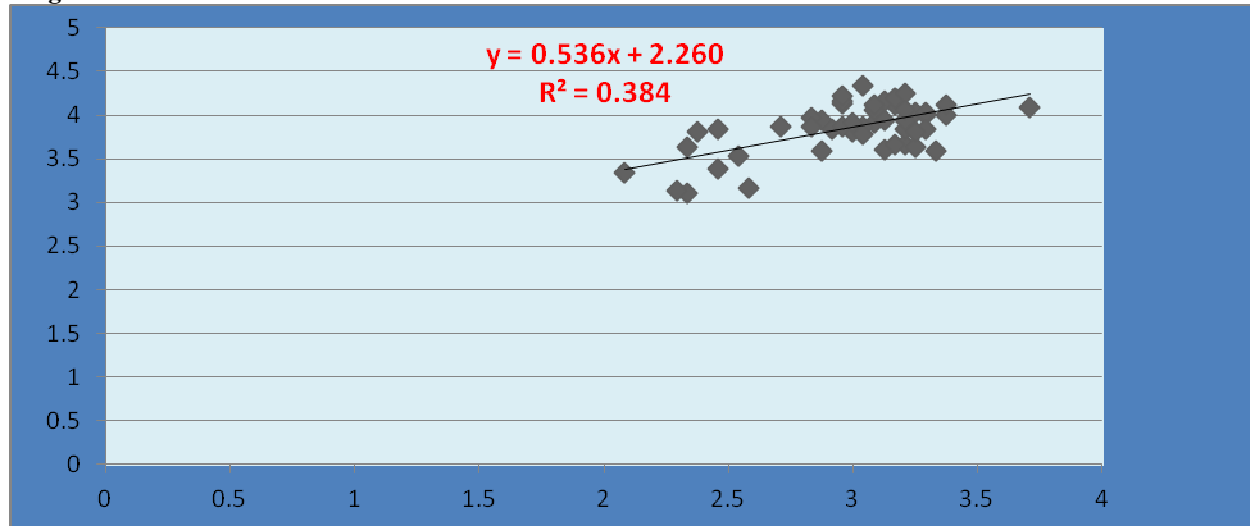
Table 4.2

Overall Mean Values					
Mean Values of Job Design Variables					Mean Values of JS
Autonomy	Task Variety	Task Significance	Task Identity	Feedback From Job	
3.0422	2.23	2.93	3.31	3.48	3.8622

Table 4.3

	Mean	Standard Deviation	Correlation
JD Value	2.9875	0.336117	0.6202511
JS Value	3.8622	0.290571	

Diagram 4.4



5. Interpretation of Results

Table 4.1 and 4.2 shows that the Mean Value of Entire Responses regarding Autonomy is 3.0422 which shows that tendency of responses is from neutral to Agreement which means respondents have the autonomy to some extent regarding Work Scheduling, Decision Making and Work Method Autonomy. However this value is almost the middle values of responses which mean that autonomy exist in some limit. Majority of responses are at the point that some time they have autonomy in their job which shows the flexibility of job nature and decentralized structure. Mean value of task variety is 2.23, which shows that tendency of responses is from disagree towards little neutral; majority of the respondents are disagree that they have variety in their tasks, which they perform. Employees are disagreeing that they have to do different things to perform their job most of the time. The Mean Value of Task Significance is 2.93 as per Table 4.1 and 4.2 which reveals the fact that the respondent are in between the range of Disagreement to neutral about the significance of their job. This value reveals that the respondents feel that job and work they are performing has not much impact on the lives of other people outside the organization. Although the job itself feels significant by the respondent in broader scheme, which means that the task they are performing is effecting the organization and their professional life and have low impact on outside people's lives. "Task Identity" variable put the light on the aspect of job completion. This variable try to explore whether the respondents have complete piece of work with clear beginning and ending points and whether the job design support the employee to complete their work. Mean Value of Task Identity 3.31 in Table 4.1 and 4.2 shows the result above to neutral level and stretched toward "mostly" point and respondents agreeing that the task given to them are complete and have clear beginning and ending points along with the support to complete the work. "Feedback from Job" variable is somewhere connected to previous variable that is Task Identity. As if the respondents have clear beginning and ending points of task then they shall have the information about the effectiveness of the work. So in the same line of task identity, the value of Feedback From job Variable is also higher than neutral point. Table 4.1 and 4.2 is showing the Mean value of this variable which is 3.48. The result exploring that as the respondents have clear task and complete piece of work to be done with clear beginning and ending point, so feedback also come from the job. The job itself gives the feedback about the measure of the performance of the respondents. However, Overall job Design mean value is 2.98 shown in the Table 4.3 This value lie almost in the center of 5-item likert scale which is "some time" option. The value of 2.98 reveals that although some variables like "Task Variety" mean values are below the middle value (Sometime Value) but still the overall job design for the employees in Fertilizer Industry is good and employees are out of the area of "Never" and "Not Often" regarding their job design which shows that the Job design is considerably good, Flexible, Clear, Feedback Provider and acceptable for the employees. Job Satisfaction mean value or in short JS value as per Table 4.1 and 4.2 is 3.8622 which shows stretch of job satisfaction level toward agreement of job satisfaction of the respondents. This result shows that the respondents

are satisfied in their jobs, as all the means values of job satisfaction are greater than 3 which shows that the level of satisfaction is exist in somewhere in job satisfied axis area. Overall mean value is near to 4 which shows job satisfaction is exist in the entire sample size.

By using Linear Regression and Correlation research measures the relationship between two or more variables. If any correlation exist between the variables it shows that their values shall vary together either in positive or in negative ways. Positive correlation shows the vary of both variables in the same direction which mean increasing the value of one variable shall have cause of increasing the value other as well in the same direction and vise versa. However, in negative case the values move in opposite directions, increase in one variable value may cause the decrease of other. Table 4.3 and Diagram 4.4 shows the Correlation of Job Design (Independent Variable) and Job Satisfaction (Dependent Variable) is 0.6202511. The value of Correlation is closer to +1 which reveals a strong positive relation relationship between jobs design and employee satisfaction. Closer the correlation toward 1 shows more strong relationship among the variable as shown in our analysis. Table 4.3 reveals that improved job design shall bring the more job satisfaction to the employee, in the same way this relation also tell that weak job design variables shall bring job dissatisfaction to the employee. Value of R^2 0.384 indicates how well data points fit a line or curve.

Conclusion

- As this research is revolving around the topic “Affect of job design on the employee satisfaction”, the research carried job design as independent variable and job satisfaction as dependent variable. This Research Define job Design as “A process of putting together various elements to form a job, bearing in mind organizational and individual worker requirements, as well as considerations of health, safety, and ergonomics” and Job satisfaction is simply how content or satisfied employees are with their jobs. For the sake of data collection, The Fertilizer Industry is Chosen and sample size of 50 responded are selected from lower and middle level of 2 Companies which are Dawood Hercules Corporation Ltd. Engro Corporation Limited. A Questionnaire is distributed containing two sections; section one contains job design variables with five item likert scale questions and second section contains the questions regarding job satisfaction with 6 item likert scale.
- Data analysis is processed by the use of SPSS and MS Excel 2007. Means of the data regarding job design and job satisfaction is obtained from all respondents and the relation of both variables is found by using correlation and Linear Regression. Mean value of the job design 2.98 is showing a good job design having autonomy, flexibility, proper ending and starting points of the tasks and performance and effectiveness measurements in it. Job Satisfaction having means value of 3.8622 shows the respondents’ job satisfaction regarding pay they are taking for their work, supervisor behavior and transparency, chances of promotions and other dimensions. Correlation analysis has the positive value of 0.62.
- From means values of all the respondents regarding job design and job satisfaction, we obtain overall mean value 2.98 and 3.8622 respectively. From the arrays of the mean value of individual responses regarding both variables, we apply correlation and simple linear technique to calculate relationship between JD and JS and find the value of 0.62. The result is concluded as strong positive relation between job design and job satisfaction. Between job design and job satisfaction there is a positive relationship which mean both variables moves in the same direction. Result of data analysis make the it possible to conclude that good job design bring more job satisfaction and bad job design bring job dissatisfaction for the employee.

Limitations

- Although the research is conducted with zeal and hard work, it still has some limitations. The research is conducted on the companies that belong to Fertilizer Industry and listed in Lahore Stock Exchange and 50 respondents are taken as sample. As the selected companies have thousands of employees countrywide, due to less number of branches and small sample size the research result may not represent the result for entire industry.
- As Total 5 major companies are representing the fertilizer industry of Pakistan and are listed in Lahore Stock Exchange, but this Research took only two companies as sample including Dawood Hercules Corporation Ltd. and Engro Corporation Limited. Remaining three major companies Fatima Fertilizer Company ltd., Fauji Fertilizer Bin Qasim ltd and Fauji Fertilizer Company ltd should also be considered in the research to have more generalized idea about entire industry.

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