CHAPTER II

LITERATURE REVIEW
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2.1 Definition of Job Satisfaction

Locke (1969) defined job satisfaction as “pleasurable emotional state resulting from the appraisal of one’s job as achieving or facilitating the achievement of one’s job values.” Korman, Greenhaus and Baden (1977) defined it as “the level and direction of a worker’s emotion towards a job and job situation.” Bernstein and Nash (2008) maintained that job satisfaction has 3 basic components namely, emotional, behavioural and cognitive. The emotional component comprises of feelings about the job, cognitive component refers to beliefs regarding it and behavioural component is concerned with the actions of people in relation to their work. Cranny, Smith and Stone (1992) held “Job satisfaction is an affective reaction to a job that results from the incumbent’s comparison of actual outcomes with those that are desired.” Schermerhorn (1993) defined job satisfaction as an emotional response of a person towards the various aspects of his work. Spector (1997) held that satisfaction is more about what people feel about their job and its different features. However, Rue and Byars (1992) emphasised mental state of the individual in their study of job satisfaction. Robbins et al. (2003) linked job satisfaction with attitude of an individual which determined it to a large extent. Schneider and Snyder (1975) concluded “job satisfaction is an individual’s personal assessment of conditions prevalent in the job.” Cherrington (1994) analysed job satisfaction by categorising it into facet satisfaction and overall satisfaction.
Facet satisfaction

It studies the inclination of an employee to be more or less satisfied with various aspects of the job. Cherrington (1994) discussed that such aspects basically refer to person’s attitude towards pay, the work itself and supervision.

Overall satisfaction

It refers to the general inner state of satisfaction or dissatisfaction towards the job which is induced by positive and negative experiences. Cherrington (1994) held that it’s a holistic feeling which depends on the strength and frequency of positive and negative experiences.

2.2 Content Theories of Job Satisfaction

Maslow’s Need Hierarchy Theory

According to Abraham Maslow, the needs of an individual determine his behaviour to a greater extent. An individual may have different needs at different times, situations and stages of life. Individuals are always motivated to make some efforts to satisfy those needs. He divided the needs into 5 categories and arranged them in hierarchical order. The needs were:

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Physiological needs - These comprise of biological needs and include need for food, clothing and shelter. These needs will take precedence in case when none of the needs is satisfied. Other needs come into existence when these needs are met.

Safety needs - The next level of needs after physiological needs are safety needs. They include needs for being free from physical danger, natural disaster etc. They also include stability and security needs.

Social needs - These needs motivate people to build relationships with societal groups. People become members of informal groups for fulfilling social needs of affiliation, recognition, etc.

Esteem needs - The next set of needs include both need for self-esteem and esteem from others. In the event of satisfaction of these needs, a feeling of confidence and prestige is created in the mind of the individual.

Self-actualisation needs - These are the highest level of needs which deal with self-fulfilment through personal development. These needs are attended to by the person when all the needs mentioned above have been met.

Herzberg’s Two Factor Theory

According to him, two independent classes of needs influence the behaviour of a person at the workplace. There are some conditions whose absence makes employees dissatisfied but their presence does not motivate them. There are another set of conditions which highly motivate employees, if present. But their absence doesn’t dissatisfy them. The former are called hygiene or maintenance factors and the latter are known as motivational factors.

Frederick Herzberg clarified the factors in detail in the following manner:

Maintenance factors- company policy, technical supervision, interpersonal relations with supervisor, colleagues and subordinates, salary, work conditions, status, job security etc.
Motivational factors- job itself, achievement, recognition, opportunity for advancement, challenging work, growth prospects, responsibility etc.

**X and Y Theory**

Douglas McGregor propounded these twin theories wherein X theory is a negative theory while Y theory is a positive theory.

X theory- It’s based on the assumption that no person wants to work. The employees can be motivated to work only through punishment and terror. Under this theory, all powers are vested with the top management and there is no room for subordinates to share their opinion and/or suggest anything.

Y theory- It just the opposite of X theory in terms of perception regarding an average employee. It holds that if good working conditions and proper opportunities to work are provided, employees will accept responsibility with pleasure.

**Learned Need Theory**

David McClelland found that specific needs of a person which are formed over time are moulded by diverse experiences he had in his life. He went ahead to classify them into following 3 groups.

Need for achievement- it relates to the impulse to accomplish goals in accordance with established standards and to attain success.

Need for power- it’s the desire to be in a position so as to control and influence behaviour of other people.

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24[http://iptde.boisestate.edu/filedepository.nsf/bf25ab0f47ba5dd785256499006b15a4/a5e37417e7845b36872577300421b1a/$file/house%20wigdor.pdf](http://iptde.boisestate.edu/filedepository.nsf/bf25ab0f47ba5dd785256499006b15a4/a5e37417e7845b36872577300421b1a/$file/house%20wigdor.pdf)
Need for affiliation- it’s the need to engage in open and amicable interpersonal relationships. It’s the desire to form formal and informal relations on the basis of trust and mutual interests.

**ERG Theory**

Clayton Alderfer considered needs as a continuous non-spatial whole in which there was a possibility of overlapping of boundaries between different groups of needs. There was neither a hierarchy of needs where they were positioned according to their importance nor there were any specified needs which dominated the human psyche. The needs also did not follow a fixed progression as in case of Maslow’s theory, wherein it was not possible to move on to higher level of needs unless lower ones are satisfied.\(^25\) The three groups of core needs were-

Existence needs- deals with survival

Relatedness needs- deals with importance of interpersonal, social relationship

Growth needs- deals with individual desire for personal development

### 2.3 Process Theories of Job Satisfaction

**Equity Theory**

The social exchange process formed the basis of this theory. Through it, John Stacey Adams stressed on the notion that it’s the nature of the people to compare what they are putting in their jobs with what they are ultimately getting out of it. They also tend to make

\(^{25}\) [https://www.regent.edu/acad/global/publications/elj/vol5iss1/ELJ_Vol5No1_Caulton_pp2-8.pdf](https://www.regent.edu/acad/global/publications/elj/vol5iss1/ELJ_Vol5No1_Caulton_pp2-8.pdf)
comparisons of their inputs and outcomes with those of others. Various types of inputs and outcomes are:

Inputs- efforts, years, education, experience, training, ideas, ability, seniority
Outcomes- pay, promotion, recognition, security, personal development, benefits, opportunity of friendship, post

**Vroom’s Expectancy Theory**

Victor Vroom explained that people would be motivated to do something if only they are assured that their actions would assist them in reaching some goal which they are interested in achieving. The basic assumption of the theory was that the choice of a course of action from among all the alternatives available is related to the psychological events that occur with the behaviour. He built the model around valence, expectancy and force.

Valence- it’s the strength of individual preference to a particular outcome
Expectancy- it’s the probability that specific action will lead to the outcome
Force- it’s equivalent to motivation, sum of products of valences and expectancies

**Job Characteristics Theory**

Richard Hackman and Greg Oldham’s theory (1980) was based on the interlinking of characteristics of job, psychological states and work outcomes. They argued that job characteristics play the dual role of affecting job outcome and activating certain psychological states in individuals which then lead to increased likelihood of those desired

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27[http://deepblue.lib.umich.edu/bitstream/handle/2027.42/33872/0000133.pdf?sequence=1](http://deepblue.lib.umich.edu/bitstream/handle/2027.42/33872/0000133.pdf?sequence=1)
outcomes. The 5 job characteristics were skill variety, task identity, task significance, autonomy and feedback. The 3 important psychological states were experienced meaningfulness, experienced responsibility for outcomes and knowledge of the actual results. Work outcomes were job satisfaction, absenteeism, work motivation etc.\textsuperscript{28}

**Goal Setting Theory**

Edwin Locke held that intentions of a person have a definitive role in deciding his satisfaction and motivation. He observed that higher output is achieved when people are given difficult goals as compared to the instances of having general goals to attain. Also, feedback about the performance has an enhancing effect on the efficiency of people. It’s the challenge which induces people to focus more with greater tenacity to achieve the goals.\textsuperscript{29}

**Dispositional Theory**

It asserted the fact that it’s actually the inborn temperament of a person rather than the characteristics of the job that dictates his level of satisfaction towards it. It also proposed that job satisfaction of an individual remains unchanged irrespective of time, careers & jobs. Under this theory, Timothy Judge, Edwin Locke and Cathy Durham proposed Core Self-evaluations Model wherein the factors which judged the temperament were self-esteem, self-efficacy, locus of control and neuroticism.\textsuperscript{30}

\textsuperscript{28} http://fatur.staff.ugm.ac.id/file/JURNAL\-%20-%20The\-%20Job\-%20Characteristics\-%20Theory.pdf
\textsuperscript{29} http://expand.nu/wp-content/uploads/M%C3%A5ls%C3%A6tning-review.pdf
\textsuperscript{30} http://www.timothy-judge.com/Judge\-%20-%26\-%20Larsen.pdf
**Discrepancy Theory**

According to this theory, people are able to discern their personal obligations in life. A discrepancy is sensed when one finds some difference existing between the standards set and the perception of accomplishment in a particular area. The responsibilities collectively represent a set of principles which help the person to evaluate his performance. If he handles the obligations properly, then rewards come in the form of praise, approval or love. But when he fails to execute his duties, feelings of disappointment and/or depression set in.  

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**2.4 Other literature on Job Satisfaction**

**Edward E. Lawler III & Richard J. Hackman (1971)** - They conducted studies regarding profits earned by companies and satisfaction of employees working in them. They probed then predominant opinion that companies would prefer increasing their profits to the utmost level rather than focussing on job satisfaction of employees. They showed that though the simplification of work procedures raises the profit levels, it leads to a drop in satisfaction levels. When the work is divided into small tasks, it becomes monotonous, standardised and expendable. On one hand this fragmentation of work into smaller chunks has a positive effect on quality; on the other hand it reduces morale among the workers. They concluded that if companies continue to neglect employees’ well being, it would affect them adversely in the long run. Their expenditure on increasing employee satisfaction would be lesser compared to the costs they would incur when this factor was not taken care of. They would bound to face

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problems relating to absenteeism, labour turnover and ultimately reduction in productivity and profits.\textsuperscript{32}

**Donald P. Schwab & Marc J. Wallace Jr. (1974)** - They studied all the research work done on different facets of job satisfaction till then and found that relation of pay with satisfaction deserved further enquiry. They held that organizations should be more concerned with equating employees’ satisfaction with their pay for it’s one of the major costs that they incur.\textsuperscript{33} They examined both individual and organizational aspects of satisfaction among the employees of a consumer goods producing company. They found that several variables contributed to relating satisfaction with salary, still there were other unexplored factors that bore an impact on difference in job satisfaction of employees who shared similar scores in variables used.

**Gene Milbourn Jr. And J.D. Dunn (1976)** - They worked on a study which intended to help the managers of small organisations to scrutinize the attitudes of their employees, gather data regarding it through suitable questionnaires and utilize the information gained after interpretation in improving the operations & management system. They held that job satisfaction is the compounded feeling an employee has about his work, salary, supervisors, co-workers & opportunity for promotion. It’s the policies and practices of a company that decide and influence how much a worker is satisfied in the above five areas. It’s the


responsibility of the manager to plan and provide an optimal work environment so that the employees are content and yield positive results.\textsuperscript{34}

**Richard D. Arvey, H. Dudley Dewhirst & Edward M. Brown (1978)** - They conducted a study on 245 working scientists and engineers over an extended period of time. The managers of the subjects had received training under Management by Objectives program. Two questionnaires were distributed among the respondents with time gap of 21 months between the two. They intended to evaluate the percept of goal setting behaviour of managers along 4 attributes – goal clarity and planning, subordinate freedom, feedback and evaluation, participation in goal setting. Their intrinsic, extrinsic and total satisfaction was also delved into on individual basis. They worked out that changes in factors related to goal setting were positively correlated with changes in variables of job satisfaction. They also concluded that job task had a moderating impact on relationship between goal setting and job satisfaction. Favourable responses of managers regarding goal clarity and planning declined over 21 months period while feedback and evaluation variables showed substantial increase.\textsuperscript{35}

**Ashraf Shikdar & Biman Das (2003)** - They showed that satisfaction of the employees working in industrial production increased as result of standards given for & feedback received regarding performance.\textsuperscript{36} The presence of standards and regular feedback contributed the highest towards increasing job satisfaction. They also positively affected attitudes that workers had towards their jobs. However, monetary incentive when given with

specific or participative standard together with feedback did not lead to any increase in satisfaction. They suggested that managers must use a suitable blend of participative standards with feedback as their scheme to ameliorate satisfaction and job attitude in a monotonous industrial job.

Saziye Gazioglu & Aysit Tansel (2006) - They explored connections between different measures of job satisfaction and various personal and job characteristics. They analysed the responses given by 28,240 British employees in Workplace Employee Relations Survey conducted in 1997. The authors studied how satisfaction varied with nature & type of job, salary, sense of achievement gained from work and respect received from supervisors. It was found that women, people with lower educational qualifications, elder persons, non-union members, managers, professionals and clerks were more satisfied than others. Higher incomes, job training, short working hours and small organisations induced greater satisfaction. When satisfaction was considered industry wise, people in electricity, gas, water and construction sectors were found to be more satisfied. Education and health sector registered greater satisfaction in sense of achievement but less in respect of pay.

Paul E. Madlock (2008) - He investigated whether employees’ satisfaction regarding job and communication was affected by the communication ability and leadership styles of the supervisors. Data was collected from 220 full time employees (which included 116 men and 104 women) working in a variety of companies in north central region of the United States. The communicating ability of supervisor & leadership style he used for getting tasks done & maintaining relations were found to have strong relationship with both job & communication

satisfaction of employees. Communication ability was more effective in providing dual satisfaction to employees.\textsuperscript{38}

\section*{2.5 Job Satisfaction in Public Sector}

\textbf{Bram Steijn (2002)} – He used the survey conducted by the Dutch Ministry of Internal Affairs in 2001 among 14,212 workers working in all organisations of public sector except health.\textsuperscript{39} Job satisfaction was measured with respect to variables related to individual characteristics, job characteristics, work environment and human resource management policies adopted by the organisation. It was found that overall job satisfaction of Dutch employees was not high. They were not so satisfied with management, salary and the amount of work allotted to them. The work environment to a large extent influenced and increased satisfaction among workers while skill utilisation and human resource management practices had an indirect effect.

\textbf{HarounaSaibou (2011)} – The study was conducted in capital city of Niger through telephone and questionnaires distributed through email among 203 public sector employees. The survey dealt with questions relating job satisfaction to age, gender, education level, tenure and marital status. Data was analysed through descriptive statistics using mean & standard deviation and correlation. The employees were found to be satisfied with their colleagues, supervisors and job. But they felt that management could provide them with


\textsuperscript{39}Dr.Steijn Bram (2002). HRM and job satisfaction in the Dutch public sector, Abstract for the EGPA-Conference in Potsdam, study group on Public Personal Policies
higher salary and better opportunities for promotion. Except marital status, all other demographic variables were found to be strongly related with job satisfaction.\textsuperscript{40}

**Chunkui Zhu, Chen Wu & Min Yan (2011)** - They conducted survey in government departments of five provinces of China in 2011. A group of 1027 respondents having different demographic attributes was selected as sample from various government sectors. They tested degree and variance of job satisfaction across 5 attributes- attraction to policy making, commitment to public interest, self-sacrifice, compassion, and willingness to help others.\textsuperscript{41} The first three dimensions had greater positive impact on job satisfaction.

**Morad Rezaei Dizgah, Mehedad Goodarzvand Chegini and Roghayeh Bisokhan (2012)** – They conducted a survey in one of the 31 provinces of Iran among the public sector employees. Population size was of 6863 individuals and sample size of 323 was selected through non-probabilistic sampling. Correlation and Cronbach’s alpha coefficient was used to analyse the data collected. Both in-role performance and innovative performance were found to have significant relationship with job satisfaction. They suggested that managers should elucidate tasks of employees so that they are clear about their rights and duties.\textsuperscript{42} They should also provide good working conditions so that employees can come up with innovative ideas.

\textsuperscript{40}Saibou Harouna (2011). Employee Job Satisfaction in Public Sector: A Study Based on the Case of Niger, 7th International Conference on Innovation & Management

\textsuperscript{41}Zhu Chunkui, Wu Chen and Yan Min (2011). Evidence of Public Service Motivation and Job Satisfaction of Public Sector Employees in China.

2.6 Job Security

David G. Blanchflower & Andrew J. Oswald (1999) - They studied how job satisfaction varied in 18 counties of USA by collecting data from a survey of 50,000 people. Results reported a continuous decrease in satisfaction of employees from 1970 to 1990. The major cause behind it was the feeling of job insecurity among the employees working in various organisations apart from impact of other factors like gender, age, income level, distance from place of work etc. Highest rate of job satisfaction was found in South Ireland though it’s considered one of the poorest counties of USA.43

A. Nikolaou, I. Theodossiou & E.G. Vasileiou (2005) - They studied relation between job security and job satisfaction in seven different European countries. The survey was conducted among 6,326 employees by means of questionnaire that dealt with questions related to their feelings towards employment, job related attitudes, work organisation and other demographic variables. They found job security enhanced performance and also added to job satisfaction. It’s positively related to marital status, public sector employment, long tenure, age & union membership. Workers in Greece, Spain and Netherlands were more content than their counterparts in Great Britain.44

Gholamreza Jandaghi, Ali Mokhles & Hamid Bahrami (2011) – They conducted a descriptive cum field study through questionnaires distributed among 158 employees in Iran to study relation between job security and job satisfaction. Descriptive statistics, correlation, t-test and multivariate regression analysis were used to analyse the data collected. The results

depicted that satisfaction among permanent employees was higher than that among contractual ones. Employees who had greater job security were not only more content but also more committed to the organisation.45

2.7 Non-Monetary Incentives

Kenneth Kovach (1999) - He conducted 3 surveys among 1000 employees asking them to report their preferences about job reward factors. He then compared the collected data on basis of what employees sought from their jobs and what factors their supervisors perceived to be motivating in nature for them. Results depicted that employees were more in favour of non-monetary benefits over monetary ones. According to the data analysed, employees listed interesting work as the most important motivator followed by appreciation, autonomy, job security and good wages.46

Bob Nelson (2001) – He conducted interviews and surveys in 34 organisations of U.S. during the period of 1999-2000. Results obtained were statistically analysed through t-test, discriminant function analysis and factor analysis. Both categories of respondents- managers and employees held non-monetary incentives as an effective tool to boost job satisfaction. He also showed that over time, monetary incentives were assumed to be given impartially to all employees without any additional or noteworthy efforts from their side. Finally, the effect of

non-monetary incentives was found to be less effective by the individuals who preferred individual cash awards instead of reveling in team success.\textsuperscript{47}

\textbf{Nilay Yavuz (2004)} – The paper intended to determine the degree to which non-monetary incentives were used in public sector of Turkey. For this purpose, a survey was conducted among 78 employees in General Directorate of Investment & Enterprises and data collected was analysed by t-test & Pearson Chi Square test. Results depicted that though employees admitted to the effectiveness of non-monetary incentives in raising their job satisfaction levels, they felt that incentives given by their organisations were inadequate. They were in general not satisfied with their salary, yet were open in accepting the importance of a meaningful job with responsibility, autonomy, skill variety, task significance, feedback etc.\textsuperscript{48}

\textbf{Sara Depedri, Ermanno Tortia & Maurizio Carpita (2010)} – They chose social enterprises as their focal point for study of job satisfaction and inquired whether incentives are able to influence it. Data was collected from ISTAT (Italian National Agency for Statistics) census among 4134 employees, specifically the workers employed in 411 social cooperatives of Italy. Though monetary incentives did affect satisfaction positively, it were the non-monetary incentives, such as autonomy while performing a task and in resolving of problems, opportunities for career advancement, participation in decision making process, that had a major impact on employees’ satisfaction.\textsuperscript{49}

\begin{flushleft}
\textsuperscript{47} Nelson Bob (2001). Factors that encourage or inhibit the use of non-monetary recognition by U.S. managers, dissertation submitted for degree of Doctor of Philosophy in the Graduate Faculty of Executive Management of Claremont Graduate University, California

\textsuperscript{48} Yavuz Nilay (2004). The Use of Non-Monetary Incentives as a Motivational Tool: A Survey in a Public Organization in Turkey, A Thesis submitted to The Graduate School of Social Sciences of Middle East Technical University

\textsuperscript{49} Depedri Sara, Tortia Ermanno, Carpita Maurizio (2010). Incentives, Job Satisfaction and Performance: Empirical Evidence in Italian Social Enterprises, Euricse Working Papers, N.o12|10
\end{flushleft}
Saima Mahmood and Asad Zaman (2010) - They tested the relevance of monetary and non-monetary gifts in influencing the productivity of people through social exchange. They surveyed the preferences of 120 subjects by segregating them into four different groups. Results found that non-monetary gifts were more effective in eliciting positive response in terms of improved productivity, as compared to monetary incentives. But discontinuation of monetary incentive affected people more strongly in a negative manner, as compared to stopping of non-monetary gifts. 50

2.8 Work Life Balance

Mohammad Niaz Asadullah & Rosa M. Fernandez (2008) - They studied whether work life balance practices of organisations had any effect on gender gap in job satisfaction of employees in UK. They used the data UK’s 2004 Workplace Employee Relations Survey and analysed it through factor analysis. They found that these practices improved the wellbeing of males and females equally. Flexible working hours and facility of working from home were found to have strongest correlations with job satisfaction. Through surveys conducted over a span of 6 years, it was observed that the effect of practices continued to be significant but the gender gap in job satisfaction reduced by half. They concluded that there are other factors excluding those related to the firm that caused the gender gap. 51

Syeda Ismat Ikram & Monmna Anwar (2009) – They inquired into how job satisfaction and work life balance were related by conducting surveys among 120 employees of both public and private sector in 2 cities of Pakistan. Results showed that employees working in private sector, living in nuclear families, having high education and high pay scale had greater work life balance and were more satisfied. The relation of work life balance and job satisfaction was unaffected by gender, marital status, age and experience.52

Sakthivel Rani, Kamalanabhan & Selvarani (2011) - They studied the relation between work life balance and employee satisfaction by conducting a survey among 210 middle level employees of 20 IT organizations. Data analysis methods included t-test, f-test, chi-square test, causal path analysis and multiple regression analysis. The relation between work/life balance and other variables, namely career opportunities, recognition, work tasks, remuneration and superior subordinate relations was found to be positive which then led to job satisfaction. 53

Dr. Muhammad Iqbal Saif, Muhammad Imran Malik & Muhammad Zahid Awan (2011) - They examined relation between job satisfaction and work life balance practices among 450 people employed in 2 big companies in Pakistan. Employee Work Satisfaction (EWS) scale was used for the survey which was conducted both personally and through post. ANOVA and regression analysis were used for analysis of collected data. They found that employee satisfaction and work life balance did not vary at different levels of management. Strong positive relationship was found between the variables, regarding the

52Ibrahim Syed Ismat & Anwar Momna (2009). Relationship Between Work Life Balance and Job Satisfaction Among Employees, Proceedings 2nd CBRC, Lahore, Pakistan
facilities of proper lunch breaks, sick leaves, short leaves, educational facilities for children provision for social support & loans for purchase of car.\textsuperscript{54}

\textbf{V. Varatharaj & S. Vasantha (2012)} – They inquired into how work life balance affected job satisfaction while focussing especially on the female employees working in the service sector of Chennai city. Survey questionnaire was used to collect the data from 250 individuals and tools used for statistical analysis included chi-square test, correlation analysis and Kruskals-Wallis test. About half of the employees were satisfied with the way they managed personal and work lives. They not only enjoyed working in their respective organisations but also were contended with the cooperation provided by their superiors, all of which led to their job satisfaction.\textsuperscript{55}
