

## EXAMINING EMPLOYEE SATISFACTION: A STUDY ON A MOTORCYCLE PARTS COMPANY IN RAYONG, THAILAND

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**Abstract :** This study aims to identify the major job related factors which affect employee satisfaction at Siam Goshi Manufacturing Company, Rayong, Thailand. The study identifies seven major job related factors that affect employee satisfaction; the researcher identified the target population as, employees from thirty- two departments at Siam Goshi Manufacturing Company, Rayong. The researcher designed the sample size to be 400 samples. In this study the researcher uses Pearson Correlation to find the relationship between employee satisfaction and job related factors.

The research found that most job related factors have a medium positive relationship with employee satisfaction. One factor had a strong positive relationship with employee satisfaction; which was pay and benefits; while one factor, had a low positive relationship with employee satisfaction; adaptability to culture which was a sub factor of organizational culture. This study would help the employer to understand the needs of employees in the organization and it will also help in motivating employees to work in the organization.

**Introduction:** Organizations are also social system entities that have employees like a population. The management of an organization must focus on building trust and good feeling of employees. An emotional state of employees resulting from experience at work is defined in terms of employee satisfaction. Generally, the organizations where employees are more satisfied would perform better than organizations in which employees are less satisfied. This research will investigate employee satisfaction as a dependent variable and the factors affecting employee satisfaction, as the independent variables. The researcher applied several factors affecting employee satisfaction. Leadership style, pay and benefits, work environment, teamwork, reward system, training and individual development and organizational culture are described as the factors influencing employee satisfaction. This research studies organization management, as it has been applied on the producer of motorcycle parts in Thailand. The objective of this study is focused on the attitude of employee who currently working at Siam Goshi Manufacturing Company (SGM) in Rayong.

**Theory : Employee satisfaction:** Levy-Garboua and Montmarquette (2004) suggested employee satisfaction as an indicator of preference for the perception of work in the experience against outside opportunities conditional on information available at that time. In addition, satisfaction is when the employees are given the personal opinion about general emotion and thinking forms that compares between real experience and expectation in their workplace. Based on the employee's expectation, employee satisfaction is responsiveness of employees that have been determined to be directly related to psychological empowerment.

**Leadership style:** Various leadership style which the leader adopts to use with their subordinates in the

work process. Leadership is the ability to create a clear vision, manage their subordinates with self-confidence, created through coordination and communication to detail. Leadership as any act of the leader to influence by playing a crucial role in the organization. Leadership style can be divided into transactional leadership and transformational leadership. The differentiation in transactional or transformational leadership styles is the leaders' interaction and activity with their subordinates. Northouse (2004) defined transformational leadership as the characteristic of a leader who is concerned with the process to inspire subordinates to accomplish the goal and creating long term vision. Therefore, it can establish strong satisfaction and feeling of employees to stand in their organization. Bass and Avolio (1993) defined transactional leadership as the leader who provides punishments and rewards system for control the process and outcomes in the organization. Transactional leadership is used with the employee who tends to agree and accept directions from the leader in exchange for rewards, which may include praise and recognition. However, Smith (1974) confirmed that transactional leadership has a significant relationship with short term goals and is suitable for simple problems in the organization.

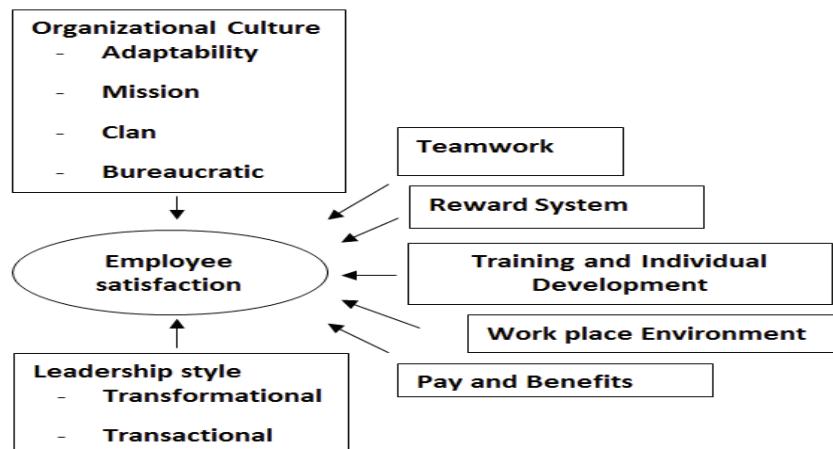
**Pay and Benefit :** According to Heneman and Judge (2000), pay level refers to the individual's current direct compensation in terms of wages and salary that is paid for employees to use in their everyday life. To achieve organizational goals, leaders cannot influence employee behavior and performance unless the pay system is fair and reasonable. Benefits as non-cash and indirect compensation paid to all employees, some benefits are ordered by law such as social security and unemployment compensation for fulfill livelihood of employees. Lane (1993) found positive

relationships between employee satisfaction and benefit offered as the pattern of higher commitment levels in the organization. The benefits as organizational rewards were to respond to the individual need of all employees.

**Workplace environment** : Rousseau (1978) stated that workplace environment is the condition which provides a feeling of safety, comfort and motivation. The more comfortable the working environment is more productive will be the employees. The following points come under this category: feeling safe and having comfort in the working environment, tools and equipments, working methods, security guards and parking facility, well ventilated with good light fans and air- conditioning, neat and clean office place, rest area and washrooms. Rousseau (1978) confirmed that employees are highly motivated with a good workplace environment as they provide a feeling of comfort, safety and motivation.

**Training and individual development** : Training as the activities planned by organizations to help increase knowledge, learning skills and acquire attitudes that improve the performance of its employees. Also, Training in the organization provides opportunities to the employees about improvement of their knowledge and abilities for high performance and to achieve individual development. When employees receive self-development training that can affect the level of their job satisfaction is higher than those without such training (Saks, 1996). Training has been linked to improve self-esteem which is based on the hierarchy of needs theory. The employees have training programs, they can earn self-confidence of decision making for their jobs, they will have a feeling in career development opportunities and they think that their organizations make are investment in them.

#### Conceptual framework :



All factors in conceptual framework were developed from three articles; leadership style were developed from the research of the study on relationship among

**Reward system** : Armstrong and Murlis (1998) mentioned that rewards systems are the strategy of an organization to drive organizational requirements and it can increase the motivation and satisfaction of employees. The reward system has a positive effect in the form of incentive motivation and personal growth motivation. Reward systems as the tools of an organization for attracting, motivating and keeping employees. Also, reward system as a structured process of evaluating and compensating employees based on their accomplishment. Gruneberg (1979) confirmed that rewards can make a positive emotional state of employees or employee satisfaction. Good leaders should acknowledge employees who achieve the goals by giving the rewards.

**Teamwork**: Larson and Lafasto (1989) contend that teamwork is a group of people who coordinate their work to accomplish the common and particular goals. Teams have different characteristics of persons which mix together to be the suited to teamwork. If teams respect a common goal, are self-determined in their decision making, can support other in team and have responsibility, teamwork becomes a valuable experience for the all members and all of team are satisfied. Helping each other in the team and developing members, is a source of profound employee satisfaction and reduces stress.

**Organizational Culture**: Kotter and Heskett (1992) defined organizational culture as the values and directions that are shared among the members of the organization that tend to remain at all the time even when group membership changes. Culture represents the behavior patterns or style of an organization where new employees are encouraged to follow by their elder employees.

leadership, organizational culture, the operation of learning organization and employees' job satisfaction, The next article was the development of an employee

satisfaction model for higher education that used for support workplace environment and pay and benefit. Teamwork, reward system and training individual development were developed from empirical study of public sector employee loyalty and satisfaction. There are six variables to study in this research; Leadership style that can be divided into transactional leadership and transformational leadership, pay and benefit, workplace environment, reward system, teamwork and organizational culture. The researcher created the conceptual framework that consists of seven variables; they represented the need of the employee affects satisfaction in an organization.

**Research hypotheses :** According to the research objectives of the study, eleven hypotheses relating to the correlation with employee satisfaction were generated and are stated as follows:

- H1: The relationship between transformational leadership style and employee satisfaction.
- H2: The relationship between transactional leadership style and employee satisfaction.
- H3: The relationship between pay and benefits of organization and employee satisfaction.
- H4: The relationship between workplace environment of organization and employee satisfaction.
- H5: The relationship between training and individual development and employee satisfaction.
- H6: The relationship between reward system and employee satisfaction.

- H7: The relationship between teamwork and employee satisfaction.
- H8: The relationship between adaptability culture and employee satisfaction.
- H9: The relationship between mission culture and employee satisfaction.
- H10: The relationship between clan culture and employee satisfaction.
- H11: The relationship between bureaucratic culture and employee satisfaction.

**Methods of research :** In this research, the researcher used a survey questionnaire in order to assess employees satisfaction at Siam Goshi Manufacturing Co.,Ltd. who participated in this study. Most of the items in the questionnaire were adopted from journals which are used in the theoretical framework for employee satisfaction. The questionnaires were distributed to the employees at Siam Goshi Manufacturing Co.,Ltd. in Rayong. A total of 400 questionnaires were distributed at all the thirty two departments in the organization. Data will be collected with in April 2014, the researcher asked to the manager will be requested to take on the task of distributing the questionnaires. After collected the data, the researcher used SPSS program for analyze the results. Pearson's correlation coefficient is a statistical measure of this research.

**The results of hypothesis testing :** According the analysis of hypotheses testing, all hypotheses were analyzed by SPSS program. The results from Pearson indicated that all of null hypotheses were rejected.

Null Hypothesis Statement	Level of significant	Correlation value	Result
H <sub>1o</sub> : There is no relationship between transformational leadership style and employee satisfaction.	0.000	0.684	Reject H <sub>o</sub>
H <sub>2o</sub> : There is no relationship between transactional leadership style and employee satisfaction.	0.000	0.660	Reject H <sub>o</sub>
H <sub>3o</sub> : There is no relationship between pay and benefits of the organization and employee satisfaction.	0.000	0.712	Reject H <sub>o</sub>
H <sub>4o</sub> : There is no relationship between workplace environment of the organization and employee satisfaction.	0.000	0.674	Reject H <sub>o</sub>
H <sub>5o</sub> : There is no relationship between training and individual development and employee satisfaction.	0.000	0.665	Reject H <sub>o</sub>
H <sub>6o</sub> : There is no relationship between reward system and employee satisfaction.	0.000	0.669	Reject H <sub>o</sub>
H <sub>7o</sub> : There is no relationship between teamwork and employee satisfaction.	0.000	0.638	Reject H <sub>o</sub>
H <sub>8o</sub> : There is no relationship between adaptability culture and employee satisfaction.	0.000	0.366	Reject H <sub>o</sub>
H <sub>9o</sub> : There is no relationship between mission culture and employee satisfaction.	0.000	0.603	Reject H <sub>o</sub>
H <sub>10o</sub> : There is no relationship between clan culture and employee satisfaction.	0.000	0.675	Reject H <sub>o</sub>
H <sub>11o</sub> : There is no relationship between bureaucratic culture and employee satisfaction.	0.000	0.604	Reject H <sub>o</sub>

**Conclusion** :From the descriptive results, the majority of employees and respondents were female and married, aged between 21-30 years old, most of the respondents have children, the working period was six years or more and received an income between 20,001-30,000 baht.

Employee satisfaction has been measured using Pearson correlation for all the seven hypotheses. The results from the Pearson correlation analysis showed that the sig. was less than 0.01 ( $0.000 < 0.01$ ). The outcome showed that all null hypotheses were rejected. Therefore, the researcher can state that all variables are the factors that increase or decrease level of employee satisfaction at Siam Goshi Company. The results of correlation value of each variable shows transformational leadership, transactional leadership, workplace environment, training and individual development, reward system, mission culture, clan culture and bureaucratic culture were more than 0.600 to 0.690 which means that the relationship had medium positive correlation. In terms of correlation value of adaptability culture was 0.366 which means that the relationship had a low positive correlation. In terms of correlation value of pay and benefits was 0.712 which means that the relationship had a strong positive correlation and this factor was the most significant relationship between employee satisfactions.

**Recommendations** :Based on the findings, the researcher found the critical role of organization management analysis of Siam Goshi Company; the study investigated how to influence the level of employee satisfaction. The factors compared in this study were transformational leadership, transactional leadership, pay and benefits, workplace environment, training and individual development, reward system, teamwork and organizational culture. All of them had a statistically significant relationship with employee satisfaction.

Based on the result of hypotheses 1 to 2, the researcher found that leadership style has a positive significant relationship with employee satisfaction. High employee satisfaction enhances performance of organization. Therefore, the leader should consider and find the clear way to respond their employees. Moreover, leader should set clear regulations if the employee cannot follow will lead to punishment as mentioned in the regulation. For transactional leadership, the leader should clearly tell about task goals to reach the rewards for incentives and motivation of employee. It may also be possible to introduce additional incentives directly relating to the project, for example, bonuses paid for beating deadlines.

Based on the result of hypothesis 3, the researcher found that pay and benefits have the most positive

significant relationship with employee satisfaction. In this research, the employee focused on pay and benefits that the organization offers to them. The researcher would like to recommend that the organization should improve pay and benefit system in the organization; the organization already set the income level, the organization should set incentives system that will influence motivation. For example, the organization should set a payment system for employees who have high performance and the organization should provide promotional policies and give standard criteria at the same international organization.

Based on the result of hypothesis 4, the researcher found that workplace environment has positive significant relationship with employee satisfaction. The researcher would like to recommend that the organization should support working place to make them satisfied to work. The organization should make an appropriate and friendly environment of the working place for all employees to make it easy and convenient for them to work with an effective outcome

Based on the result of hypothesis 5, the researcher found that training and individual development have positive significant relationship with employee satisfaction. Training employee is essential for an organization's success. Training program makes employees realize the training can help them improve their performance and can make them to concern about organization invest for them. The researcher would like to recommend that the organization should keep the old training program and create new training program that relates to work and set a training program which is appropriate for different employees. Effective training saves labor by reducing time spent on problem-solving and saves money in the long run by producing a better workforce.

Based on the result of hypothesis 6, the researcher found that reward system has positive significant relationship with employee satisfaction. This result reveals satisfaction of employees is based on rewards and recognition. Praise and recognition are essential to an outstanding workplace. The researcher would like to recommend that leaders should encourage employees to take pride in their work by giving them recognition and appreciation. Moreover, leaders can spontaneously praise people. To many employees, receiving sincere thanks is more important than receiving something tangible. Employees enjoy recognition through personal, written and public praise from those they respect at work, given in a timely, specific and sincere way.

Based on the result of hypothesis 7, the researcher found that teamwork has a positive significant relationship with employee satisfaction. Teamwork in

the organizational setting is an important aspect to increase performance and employee unity. Therefore, the researcher would like to recommend that organization should be mindful of teamwork variables because the employees work together for around eight hours per day. They should have a strong relationship for work well. The organization should arrange activities to create relationships between employees. As well as the special events, the routine work of a project typically gives rise to many opportunities for human interaction - meetings, informal discussions, chance encounters and written messages.

Based on the result of hypothesis 8, 9, 10, and 11, the researcher found that organizational culture has a positive significant relationship with employee satisfaction. Organizational culture is exactly an important contextual factor to support or impede organization learning. Leaders should maintain long run competitive advantages by developing visions, encouraging the learning activities and establishing the company core values about creating the organizational culture suitable for learning activities.

#### Recommendation for further research

There are two additions for further study in this research, including further investigation of significant factors and different demographic from this research.

In this research, the researcher determined the factors to investigate seven factors; which are leadership style, pay and benefits, workplace environment, training and individual development, reward system, teamwork, and organizational culture. In terms of leadership style, it focused on two types; transformational leadership and transactional leadership. Therefore, in the future, researcher should study other independent variables such as organizational culture, empowerment and participation.

In this study, the researcher studied Siam Goshi Company in Thailand. Siam Goshi group has many branches in other countries, including Japan, India, Vietnam, and Brazil. Therefore, future research should expand on the findings and study cross culture and apply them to other branches and compare the results.

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