

A Study on the Effect of Materials Benefits on Job Satisfaction

AkashBhakat and RemyaLathabhavan

VIT University, Vellore, India

Abstract:

The Objective of this study is to investigate the effect of Materials benefits on Job satisfaction of Employees. The aim is to determine whether there is positive relationship between Employees job satisfaction & their materials benefits getting from the Employer, to find out whether employee's derived job satisfaction from extrinsic job rewards or intrinsic job rewards. The empirical study shows there exist a relationship between material benefits and job satisfaction.

Introduction:

The effect of Materials benefits has a significant impact on Job satisfaction & it is irrespective of income level (high, medium or low) culture (Collectivist or Individualist). The Materials benefits may be Pay, Remuneration, Bonus, Increment, House Allowance, Car Allowance, Perks, and Financial Rewards etc. and have an important role in influencing Job satisfaction & it ultimately impacts Employee Performance while carrying out their Roles & Responsibilities.

Human resources are one of the most & critical resources for an organization's success.

DeCenzo & Robbins have told that people are the only strategic weapon a company has that cannot be copied by its competitors.

As the benefits are directly connected with Job satisfaction & rightly so the satisfied employees are more likely to be committed to their organizations & exhibit higher levels of performance & productivity. The job satisfaction of employees offers important clues concerning health, safety, environment & performance of the organization & it is a measurable parameter which provides information on where improvements can be made to that organization. These factors have positive relationship with the satisfaction too.

Objectives & Purposes:

The purpose of this article is:

1. To find out various issues of Materialistic Benefits & compensations & to explore that this compensation has direct effect on employee's satisfaction level.
2. To assertion different issues of compensation management.
3. To explore that material benefits or compensation has direct effect on employees job satisfaction

4. To elaborate that through direct / indirect compensation employees is more satisfied with their job.

Brief Description

Job Satisfaction:

Job Satisfaction is actually an enjoyable & exciting emotional condition which one can experience while carrying out his / her job

at their workplace. Satisfaction & dissatisfaction not only depend on job but also depend upon employees expectation about job (Hussami 2008). It is a well- researched topic across several discipline including Organizational behavior, HR management, industrial – organizational psychology & social psychology.

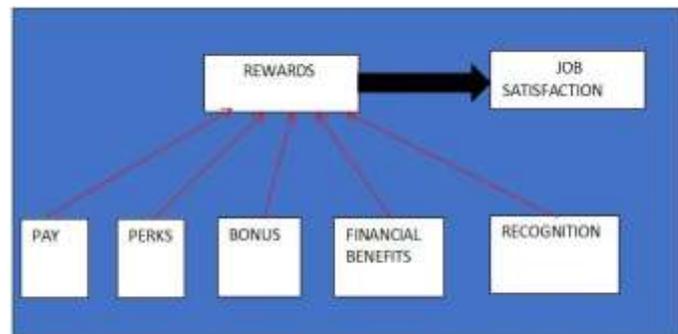
It is the fact that the widespread interest in Job Satisfaction can affect most individual due to the substantial part of their lifetime is spent at work & workplace. The understood factors that influence Job Satisfaction can potentially lead to improving employee's motivation reduce turnover rate & increase Organizational performance.

Job satisfaction has been studied both as an independent & a dependent variable. As an independent variable, job satisfaction explains outcomes such as performance, absenteeism; turnover etc. e.g. leads to a reduced turnover.

Job satisfaction is a combination of Extrinsic & intrinsic job satisfaction. Extrinsic job satisfaction includes all the external factors like communication style, supervisor co- operation, pay & working conditions while intrinsic job satisfaction includes types of work, the worker's do & the duty considered by Employee.

When employee is satisfied he will perform well at worksite & contribute his best in workplace. To satisfy employees, organization provides different facilities to employees like to provide good working conditions, fairness in job, give promotion & financial benefits in different form e.g. pay, Housing allowance, car, student education allowance, loans are the elements which contribute to the employee satisfaction.

Job satisfaction can also be studied as dependent variable affected by a number of rewards i.e. pay, bonus, perks, increment, financial benefits & also the employee recognition. To explain this relationship, it can be depicted in the following figure.



Maslow's theory (1970) shows that need of people starts from basic to high level. These needs are present in every human being. If there is failure to satisfy basic need then next need in hierarchy cannot be achieved. In addition to this materialistic benefit, there is one more important parameter, called employee recognition, which is also directly linked with job satisfaction.

Materialistic Benefit & Job Satisfaction: Research shows that this materialistic benefit & rewards impact the job satisfaction & motivation on

employees directly. Employees are likely to be motivated to improve their performance & the ownership & belongingness of them will increase, which will directly enhance the organization performance as whole.

The cohesiveness among the team members will increase. It is a very important parameter in all the cases where one Team is required to perform to get one job done. Because the purpose of a team is to give output for a predefined problem, although there are a number of individuals in the team & even the opinion of each of them are different but the target is same & final accomplishment matters.

The negativity around the organization environment or the business enterprise will diminish. People will spread positivity in & around the organization & among the employees which will improve the perception, behavior of employees & convert into direct performance & the job should get accomplished with ease.

The focus on Professionalism will change. People should look at the organization at a different way & internal employee's attitude will take a different shape to perform superior & healthier.

Organization should move from its existing Good to Better & to the Best. And by adopting such Positive culture across the organization, it will sustain there at the best position for years to come. Employee & Employer relation should blossom & organization should grow to its newer heights.

Pay & Job satisfaction:

According to Erasmus, Van Wyk & Schenk (2001), Pay is defined as what an employee gets against his work after fulfilling his duty. It includes all types of financial & non-financial rewards.

It has been described by Mr. Martocchio (1998) in his book that this pay compensation includes both intrinsic & extrinsic rewards.

Definition has also been given by Heery & Noon (2001) as: Payment in which include many components like basic salary, benefits, bonuses, incentives for doing & fulfilling his duties as whole.

The combination of these intrinsic & extrinsic compensation package are directly related with Job satisfaction which has been analyzed, researched & proved again & again by different Model & by a number of eminent analysts.

These materials benefit i.e. majority can be called money related, which is considered

as reward, given to employees against work, to support their family & payment for work which is carried out during his tenure in office. And this monetary factor is one of the strong indicators of motivation.

Barton (2002) has suggested that the organization must take into account financial rewards & related compensation because it has strong influence on employee motivation & retention.

If it is less paid in comparison to the work done then it is one of the extrinsic factor which is responsible for the job dissatisfaction (Robbins 2003).

If an employee is compensated well according to his requirement & need & his overtime is paid due to extra work done by him, then in case of emergency situation such as Earthquake / Flood like situations, if a section of employee is

required to give their service to handle that unwanted situation, he will do it happily. And because of these human need parameters, this remuneration part is one of the most satisfying factors.

The Expectancy theory described that people try to give all the time, some more effort because on return they want to get some kinds of compensation in terms of monetary benefit or non-monetary benefit such as promotion etc. People expect that if they perform better in workplace & work well in executing the jobs, then their Performance Appraisal will be better & automatically that will enhance their compensation or they will be promoted.

This will cause increase their job satisfaction also.

Empirical study on the effect of

Materials Benefits on Job satisfaction

Participants

The study was conducted among 50 employees in Notore Chemical Industries Limited

Theoretical Background of the Study:

Job satisfaction is a very important factor as far as Employee performance is concerned. Employee performance is a multi – dimensional construct. It can be related with one individual's total accomplishment. According to Mitchell & Lasan (1987), it is generally recognized in the organizational behavior field that job satisfaction is the most important & frequently studied attitude.

While Luthan (1998) explained that there are three important dimensions to

job satisfaction:

1. Job satisfaction is an emotional response to a job situation. As such it cannot be seen, it can only be inferred.
2. Job satisfaction is often determined by how well outcome meet or exceed.
3. Job satisfaction represents several related attitudes which are most important characteristics of a job about which people have effective response.

Statement of the Problem:

The effect of Materials benefits on Job satisfaction are intertwined with each other. The Materialistic benefits have direct impact on the improvement of Job satisfaction & in parallel job satisfaction is also dependent on Materials benefits from the employer. Increasing number of company's mergers & acquisitions have left employees feeling detached from the Employer that they served & haunted by concerns of overall job security. It has led to the employees to search more on job hunting rather than performance, so resulting harming the general performance of the company. With the problem of increasing employee turnover in the business enterprises, it is matter of concern, whether growth, development & expansion of the company's is going to realized. So it can be called for a greater action to be taken from the Employer side how to retain the organization's valuable employees & the factors likely to affect them to remain in these same organizations to help to achieve corporate objectives.

Study / Research Question:

The followings are the queries related to this topic:

1. What are the relationships between Materials benefits & jobsatisfaction?
2. What is the most satisfying event of an employee in the job & how do employees sustainthere?
3. Does Employee's develop job satisfaction from Extrinsic or intrinsic jobrewards?
4. Are there solutions to the problem of jobsatisfaction?

Objective of this study:

The followings are the objectives of this study:

1. To find out the relationships between Materials benefits & jobsatisfaction.
2. To search the most satisfying event of an employee in hisjob.
3. To find out whether Employee's develop job satisfaction from Extrinsic or intrinsic jobrewards.
4. To find out solutions of the problem of jobsatisfaction.

Significance of the study:

Constructive approach is very important for any study & its value lies on the effectiveness into the society. The

usefulness of the result must benefit to the employees, stakeholders & the organization as a whole. Importantly, this study focuses on the job satisfaction & how the performances of the employees is directly affected with the Materials benefits & it is very much useful for the executives of the different organization especially the Human Resources Department of some distinguished companies like Notore Chemicals & Fertilizer Company in Port Harcourt, Rivers state in Nigeria.

Apart from this, it also helps the decision makers of the organization to get the understanding about the Materials benefits, job satisfaction & employees performance in their business enterprises.

Statement of Hypothesis:

H0: Employee's job satisfaction depends on adequate Materials Benefits.

H1: Employee's job satisfaction does not depend on adequate Materials Benefits

Statistical Analysis:

With the Hypothesis being defined, I surveyed the Population size of 50employees of the company.

The dataforthe projectwas conducted using the following methods:

1) OnlineGoogle surveyswhichcontained different aspects of their employee life, job satisfaction, life happiness and questions on whether they like what compensation is offered to them.

2) After the online surveys were completedpersonalinterviewsof were takenfromasamplepopulationmostly

consisted of higher ranking officials.

For statistical model, we took the data collected and compared it with the standard data as found online. The major datasets for standardization was found on Kaggle and Quandl.

With the population size defined of 50 employees, a randomised sample of 40 employees were selected.

As the test being favourable in this condition is Z test, So I continued with it.

$$Z\text{Test} = (\bar{x} - \mu) / (\sigma / \sqrt{n})$$

Here,

\bar{x} = Mean of Sample

μ = Mean of Population

σ = Standard Deviation of Population

n = Number of Observation

From the calculations, it was found that, H_0 is accepted on 90% confidence level.

Thus, conclusion- Employee's job satisfaction depends on adequate Materials Benefits.

Scope of the study:

The population of this study is made of both Management staff & junior staff including both Supervisory & non-supervisory employees of **Notore Chemicals & Fertilizer Company in Port Harcourt, Rivers state in Nigeria.** The study draws a sample size of fifty (50) respondents for sampling purposes.

Limitation of the study:

The followings are the limitations of this study:

1. The time allocated for this study was not sufficient because to get into intense & deep study sufficient time would have been required.
2. Although the interview of the persons were taken through Telephone, but Person to Person direct contact would have given better feedback & analysis.
3. Arranging the fund for this type of study is difficult & insufficient.
4. Company Policy: Generally People are not very much open for interview & don't want to disclose some information, stating that it is against Company Policy.
5. Moreover, higher person's sampling can give better analysis & more accurate results & would have helped to draw better conclusion.

Conclusion:

The study has helped to give the following conclusions:

1. The improved job satisfaction & enhanced performance of the Employees will indicate that the Materials benefits given to them have been recognized in the organization.
2. The Employer can take a stock of the welfare scheme, review them &

may be distributed in a re-organized way.

3. It will help the company to maintain a healthy relation in between Employee & Employer as far as both side expectations is concerned.
4. This study will also give the employees an idea what to expect from Company management & also enable them to set a limit to their unnecessary demands.
5. This study will enable the Employer to get feedback regarding the effectiveness of the subsequent company policy formulation & future planning.
6. This will help to prevail Win-Win situation across the Company & the job will be interesting among the employees.
7. Finally the Company as a whole will get benefitted as far as Productivity; Economy & Job satisfactions are concerned.
8. It will help to provide a Cohesive & Healthy atmosphere and extend Positivity in & around the Organization.

Definition of the

Term: Employee: It is defined

as a person employed for salary or wages.

Employer: It is defined as a Company, Organization, any Institutes or any Business Enterprises big or small, which keeps person to take any kinds of job & on return pay some monthly contribution in terms of Money or the same.

Performance: It is an activity that a person performs at his work place.

Job Satisfaction: The Happiness feeling of an individual, getting after completion of this duty in the work place.

Interesting: It is the fulfillment of the desire from doing something the person likes & satisfaction out of it.

Company Policy: Every Company has its own Policy statement which includes Health, Safety, Environment, Fire & Quality.

Feedback: It is one kind of return information from either side.

Positivity: It can be defined as a good & noble intension in & around of an individual, department or organization.

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