

I hereby confirm that I have examined this project paper entitled:

Factors Affecting Job Satisfaction to Increase Performance of Workers at

Syarikat Air Terengganu(Satu) Daerah Hulu Terengganu

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FACTORS AFFECTING JOB SATISFACTION TO INCREASE
PERFORMANCE OF WORKERS AT SYARIKAT AIR TERENGGANU (SATU)
DAERAH HULU TERENGGANU

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DECLARATION

“I declare that this report is the result of my own work except the summary and excerpts which I have mentioned the sources for each of them”.

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DEDICATION

First of all, praise to Allah SWT the Almighty for all His blessing in giving me the strengths, the ideas, the determination and the patience in completing this report successfully for partial fulfillment of requirements for Bachelor of Technology Management (High Technology Marketing). I also owe debt gratitude to my beloved mother Zainah @ MaznahbtYusof and all of member family respectively. Therefore, I would like to take this opportunity to dedicate a lot of thanks to my family who really encourage me and give big support to me physically and mentally in order to finish this report successfully. Lastly, thank you very much for all members of my family. Last but not least, a lot of gratitude given to all members of my family and also my supervisor DrMulyanigrum for their guidance in completing this report.

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ABSTRACT

Job satisfaction is a critical issue for every organization because satisfied employees are reportedly known for good performance and vice versa. Job satisfaction is all about taking those day to day challenges, pressures and upsetting situations and turning them into life lessons that allow employees to grow and move on as a better. Generally, the key work domains that impact worker job satisfaction and organizational commitment, which in turn impact long-term worker productivity and performance. Job satisfaction is very important for an employee because their effect is a gain to the employee and the company. The purpose of this study is to examine the factors affecting job satisfaction to increase performances of worker at Syarikat Air Terengganu Sdn. Bhd (SATU) Daerah Hulu Terengganu. The data analysis will be based the theoretical framework that has been developed. The result revealed that factor which is work environment, fringe benefit and co-workes were the most important drivers that affecting of job satisfaction in organization to increase performance of worker. Data for this study collected from the employees at SATU through questionnaire. 50 questionnaire distributed to the respondent. The result of data analyze by using Statistical Package for Social Science (SPSS) version 15.0 software. Frequency, Descriptive, Regression and Pearson Correlation were used to analyse the finding of the study. The findings of this study could be served as a guideline for managers who intent to improve their employees' job satisfaction.

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CHAPTER 1

INTRODUCTION

In this chapter present the overview of the background of the study, problem statement, research question, research objective, scope and limitation and lastly important of the research which is benefit to student, FPTT UteM and also to the organization.

1.1 Background of the study

Job satisfaction describes how content and an individual are with his or her job. Job satisfaction is the feeling of the workers or employees who are related to the job that happy or not happy, as a result of the individual assessment of his work. In despite of that, job satisfaction is not the same as motivation, even it is clearly linked. In fact, each organization places great emphasis on job satisfaction is often measured by the organization. In addition, the level of job satisfaction can also influence the outcome of a better quality of productivity and creative. Job satisfaction has been defined in different ways over the years.

According (Glisson and Durick, 1988; Kim et al., 2005), job satisfaction is the feelings or general attitude of the employees in relation with their jobs and the job components such as the working environment, working conditions, equitable rewards, and communication with the colleagues. Therefore, each employee also

must have a good relationship between their colleagues to get job satisfaction in an organization that wants to achieve the same vision and mission.

On the other hand, (Bai, 2006) also found job satisfaction and internal service quality to have positive relationships with organizational commitment, which “is of paramount importance to hospitality companies that strive for competitive advantage” (p. 40). In despite of that, the importance of job satisfaction for service quality and organizational commitment, it is essential for service firms to understand the drivers behind employee job satisfaction.

Nevertheless, job satisfaction will also impact the organization in order to advance and develop the quality and productivity of workers can produce more effective and efficient in carrying out the tasks entrusted to them. Among the factors that influence job satisfaction is in terms of motivation at work, salaries and benefits in an organization and also the relationship between employees and officers. According to HR Focus Job Satisfaction HR and skill development (2008) has found that satisfied employees are more likely to stay with their employers and compensation and benefits were ranked equally as the most important ingredients of job satisfaction.

This study is purpose to identify the factor that influence the employee satisfaction in their work and to investigate the decision making based on the employees performance of satisfaction in their job. It also wants to know the reason why the employees satisfied with their work from the aspect of work environment, fringe benefit and also the co-workers

1.2 Problem Statement

There are several factors that influence employee’s job satisfaction in the organization. For example, factors that influence job satisfaction at Syarikat Air Terengganu (SATU) are workplace environment, fringe benefit and co-workers.

Job satisfaction is very important for an employee because their effect is a gain to the employee and the company. Besides that, the problem is happening at the Syarikat Air Terengganu (SATU) Daerah Hulu Terengganu where some workers do not feel satisfied with the work in this organization as influenced by aspects of work environment, fringe benefit, and also in term of co-workers. However, the effects of these problems are not satisfied with the work will also be an impact on the organization because workers were unable to show excellent performance, which will be more frequent absence, tardiness to work and also affect employee productivity.

1.3 Research Question

- 1) What are factors that influence job satisfaction of workers?
- 2) What is the level of workers satisfaction towards work environment, fringe benefit and co-workers?
- 3) How far the relationship between work environment, fringe benefit and co-workers towards job satisfaction.

1.4 Research Objectives

- 1) To identify the factors which influence the job satisfaction of workers
- 2) To assess the satisfaction level of worker towards the work environment, fringe benefit and co-workers.
- 3) To examine the relationship between work environment, fringe benefit and co-workers towards job satisfaction.

1.5 Scope and Limitation

The scope of the research is the factors affecting job satisfaction to increase performance of workers at Syarikat Air Terengganu (SATU) Daerah Hulu Terengganu. This research will expanded the factor of organization and individual outcomes to the more specific scope to make the data collected more easy and the finding will able to explain clearly. It is because all employees are come from the different background of status, positions on work, perception, characteristics and opinion regarding some issue. For example, some employee who works in maintenance group at SATU are not satisfied with their task on work because of the task are overload. It will effect to their performance and also job satisfaction. That is mean, as usually if many works to do, the employees will not give enough commitment to their task and at the same time will give a bad performance in the company.

Job satisfaction is very important in an organization because when employees feel dissatisfied with their work will be negative impact to the company. For example workers cannot perform well, work absenteeism, tardiness job and unable to complete the assigned work according to the schedule. Based on (Armstrong, 2006), negative and unfavorable attitudes towards the job indicate job dissatisfaction

Among the factors that influence job satisfaction is in terms of motivation at work, salaries and benefits in an organization and also the relationship between employees and officers. According to HR Focus Job Satisfaction HR and skill development (2008)" has found that satisfied employees are more likely to stay with their employers and compensation and benefits were ranked equally as the most important ingredients of job satisfaction.

In this reserach, the focus will target on the Syarikat Air Terengganu (SATU) Daerah Hulu Terengganu employees

1.6 Importance of the project

1.6.1 Benefit To Student

- The researcher is able to identify the factors that influence the job satisfaction among employees in the SATU.
- The researcher also can learn the useful knowledge about the method and procedure to make an effective research and it may help many parties that accurate information about job satisfaction.
- It is important for the researcher to undergo this research because it is one of the university requirements in order to complete their Bachelor level.
- Thus, it also helps the researcher to practically utilize the knowledge that has been learnt theoretically in university to the organization.

1.6.2 Benefit To FPTT UTeM

- The research helps UteM to produce highly competent professionals through quality and world class Technical University Education based on Application-Oriented Teaching, Learning and Research With Smart University-Industry Partnership in Line with National Aspirations.

1.6.3 Benefit To Organization

- The research helps Syarikat Air Terengganu Sdn. Bhd. to identify their employee's problems that make job satisfaction in high level in order to achieve organizational goal.
- It also will help find the best solution in order to solve job satisfaction problem among their employees.

CHAPTER 2

LITERATURE REVIEW

In this chapter, researcher will discuss about the entire variable in this research which is the organizational and individual outcomes that influence the job satisfaction among the employees in Syarikat Air Terengganu (SATU). This chapter will introduce the concepts of job satisfaction, work environment, fringe benefit and co-workers . The literature reviews are used to develop theoretical framework.

2.1 Dependent Variable

2.1.1 Job Satisfaction

From the beginning until now, job satisfaction is an important thing in the organization. Employee's performance will influence job satisfaction in the organization. If employees failed to shows their performance in their task, it does will potentially harm the operation of organization. If employees success to shows their performance in their task, it will give more benefit to the organization.

Job satisfaction has been defined in different ways over the years. According (Glisson and Durick, 1988; Kim et al., 2005), job satisfaction is the feelings or general attitude of the employees in relation with their jobs and

the job components such as the working environment, working conditions, equitable rewards, and communication with the colleagues.

Job satisfaction can be defined as the degree of positive or negative feelings of workers about their jobs as well as the physical and social conditions of workplace. It is an attitude or emotional response to one's tasks as well as to the physical and social conditions of the workplace (Tirmizi et al., 2008)

Job satisfaction is closely related to the level of employee performance if they get their job satisfaction will improve performance and more committed to work, but if their work performance will decline and they prefer to absence, productivity, turnover and vice versa. Job satisfaction is a critical issue for every organization because satisfied employees are reportedly known for good performance and vice versa. (Tsigilis et al., 2006)

In spite of that, job satisfaction also can be the direction to the employees how to feels about their jobs and also predictors about their work performance or behaviors. Thus, job satisfaction is concerned with how well a worker's expectations at work are in tune with outcomes (Khan, 2006; Bashir and Ramay, 2008)

Furthermore, the individual and organizational outcomes also can be related to the employees' job satisfaction. According to (Ramayah and Lo 2011), while much the previous research has focused on the individual and organizational outcomes of employees' job satisfaction, little attention has been given to the possibility that mentoring may influence employees' job satisfaction.

Several factors come together to determine the job satisfaction including the basic factor (pay, work, supervision, promotion, coworkers and work environment), the demographic attributes of the employees and the broader social, organizational, and human contexts constituting the totality of work environment (Shah and Jalees, 2004; Sattar et al., 2009; Sattar et al, 2010)

2.1.2 Job satisfaction indicators

2.1.2.1 Absenteeism

Absenteeism is traditionally defined as a specific employee's unavailability for work, when work is actually available for this specific employee. Absenteeism has long been considered a problematic situation in all industry, both public and private organization. This issue in general, not only impacts the workforce, but also affects an organization's bottom-line (Malley, 2006). Absences are higher in public administration and manufacturing than in other sectors. They are higher for clerical workers than for managers, and for processing, machining, fabricating and material handling than for primary, construction, or transport workers. As a result, numerous theories have been developed and countless studies had been conducted to identify the causes of absenteeism.

One of the assumptions of factors which contribute to absenteeism is job satisfaction. The more the employee feel satisfied in their workplace, or work task, the less likely they absent to the workplace (Maslach et al., 2001). In addition, the other of most common theories is the assumption that absenteeism is caused by employees who want to avoid a painful or dissatisfying work situation. This theory also assumed that employees who find their job more challenging, more interesting, or more pleasurable in other ways will be absent less often than employees who find their work less pleasurable. Although it is recognized that absenteeism may be caused by the employee's inability to come to work, motivation to attend work is assumed to be a major factor determining how often an employee is absent.

Bydawell (2000) had stated in his research that employers have the right to expect good attendance from their employees as employment is a contract between two consenting parties. The author further stated that absenteeism issues will arise within the employment relationship, and should be resolved in a manner which is fair and equitable to both the employer and the employee.

Studies on the relationship between absenteeism and job satisfaction seem to be inconsistent. Some research has found no correlation between these two variables whereas other studies indicate a weak to moderate relationship between these two variables. Sczenshy and Thau (2004) examined the relationship of both job satisfaction and general health assessment with self-reported absenteeism and found a stronger effect of perceived health assessment on absenteeism. In a study done by Hacket (1996) had showed that job satisfaction is the clearest and most consistent determinant of absenteeism, often regardless of how absenteeism is measured.

Various studies also have attempted to examine the relationship between absenteeism and job satisfaction as absence is commonly viewed as one of the means of withdrawal from stressful work situations. According to Luthans (1989), high or low employee turnover rates, absenteeism and grievances lodged are factors that indicate whether job satisfaction or job dissatisfaction exists within organizations. He discovered in later of his research (1995) which had revealed a consistent inverse relationship between job satisfaction and absenteeism, for example when satisfaction is high, absenteeism tends to be low and when satisfaction is low, absenteeism tends to be high.

There are many causes of absenteeism including: (a) dissatisfaction with one's job, (b) sickness, (c) parenting responsibilities, (d) scheduling, (e) sick pay benefits, (f) occupational injury and illness, and (g) employees' attitudes toward absenteeism ("Minimising Absenteeism," 1999; Taunton et al., 1989). Increased opportunities for other jobs, and less information and less involvement in decision making in a present job can result in increased absence by decreasing employee satisfaction and commitment (Taunton et al., 1989).

Absences are divided into types namely culpable and innocent/non-culpable. Culpable absenteeism refers to lateness or absence problems for which the employee should be held responsible because the problems are within the employee's power to address and correct. This type of absenteeism usually is addressed through progressive discipline action by the organization.

The culpable absenteeism has four criteria which are:

1. Lateness/leave early
2. Failure to notify
3. Absences without leave
4. Abuse of leave

Non-culpable on the other hand, refers generally to absences that are beyond the employee's control. Non-culpable absences may be those that flow from a disability or may be caused by periodic/transient, unrelated conditions that would not qualify as a disability. Researchers Chadwick-Jones, Brown, Nicholson, and Sheppard (1971); Gaziel (2004); and Avey, Patera, and West (2006) however had distinguished employee absences between two types: namely voluntary and involuntary. Voluntary absences involve those where the employee is presented with the opportunity to work, but for some other reason decides to miss work (Holmlund, 2004). Involuntary absences are absences that an employee has little control over due to an illness or injury (Gaziel). Therefore, from the above scholars, voluntary absence can be regarded as culpable absenteeism, while involuntary absenteeism can be used interchangeably with non-culpable absences.

2.1.2.2 Turnover

Turnover of skilled employees can be very expensive and disruptive for firms (Reichheld,1996). Losing highly skilled staff member's means that companies incur substantial costs associated with recruiting and rescaling, and hidden costs associated with difficulties completing projects and disruptions in team-based work environments (Niedermann &Summer, 2003). At least of similar importance is the fact that turnover intention and turnover decisions may also be an indicator of low and decreased quality of working life (QWL) which is directly associated with employee's job satisfaction.