

THE SIGNIFICANCE OF PERSONAL-DEMOGRAPHIC VARIABLES AND ORGANIZATIONAL CLIMATE IN DETERMINING JOB SATISFACTION AMONG RESEARCHERS

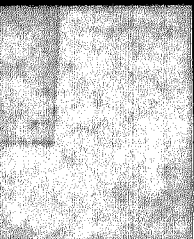
ABSTRACT

.....

.....

.....

.....





الجامعة الإسلامية العالمية ماليزيا
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA
بِوَسِيْلَتِيْ اِسْلَامِيْ اَنْبَارَا اِيْجَسَا مِلْمِيْا

**THE SIGNIFICANCE OF PERSONAL-
DEMOGRAPHIC VARIABLES AND
ORGANIZATIONAL CLIMATE IN DETERMINING
JOB SATISFACTION AMONG REMISIERS**

BY

MOHD ISMAIL BIN ABDUL JALIL

**PROJECT PAPER SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENT FOR THE
DEGREE OF MASTER OF MANAGEMENT**

**MANAGEMENT CENTER
INTERNATIONAL ISLAMIC UNIVERSITY
MALAYSIA**

FEBRUARY 2000

ABSTRACT

Over the past several decades a number of empirical studies have demonstrated that job satisfaction levels vary widely in the labor force. The effect of personal demographic factors such as age, gender, academic qualification, race and marital status as well as work environment on an employee's job satisfaction has been widely researched and discussed. However, very little empirical attention has been given to evaluating job satisfaction levels among remisiers in general and Malaysian remisiers in particular.

Increasing performance levels among the remisiers may be possible if one is able to identify the factors that foster remisiers' satisfaction. This study tries to achieve two objectives. Firstly, it tries to identify the significance of a selected personal-demographic factors such as age, gender, academic qualification, race, marital and spouse's working status and their influence on the levels of job satisfaction among remisiers. Secondly, it attempts to investigate the relationship between factors within the organizational climate of the securities companies and the level of job satisfaction as reported by remisiers.

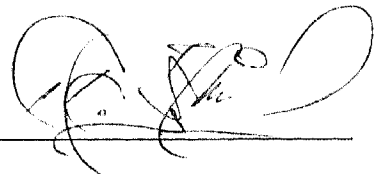
A survey was conducted on 112 remisiers from five different securities companies in the Kuala Lumpur area. Questionnaires were used to collect data for this study. The findings suggest that dimensions within the organizational climate do influence the level of job satisfaction. However the personal-demographic variables investigated failed to provide any explanation to the study of job satisfaction among remisiers.

DECLARATION

I hereby declare that this project paper is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by reference notes and a bibliography is appended.

Date: February 28th 2000

Signature: _____

A handwritten signature in black ink, consisting of several loops and flourishes, written over a horizontal line.

Name: MOHD ISMAIL BIN ABDUL JALIL

© Copyright 2000 by Mohd Ismail Abdul Jalil and
International Islamic University, Malaysia

ACKNOWLEDGEMENTS

Although the contents of this project paper are ultimately my own responsibility, there are a number of individuals whose contributions I would like to acknowledge. My sincere personal appreciation is given to Dr. Ahamed Kameel Mydin Meera for providing vision, commitment, inspiration and information that made this project paper more than it would have been. His help and encouragement have certainly improved the quality of this project paper.

I also wish to acknowledge the permission to conduct the surveys among remisiers granted by Mayban Securities Sendirian Berhad, Hong Leong Securities Sendirian Berhad, Arab Malaysian Securities Sendirian Berhad, BBMB Securities Sendirian Berhad and Jupiter Securities Sendirian Berhad.

Closer to home, I would like to thank my parents for their unfailing love, nurturance and confidence in me. I would also like to acknowledge and thank my wife for her patience, for being an idea sounding board and for being "the warden" who has tried very hard to keep me on schedule. She has always been a source of encouragement in the completion of this project paper.

If there were to be a dedication to this project paper, it would be to my daughter, Allysa. I hope she will never stop asking "why?"

TABLE OF CONTENTS

| | |
|--|----|
| Abstract | 2 |
| Approval Page | 3 |
| Declaration | 4 |
| Copyright Page | 5 |
| Acknowledgements | 6 |
| Table of Contents | 7 |
| List of Tables | 10 |
| | |
| CHAPTER 1: INTRODUCTION | 11 |
| | |
| 1.1 Problem Statement | 13 |
| 1.2 Background of the Study | 14 |
| 1.3 Research Hypotheses | 16 |
| 1.4 Significance of the Study | 17 |
| 1.5 Definition of Terms | 19 |
| 1.5.1 Job Satisfaction | 19 |
| 1.5.2 Organizational Climate | 20 |
| 1.5.3 Intrinsic and Extrinsic Motivators | 20 |
| 1.6 Outline of the Study | 21 |

| | |
|---|----|
| CHAPTER 2: REVIEW OF LITERATURE | 23 |
| 2.1 Introduction | 23 |
| 2.2 The Determinants of Job Satisfaction | 24 |
| 2.3 Organizational Climate and Job Satisfaction | 25 |
| 2.4 Personal Demographic and Job Satisfaction | 30 |
| 2.4.1 Age | 31 |
| 2.4.2 Gender | 33 |
| 2.4.3 Academic Qualification | 34 |
| 2.4.4 Race | 35 |
| 2.4.5 Marital Status | 36 |
| 2.4.6 Spouse's Employment Status | 36 |
| 2.5 The Importance of Intrinsic and Extrinsic Factors | 37 |
| 2.6 The Overall Satisfaction Versus Facet Satisfaction Argument | 40 |
| 2.7 Summary | 42 |
| CHAPTER 3: METHODOLOGY | 43 |
| 3.1 Introduction | 43 |
| 3.2 Description of Variables and Research Instruments | 43 |
| 3.3 Research Samples and Procedures | 47 |
| 3.4 Data Analysis Technique | 48 |
| 3.4.1 Descriptive Statistics | 49 |

| | | |
|--|---|----|
| 3.4.2 | T-test | 49 |
| 3.4.3 | ANOVA | 49 |
| 3.4.4 | Pearson Correlation Analysis | 49 |
| 3.4.5 | Stepwise Regression | 50 |
| CHAPTER 4: RESULTS | | 51 |
| 4.1 | Introduction | 51 |
| 4.2 | Analysis of the Respondents' Personal-Demographic Characteristics | 51 |
| 4.3 | Factoring and Re-coding | 54 |
| 4.4 | Tests of Hypotheses | 55 |
| 4.5 | Summary of the Findings | 66 |
| CHAPTER 5: CONCLUSION AND IMPLICATIONS | | 67 |
| 5.1 | Discussions of Major Findings | 67 |
| 5.2 | Limitations of the Study | 71 |
| 5.3 | Implications | 72 |
| 5.4 | Recommendations | 73 |
| 5.5 | Conclusion | 74 |
| REFERENCES | | 76 |
| APPENDICES | | 82 |

LIST OF TABLES

| | | |
|----|--|----|
| 1. | Respondents' Personal-Demographic Characteristics | 53 |
| 2. | ANOVA test of Age and Job Satisfaction | 55 |
| 3. | T-test of Gender and Job Satisfaction | 56 |
| 4. | ANOVA test of Race and Job Satisfaction | 57 |
| 5. | ANOVA test of Academic Qualification and Job Satisfaction | 58 |
| 6. | T-test of Marital Status and Job satisfaction | 59 |
| 7. | T-test of Spouses' Working Status and Job Satisfaction | 61 |
| 8. | Correlation between 7 Dimensions of Organizational Climate and Overall Job Satisfaction | 63 |
| 9. | Stepwise Regression Analysis | 64 |

CHAPTER 1

INTRODUCTION

Work-related satisfaction has been the focus of a large number of studies in several disciplines including management, psychology and education. The interests shown indicate the importance attached to an increased understanding of job satisfaction. The benefits of such increased understanding include the maximization of the workers' efficiency and the improvement of the quality of working life for those within the organization, issues that have important economic and humanitarian repercussions. Nonetheless, the emergence of a number of issues has made the subject matter to become even more complicated. Two of the main issues that warrant attentions are: the existence of a number of factors, both job-related and personal, that could influence the levels of job satisfaction expressed by employees; and the conceptual differences that various researchers have adopted in dealing with the subject.

Early studies of job satisfaction that were carried out by people such as Hoppock (1935) emphasized on the need to identify specific factors which could influence job satisfaction. The rationale behind these early studies was that a happy worker was also seen as a productive worker. Consequently, the identification of specific factors would provide opportunities to influence job satisfaction by the manipulation of the identified variables. Therefore, it was seen as important to identify those factors that would increase or decrease satisfaction for the worker.

Later researchers, following the direction set by the early studies, have investigated many aspects of the job, the individual and the organization as potential determinants of job satisfaction. Unfortunately, the results of such researches have been criticized as being inconsistent. For example, the findings of Herzberg, Mausner, Peterson & Capwell (1957) contradicted with those of Hulin & Smith (1965) as to the importance of age-related variables to job satisfaction and Holdaway (1978) disagreed with Miskel, DeFrain & Cox (1980) as to the importance of intrinsic sources of motivation. Criticism on studies of job satisfaction has also arisen due to the large amount of unexplained variance frequently associated with the variables which have been investigated (James & Jones, 1974).

Locke (1969) and James & Jones (1974) identified these two features of past researches as indicating methodological and conceptual inadequacies. These inadequacies prompted their criticisms that research efforts have been based upon levels of conceptualization, which were inadequate for the purpose of clarifying the nature of job satisfaction. Despite the widespread and long standing interest of the research community in the nature and determinants of job satisfaction, important questions remain unanswered. These questions include the generalization of research across occupations, the relative importance of intrinsic and extrinsic factors and the relationships between personal characteristics of the employees and the level of job satisfaction.

1.1 Problem Statements

This study will address a number of these questions relating to the nature of overall job satisfaction for remisiers in the Securities Industry. This study investigates the relationships that exist between selected personal-demographic variables, organizational climate variables and overall job satisfaction. It would be interesting to find out whether the outcome of this study differs from those of early researches conducted by western scholars since all the respondents from this study are from Malaysia.

The investigation will be placed within a modified systems approach. The modified systems approach to the study of organization views the organization as a social organism and seems particularly suited to the study of the complex social interactions within organizations such as the securities companies. The present study differs from the theoretical bases of investigations of job satisfaction which have typically examined variables in isolation from the wider societal forces which act upon the organization and the individual. This study is based upon a conceptual model that reassesses the structure of the relationships between personal and environmental variables and the outcome measures such as job satisfaction. The model emphasizes the influence of human interactions as well as individual, group and societal values, expectations and perceptions in the calculation of the outcome, namely job satisfaction.

This study will examine the following aspects of job satisfaction within a modified systems theory approach: (1) the relationships which exist between remisiers' perceptions

of the organizational climate of the securities companies in which they work and their levels of overall job satisfaction; (2) and the influence of six personal-demographic variables, namely age, gender, academic qualification, race, marital status and spouse's working status have on job satisfaction among remisiers.

1.2 Background of the Study

A large number of studies on job satisfaction have attempted to identify specific job aspects that were related to job satisfaction (Agho et al., 1992). The studies try to determine to what degree the job-related factors affect the level of job satisfaction among employees. On the other hand, other studies have sought to analyze the effects of personal characteristics upon the person-job relationship. The influence of personality factors, such as age and gender (Hulin & Smith, 1965) and job tenure and academic qualifications (Lee & Wilbur, 1985) have all been investigated in the belief that these variables may explain a further proportion of the variance in the job satisfaction levels of employees that go beyond job-specific factors.

There are also researchers who have attempted to analyze the relationship which exist between job satisfaction and the wider organizational characteristics which employees are exposed to (Porter, Lawler & Hackman, 1975). These studies are focused at a more general level than the individual job-specific factors. The researchers stressed on the importance of organizational culture, which they use as an instrument to study the reactions of employees within the organization.

Some organizational structures and climates have been suggested as preferable for the average employee typical of effective organizations (Peters and Waterman, 1982). Proponents of the organizational approach hypothesized that certain aspects of the work environment may provide levels of common needs attainment for groups of individuals (Gruneberg, 1979). For example, work environments which allow for the maximization of employees' skills, which stress on goal orientation or which are seen as supportive may allow for the needs gratification of the majority of the employees (Vandenberg & Lance, 1992). On the other hand, in environments where the opportunities for the fulfillment of needs such as growth, responsibility, recognition and advancement are not available, the employees will tend to be less satisfied with their jobs.

In short, three potentially important groups of determinants of job satisfaction have been identified and studied. They are:

1. The individual differences which exist between people (personal demographic);
2. The nature of the job in which they work (job-situation variables); and
3. The aspects or dimensions of the wider organization

However, despite the widespread interest in these areas, the research results on job satisfaction have failed to demonstrate consensus among these three groups of determinants. Smith (1973), who reviewed the results of research efforts across the three categories asserted that, despite the broad spectrum of factors which have been identified,

no summary statements applying to all organizations and employees could possibly be made.

1.3 Research Hypotheses

The first objective of the present study is to examine the relationship between job satisfaction and personal-demographic factors. The following hypotheses which the present study wish to test with respect to the first objective have been formulated:

H1: There is a difference in the level of job satisfaction among remisiers from different age group

H2: There is a difference in the level of job satisfaction between male and female remisiers

H3: There is a difference in the level of job satisfaction among remisiers with different ethnic background

H4: There is a difference in the level of job satisfaction among remisiers with different academic qualification

H5: There is a difference in the level of job satisfaction between married and unmarried remisiers

H6: There is a difference in the level of job satisfaction between married remisiers whose spouses are gainfully employed and those remisiers whose spouses are not gainfully employed

The second objective of the present study is to investigate the relationship between job satisfaction and organizational climate. The following hypotheses which the present study wish to test with respect to the second objective have been formulated:

H7: There is a significant relationship between affiliation and level of job satisfaction among remisiers

H8: There is a significant relationship between clients' supportiveness and the level of job satisfaction among remisiers

H9: There is a significant relationship between professional interest and the level of job satisfaction among remisiers

H10: There is a significant relationship between achievement orientation and the level of job satisfaction among remisiers

H11: There is a significant relationship between formalization and the level of job satisfaction among remisiers

H12: There is a significant relationship between centralization and the level of job satisfaction among remisiers

H13: There is a significant relationship between resource adequacy and the level of job satisfaction among remisiers

The meaning and the description of the terms such as affiliation, clients' supportiveness, professional interest, achievement orientation, formalization, centralization and resource adequacy are elaborated in Chapter 3 of the paper.

1.4 Significance of the Study

This study will investigate the importance of organizational climate dimensions, such as Affiliation, Clients' Supportiveness, Professional Interest, Achievement Orientation, Formalization, Centralization and Resource Adequacy on the level of job satisfaction among remisiers. One of the reasons remisiers are chosen for this study is that they play an important role in the securities industry. They not only execute the buying and selling

of stocks of listed companies but also provide securities related information and at times also act as financial consultants to their clients and other parties. Furthermore, although they are employed by the securities companies, they do not have a fixed salary and their income are solely based on commissions from securities trading. Moreover, it is an important profession, which so far has not received much attention from researchers.

One of the few studies carried out to investigate overall job satisfaction for service employees, such as university lecturers found positive and significant relationships between overall level of job satisfaction and intrinsic sources of motivation (Sonnet, 1996). This study will try to investigate whether remisiers, who fall under the category of service employees, also derive more of their job satisfaction from intrinsic sources. Furthermore, it is hoped that the findings of this study can be used as a guidance to further improve job satisfaction and/or reduce job dissatisfaction among the remisiers.

Locke (1969) and James & Jones (1974) had questioned the facet approach, an approach adopted by a number of studies on job satisfaction that focus exclusively on certain aspects of the employees' jobs. They argued that such approach is unable to provide an adequate theoretical basis for the study of job satisfaction. This criticism has caused the present study on remisiers' job satisfaction to move in two directions. Firstly, the present study will need to be specifically conducted within the working environment to which the results are to be applied. Secondly, there is a need for the use of overall job satisfaction measures, especially when investigating intrinsic factors.

The present study will address these two needs. It will adopt a conceptual model which will assess the functions of personal variables in the determination of job satisfaction. Personal variables have been investigated as an alternative dimension to environmental forces. Blackburn & Bruce (1989) have suggested that the environmental and the personal-demographic variables could each influence the employees' job satisfaction separately as well as interactively. The conceptual model proposed in the present study is compatible with the approach taken by Locke (1969). Locke (1969) stressed the importance of individual values and perceptions in the determination of outcomes such as job satisfaction.

1.5 Definition of Terms

1.5.1 Job Satisfaction

Job satisfaction is the outcome of interactions between psychological, physiological and environmental circumstances which impinge upon the individual employee. In the context of the present study, job satisfaction is a measure of an employee's overall level of satisfaction with his/her job. Locke (1969) defines job satisfaction as "a pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values." Greenberg and Baron (1997) give a simple but yet precise definition of job satisfaction, which is "people's cognitive, affective and evaluative reactions toward their jobs."

1.5.2 Organizational Climate

Organizational climate refers to a perceived environment quality and represents the perceptions that people have on their work environment. Organizational climate is a perceived reality and has also been termed as "interpersonal and task climate" (Evan, 1968). These definitions point towards the multiplicity of variables which are perceived to be involved, and the common variables that are within the parameter of organizational climate which include the environmental factors that influence the personal characteristics of the employees. Forehand & von Gilmer (1964) have acknowledged the wide acceptance of this method of categorization within the research community.

1.5.3 Intrinsic and Extrinsic Motivators

Motivation to work is a stimulus which prompts an employee to either accept or reject the demands placed on him/her by the work situation. These rewards may be either a feature of the interaction between the job and the value system supported by the employee (intrinsic motivators) or associated with the context of the job (extrinsic motivators). Specific features of job situations which provide satisfactions and are independent of the activity are extrinsic motivators. On the other hand, intrinsic motivators provide satisfaction that depends on the conduct of the activity. They are dependent upon how an activity is valued by the employees. Intrinsic motivators have been suggested as being more powerful than extrinsic motivators (Caston & Braitto, 1985).

1.6 Outline of the Study

This study is organized into five chapters. Chapter 1 discusses the statements of the problem, background of the study, the research hypotheses, the significance of the study and definitions of important concepts.

Chapter 2 provides a review of the literature within a conceptual framework which attempts to clarify the nature of job satisfaction and its determinants. Two important themes are addressed by the literature review: first, is the importance of organizational climate factors, principally those that are intrinsic in nature; and second, is the importance of personal attributes of the individual remisers and determinants of overall job satisfaction.

Chapter 3 outlines the research design and the methodology of the study, provides a description of the sample and instruments and also describes the procedures used in the study.

Chapter 4 presents the results of the study through data analysis. In this chapter, the research hypotheses are tested and respondents' personal-demographic variables and the organization climate dimensions are examined.

Chapter 5 provides a discussion of the results. This chapter also summarizes and concludes the investigation, discusses the implications of the study and suggests directions for further research.

CHAPTER 2

REVIEW OF LITERATURE

2.1 Introduction

The amount of literature written on job satisfaction among remisiers has been very minimal. Nonetheless, many aspects of job-related tasks which involve the individual employee and the work environment and which may either raise, sustain or reduce the levels of job satisfaction among service industry employees have been identified (Gruneberg, 1979). However, there seems to be some problems with the findings. For example, the number of factors which have been identified and are known to influence job satisfaction is so large and almost unmanageable. Furthermore, many findings are assumed applicable in all environments, thus have been applied across contexts.

In addition, the outcomes of certain studies have come into conflict with the theory which acknowledged the importance of personal-demographic variables in measuring job satisfaction. For instance, while the findings of certain studies (Glisson & Durick, 1988) and theoretical formulations (Blackburn & Bruce, 1989) have indicated that personal-demographic variables occupy an important position in the determination of job satisfaction, other findings, such as by Knoop (1982) have not always supported this claim. Hence, more comprehensive theoretical foundation in the area of job satisfaction needs to be developed.

Locke (1969) and James & Jones (1974) had suggested that the problems of past research might be overcome by a closer adherence to a comprehensive conceptual model. The development of such a conceptual model should enable successive research efforts to address sequential aspects of the issue and could allow for greater comparability between results. It could also allow the closer approximation of unmeasured variables. Such an approach may also change the focus of job satisfaction research from the investigation of a single factor or groups of factors to an emphasis upon the various levels of interactions which may produce the job satisfaction outcome.

Moos (1974), who is aware of the criticisms that stressed on the lack of attention paid by researchers to the interactions between people and environment, has developed the social ecology theory, which attempts to provide a more comprehensive conceptual base for the study of social environments. Even though he was primarily interested in the study of social climate, his theory still has relevance to the study of job satisfaction among remisiers. His theory has been applied to the study of human service organizations, hence, applicable to remisiers, who also fall under the same category.

2.2 The Determinants of Job Satisfaction

Studies conducted on job satisfaction have identified a large number of variables which contribute to the job satisfaction of employees. These variables have been divided into three major groups: variables that describe the characteristics of the tasks performed by the employees; variables that describe the organizations in which the tasks are performed;