



الجامعة الإسلامية العالمية ماليزيا  
INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA  
بِوَسِيْلَتِي اِسْلَامًا اَبًا اَرْجُوْنَا مَلِيْسِيَا

A STUDY OF EMPLOYEE SATISFACTION  
AMONG ASSEMBLY LINE OPERATORS IN  
MANUFACTURING FIRMS.

BY

JOHN DEVASAGAYAM A/L SEENI

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

INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA

Management Center

Date Received

14/2/98 nmp

MANAGEMENT CENTER  
INTERNATIONAL ISLAMIC UNIVERSITY  
MALAYSIA

FEBRUARY 1998

## **ABSTRACT**

The aim of this study is to look at the overall job satisfaction and facets of job satisfaction among on line operators in manufacturing firms. The facets involved in this study include supervision, co-workers, financial rewards and organisational frustration. The demographic variables include gender, race, age, years of experience and pay. The case chosen for this study is large manufacturing firms related to electronic and computer industry in Ipoh, Perak.

Results show the operators are satisfied with their job. Generally most of the hypotheses tested reveal that there is no significant relationship between demographic variables and overall job satisfaction and facets of job satisfaction tested. Gender, race, age, years of experience and pay level have no significant relationship with the overall and facets of job satisfaction tested. Only two hypotheses out of fifteen tested show a significant relationship. The first aspect is gender and organisational frustration and the second aspect is age and financial rewards.

Based on the analysis of responses given, it appears that the management should focus their attention on the aspects of organisational frustration and financial rewards. Generally managers and supervisors

frustration and financial rewards. Generally managers and supervisors handling operators should be sensitive about the rules and regulations and the way strategies are implemented in order to create a harmonious work environment.

The financial rewards should also be taken into consideration to enhance the operator's production. Pay for performance is preferred and suggested to create competitiveness and eagerness of operators to give their best in the job. Identifying the source of dissatisfaction and taking relevant steps can enhance the operator's performance and can be a competitive advantage in the field of human resources.

## APPROVAL PAGE

TITLE OF PROJECT PAPER: A STUDY OF EMPLOYEE SATISFACTION  
AMONG ON ASSEMBLY LINE  
OPERATORS IN MANUFACTURING  
FIRMS.

NAME OF AUTHOR: JOHN DEVASAGAYAM A/L SEENI


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The undersigned certify that the above candidate has fulfilled the condition of project paper prepared in partial fulfilment for the degree of Master of Management.

### SUPERVISOR

Signature: 

Name: Dr. Naceur Jabnoun

ENDORSED BY:   
Assistant Professor Dr. Ahmad Zohdi Abdul Hamid  
Date: 28<sup>TH</sup> FEBRUARY 1998

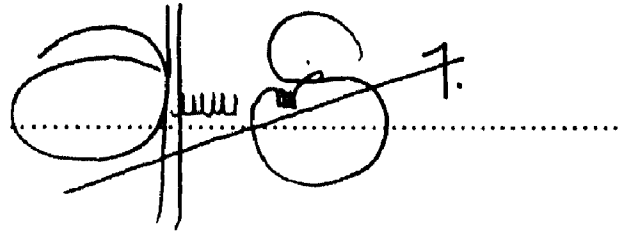
  
Associate Professor Dr. Syed Abdul Hamid Al-Junid  
Date: 28<sup>TH</sup> FEBRUARY 1998

# DECLARATION

I hereby declare that this thesis is the result of my own investigations, except where otherwise stated. Reference notes acknowledge other sources and a bibliography is appended.

Date 28 FEB. 1998

Signature

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a vertical line and a large 'S' with a horizontal stroke extending to the right, ending in a small '7'.

Name: JOHN DEVASAGAYAM A/L SEENI

## ACKNOWLEDGEMENTS

First and utmost I would like to submit my prayers and thanks to God Almighty for granting wisdom, knowledge and understanding to undergo this programme successfully. May His blessing be upon all forever.

I would take this opportunity to express my deepest appreciation and heartfelt gratitude to my supervisor, Dr, Naceur Jabnoun for his guidance and assistance in the completion of this project.

Appreciation is also extended to Dr. Ahmad Zohdi Bin Abdul Hamid for his patience and constructive advice throughout this programme. A word of thanks to all the lecturers involved in this programme who have in their own ways contributed in broadening my knowledge and awareness about the changes and challenges in the environment.

Special thanks are also owed to my friends and relatives, Mr. Wilson A. Dass, Mr. Johnson A. Dass and Mr. Solomon Jacob for their assistance in the data collection process. I would also like to specifically thank Mr. Joseph Jacob for reading my unrefined drafts and correction of the errors. I also owe my thanks to all my respondents who have granted their co-operation afford to make this project paper successful.

I would also like to distinct my pre-eminent gratefulness to my wife, Jothi and my sons, Jonah Seeni and Jonathan for their constant encouragement, tolerance and understanding, which I find difficult to convey in a few words.

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## DEDICATION

*TO MY BELOVED WIFE*

*JOTHI*

*AND CHILDREN*

*JONAH AND JONATHAN*

By wisdom a house is built, through understanding it is established; through knowledge its rooms are filled with rare and beautiful treasures.

Proverbs 24: 3-4

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# CHAPTER 1

## INTRODUCTION

### 1.1 INTRODUCTION

Management has proposed many theories to explain job satisfaction in the 20<sup>th</sup> century. Traditional theories assumed that people should work productively and efficiently if the job were routinized and standardised.

From the behaviourist point of view, the suggestions are that employee work efficiently if job was instead made interesting, meaningful, challenging and complex. Socio-technical theorists support this viewpoint. In supporting this view, the socio-technicalist added that work group and organisation's environment are of critical important.

The important role played by a worker's attitude in determining his actions in the job situation was recognised by Taylor in 1912. Systematic study related to job satisfaction however did not begin until 1930's. Frederick W. Taylor proposed scientific management theory in the late 19<sup>th</sup> century as a way of making the conduct of work - related activities more efficient. Scientific management was also known as 'Taylorism'.

British researchers such as Wyatt, Fraser and Stock are the earliest in exploring the exhausted situation of industrial boredom. The major

motivational assumption of the approach was that the individual workers valued economic incentives and would be willing to work hard for monetary rewards. It is important to note the rigidity of this assumption. All workers valued money more than any other reward was the basic assumption.

Qualitative research and theories about the concept of job satisfaction in 1930's were a guide for empirical studies on job satisfaction in the 1970's. For example, Freud (1922) and Janet (1907) both felt that unconscious impulses were implicated in emotions displayed at the work place. Freud felt that morale act to suppress negative tendencies toward conceited behaviour, encouraging instead personal sacrifice and commitment to group goals.

### 1.1.1 JOB AND FAMILY

Research shows that people spend 1/3 of a day on job. If the job fails to provide some satisfaction, the person may feel frustrated and this may contribute to other attitudes and outcomes. Hoppock and Smith's finding shows that those who were not satisfied with their job were also dissatisfied with other aspects of their life.

Job satisfaction has an impact on life satisfaction because logically job is one's part of life. Kornhouse's study has revealed significant correlation between attitudes towards the job and towards life.

Many studies have supported this concept and shown relationship between work and job satisfaction and other types of satisfaction such as life satisfaction. Recently, in response to changing family and worker demographics, research has begun to examine how workers balance work and family. This research has emphasised the relation of the 'world of work' to the 'world of family' by focusing on the relation between job satisfaction and life or family satisfaction and have found significant correlation between these two aspects (Padgett & Baldwin, 1989).

### 1.1.2 OBJECTIVE OF THE STUDY

The objective of this study is to measure the level of job satisfaction among on line assembly operators in manufacturing industries in Malaysia. On line assembly operators are identified because the nature of their job is a routine and generally lowly valued by society and also because of their low wages. Job satisfaction and dissatisfaction may lead to honest behaviour, which is of interest to the organisation. If the employees are dissatisfied, this can cause high turnover and absenteeism. Since businesses have self-interest towards productivity, performance and maximising shareholders wealth, they should have satisfied workers.

### 1.1.3 SIGNIFICANCE OF STUDY

Research generally led to development, testing and refining of several theories and facts to explain and to predict job satisfaction in the work setting. Little survey and research related to on-line assembly operators, especially in developing countries, has been done. Now, with the new era of industrialisation, the manufacturing and production industry is growing. In order for our country to achieve Vision 2020 as inspired by our Prime Minister, not only the industry must be given priority but also the human factor involved in developing this sector.

Employee satisfaction and needs fulfilment are a significant approach to maintain and develop the industry. Major problems on how to satisfy their work force has caused researchers to develop approaches to measure job satisfaction and to relate this with their job setting in order for the management to fulfil their employees desires.

It has been proven by researches that industries and work force will have low productivity and inefficiency if workers lack will to work hard. Although many research works have been conducted on employee satisfaction and situation factors, these studies cannot be applied in another country context or even in another field in the same country. Therefore, the findings from this study could see the significant employee satisfaction in context of Malaysian workers in on-line assembly operators' sectors.

The significance of this study is also to understand the attitudes of on-line assembly operators in the manufacturing industry. This is associated with their job as well as their level of satisfaction. This study can be a base for related industry and management to know what their employees feel about their jobs because high employee morale may enhance an organisation ability to maintain and develop its work force.

Highly committed work force provides management with great flexibility to change structure, practices and the objectives of the organisation. Industrial related conflicts can be reduced and this in turn can develop better negotiations and help to increase productivity and improve sales.

This study also provides some insights on the various facets of employee job satisfaction that need to be emphasised and improved by organisations. This study can be a tool to assess the general level of morale in an organisation and locate the problem area to rectify and develop the organisation.

Eight successive years of GNP growth of 8% together with the prospect of another vigorous economic performance in 1995, buoyed by a boost in the world economy, have kept Malaysia firmly on track to achieve its goal of full industrialisation by the year 2020. However constraints on future growth, as acute labour and skills' shortages, depreciation of currency,

recession and an overburdened infrastructure, could still upset the country's ambitious development programme.

Our country's industry structure heavily relies on the electronics sector, which is still overwhelmingly dominated by foreign multinational corporations. With near full employment and factory owners complaining of acute labour shortages and job-hopping, wage growth is now outstripping productivity growth. This study can contribute to organisations to implement strategies that will enhance productivity among on-line assembly operators.

#### 1.1.4 SCOPE OF STUDY

This study focuses on the employee attitude towards work environment that is useful to determine job satisfaction. This survey will only be done in large firms where there are more than 200 employees.

This study will concentrate on-line assembly operators related to industries dealing with electronic components including computer component. This is because statistical data show that this sector contributes 36.5 % to the Gross National Productivity.

This field has been facing tremendous problems in recruiting sufficient labour and Malaysia has to import labourers from Indonesia, Bangladesh, and Philippines. Alternative jobs are growing in congruence with the national

industrial growth. This in turn had created alternative jobs with better wages. This study provides a guide to manufacturers on attracting and retaining their employees.

Employee satisfaction has become all the more important with Malaysia's 'heated' economic growth fuelled very much by the fast growing electronic sectors as it has led to a tightening of labour. Malaysia's already impressive unemployment rate is expected to fall further to 2.6% of the working population in 1997, down from 2.8% in 1995. This is because of strong employment growth. A large part of the manufacturing sector is still based on labour intensive enterprises, but the supply of local workers willing to work in factories has almost exhausted.

#### 1.1.5 IMPORTANCE OF STUDY

This study has cultural importance. This is because as a nation we value individual freedom, personal growth, and 'opportunity'. The second reason for interest in job satisfaction is functional. The concept of job satisfaction has intrinsic value, but research has shown that satisfaction is also related to other important variables like absenteeism, turnover and performance. (We will examine this relationship in more detail later). It is very subjective to assume that job satisfaction has a casual relationship with this variable (for example: if high job satisfaction will cause a worker to be absent less often), we do know that filling of high job satisfaction are associated with

certain levels of these variables. Less absenteeism, less turnover, and better performance can be achieved by increasing job satisfaction.

Finally, there is a historic basis to job satisfaction research. The Hawthorne studies began in the 1920s as research on the effects of work breaks and illumination on productivity, but the emphasis soon shifted to attitudes.

The cultural, functional, and historic bases of interest in job satisfaction resulted in a vast amount of research. This research will examine job satisfaction from many perspectives, including theories about what makes people satisfied, how to measure job satisfaction, and how job satisfaction relates to other concepts.

In the scientific management era when the worker was considered to be just another machine, there was no interest in job satisfaction. This is because a machine does not have attitudes or feelings. The way in which industry tried to improve production during that time was almost exclusively through the development of more efficient selection techniques.

The human relations focus drastically changed this view. Organisations today focus much attention on the measuring and improving their workers' attitudes. It became evident that workers' productivity was not only a function of their skills and abilities. During the Hawthorne studies in 1920s, some