

# Employees Satisfaction in Automotive Industry: Indian Perspective

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## Abstract

Present paper describes and examines the management practices by introducing employee empowerment, teamwork, employee compensation, management leadership into a research model for studying employee job satisfaction among the employees of automotive industries in India. The research is conducted among 250 employees of automotive industries in India and the result of this study shows that the job satisfaction level of employees is medium and the top management leadership need to take attention of enhancing the employee job satisfaction level. The result also shows that there is a significant relationship was approved between employee empowerment, teamwork, employee compensation and management leadership. Finally, implications are discussed in terms of discussion and future researches.

**Keywords:** Employee satisfaction, automotive industries, management leadership, employee empowerment, teamwork.

## 1. Introduction

Industries nowadays are facing major challenges in terms of competition, innovation, productivity and work force diversity [1]. In this context, Employee Job Satisfaction can be seen as a revelation of employee's preferences over jobs [5]. Better performance, more productivity and high profit, these are the outcome of employee's commitment and dedication toward work. Employees are more devoted when they feel contented and satisfied with reward which they get from employers. If organizations understand what satisfies employee, they have at their command the most powerful tool for dealing with them to get them extra ordinary results.

Having a diverse workforce is increasingly being recognized as instrumental in improving the firm's performance, and also an imperative that organizations can no longer choose to ignore. It is well recognized today that diversity adds both tangible and intangible value, even if it requires working through the issues and costs that sometimes accompany it. What we see today is the discourse increasingly shifting to one of inclusion, over and beyond that of diversity.

So an attempt to achieve employee job satisfaction leads to an improvement in the quality of products or services, customer satisfaction, increased market share and improved profit [4].

## 2. Literature Review

In an organization, productivity depends on employee job satisfaction. Only the solaced and satisfied employees can make the organization strong and successful [4]. Locke [18] defines job satisfaction as the pleasurable emotional state that results from the appraisal of one's job as achieving or facilitating the achievement of one's job values. Increase in job satisfaction will reflect better organizational citizenship behaviour [9]. According to Locke job satisfaction can be viewed as an emotional state; positive in connotation which is because of the goodness emanating from the job the individual is doing. On the other hand, increased organizational performance has been linked to employee job satisfaction [17]. Job satisfaction is promoted through favourable perceptions of job characteristics, supervisors and co-workers and is also influenced by differences in individual personality [14]. The positive feeling associated with high job satisfaction that result form favourable evaluations of what organization supplies make people more willing to carry out behaviours associated with tasks that contribute to organizational effectiveness [15]. In the vast literature based on job satisfaction one may find that job satisfaction has been investigated through differing methodologies, serving as a predictor, outcome, moderator and mediator variables. Thus Job satisfaction has been linked to empowerment, training, organizational commitment, teamwork and compensation.

So far there have been various researches on Employee Job Satisfaction among employees of different sectors. By the phrase "Automotive Industries" all employees of first line of management in the automotive industry are considered. Since productivity in an organization depends on employee job satisfaction, the variables of job satisfaction remain a functional analytical tool in this study.

## 3. Research Questions and Hypothesis

The question and hypothesis of the current study are as indicated in Figure 1 :

Q: what is the level of Job Satisfaction among employees of first line of management in the automotive industry?

- H1: There is a significant relationship between employee empowerment and job satisfaction.
- H2: There is a significant relationship between teamwork and job satisfaction.
- H3: There is a significant relationship between employee compensation and job satisfaction.
- H4: There is a significant relationship between management leadership and job satisfaction.

The findings of the current study may be used to offer management practices in organizations to enhance the level of job satisfaction among employees of first line of management in the automotive industry.

**4. Research Methodology**

**A. Sample and Procedure**

The present study was conducted on a sample of 250 employees of first line of management in the automotive industries. Data were gathered in the form of questionnaires and were distributed and collected in the given units by one of its employees, who were commended to support this study.

**B. Questionnaire**

The employee job satisfaction questionnaire [11] consists of 25 questions in eight categories (Fig.2): work performance, commitment, compensation, responsibility, achievement, supervisory support, workgroup cohesion, quantitative workload. The possible responses were a five scale Likert from (1) I absolutely satisfied (5) I absolutely dissatisfied (Number 3 was neither satisfied nor dissatisfied).

**C. Statistical Analysis**

A total of 250 questionnaires were included in the final analysis by SPSS. Although the standard Employee Job Satisfaction was used, the Cronbach’s Alpha of the Employee Job Satisfaction Questionnaire was also calculated (0.8525).

The profile of the respondents is shown in Table II. The Analysis of Employee Job Satisfaction level among employees of automotive industries is shown in table 3 and Fig. 3.

About 80 percent of participants were men, and majority of them were 26 to 30 years old (44.5%) and about 30 percent had 3 to 5 years of work experience.

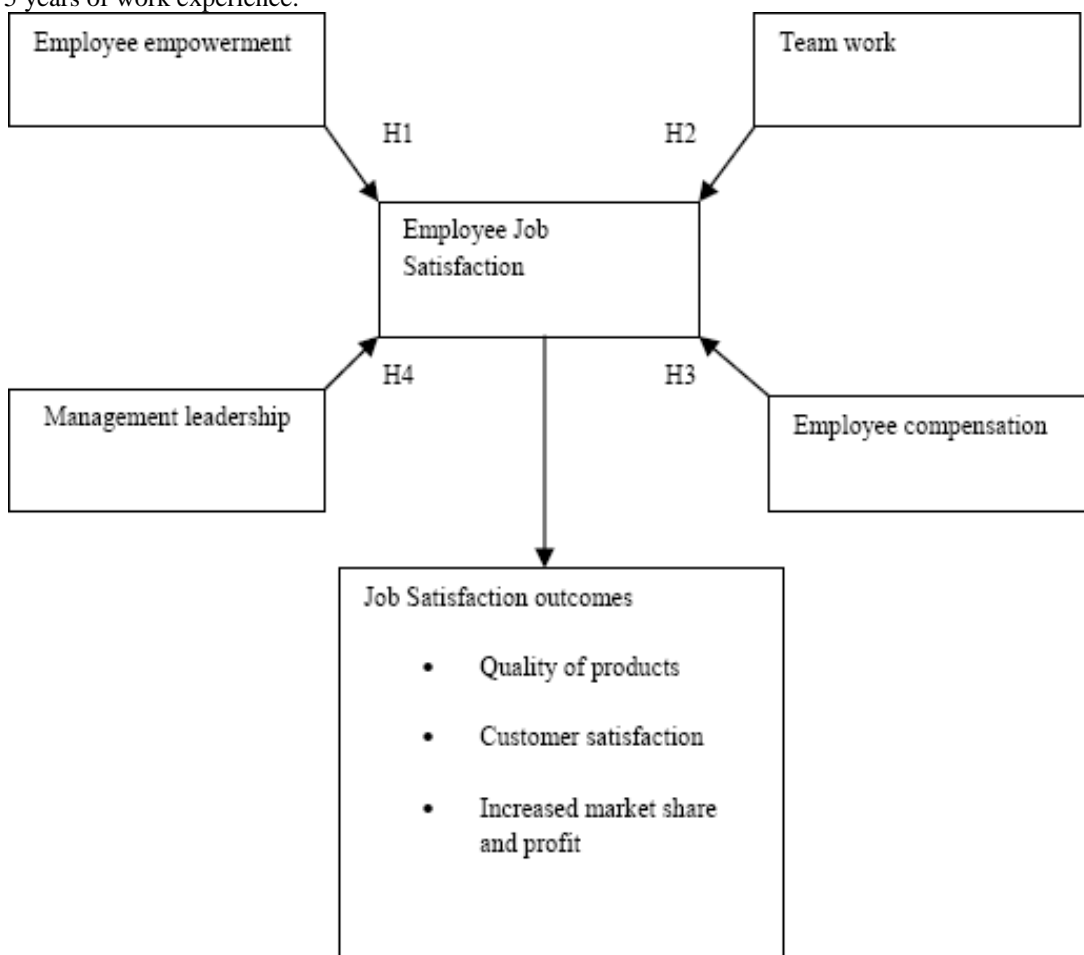


Fig. 1 : Conceptual model of the research

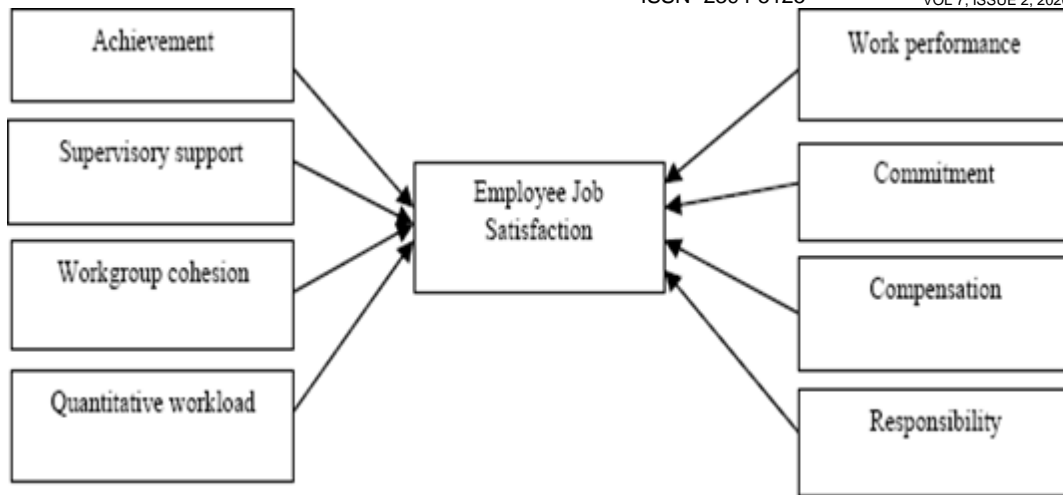
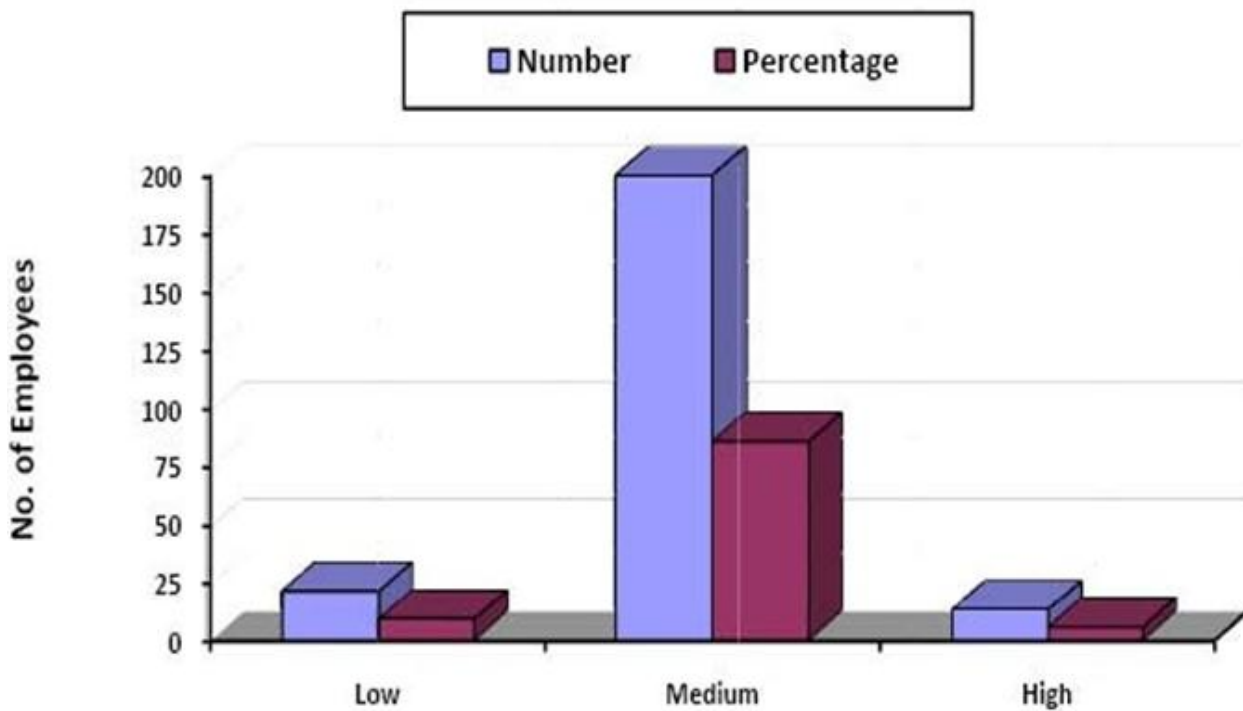


Fig. 2 : Employee job satisfaction



**Employee Job Satisfaction Level**

Fig. 3 : Job satisfaction level among employees of automotive industries

Main Research focus in Job Satisfaction	Focus Group
Comparing Job Satisfaction with different types of organizational culture	Employees of various hierarchy levels
Job Satisfaction, work experience and employee desire for empowerment	Restaurant full service employees
Job Satisfaction as a mediator based on Social Exchange Theory	Subordinates of service industry
Psychological climate as an antecedent of Job Satisfaction	Managers / executives
Relationship of job satisfaction with recruitment practices	IT Executives

Table 1 : Previous Researches On Job Satisfaction

Variable		Number	Percent
Gender	Male	198	80.4
	Female	52	19.6
Age	<25	74	28.2
	26 to 30	112	44.5
	31 to 35	30	12.8
	36 to 40	7	3.0
	41 to 45	10	4.3
	46 to 50	9	3.8
	>51	8	3.4
Work Experience (in years)	<2	65	23.5
	3 to 5	76	30.0
	6 to 8	43	18.4
	9 to 11	20	8.5
	Over 12	46	19.6
Salary	<6000	117	45.8
	6000 to 7400	89	38.0
	>7400	44	16.2
	Total	250	100

Table 2 : The Profile Of The Respondents

Mean	Std. Deviation	Maximum	Employee Job Satisfaction
74.62	13.00	120.00	24 to 55 (low) 31 (8.97%) 56 to 87 (medium) 200 (85.47%) 88 to 120 (high) 17 (5.55%)

Table 3 : Employee Job Satisfaction Level

Hypothesis	Test	Significance	Confidence Interval
Employee empowerment	Independent Samples Test	0.361	95%
Teamwork	ANOVA	0.007	
Management leadership	ANOVA	0.003	
Employee compensation	ANOVA	0.014	

TABLE 4 : RESULTS OF THE HYPOTHESIS OF THE RESEARCH

**5. Finding and Discussion**

As it shown in Fig. 3, majority of respondents reported the medium Job Satisfaction level (about 85%). Considering confidence interval as 95%, employee empowerment, teamwork, employee compensation and management leadership were investigated using a one-way analysis of variance (ANOVA) from which a scheffe multiple comparison test was computed to pinpoint groups whose means were significantly different. The majority of employees of automotive industries (about 85%) are having medium Job Satisfaction level. So management strategies must be applied to enhance the level of job satisfaction among the employees of automotive industries. Research hypothesis are as follow (Table IV).

**A. Hypothesis 1**

There is a significant relation found between employee empowerment and employee job satisfaction (sig<0.05). In an earlier research in a hospitality industry, the same results were reported stating that there is a significant relation between job satisfaction and employee desire for empowerment [6].

**B. Hypothesis 2**

Analysis revealed a significant relation between teamwork and employee job satisfaction among employees of automotive industries (sig<0.05). In a study among service-providing employees, there is a significant relation between the team work and employee job satisfaction [11].

**C. Hypothesis 3**

A relation between employee compensation and employee job satisfaction was found (sig<0.05). Chang, chiu and Chen [11] investigated the relationship between employee job satisfaction and employee compensation among service-

providing employees in Taipei and found a positive correlation between employee compensation and employee job satisfaction.

#### **D. Hypothesis 4**

There is a significant relation between management leadership and employee job satisfaction ( $\text{sig} < 0.05$ ). This result is in accordance with an earlier research which reported that having an effective management leadership and strategies is an important issue for achieving employee job satisfaction.

#### **6. Future work**

In this study, the relation between employee empowerment, teamwork, employee compensation and employee empowerment with employee job satisfaction were investigated. Future research should include other salient variables and also examine more complex interactions of employee job satisfaction with demographic characteristics and other variables among employees of automotive industries in India. Future researches should also include a comparison between employee job satisfaction level in automotive industries and other professions in India.

#### **7. Conclusion**

This study proposed that Employee Job Satisfaction Level may be improved through the implementation of Management practices. The study shows that employee empowerment, employee compensation, teamwork and management leadership are significantly positive predictors of employee job satisfaction within the context of employees of automotive industries in India. In summary, this study contributes to the production management literature by proposing theoretically and testing empirically a perspective that links management practices to employee job satisfaction within the context of automotive industries.

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