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To Link this Article:  http://dx.doi.org/10.6007/IJARBSS/v9-i2/5584  DOI: 10.6007/IJARBSS/v9-i2/5584

Received: 03 Jan 2019, Revised: 18 Feb 2019, Accepted: 02 March 2019

Published Online: 05 March 2019

In-Text Citation: (Hee, Yi, Ping, Kowang, & Fei, 2019)  

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http://hrmars.com/index.php/pages/detail/IJARBSS
Vol. 9, No. 2, 2019, Pg. 516 - 527
JOURNAL HOMEPAGE

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Factors Influencing Job Satisfaction in the Palm Oil Industry in Malaysia

Ong Choon Hee, Hoe Sin Yi, Lim Lee Ping, Tan Owee Kowang, Goh Chin Fei
Azman Hashim International Business School, Universiti Teknologi Malaysia, Johor, Malaysia.
Corresponding Author: ongchoonhee@gmail.com

Abstract
The purpose of this paper is to share the importance of job satisfaction and factors that contribute to job satisfaction. It is recommended in this study that work-life balance, job training, compensation system and superior-subordinate relationship are important factors that influence job satisfaction. This study also provides theoretical and practical implications to guide future research and industry practitioners in the aspect of job satisfaction. This study serves as a guideline to boost employee overall performance as saying goes: "a satisfied and happy worker is a productive worker".

Keywords: Job Satisfaction, Work-Life Balance, Job Training, Compensation System, Superior-Subordinate Relationship.

Introduction
Palm oil industry is growing rapidly in Malaysia as Malaysia is one of the largest Palm Oil exporters. Palm oil industry manufactures cooking oil, bakery products, chocolates, infant formula and so on, thus the manufacturing section is a vital part of the Palm Oil Industry. In order to meeting high demand and voluminous sales order from customers, the operation of the industry is on longer hours. Yet, if the quality of the oil products did not meet the desired specifications, the products cannot be delivered to the customers. It will cause delay of delivery and loss in terms of image and profits to the company. This is normally measured by OTIF (On Time, In Full). OTIF is a supply chain term that describes the logistic service level. In this principle, delivery is in accordance with the agreed period of time and delivery is in full, no ordered product was missing. In order to meet OTIF of more than 95% in the manufacturing industry, the particular organization should optimize the performance with the assistance of many resources namely manpower, machine, materials, and money. Manpower is crucial in operating processes and generating income. If manpower is not up to the level to perform, then other resources may not able to produce outputs as well, as Oliver Sheldon’s saying goes, “No industry can be rendered efficient as long as the basic facts remains unrecognized”. Out of all the factors on the production floor, manpower plays a significant role in the aspects of productivity and
quality. In this competitive age, every organization tries its best to be the eyes of the world. To move the organization towards success, employees are the main players of the organization. Performance of the employees will significantly influence the organizational overall growth and performance. Job satisfaction determines how they perform the assigned tasks. Therefore, there is a need to conduct a conceptual study on the factors influencing job satisfaction in the palm oil industry. In this way, employers can focus on the key factors influencing job satisfaction and pay more attention to the employee needs.

**Job Satisfaction**

Does job satisfaction matter? Indeed, it matters. Job satisfaction is defined as “a positive emotional condition resulting from the evaluation of one’s job or job experience” (Locke and Lathan, 1990). There are often two levels of job satisfaction namely affective and cognitive job satisfaction. Affective job satisfaction is concerned with the person’s emotional feelings towards the job as a whole while cognitive is how a person is satisfied concerning a part of his/her job such as benefits. Christen and Soberman (2005) in a paper titled “Job satisfaction, Job performance and Effort” explained how job performance is related to job satisfaction. They found a significant positive effect of job performance on job satisfaction. High job satisfaction may lead to high productivity, reduced turnover, improved attendance, diminished miss-chances and lower unionization. There is a saying "a happy worker is a productive worker". Productive workers prompt expanded benefit. A person who performs well in his employment gets both inalienable and outward remuneration which will lead to his strongest fulfilment. Job satisfaction has a direct link to the employee behaviour in terms of membership, adequate role behaviour and extra role behaviour (Saeed et al., 2013). The strongest tie between job satisfaction and behaviour is found in the employee membership decision. When individuals experience strong negative affectivity and are consistently in a state of negative affectivity, they will avoid reporting to work (absenteeism) and look for ways to relieve themselves from this negative affectivity by searching for other means of employment (negative reinforcement). Secondly, as long as the individuals remain satisfied to continue the employment, they tend to do what is necessary to stay employed, that is, at least meet the minimum role expectations. As individuals become dissatisfied with their work, they tend to look for ways to reduce minimum requirements. Highly dissatisfied employees may sabotage programs and services in the organization in an attempt to "hit back" the organization and its managers. For extra role behaviour to occur, there must be some sources of motivation (contingent relationship between extra role behaviour and either pay, positive social feedback, positive task feedback, or goal accomplishment). While high levels of job satisfaction reinforces existing extra role behaviours, there is a need to study factors that influencing job satisfaction in the workplace.

**Work-Life Balance**

Work–life balance is stated as an employee’s perception that multiple domains of individual time, family care, and job are upheld and incorporated with least of role conflict (Clark, 2000). In most of the time, work life balance refers to flexible working hours, in which personnel can decide their working start time and working end time, provided that a certain number of hours has been worked in one week. Secondly, whenever there are many projects on hand, personnel can choose to work in
four days with longer hours and have the fifth day off. This is identified as compressed work week. In this way, personnel will feel appreciated although they need to work for a project in rush. Next, work-life balance is also refer to the case when work from home via technology is allowed. This is because sometimes it is unavoidable for personnel to leave the family matters, yet they still need to perform their task at the workplace. Thus this alternative will allow many employees relieve from hectic schedule and perform well in their works. Some other forms of work life balance practices include job sharing, family leave programs (e.g., parental leave, adoption leave, and compassionate leave), onsite childcare, and financial support with childcare and eldercare amenities. Employees are increasingly emphasized on “flexi-time” which means employees are eligible to choose their personal times as long as the work performance targets are achieved (Galinsky et al., 1991). Joshi et al. (2002) found out that when work–life balance programs in the United States are frequently envisioned to deliver a competitive advantage to employers by keeping employees productive and healthy. On the other hand these programs in the EU countries are commonly outlined as an employees’ social responsibility. Bird (2006) recommended that the concept of a work–life approach would incorporate competitive edge in which employees will perform better for the company because they are respected by company. Microsoft emphasized work-life balance in the organization by applying flexible work hours, work from home policy and employee assistance program & confidential counselling. Employees are excited and passion in working with Microsoft as organization recognizes the unique value of family to ones and support career development (Microsoft Corporation, 2014). Yamamoto & Matsura (2012) observed an affirmative association between work-life balance (WLB) practices and total factor productivity among sampled firms. They concluded that firms investing in firm-specific human skills or having large hiring/firing costs can benefit from WLB practices via a reduction in turnover or a rise in hiring effectiveness. According to Baughman et al. (2003), WLB practices can improve firm productivity via increasing employee satisfaction, decreasing employee turnover rates, decreasing absenteeism, and augmenting recruiting effectiveness. According to Yu (2014), work–life balance outcomes are embedded in broader considerations of job quality, namely job security, work intensity and schedule flexibility. While this seems to be a mammoth policy challenge, faced with the spectrum of individual work preferences and life circumstances, incremental improvements could be made at low marginal cost. For instance, a study of over 4000 Australians, where the results showed that while long hours and caring responsibilities did indeed affect work–life balance outcomes, the presences of job insecurity and work intensification have measurably larger effects. According to a study of Haar et al (2014), work-life balance positively related to life and work satisfaction and negatively connected to nervousness and despair across seven cultures (Malaysian, Chinese, New Zealand Maori, New Zealand European, Spanish, French and Italian). It was found that there is a strong support for work-life balance being beneficial for employees from various cultures. Overall, the combined samples include 1416 employees of whom 546 come from collectivistic cultures (Maori, Malaysia and China). The average age was 37.6 years, gender was fairly evenly split (55% female) and the majority were married (70%) and parents (61%). Heywood, et al (2010) argued that work-life balance is needed in high performance workplaces (HPWs). Those workers with jobs that need persistent managing and regular and routine communication with others are less able to retain a commitment to offer work–life balance. These jobs with integrally limited flexibility could lead to themselves minimal freedom in personal planning
and hours required in keeping a commitment to work–life balance. However, employees do favour work–life balance in which 84% of the employees propose their company to make a commitment towards work–life balance. Alexandra & Henry (2009) suggested that managerial support moderates the connection between work–life balance practices. The management support makes employees realize their importance and appreciation. Corporations offer work–life balance practices to enable cost savings. This is because productivity might be improved as a consequence of merely working at their peak hours. This study suggested that job level and gender perform as moderators of the relation between work–life balance practice provisions and these consequences. Bloom, Kretschmer and Van Reenan (2006) provided a dissenting opinion concerning the fundamental impacts of work–life practices on firm productivity. In a survey of 732 medium-sized industrialized companies in the USA and Europe, they discovered that the number of work–life balance practices was positively allied with both better management practices and higher productivity. This would propose that corporations are contributing a broader array of work life practices. Workers are also more likely to institute high quality management practices. Jang, et al (2010) studied 1293 workers in 50 corporations in South Korea on the work–life balance programs on job satisfaction and mental health. It is proven via data that individual scheduling control was interrelated with more positive job satisfaction and better mental health when work–life balance programs are available to employees if compared to those are not available. Therefore, based on the above discussion, it is proposed that:

**Proposition 1:** Work-Life balance has a significant relationship with job satisfaction.

**Job Training**

Training has been linked to improve self-esteem, reduce turnover, produce better product and service consistency, higher guest satisfaction, reduce business costs, the use of new technology, greater ability to meet the needs of a target market, improve attitude, more teamwork, greater job satisfaction, and greater organizational commitment (Wesley & Skip, 1999). A training plan includes determination of the training site, trainer, training objectives, instructional methods, training tools and an evaluation strategy (Tanke, 1990). Training strategies used to improve training programs such as using written job descriptions, employing skilled trainers, using training manuals and videos as support tools, combining hands-on training in addition to traditional classroom training and providing employee feedback through evaluations. Chiang et al. (2008) studied about the impact of job training on satisfaction in Hotel Industry via SERVQUAL and the Service- Profit Chain model. This study contributes more understanding about training quality and its consequences (i.e. job satisfaction and intention to stay). In particular, training quality can be enhanced by knowing employees’ needs and expectations, improving communication and support from management. Costen & Salazar (2011) conducted four Stepwise Multiple Regression Analysis and found that job training to develop new skills accounted for over 38% of the variance in employee satisfaction. A company’s training programs are an indicator of the organization’s willingness to invest in the employees, and its level of commitment to the employees. This organizational commitment could inspire employee’s loyalty. Vurain et al. (2015) suggested that there is a positive relationship between orientation training and job satisfaction in both sector and gender analysis. Orientation training involves familiarizing new employees with various aspects of work in the organization, such as organizational procedures,
health and safety, social behavioural expectations, and task responsibilities. Therefore, there is a need to call for redirection of resources towards the orientation training especially in a highly dynamic environment where employee’s mobility and career keep changing. According to Alice (2014), employee training increases job satisfaction and recognition. This is because through training, skills and knowledge are passed from the trainer to the trainee especially on new products/services and technology. It is through training that one builds the right attitudes towards work and unlearns the negative ones. When training is administered, it leads to effectiveness in service delivery and also makes the employees more confident at work hence job satisfaction is achieved. Training builds loyalty towards the organization and the same is passed on to the customer hence better the employee and organizational performance. Training acts as an avenue to personal growth and career advancement as promotion opportunities can be easily availed to employees who may have had specific skills to handle greater challenges in those positions. Melanie et al. (2009) analyses the relationship between training, job satisfaction, and workplace performance using the British 2004 Workplace Employee Relations Survey (WERS). It is concluded that the objectives were positively met. Training covers a large proportion of the workforce and appears to have beneficial effects on job satisfaction, financial performance and productivity. Therefore, it is proposed that:

Proposition 2: Job training has a significant relationship with job satisfaction.

Compensation and Benefits
Compensation system is always one of the key factors that influences employee job satisfaction. Compensation management is a fundamental content of human resources management in corporation. Strategy development and human resource development of an organization have been closely related to the compensation management. An ideal compensation management system is vital to help retaining and motivating talented workers to give their full commitment in a competitive atmosphere today. Corporation should have implemented proper remuneration policies due to the globalization, advances in technology and the ever-increasing insufficiency of skillful workforce nowadays. A justifiable and fair compensation package with shown duties, responsibilities, clear incentive incorporation and parallel with individual performance will enhance employees’ satisfaction to give their full obligation in serving the company. Hence, when employee satisfaction is increased, this will directly enhance the productivity, client satisfaction, employee retention and profitability of the companies. Self-motivated and contented workers can generate greater client satisfaction which indirectly gives positive impact to the organizational performance. Needless to say, employee is a vital asset in the human resource realm of an organization. Besides paying correctly for employees’ accountabilities, qualifications and work-related experience, companies should also reward them in terms of intangible intrinsic compensation such as recognition for the top performers. Moreover, companies could also offer the pay that is linked to performance and productivity via bonus or incentive programs, profit sharing proposal and employee stock ownership plan (ESOP) in order to enhance job satisfaction. There are six different employee compensation systems to be paid by the companies. These systems are ranging from traditional job-based pay, skill or experience based pay, broad banding with salary arrays (known as pay grades), team-based pay, variable compensation, and executive compensation (Lynne Milgram, 2009). The traditional job-based pay
system highlights the capability, skills and knowledge that are needed for the employment, where each employment is tiered relatively to other employments in the corporation. However, this traditional job-based pay system possesses drawbacks where the unspoken communication of the lower-remunerated employees will occur and they are actually not being waged to think. Besides, managers will have limited flexibility to utilize the workforce as the salary is usually knotted to a particular task. For the skill-based pay system, it offers employees the incentive so that they will improve or develop their skills to enhance their remuneration. This system has greater tractability in utilizing the labours’ workforce as they are the most desirable by most companies. The employees will also have greater job security as they have broader range of skills required by the companies. Next, broad banding means the practice of pay grades or salary bands, where there is a remuneration array within each grade or band that allows employees to receive remuneration raises without any promotion. On the other hand, team-based pay system compensates the team members when their common objectives are achieved. This system could enhance support collaboration between the team members and it is usually applied for research and development teams of the companies. For variable compensation, it ties a proportion of the worker’s remuneration to performance dimensions. This system might mean the use of bonuses or the lessening of basic salary by creating it at risk thus resulting the compensation links the workers’ remuneration to the corporation’s losses or profits. Therefore, this system provides a better control of labour costs for the companies. Apart from the salary or pay through the compensation system, companies generally should offer the employee benefits packages like paid leave policies, paid personal time off, paid vacations for company trip, overtime pay, enhanced medical insurance, retirement plans in order to make compensation package to be more attractive and competitive so that employee job satisfaction level can be increased. Besides, other welfares like recognizing excellent employees via declaration in corporate bulletin, employee appreciation, recognition medal, employee long-service award, a special parking space, visit or send cards to sick workers, picnic or family day and holiday gatherings will give stimulation to employee job satisfaction too. In general, the benefits offered by companies can be divided into three styles of benefits, and these are the standard type (holiday or leave entitlement, annuities and share plans), flexible type (transports or vehicles, life and disability coverage, discounted services, financial planning, dental insurance, janitor benefits, life assurance and home phone packages) and voluntary type (amenities like health and fitness care schemes). From these benefits type, flexible benefits packages offer added extra value to employees where they are allowed to select among the different kinds of welfares package at their own preferences. In order to attract and retain new or talented employees, companies should always keep up to date with the current trend to deliver the flexible sets of benefits. Company rewards have been becoming a crucial aspect apart from the remuneration and benefits in the companies’ compensation system because it also induces high level of employee satisfaction. Effective total rewards approach includes recognition, monetary rewards and appreciation are essential for organizations to convey the right amount of rewards to the right people, at the right time, for the right purpose (Cornish, S., & Gilbert, K., 2005). Companies could acknowledge the excellent employees by showing appreciation via a personal encouragement note, stopping by the employees’ counter to deliver thankfulness or compliment, giving an open public announcement of appreciations in front of the employee’s colleagues or teammates, and quoting detailed instances of the employee’s performance that affects the organization positively (Sarvadi,
P., 2005). Hence, the value of total compensation package can be enhanced by the rewards, recognition and quality of work life within the organization so as to give an encouraging influence on organization’s performance and employee job satisfaction. Therefore, the following proposition is proposed:

Proposition 3: Compensation and benefits have a significant relationship with job satisfaction.

**Superior-Subordinate Relationship**

The most important communication links within any organisation occur within superior-subordinate level. As a primary form of communication, a breakdown has fundamental implications for overall performance throughout the entire organisation (Clampitt & Downs, 1994). Superior-subordinate communication has been broadly defined as an exchange of information and influence among organisational members, one of whom has an official authority to direct and evaluate the activities of the subordinates of the organisation. The quality of the superior-subordinate relationship is of crucial importance to the employees as well as the organisation because subordinates identify their immediate superior as the most preferred source of information about events in an organisation (Lee, 1997). In addition, employees identify their immediate superior as the primary source for receiving information from the top management (Lee, 2001). Social support is the communication between people who lend a hand, reassure, show concern for, and give encouragement between superior and subordinates (Meiners & Miller, 2004). This unique form of interaction reduces uncertainty, provides a sense of personal control, and creates a stronger bond between the superior and subordinates. It was found that supervisor self-reports of extraversion positively related to subordinate perceptions of supervisor approachability, while supervisor self-reports of neuroticism and psychoticism negatively related to subordinate perceptions of supervisor approachability. As a whole, this would indicate that finding supervisors who are highly extraverted and have low levels of neuroticism and psychoticism can be very important for organizations when deciding on management. Kristin (2005) suggested that interpersonal trust (supervisor trust to subordinates) and organizational trust were positively related to the job satisfaction. This reflects the supervisor alerts that subordinates are competent, reliable, and responsible in carrying out their assignments which will result higher job satisfaction. Hence, it is proposed that:

Proposition 4: Superior-subordinate has a significant relationship with job satisfaction.

**Theoretical Framework**

Many researchers have identified various factors contributing to job satisfaction. For instance, autonomy, job security, communication, meaningfulness of the job, variety of work, job training, benefits, networking, overall corporate culture, job security, work life balance and etc. However, in this conceptual analysis, key factors that have been identified in the palm oil industry are work-life balance, job training, compensation and benefits and superior-subordinate relationship. The proposed theoretical framework is shown in Figure 1.
Research Implications

Theoretical Implications
This paper intends to propose a theoretical framework to identify factors that contribute to job satisfaction in the Palm Oil Manufacturing Industry in Malaysia. As Saeed et al. (2013) stated, job satisfaction has a direct link to the employee behaviour in terms of membership, adequate role behaviour and extra role behaviour. In this study, work-life balance, job training, compensation and benefits and superior-subordinate relationship have been selected as key factors to enhance job satisfaction. Work-life balance program allows employee to have more flexi hours for their working and personal matter. In this way, employee will feel being appreciated, thus it will positively enhance job satisfaction. Job training allows employee to master and being more competent in their job responsibilities, hence employee will have more confidence towards their job. Compensation and benefits are always the financial carrot to increase job satisfaction. Although salary and pay are hygiene factors, the importance of monetary reward should not be underestimated. Salary and pay must be fairly allocated and adjusted. Last but not least, positive relationship between superior and subordinates will create a harmony and energetic environment for employee to perform their job attain higher job satisfaction.

Practical Implications
Job satisfaction has direct link to employee performance. If the employees are satisfied, the performance quality and engagement will improve. Through this conceptual analysis, possible factors that can influence job satisfaction were identified, thus policy makers and managers can turn their
focus and attention to these areas in aiming to increase job satisfaction in the palm oil companies. However, organization might experience some challenges and circumstances along these change processes. For any change process to be carried out, top management shall communicate and share the main purpose of the change process, so that every employee will understand the mission and direction from the top management. The process of change may not be welcomed in the early stage of the program and it requires time to be realized.

Conclusion
Employees are the core element of every organization. In Palm Oil Manufacturing Industry, efficiency and commitment from the employees are vital to ensure the company is able to meet high production demands. To enhance employee performance and engagement, job satisfaction is believed to be the main contributor. Four key factors namely work-life balance, job training, compensation and benefits and superior-subordinate relationship were identified and organization can focus on these factors to arrange suitable programs to increase job satisfaction.

Acknowledgements
The authors would like to thank the Malaysian Ministry of Higher Education and Universiti Teknologi Malaysia (GUP-Vot: 14J81) for providing financial support to publish this paper.

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