

Factors Influencing Employees' Job Satisfaction in the Manufacturing Sector in Selangor, Malaysia

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Abstract

Human capital is important to the success of every organization. As a result, entrepreneurially conceived firms provide workers' job satisfaction to optimize their competencies and performance. The research title for this master Project is "Factors influencing employees' job satisfaction among manufacturing sector in Selangor, Malaysia". The dependable variable is job satisfaction, and the independent variables are employee development, employee rewards, and employee work-life balance. Design/methodology/approach: The survey was conducted in 2022 through Google Form for Selangor manufacturing workers. Quantitative research methodology that combined probability sampling with a combination of basic random sampling and cluster sampling methods is applied in this study. Statistical Package for Social Science (SPSS) software is used to interpret the acquired data to determine the factors affecting job satisfaction among the workers. The results of this research revealed a substantial relationship between job satisfaction and each of the three independent variables of employee development, employee rewards, and employee work-life balance. The study's sample being restricted to employees in Selangor's manufacturing industry. Therefore, the findings cannot be generalized to a larger population. This study should thus be repeated with participants from other sectors in the country. On the other hand, in order to increase the generalizability of the results, future studies should analyze samples with a wider scope and more diversified characteristics.

Keywords: Manufacturing, Performance, Productivity, and Profitability

Introduction

According to the Department of Statistics Malaysia (2021), Malaysia's Manufacturing sales value increased by 2.2% in October 2019 to RM74.6 billion, up from RM73.1 billion the previous year. A total of 1,086,908 persons were employed in the manufacturing sector as of October 2019, up 1.0% or 10,531 persons from the 1,076,377 persons employed at the same time in the previous year. On the other hand, salaries and wages were paid out in the sum of RM3,997.9 million, an increase of 2.5% or RM96.3 million over the corresponding month in the previous year. Compared to the same month in 2018, the sales value per employee

increased by 1.2% to a record RM68,680. In October 2019, the average annual salary and wage for an employee was RM3,678.

A study by Raju (2019) revealed that the manufacturing sector is a key component of Malaysia's economy, accounting for more than 23% of Malaysia's gross domestic product (GDP), which is a significant sector of the country's economy. This implies that the manufacturing sector generates more job opportunities than the other sectors. Manufacturing sectors are thought to be the foundation of development in general and economic growth specifically because they not only assist in modernizing agriculture but also help to lessen the heavy reliance of people on agricultural income by giving them jobs in secondary and tertiary sectors. Small and medium-sized firms (SMEs), with a concentration mostly on Malaysia but with significant export potential, make up to 98% of businesses in the manufacturing sector.

In addition, according to Malaysia Investment Development Authority, MIDA (2022), Malaysia's manufacturing industry continues to remain important for the growth of the country's economy. Its contributions to the nation's export earnings and the generation of jobs ensured the country's growth despite uncertainty in the global economy. In the catalytic sub-sectors of electrical and electronics (E&E), machinery and equipment (M&E), chemicals and chemical products, the production of higher value-added, diversified, and complex products will continue to be prioritized. Besides, the country will pursue the other two high potential growth sub-sectors, which are aerospace and medical devices.

MIDA (2022) outlined that the manufacturing industry in Malaysia has made progress toward adopting the Fourth Industrial Revolution (4IR) to maintain its competitiveness in terms of productivity, innovation, and talent while generating the jobs required for long-term growth. In order to successfully help the industrial and manufacturing-related services industries' transition into Industry 4.0, the Industry4WRD initiative was introduced in 2018. The government has allocated RM100 million for the Smart Automation Grant (SAG) under the PENJANA stimulus package and RM50 million under the PEMERKASA aid package to speed up the use of automation in 2021. The SAG promotes the adoption of automation and digitalization in production processes and operations by small to medium-sized firms and mid-tier companies. MIDA also provides advice and facilitation to businesses so they may adopt digital technology more quickly and become the engine that propels the country's digital economy. The Industry4WRD Intervention Fund is one of the efforts; it provides financial assistance to Malaysian SMEs in the manufacturing and related services sectors so they may adopt Industry 4.0.

Human capital, according to Tan, Rajendran, and Teoh (2018), is one of our most significant assets in today's corporate climate, leading many firms to success or failure since it plays a vital role in boosting an organization's competitiveness. It is believed that investing in human capital will boost profitability and productivity. The likelihood of a company's productivity and success increases with the amount of investment it makes in its employees. Kenton (2022), outlined that the economic worth of a worker's knowledge and abilities is referred to as human capital.

In addition to the qualities that employers desire, such as loyalty and punctuality, human capital also includes assets like education, training, intelligence, skills, and health. In this way, it qualifies as an intangible characteristic or asset that isn't and can't be listed on a company's balance sheet. Profitability is thought to increase because of increased human capital. A business has a better chance of being productive and successful the more it invests in its employees. Sittisom (2020) contended that employees are the most important component of any organization. Employees would work from dawn to dusk to meet the demands of the company and leave a lasting impression. A company's employees are its most significant asset. They are irreplaceable due to their skills, expertise, and experience. Therefore, for companies to thrive, they must value the contribution of each individual, and pay attention to employee job satisfaction.

Oshagbemi (1999), described job satisfaction is a multifaceted subject. As a result, employees could be pleased with some parts of their jobs, such employment security, but dissatisfied with others, like their task obligations. They could be satisfied with the details of an assignment, but unhappy with their chances for advancement or mobility within the company (Kanter 1977). Therefore, it is important to evaluate both employees' general opinions of their jobs and the subcomponents of job satisfaction.

Problem Statement

Job satisfaction has long attracted the attentions of human resource academics due to its impact on both a company's and an individual's performance. With the rise in the number of multinational companies, decision-makers face lots of new challenges in boosting employee satisfaction (Ramhit, 2019). According to a JobStreet (2021) poll on Employee Employment Satisfaction in Malaysia, 78% of 1,145 respondents were unsatisfied with their current job. Because they were unsatisfied with their job obligations or scope of work, 34% of respondents felt unhappy at work. The majority of these unsatisfied employees claimed that they had too much work or that their jobs were predictable and boring. Another 21% were unhappy because of a difficult relationship with their immediate supervisor, and 17% of the respondents identified income as the key reason influencing their discontent with their current work. Another 11% of respondents stated that they were dissatisfied with the company's benefits and practices. While 9% and 8% of respondents, respectively, expressed dissatisfaction with the length of the work hours and the quality of their relationships with their coworkers. Figure 1.5 displays a summary of the survey results.

Yeoh and Zahari (2020), outlined that employee are the most crucial component of every organization. They are considered the company's backbone. This is because they have been entrusted with taking the company to new heights. Finding and replacing skilled workers who are familiar with a company's operations might be challenging. Their qualifications include formal education, work experience in relevant industries, and knowledge of the cultures, procedures, and practices of other businesses. A passionate worker can significantly improve the bottom line by bringing in new businesses, satisfying consumer wants, developing new products, and making courageous attempts to reach company's operational and financial goals.

When compared to the organizations in the United States and Singapore, Malaysian employees in the manufacturing sector reported the lowest job satisfaction (Manaf,

Shariffadeen, Buyong, & Iddid, 2019). This is supported by JobStreet (2021), in their study that 78% of the 1,145 survey participants were dissatisfied with their present employment. According to Kamaruddeen, Hamdan, and Wahi (2019), job satisfaction is critical for attracting and maintaining skilled employees within an organization. Job satisfaction requires matching the right person to the right job in the right culture and keeping them motivated. In businesses, high job satisfaction correlates to improved organizational productivity, decreased employee turnover, and less job stress. Furthermore, job satisfaction generates a positive work environment and is vital to the organization's revenue development.

On the other extreme, a company's output and productivity are also correlated with employee satisfaction. Companies that promote employee satisfaction are more likely to achieve their goals and gain organizational prestige (Sittisom, 2020). Higher staff turnover, on the other hand, has been a serious concern for management in many organizations due to employee unhappiness (Perumal, Sinniah, Mohamed, Kok, & Murthy, 2018). As a result, companies should have systematic management and strategies in place to increase employee job satisfaction. Employees who are satisfied with their jobs will strive persistently to achieve higher level of performance. Tumen and Zeydanli (2016) argued that job satisfaction is one of the most important direct indicators of efficacy in measuring employee productivity considering their current employment, as it pertains to continual development. To preserve a competitive edge, firms must discover the distinctive critical factors impacting workers' job satisfaction.

Literature Matrix

Author	Research Title	Scope of study	Factors influence Job Satisfaction
Kamaruddin, Abdullah, & Ayob (2018)	Determinants of job satisfaction among Malaysian youth working in the oil palm plantation sector	Malaysia - Oil palm plantation	1. Economic profitability 2. Working environment 3. Employer/ government policy 4. Social status 5. Social facilities
Sittisom (2020)	Factors affecting Job Satisfaction of Employees in Pharmaceutical Industry: A Case Study of Thailand	Thailand - Pharmaceutical Industry	1. Workplace environment 2. Employee Empowerment 3. Recognition
Kamaruddeen, Hamdan, & Wahi (2019)	Factors influencing Job Satisfaction among construction site artisans in northern Malaysia	Northern Malaysia - Construction site artisans	1. Workplace environment and facilities 2. Workers personal factor

3. Human relation

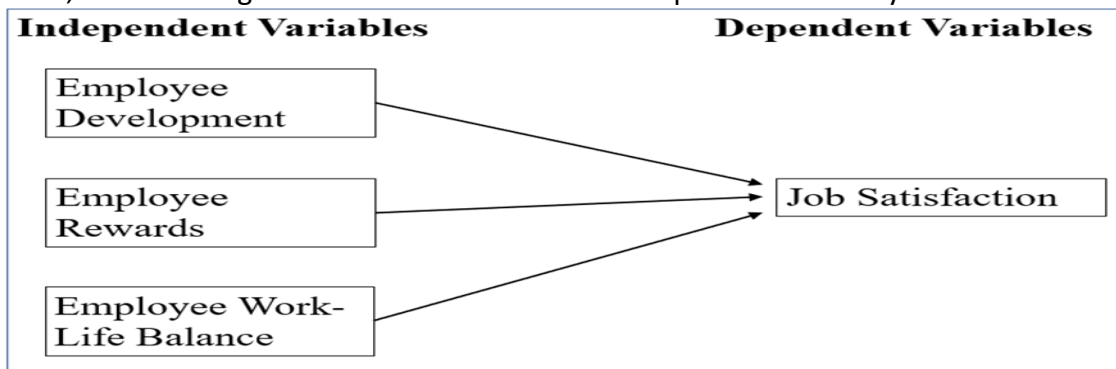
4. Supervision

Kim (2020)	The Relationship Between Employees' Job Satisfaction and Organizational Culture in Korea's Manufacturing Industry: Focusing on Online Training Participation as a Moderator	Korea - Manufacturing industry	1. Organizational culture 2. Training
Paltu & Brouwers (2020)	Toxic leadership: Effects on job satisfaction, commitment, turnover intention, and organisational culture within the South African manufacturing industry	South Africa - manufacturing industry	Toxic leadership
Visvanathan, Muthuveloo, & Ping (2018)	To explore the impact of leadership styles and organizational culture on job satisfaction of employees in Malaysian manufacturing industry	Malaysia - Manufacturing industry	1. Transformational leadership style 2. Transactional leadership style 3. Bureaucratic, supportive, and innovative culture
Chong (2022)	Factors Influencing Employees' Job Satisfaction in The Manufacturing Sector in Selangor, Malaysia	Malaysia - Manufacturing industry	1. Employee development 2. Employee rewards 3. Employee work-life balance

Theoretical Framework and Hypotheses

According to Khan & Baloch (2017); Iqbal et al (2019), and Frenkel & Bednall (2016), there is a substantial relationship between employee development and job satisfaction. On the other hand, Shakeel and Butt (2015); Jung and Yoon (2015), and Heninger, Smith, and Wood (2019), concluded that employee rewards positively influenced employee job satisfaction. Whereas Shaffer, et al. (2016); Byrne and Barling (2017); Richert-Kamierska and Stankiewicz (2016); Las Heras, Bosch, and Raes (2015) claimed that there is a positive relationship between employee work-life balance and job satisfaction.

As such, the following theoretical framework is developed for this study.



The below hypotheses has been investigated:

H1 - There is a positive correlation between employee development and job satisfaction among employees in the manufacturing sector in Selangor, Malaysia.

H2 - There is a positive correlation between employee rewards and job satisfaction among employees in the manufacturing sector in Selangor, Malaysia.

H3 - There is a positive correlation between employee work-life balance and job satisfaction among employees in the manufacturing sector in Selangor, Malaysia.

Research Methodology

Respondents for this study are workers in the manufacturing sector in Selangor, Malaysia. Selangor state was being chosen in this study as according to the Department of Statistics Malaysia (2022), Selangor has the highest number of total labor force as of 2020, amounted 3,446,500 persons, which is equivalent to the 23.0% of total labor force in Malaysia.

The questionnaires were adopted and adapted from Bustamam (2014), and Peluso, Innocenti and Pilati (2017).

No	Questionnaire	Source	Cronbach's alpha value
1. Job Satisfaction	1. I appreciate the opportunity to do tasks that allow me to put my abilities to work.	Bustamam et al., (2014)	0.92
	2. Generally, I am happy with my job.		
	3. Overall, this job has met my expectations.	Peluso, Innocenti, & Pilati, 2017	0.84
2. Employee Development	1. Because of the training, my job efficiency and effectiveness have improved.	Latif et al., 2013	0.94

	<ol style="list-style-type: none"> 2. I find it useful in carrying out my job duties by utilizing the skills I learnt throughout the training. 3. Employees are encouraged to learn new skills. 4. I am offered opportunities for professional development or training. 	Peluso, Innocenti, & Pilati, 2017	0.79
3. Employee Rewards	<ol style="list-style-type: none"> 1. I am satisfied with the amount and frequency with which my superior rewards me. 2. I am satisfied with the pay I earn for the work I do. 3. I'm fairly compensated for the job I perform. 4. In light of my responsibilities and experiences, I am paid fairly. 	Bustamam et al., 2014	0.93
		Peluso, Innocenti, & Pilati, 2017	0.82
4. Employee Work-Life Balance	<ol style="list-style-type: none"> 1. I have enough time for my own hobbies. 2. I have enough time for my family and friends. 3. I have plenty of time for leisure activities. 4. I don't need to work overtime because I usually finish my task during the working hours. 	Mas-Machuca et al., 2016	0.69
		Mas-Machuca et al., 2016	0.69

All of the instruments have Cronbach's Alpha Coefficient of 0.70 or more, indicating that they are acceptable and reliable.

The survey was conducted from June 21, 2022, to July 6, 2022, through Google Form, with a total number of 412 responses received. The respondents were 50.0% male and 50.0% female, with 66.7% married and 33.3% single. The majority of the respondents' age were in the range of 31-40 years old (42.6%), followed by 41-50 years old (37.0%), 21-30 years old (11.1%), and 51-60 years old (9.3%).

In terms of the number of children, the majority of them do not have any children (46.3%), 22.2% have 3 children, 13.0% have 4 and above children, 1 child (9.3%), and 2 children (9.3%). Whereas for the highest education level distribution, most of the respondents were Bachelor's Degree holders (46.3%), followed by Master's Degree (27.8%) and Diploma (25.9%). Most of the respondents held the managerial position (57.4%), followed by Executive (31.5%) and non-Executive (11.1%). The demographics of respondents are summarized in Table 4.1.

Descriptive Statistics for Independent Variables (IV) and Dependent Variable (DV)

Constructs	Minimum	Maximum	Mean	Std. Deviation
Employee Development (IV)	2	5	3.204	0.495
Employee Rewards (IV)	1	5	3.324	0.835
Employee Work-Life Balance (IV)	1	5	3.060	0.883
Job Satisfaction (DV)	2	4	3.228	0.475

The descriptive statistics analysis findings for both independent and dependent variables are shown in Table 4.2. Employee Rewards and Employee Work-Life Balance were scored from 1.0 (least favorable) to 5.0 (most favorable) correspondingly, while Employee Development received ratings ranging from 2.0 to 5.0 and Job Satisfaction was rated from 2.0 to 4.0.

Employee Rewards had the highest mean of 3.324 with a standard deviation of 0.835 among the three independent variables, followed by Employee Development with a mean of 3.204 and a standard deviation of 0.495. Employee Work-Life Balance, with a mean of 3.060 and a standard deviation of 0.883, was the independent variable with the lowest mean. The dependent variable, Job Satisfaction, on the other hand, had a mean and standard deviation of 3.228 and 0.475, respectively.

Reliability of the Study

Cronbach's Alpha is determined using SPSS software to assess the reliability of the research data set. When the Cronbach's Alpha value is 0.70 or higher, the data is considered reliable and acceptable (Glen, 2022).

Table 4.3

Cronbach's Alpha for Independent Variables (IV) and Dependent Variable (DV)

Constructs	Cronbach's Alpha Value	N of Items
Employee Development (IV)	0.810	4
Employee Rewards (IV)	0.947	4
Employee Work-Life Balance (IV)	0.908	4
Job Satisfaction (DV)	0.807	3

Employee Development has a Cronbach's Alpha value of 0.810, indicating that it is a reliable variable in the data. Employee Rewards is the second variable in this study, and its Cronbach's Alpha value is 0.947, indicating that it is a reliable variable too. Employee Work-Life Balance is the third variable in this study, and it has a Cronbach's Alpha value of 0.908, indicating that it is also a reliable variable. Job Satisfaction is the fourth variable. Cronbach's Alpha statistics for this variable is 0.807, indicating that it is a dependable variable too. In summary, the calculated Cronbach's Alpha value for all four variables is greater than 0.800, indicating that the data obtained for this study has fairly good internal consistency. Cronbach's Alpha values for the four research variables are shown in Table 4.3.

Conclusion

According to the results of the statistical analysis, all the variables that were examined are reliable and closely clustered around the mean. It shows that each independent variable was positively influenced and associated with the dependent variable. This result is in line with past studies. Therefore, the implementation of employee development programmes, a focus on employee rewards, and employee work-life balance must all be actively focused in order to secure the success of the company.

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