

## VARIABLES AFFECTING EMPLOYEE SATISFACTION – EVIDENCE FROM SULTANATE OF OMAN

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**Abstract:** *Employee satisfaction is known to be, since a while by now, as a key factor leading to improvement in employee productivity, commitment and engagement. Various researchers have conducted studies which show the positive relation between these factors. A lot of research has also been done on identifying the key variables that affect the satisfaction levels of employees in an organization. Personal characteristics and environmental factors have been identified as the two most influential factors affecting satisfaction. Apart from these a host of other factors like recognition, fringe benefits, nature of the organization and work etc., have also been found to have an impact on employee satisfaction. The present study attempts to analyze the factors affecting employee satisfaction in a large private sector company in Sultanate of Oman. The study identifies several factors that are found to positively impact the levels of employee satisfaction.*

**Keywords:** *employee satisfaction, Oman, work dimension, employee satisfaction factors, business performance, Salalah,*

### 1. INTRODUCTION

Sultanate of Oman has an economy mainly based on oil and gas industry. Recently, in the context of oil-price massive fluctuation, the need for sustainable businesses and economic diversification is even more stringent.

A sustainable economy comes also from sustainable energy resources. If we need to consider the tendencies worldwide towards renewable energy and clean environment, Oman has a tremendous chance to become a leader in this regard. All GCC countries are as richly endowed with renewable resources (wind, solar, sea water, geothermal, etc.), as they are with hydrocarbons. (Pauceanu, 2015).

From psychological point of view, “satisfaction refers to the level of fulfillment of one’s needs, wants and desire. Satisfaction depends basically upon what an individual want from the world, and what he gets.” (Morse, 1977) So if we consider

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this definition as the base for human needs, we consider employee satisfaction to be perceived as the measure of fulfillment of one's professional related wants, desires and needs, and, of course, the level of accomplishment in regard to all these wants.

### **Objectives of the Study**

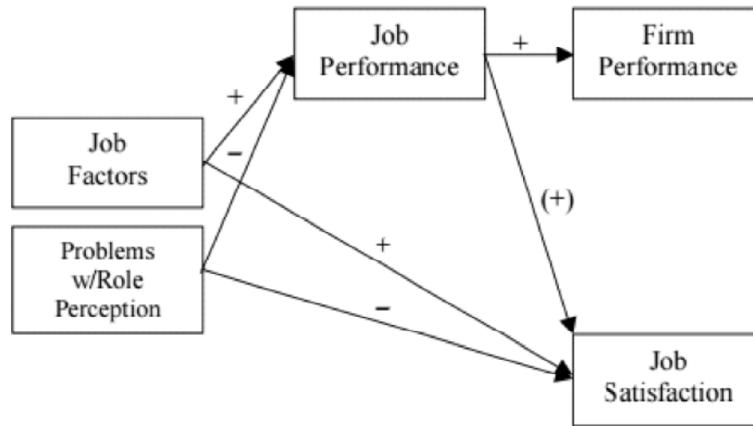
There is very little information and research in regard to employees' satisfaction in Oman. This research aims to have in the spotlight the factors contributing to employee's satisfaction and the results of employees' satisfaction in a reputable company in Salalah, Dhofar Governorate. This information will be the base for further studies and research and it definitely bring its contribution to the development of knowledge in regard to this phenomenon in Sultanate.

## **2. LITERATURE REVIEW**

The term employees' satisfaction is widely used nowadays. Even so, there is no general accepted definition in this regard or either in regard to what job really represents.

The attempts and the need to define employees' satisfaction have evolved over time; Hoppock believes that professional satisfaction represents a mix, in different proportions, "of psychological, physiological and environmental circumstances that cause a person truthfully to say I am satisfied with my job." (Hoppock, 1935) Later on, another scientist, Vroom, considered that job satisfaction should focus on employee's role at workplace. (Vroom,1964). Job satisfaction is one of the most researched areas of organizational behavior and education. It is perceived as an attitudinal variable measuring the degree to which employees like their jobs and the various aspects of their jobs (Spector, 1996; Stamps, 1997). Satisfaction is also identified as an employee's positive attitude towards the company, co-workers and finally, the job. The concept of satisfaction refers to the sphere of expectations in relation to the company and is therefore, a purely subjective notion, but translates into quality of work ( Mrzyglod, 2004). This is an important area of research because job satisfaction is correlated to enhanced job performance, positive work values, high levels of employee motivation, and lower rates of absenteeism, turnover and burnout (Khan, 2013).

More recent, Christen *et al.* (2006) developed a job satisfaction model, which contain the following components: work related factors, role perceptions, job performance and firm performance. Christen *et al.* (2006) does recognize that "actions to increase job performance can also increase job satisfaction." (Christen *et al.* 2006).

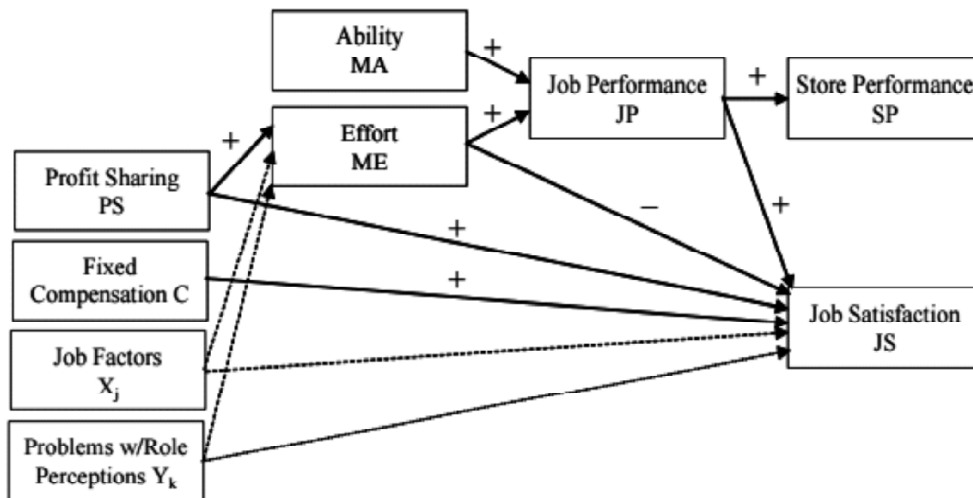


Signs indicate direction of effects according to the literature (Brown and Peterson 1993). Parenthesis indicate a hypothesized relationship that has not been confirmed by empirical results.

Figure 1: A Typical 'Job Satisfaction' Model

Source: Christen, M., Iyer, G., Soberman, D., (2006)

The same authors (Christen *et al.*, 2006) suggested a more comprehensive model in regard to job satisfaction and business unit performance. The model is presented below.



Signs indicate direction of hypothesized effects. The dashed lines indicate relationships included in the model without specifying hypotheses.

Figure 2: Proposed Model of Job Satisfaction and Business Unit Performance

If we would like to improve the employee satisfaction, we should, first of all, measure it and determine the ground reality. (Wright, Gardner, Moynihan & Allen, 2005). Due to its multi-faceted nature, different types of organizations, different countries and organizational cultures, the measurement of employee satisfaction and factors influencing it varies a lot. Some organizations utilize anonymous employees' satisfaction surveys periodically, with the purpose of measuring the levels of satisfaction of their employees (Deshpande, Arekar, Sharma & Somaiya, 2012). In other organizations instead, meetings are held between the managerial team and small groups of employees, where the topic of discussion in employees' satisfaction (Ybema, Smulders & Bongers, 2010). Employee satisfaction it is recognized to be a predictor of work efficiency and organizational performance. (Dawal, Taha & Ismail, 2009; Silvestro, 2002).

A seminal study on work satisfaction and motivation was conducted by Frederick Herzberg. He identified two groups of factors that influence employees' satisfaction levels. These factors were internal factors (motivators) and external factors (hygiene factors). Herzberg closely examined the various components of job satisfaction and came to the conclusion that enriching the content of the work makes it more attractive and can help in eliminating the boredom and monotony of work. This will help in increasing contentment with the job.

Armstrong mentioned factors like a relatively high salary, opportunity for promotion, supervisors, equitable wage system and integration of co-workers and tasks as important conditions leading to job satisfaction. (Armstrong, 2005). The feeling of equity or justice was another powerful factor influencing job satisfaction.

A more recent study conducted by Inuva (2015) finds that "employees with high level of performance tend to be more efficient and effective in carrying out their respective roles. They embrace their work and workplace wholeheartedly and render services required by them timely. This, however, shows that both their intrinsic and extrinsic values have been met by the organization." It is not easy for a company or for the HR department to succeed in this regard, but an increased level of employees' satisfaction will reduce the turnover, increment of both job performance as well as firm's performance and contribute to create and maintain a positive image about the company. Inuva (2015) concludes in the end of his research that "the employee should be given top priority in organizational decision making due to the fact that they have a very important role to play in achieving organizational goals and objectives. Fairness should be considered when it comes to issues like promotion, pay, recognition, and other important factors, so that employers will remain motivated thereby increasing productivity level."

In practice, nowadays, "employee satisfaction or job satisfaction is, quite simply, how content or satisfied employees are with their jobs" (Custom Insight, 2015).

The high level of employees' satisfaction is vital for those organizations consider their employees to be their most valuable resource, make efforts to keep their employees happy and this will lead to a reduce turnover; but considering this, the element of employee satisfaction is only a part of the whole context.

Salalah Mills Company provides milling services and distribution of premium quality wheat products in Oman. Due to the high quality standards implemented and respect for their customers, the company exports also to countries from Africa and GCC. The headquarters and production are located in Salalah, Sultanate of Oman; the company produces a wide range of flour products and flour. The customers are the most valuable partners of Salalah Mills. As usual, they expect the company to provide them the required flour and flour products because they are confident to receive a high-quality product, manufactured under strict health & safety conditions. SMC is certified by the ISO Accreditation body for Quality Management System (ISO 9001:2008), Environmental Management System (ISO 14001:2004) and Food Safety Management System (ISO 22000:2005).

#### **4. METHODOLOGY OF THE RESEARCH STUDY**

This research has made use of descriptive research design its attempt to measure the employees' satisfaction at Salalah Mills as well as the factors which have an influence on it. First, a quantitative analysis was conducted on certain factors that affects the employees' satisfaction and to measure the level of satisfaction among the workers of Salalah Mills. This study was conducted specifically for the purpose of assessing the factors that affect job satisfaction and a questionnaire was designed to achieve the purpose of this research l.

The questionnaire as a statistical tool was administered to 66 employees of |Salalah Mills. The questionnaire contained 14 questions on a Likert scale and it covered topics with regard to work conditions, level of satisfaction, having the necessary tools to do the job, etc. Regression and coefficient analyses have been conducted on the data.

#### **5. ANALYSIS, FINDINGS AND DISCUSSION**

All the data collected were centralized and SPSS software was used to make the analysis of the information as it is presented below. Also the information collected during the interviews was used to complement the findings of this research. We selected to present the relevant information obtained which had a major impact on our study objective.

##### **5.1. Frequency Tables Analysis**

1. I feel encouraged to come up with new and better ways on doing things at work.

**Discussion:** A majority of our respondents (26 persons representing 38.2%) answered that they agree in regard to the fact that they feel encouraged to come up with new ways on doing the work, while 22 respondents (32.4%) strongly agreed with this fact. This information clearly demonstrates that most of the employees of Salalah Mills feel encouraged to suggest innovative and better ways of doing things at the workplace.

**I feel encouraged to come up with new and better ways on doing things at work**

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	strongly disagree	3	4.4	4.5	4.5
	Disagree	1	1.5	1.5	6.1
	Neutral	14	20.6	21.2	27.3
	agree	26	38.2	39.4	66.7
	Strongly agree	22	32.4	33.3	100.0
	Total	66	97.1	100.0	
Missing	System	2	2.9		
Total		68	100.0		

We will continue to analyze the main factors that, in our opinion, contribute significantly to the employees' satisfaction and their increased performance.

**2. I have the tools and resources to do my job well.**

**Discussion:** 31 persons among our respondents, (45 %) agreed/confirmed the fact that they have sufficient resources and tools to do their job well; another 22 respondents (32.4%) strongly agreed with the same fact. This clearly demonstrates that Salalah Mills is indeed doing a very good job in providing the necessary resources, machinery, equipment, etc. to the employees, fact that enables them to perform their job well.

**I have the tools and resources to do my job well.**

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	strongly disagree	1	1.5	1.5	1.5
	Disagree	3	4.4	4.5	6.1
	Neutral	9	13.2	13.6	19.7
	agree	31	45.6	47.0	66.7
	Strongly agree	22	32.4	33.3	100.0
	Total	66	97.1	100.0	
Missing	System	2	2.9		
Total		68	100.0		

**3. I have well defined quality goals in regard to my work.**

**Discussion:** On this fact, 31 of the respondents (45.6%) replied that they felt that the quality goals related to their work are well defined. Other 25 respondents (36.8%) strongly feel the same about the quality goals. Only 1 respondent disagreed to this question. This clearly shows that Salalah Mills had clearly defined the quality goals and objectives in the job descriptions of employees, as well as informed and update them in this regard.

**I have well defined quality goals in regard to my work**

		<i>Frequency</i>	<i>Percent</i>	<i>Valid Percent</i>	<i>Cumulative Percent</i>
Valid	Disagree	1	1.5	1.5	1.5
	Neutral	9	13.2	13.6	15.2
	agree	31	45.6	47.0	62.1
	Strongly agree	25	36.8	37.9	100.0
	Total	66	97.1	100.0	
Missing	System	2	2.9		
Total		68	100.0		

**4. My job makes good use of my skills and abilities.**

**Discussion:** The result of the survey shows that more than half (37 employees) of the respondents strongly feel that their job duties make good use of their skills and abilities. This is a major indicator of employee satisfaction. Other 19 respondents (28% employees) also agree with this statement. It is obvious that the company has proper job descriptions for its employees, is able to match the skills with job requirements and is able to make full use of the skills and talents of the employees.

**My job makes good use of my skills and abilities**

		<i>Frequency</i>	<i>Percent</i>	<i>Valid</i>	<i>Cumulative Percent</i>
Valid	strongly disagree	1	1.5	1.5	1.5
	Disagree	5	7.4	7.6	9.1
	Neutral	4	5.9	6.1	15.2
	agree	19	27.9	28.8	43.9
	Strongly agree	37	54.4	56.1	100.0
	Total	66	97.1	100.0	
Missing	System	2	2.9		
Total		68	100.0		

### 5. Considering everything, how satisfied how are you with your job?

**Discussion:** In our research, we have considered this statement to be the dependable variable. In response to this question, 32 respondents (47%) agreed that they are satisfied with their present job while 21 respondents (31%) are very satisfied with their job. Only 2 respondents stated that are feeling dissatisfied with their job. This finding is significant as it clearly proves that almost all employees working in the company are satisfied with their jobs.

#### Considering everything, how satisfied are you with your job?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	2	2.9	3.0	3.0
	Disagree	2	2.9	3.0	6.1
	Neutral	9	13.2	13.6	19.7
	agree	32	47.1	48.5	68.2
	Strongly agree	21	30.9	31.8	100.0
	Total	66	97.1	100.0	
Missing	System	2	2.9		
Total		68	100.0		

### 5.2. Regression Analysis

The researchers have decided to test two hypotheses for the purpose of the present study.

$H_0$ : There is no significant relationship between employee satisfaction and quality of work dimensions.

$H_1$ : There is a significant relationship between employee satisfaction and quality of work dimensions.

#### ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	54.623	13	4.202	165.986	.000 <sup>a</sup>
	Residual	1.316	52	.025		
	Total	55.939	65			

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.988 <sup>a</sup>	.976	.971	.15910

The ANOVA table shows that tabular significance value at 5% level (0.05) is greater than the calculated significant value .000, so the null hypothesis is rejected



at 5% level of significance. This means that there is a significant correlation between the dependent variable and independent variables. It is obvious that employees' satisfaction level depends on the quality of work dimensions. The overall predictability of the model is shown in the regression table. The adjusted R square value is 0.971 which means that 97.1% variation in employees' satisfaction at Salalah Mills can be predicted on the quality of work dimensions.

**Coefficients<sup>a</sup>**

<i>Model</i>	<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>		
	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>	<i>t</i>	<i>Sig.</i>
1 (Constant)	.153	.293		.523	.603
I feel encouraged to come up with new and better ways on doing things at work.	.024	.096	.026	.253	.801
I have the tools and resources to do my job well.	.769	.105	.739	7.333	.000
Salalah Mills does an excellent job of keeping the employees informed about issues affecting them.	-.040	.068	-.053	-.578	.566
I have well defined quality goals in regard to my work.	-.240	.101	-.190	-2.380	.021
I have a strong feeling of accomplishment in regard to my work.	-.063	.106	-.049	-.589	.559
I understand the importance of diversity for Salalah Mills (in regard to age, gender, age, etc.)	.112	.084	.099	1.335	.188
My job makes good use of my skills and abilities.	.016	.087	.017	.183	.856
My supervisor is committed to quality in visible manner.	.091	.081	.108	1.125	.266
The managers of Salalah Mills encourage and support the quality work.	-.047	.098	-.045	-.478	.634
How satisfied are you in regard to your involvement in decisions related to your work?	-.091	.102	-.098	-.895	.375
How satisfied are you with the managerial decisions, application of regulations, etc. of your direct supervisor?	.061	.087	.072	.698	.488
How satisfied are you with the work environment? (safety, ambience, etc.)	.277	.087	.245	3.196	.002
How satisfied are you with the opportunity of promotion or getting a better job in Salalah Mills?	.102	.077	.119	1.326	.191

a. Dependent Variable: Considering everything, how satisfied are you with your job?

The coefficient analysis in the above table presents the relationship between dependent variable and each independent variable. The Beta coefficient indicates the influence of quality of work dimensions on employees' satisfaction level. All independent variables like encouragement to innovate, availability of tools and resources, workplace diversity, well defined goals, feeling of accomplishment at work, use of skills and abilities, commitment of the supervisor, satisfaction with work environment and promotion opportunities have a strong positive impact on employee job satisfaction. So it rejects the null hypothesis of the study because the calculated significance value is less than the significance level of 95%. Availability of tools and resources for doing the job well has been found to have the maximum positive impact on employee satisfaction, followed by the work environment. Well defined quality goals have been found to have the least impact on satisfaction level.

## 6. CONCLUSION

This research was conducted first of all to measure the level of satisfaction among the workers of Salalah Mills; secondly to identify the factors affecting the employee satisfaction, positively or negatively, in Salalah Mills, which is the biggest mill in Oman and a leader in this field. 66 employees were covered in this research study. The findings of the study reveal that there is a significant relationship between the satisfaction of employees and the quality of work dimensions. In particular, factors like availability of tools and resources, encouragement to come up with innovative ideas at work, diversity at the workplace, well defined goals, feeling of accomplishment at work, the work environment and opportunities for promotion and career growth have a significant contribution towards employee satisfaction at work.

We can conclude that Salalah Mills is doing very well from this point of view. It can be considered as a model which can be further developed and used for implementation in Middle East companies. We can also conclude that the high level of satisfaction of the workers brought its contribution to the development and company performance.

Generally speaking, the human resource managers should focus on monitoring and improving these dimensions in their respective organizations in order to increase employee satisfaction. It is also a proven fact that a level of positive work satisfaction might affect employee commitment, performance and productivity. Working on the factors identified in this study will contribute to further developments in organizations, from human resource variable point of view.

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