

A STUDY ON THE INFLUENCING FACTORS OF EMPLOYEE SATISFACTION WITH REFERENCE TO THE SELECTED IT COMPANIES IN KOLKATA, WEST BENGAL

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Abstract

The purpose of this study is to find out the factors that affect employee satisfaction and how much is the intensity. Specifically, I took pay & promotion, Job safety and security, Training and development and employee empowerment as the antecedents to see their impact on employee satisfaction and further the impact of employee satisfaction on Job performance. This can help me to better understand about the satisfaction level of employees and how employees can be motivated to perform their job efficiently and effectively. The Sample was collected from different IT organizations in Kolkata (New town and Saltlake sector v). The questionnaire was distributed among 250 respondents in Kolkata. The study finds that Job safety & security, Training & Development, Pay & Promotion, Employee empowerment, Job Enrichment etc enhance the job satisfaction of employees.

Keywords: *Employee satisfaction, Factor analysis, IT companies*

Introduction

The information technology (IT) industry had faced the difficulty of employee scarcity as the employee has a widespread employment prospects not only at the local level but more prominently at the global level. The growing employment prospects with better terms and conditions of employment have made the employees to look for employment with another employer. Thus, keeping employees' satisfied with their careers should be a major priority for every employer. In the IT Industry the environment is quite congenial leading to motivation of employees with the result the productivity is increased and this indicates the level of their job satisfaction. The organizations should focus on employees with a mission to provide significance to their critical skills and capabilities (Hay Group, 2013). Even though there is a serious problem

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of un-employability; still the organizations are suffering from scarcity of employees at some particular level. The high skilled workers or employees are keener to work on assignments for career improvement, knowledge enhancements. Finally when such employees get an opportunity they instantly leave their current organization. Therefore, employers always face a problem to retain their valuable employees (Storey, 1992; DeYoung, 2000 and Evans et. al., 2000). The progress and success of any company is directly relate to the satisfaction of the employees who embody that company, that retaining talented people is critical to the success of any organization. Carpitella has shown in her studies that employee satisfaction issues reduced turnover by 50% from the norms, increased customer satisfaction to an average of 95 % & lowered labor cost by 12%. The more satisfied an employee is the less turnover and absenteeism occurs. Satisfied and convinced employees ensure the company's success in the long term. A business which has happy employees is often better equipped to face future challenges than one which does not. Employees who are satisfied and feel valued at work are much more likely to care about the future of the business they work for. In the month of June quarter, attrition at TCS was as high as 15.9%. The company said it usually saw a rise in April - June, with several existing after annual appraisals and for higher education. The organization is completely at loss when these employees leave. Losing employees means losing knowledge, capital, skills, and experience. Loss of talented employees is loss of productivity and revenue. The Indian IT sector attracts foreign direct investment (FDP) but if employees are not retained by the organizations then it will affect the employment relationship with the foreign countries and it will affect the economic growth of the country. Employee satisfaction not only enhances the productivity, but also increases the quality of work.

Some people like to work and they find working an important part of their lives. Some people on the other hand find work unpleasant and work only because they have to. Job satisfaction tells how much people like their jobs. It is believed that an employee would not like to leave the present job when he is well motivated and feel committed to the organization and when the job gives him a high level of satisfaction. It can be simply stated as a combination of how an individual feel, thinks and perceive about his or her Job and it is affected by many internal and external factors When an organization really comes up to the expectations what an employee really needs from his job, it means that the organization is working towards the Employee satisfaction and understand its importance. The stage where the actual benefits meets the expectations it means employee satisfaction level is rising up. According to Moyes, Shao & Newsome, the employee satisfaction may be described as how pleased an employee is with his or her position of employment. As per experience by Locke, Employee satisfaction is an enjoyable or positive emotional state resulting from the appraisal of one's job or job experience.

Statement of Problem

Nowadays, the phenomenon of “brain-drain” has occurred from the public sector to the private sector. In reality, there are numerous evidences to demonstrate this thing. In fact, there are various reasons that make employees want to leave off work. The reasons are that most public sectors as well as private sectors usually lack of empowerment, do not attach special important to training and career advancement opportunities, or the salary and rewards do not meet the basic needs of staffs nowadays. Apart from that, some employees considered that local or domestic companies or agencies are seen as the environments to accumulate experience, not the places to contribute or devote their life. In other words, they feel unsatisfied to work, and thus, they lack of enthusiasm in work, hence, they are willing to leave off work when they have more advantageous conditions or get better opportunities. In reality, many domestic and foreign studies indicated that the organizations need to create satisfaction for employees in work. As Hellriegel & Slocum (2004) noted that a person with high satisfaction will have a positive behaviour towards work. Conversely, low satisfaction is the reason of leaving the job, absence, delay and even decreasing the working spirit. Likewise, lacking in job satisfaction leads to loyal failure, committed insufficiency, reduction in faith toward to the organization, and thus leading to search for new jobs (Reed, Kratchman and Strawser, 1994). From these viewpoints, we can see that the shortage of personnel resource is a worrying problem in public sectors. Because the departure of mass of staffs will create gaps in work and it is very hard to offset these spaces. From these points, the question of great interest is that how to retain and stabilize the employee resource for the organization. Through the above-mentioned analysis, employee satisfaction is one of the key factors which the organizations in the private especially IT sector are interested in the personnel field, especially in the present system. Practically, there are a few researches about the satisfaction of employees in IT companies in India as well as in some specific organizations in West Bengal. To fulfill the gap, the author has chosen the topic: “Factors affecting employee satisfaction: A study of selected IT companies in Kolkata, West Bengal.”

Review of Literature

Hoppock (1999) noted that job satisfaction depends upon the extent to which the job, we hold meets the needs that we feel it should meet. The degree of satisfaction is determined by the ratio between what we have and what we want. Herzberg (1959) believed workers were more satisfied with their jobs when they experienced certain intrinsic factors including: responsibility granted on the job, real nature of work done, the feeling of success from work performed and their prospective to proceed within the organization. Nezaamluddy (2005) postulates that employees experiencing high

satisfaction levels contribute to organizational commitment, job involvement, improved physical and mental health, and proved quality of life both on and off the job. Higher job satisfaction has been linked with employees who are able to exercise autonomy (Sekaran 1989) and with those who have a higher level of job involvement. (IfyDiala and Rao Nemani, 2011), in their study they focused on examining job satisfaction of IT professionals in the D.C. area, paying particular attention to two of the most important factors of job satisfaction for IT workers: autonomy and the opportunity for advancement. The results of this study indicate that general satisfaction is significantly associated with satisfaction levels regarding autonomy and intrinsic factors. Kumar (2013) in his study aimed to find out the impact of techno stress on job satisfaction and organizational commitment among IT professionals. Results clearly revealed that techno stress is negatively correlated to job satisfaction and organizational commitment. Attrition in BPOs happen due to reasons like lack of growth avenues, expectation mismatch, dissatisfaction with organizational policies, monotonous work, unusual working hours, stress and burnouts and the quest for better job profile etc. (Srikant and Tyagi, 2007). workers with higher level of job satisfaction would display a decreased propensity to search for a job and decreased propensity to leave the organization (Wright & Bonett, 2007). Employee satisfaction is connected to usage of human resources and influences the quality and amount of work done (Kaplan and Norton, 2001). Employees were satisfied with their jobs and dissatisfied with pay and promotions policies (Togia, Koustelios, Tsigilis, 2004). Pay and promotion are considered most important elements for the employee satisfaction (Parvin and Kabir, 2001). Promotion is “going towards upward position in the organization” (Hart, 2010). Organization provides different facilities to employees like to provide good working condition, fairness in job, give promotion and rewards to employees because these are the elements which contribute to employees satisfaction (Parvin and Kabir, 2011). The organization should take into account financial rewards like salary because it has strong influence on employee motivation and retention (Barton, 2002). Robbins (2001) advocates that working conditions will influence job satisfaction, as employees are concerned with a comfortable physical work environment. In turn this will render a more positive level of job satisfaction. Arnold and Feldman (1996) shows that factors such as temperature, lighting, ventilation, hygiene, noise, working hours, and resources are all part of working conditions. Employees may feel that poor working conditions will only provoke negative performance, since their jobs are mentally and physically demanding. It has been argued that satisfaction is generally viewed as a broader concept and service quality is a component of satisfaction (Zeithaml & Bitner, 2003). This is because satisfaction derives from various sources, such as service encounter satisfaction and overall satisfaction. In other words, a little satisfaction from each service encounter leads to overall satisfaction with the service. The immediate supervisor support is very important in organizational change. Although the support of supervisor is not very crucial in satisfaction but it has positive impact on satisfaction (Griffin, Patterson and West, 2001). Pelit et al (2011) The findings suggest that the most positive aspects related to job satisfaction are relations with the colleagues and

physical conditions, while the most negative aspect is the wage issue, i.e. unfair payment. Diala, Ify S (2010) Job satisfaction in the information technology (IT) industry is a major concern of IT professionals. This paper reviewed existing literature to find what other researchers have done to ensure that IT professionals get job satisfaction. The paper went further to identify the most pertinent job satisfaction factors as follows: personality trait, values: extrinsic and intrinsic, working condition and social influence. Other pertinent factors are assertiveness, emotional resilience, extraversion, openness, teamwork disposition, customer service orientation, optimism, and work drive. Waqas et al. (2014) suggested that Participation in decision making, empowerment, reward and recognition, work place environment are the four major factors that affect the employee job satisfaction. .Sudha and Joice (2017) identified in their study that Work environment, Co-worker relationship, Salary, Career planning, Rewards have a positive association with job satisfaction.

Employee satisfaction in IT profession

The entire of the typical job satisfaction factors be relevant to IT employees presently as they do all employees: recompense, reimbursement, flexible hours, the preference to telecommute, having a excellent superior and delightful colleagues employees, having the opportunity to learn and enhance their skills, being acknowledged for their work and having opportunities to press forward within the organization. IT workers, though, tend to focus on different job satisfaction factors than the ones that satisfy other kinds of employees. As the company atmosphere continues to develop at a rapid rate, organization of each type of industry continues to search for fresh ideas and achievable central part competencies and new skills in IT employees.

Background of IT industry in West Bengal

People are an organization's most valuable asset and this is especially true in the service sector like IT industry. Kolkata known as the dead city is finally turning to attract IT companies to set up their shops. The Govt. of West Bengal is playing major role in attracting more and more IT companies. Various initiatives have been taken by the government to improve and position Kolkata as an IT hub. Government has allotted vast space for IT set ups at salt-lake, Rajarhat - Newtown area. Tata Consultancy Services (TCS), a leading IT services, sets its new software development campus at Rajarhat in the year 2014-15 which is spread over 40 acres of land and have over 16,500 seats with an investment of approximately Rs1,350 crore. The Rajarhat campus will offer TCS employees a world-class and holistic work environment with facilities like amphitheatre, auditorium, cafeterias, libraries, temporary accommodation and large green open spaces. The campus will house fitness facilities like tennis courts, basketball court and gymnasium for employees. Infosys and Wipro have both been sitting on their allotted plots in Rajarhat-New Town. for the last nine years. Wipro's first campus, in Salt Lake's

Sector V, is an SEZ. It was set up in 2005. Wipro chairman is making visit to Kolkata frequently and has announced to increase wipro's manpower to 7000 in Kolkata where 60% will be working in BPO and 40% on IT sector. As of 2011, the state has 22 formally approved special economic zone (SEZ) Of these, 17 are related to information technology (IT) or IT, enabled services (ITES) Recently, Infosys has announced to start construction of a development centre in Kolkata, which will have a capacity to seat around 1,000 people. Cognizant has a large set up here with 2000-3000 people. Key occupiers in Rajarhat are TCS, IBM, Capgemini, Ericsson, Accenture, Cognizant, Genpact and HCL Tech etc. with large amount of employment opportunities for IT professionals. Some big houses like TCS, IBM, Cognizant, PWC, Do Pont (Though a small office) KPMG are operating in large extent. Recently TCS has leased about 0.7 million sqft at Ecospace in Rajarhat. Government has set three software technology park. There are private technology park like Infinity, The Bengal park etc. Apart from these, many other large and medium scale IT companies like Acropolis, Acclaris, Acumen, Brainware, Cordorganix, Calkol, CMC Ltd, Data-Core, EXenia, Educom, GE Capital, Indusnet, Last Peak, Kaizen IT, Matrix, Mastek Ltd, NIIT Technologies, Octagon Software, Praxis, Pinnacle Infotech, R S Software, Rolta, Rebaca Technologies, Webel etc are operating in Kolkata with large extent.

Objective of the Study

The main objective of this study is to investigate and indicate the factors influencing the employees satisfaction in selected IT companies located in Kolkata.

Research Methodology

A total of 250 respondents were surveyed using the questionnaire. Among the distributed questionnaires only 241 were found usable. The raw data was analyzed using SPSS 17.0 (Green et al., 2000) and factor analysis in order to summarize the 16 variables (as each question in Part - 2 (Consumer opinion) of survey questionnaire represent one variable) into smaller sets. Then data was subjected to principal component analysis. Hence, these 16 variables were reduced to four principal components through varimax rotation (Table 6). Items with factor loadings of 0.40 or higher were clustered together to form separate constructs, as recommended by Hair et al. (2006). Here, the researcher had considered only those factors whose eigen-values is more than one, as significant (Guttman-Kaiser rule).

Data Analysis

Table indicates that, in the present test the Kaiser-Meyer-Olkin (KMO) measure was 0.729. Bartlett's sphericity test also found highly significant; with a p-value of .000, that rejected the null hypothesis of identity matrix. It provides support for validity of the factor analysis of the data set and indicates that, factor analysis is appropriate.

Table 1 : KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.729
Bartlett's Test of Sphericity	Approx. Chi-Square	2409.229
	df	78
	Sig.	.000

The next item from the output is a table of communalities which shows how much of the variance (i.e. the communality value which should be more than 0.5 to be considered for further analysis. Else these variables are to be removed from further steps factor analysis) in the variables has been accounted for by the extracted factors. The initial table of Communalities displayed the values of V4, V13 and V15 as 0.296, 0.473, and 0.301 which are less than 0.5. So these variables are removed from the analysis to proceed further.

Table 2 : Communalities

Variables	Initial	Extraction
V1	1.000	.843
V2	1.000	.952
V3	1.000	.902
V4	1.000	.296
V5	1.000	.913
V6	1.000	.822
V7	1.000	.737
V8	1.000	.807
V9	1.000	.897
V10	1.000	.793
V11	1.000	.719
V12	1.000	.734
V13	1.000	.473
V14	1.000	.776
V15	1.000	.301
V16	1.000	.760

Extraction Method: Principal Component Analysis.

The Eigen value table has been divided into three sub-sections, i.e. Initial Eigen Values, Extracted Sums of Squared Loadings and Rotation of Sums of Squared Loadings. For analysis and interpretation purpose we are only concerned with Extracted Sums of Squared Loadings. Here the first factor accounts for 25.634% of the variance, the second 24.013%, the third 20.976%, and the fourth factor as 11.361%. All the remaining factors are not significant (Table 5). Overall the factors explained about 82% of the total variance.

The idea of rotation is to reduce the number factors on which the variables under investigation have high loadings. Rotation does not actually change anything but makes the interpretation of

Table 3 :

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.332	25.634	25.634	3.332	25.634	25.634	3.273	25.175	25.175
2	3.122	24.013	49.647	3.122	24.013	49.647	3.133	24.096	49.272
3	2.727	20.976	70.623	2.727	20.976	70.623	2.725	20.959	70.231
4	1.477	11.361	81.984	1.477	11.361	81.984	1.528	11.753	81.984
5	.522	4.019	86.003						
6	.413	3.176	89.179						
7	.367	2.827	92.006						
8	.305	2.343	94.349						
9	.229	1.764	96.113						
10	.215	1.651	97.764						
11	.131	1.010	98.774						
12	.111	.856	99.629						
13	.048	.371	100.000						

Extraction Method: Principal Component Analysis.

the analysis easier. Looking at the table below, the researcher observes that ‘I have the authority to correct daily problems when they occur.’, ‘I am encouraged to handle daily problems by myself.’, and ‘I am able to control the social contact with others around.’ are substantially loaded on *Factor 3* while ‘My Organization frequently arranges training programs for the employees.’, ‘Doing job in this Organization will benefit me in the future.’, ‘My Organization provides me the opportunity to improve my skills.’, and ‘There is lot of chance to learn new things in this company.’ are substantially loaded on *Factor 1*. Variables ‘I am not afraid I will get fired.’, ‘I am sure I can keep my job.’, ‘I have no fear that I will lose my job.’, ‘I do not worry about keeping my job.’ are loaded on *Factor 2*. All the remaining variables ‘I am satisfied with the compensation I get & I think it matches with my responsibility.’, ‘I am valued by my supervisor.’ are substantially loaded on *Factor 4*.

Conclusion and Suggestion

From the extensive study on Information Technology sector in Kolkata, It tried to analyze the factors which affect the satisfaction of employees working in IT sector undertaking in Kolkata. The results indicate that Job safety & security and Training & Development, Pay & Promotion, Employee empowerment, Job Enrichment are the factors that enhance the job satisfaction of employees. It is revealed that employees are satisfied with some factors but there are also some factors that should be taking into consideration. Top level management should provide some sorts of autonomy and decision making power to their employees. Company should provide all the necessary resources (information, tools, equipments etc.) to the employees to perform their duties efficiently and effectively. Promotion structure should be rearranged. Manager should give more priorities on performance and efforts rather than on their personal characteristics. Manger should recognize the efforts of employees and appreciate their valuable

Table 4 : Descriptive Statistics of variables under study

Variables	Descriptions	Mean	Standard Deviation
V1	I have the authority to correct daily problems when they occur.	3.88	0.738
V2	I am encouraged to handle daily problems by myself.	3.83	.757
V3	I am able to control the social contact with others around.	3.89	.758
V4*	I have control over how I solve daily problems.	3.80	.776
V5	My Organization frequently arranges training programs for the employees.	3.73	.683
V6	Doing job in this Organization will benefit me in the future.	3.78	.675
V7	My Organization provides me the opportunity to improve my skills.	3.83	.665
V8	There is lot of chance to learn new things in this company.	3.88	.685
V9	I am not afraid I will get fired.	3.56	.590
V10	I am sure I can keep my job.	3.57	.629
V11	I have no fear that I will lose my job.	3.65	.648
V12	I do not worry about keeping my job.	3.65	.642
V13*	I am satisfied with the existing salary structure of the company.	3.15	.639
V14	I am satisfied with the compensation I get & I think it matches with my responsibility.	3.24	.679
V15*	I am often rewarded for the quality of my efforts	3.46	.547
V16	I am valued by my supervisor.	3.37	.652

*V4, V13 and V15 are not included in Factor Analysis Process as their communalities values are less than 0.5

performance towards organization.

The analysis of all the factors of the employee satisfaction among the Information Technology sector of Kolkata concludes that most of the employees working in are satisfied with their working condition, pay, and relationship with colleagues. The study reveals some factors that are point of high concern to employees regarding their satisfaction. These factors are job safety & security, training & development, pay and promotion, employee empowerment. Management must provide the freedom to employees to use their own judgement and take

Table 5 : Rotated Component Matrix^a

	Component			
	1	2	3	4
V1	-.004	.000	.918	.019
V2	.009	-.026	.975	.038
V3	-.009	.030	.949	-.025
V5	.950	-.078	.067	.017
V6	.906	-.019	.006	-.016
V7	.857	.027	-.034	.018
V8	.896	.021	-.035	-.047
V9	-.008	.945	.005	.068
V10	-.042	.889	.010	.020
V11	-.034	.843	-.082	-.002
V12	.045	.846	.075	.100
V14	.040	.031	.089	.875
V16	-.061	.104	-.065	.861

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization

Table 6 : Reliability Statistics

Factors	Variables	No of Items	Cronbach's alpha
Employee Empowerment	V1,V2,V3	3	0.944
Training & Development	V5,V6,V7,V8	4	0.925
Job Safety & Security	V9,V10,V11,V12	4	0.903
Pay & Promotion	V14, V16	2	0.683

the decision relating to the job. Employees should be given job autonomy so that they can give their best. In addition the employer should encourage the employee's participation such as knowledge sharing, mentoring and coaching and discussion with employees to solve problems and give chances to think innovative ideas. This study recommended that employee satisfaction can affect employee's performance, confidence level, behavior which is vital for the success of an organization. The research indicates that the organisation must formulate customized human resource management practices in order to satisfy employees and gain competitive advantage. This recommendation is not only applicable in Information Technology industries but also in other institutions. . As success of an organization depends mostly on the performance of employees so they need to be satisfied which also make the organization sustainable in the long run.

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