

**EMPLOYEE SATISFACTION AMONG ADMINISTRATION STAFF: A CASE STUDY
AT EASTERN PACIFIC INDUSTRIAL CORPORATION BERHAD, TERENGGANU,
MALAYSIA**

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ABSTRACT

This paper analyzes factors that influence employee's satisfaction among administration staff at Eastern Pacific Industrial Corporation (EPIC) Berhad Terengganu, Malaysia. It uses primary data of 136 sample size consists of administration staff comprises of non-executive and executive level. Stratified sampling method was utilized for data collection, which is then analyzed using the descriptive and multiple regression analysis. The findings showed that the relationship between 2 out of 3 factors involved in the study towards employees satisfaction were significant but with the influence of different strengths. This result can enhance the organization productivity, thus become important for organizations effectiveness and efficiency of company operation. The organization can also achieve the compliance of quality assurance which nowadays becomes important for an established organization like EPIC.

Keywords: employees satisfaction; career development; compensation; rewards; work environment.

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1. INTRODUCTION

Employee is regarded as a primary element of organizational performance and success. Nowadays, one of the biggest challenges to the organization is to gain and satisfy employee's commitment, loyalty and this can be achieved through enormous efforts from the organization. However, it is not easy for the organization to satisfy the employees due to each employee opt for the various and different range of reasons and needs. Some employees found there is a need for substantial achievement while some of them emphasize on work ambitious. A previous study shows that work satisfaction may lead to personal achievement although it is more direct to organizational-level development [1]. There is an attempt by organizations to analyze situations or elements work satisfaction that can lead to special contributions for organization [2].

In an organization, employee satisfaction is considered as an important element in human resources. According to [3], job satisfaction is positively related on how employees are required to carry out their tasks. In [4] says employees will feel satisfied when the organization assured of their safety from economic instability, their efforts are rewarded, given the opportunity to contribute ideas or suggestions, participating in decision making, job assignments and responsibilities, good pay structure, incentive plans, profit sharing, health measures, social security, compensation, communication and mutual respect.

Employees within the organization are always important resources because their knowledge exchanges can affect the implementation and realization of an organization's business strategy, thus can lead to deterioration in productivity and organizational performance. Hence, employee satisfaction and continuity are important in the long-term growth and success of an organization. Employee satisfaction will ensure customer satisfaction and effective replacement planning [5]. Employee satisfaction will also increase investor confidence, as they really focus on organizational ability to successfully achieve their business strategy and investment profits within the organization. Therefore, organizational stability will not be disturbed and still under control in the event of a change of workers.

Everyone from managers, retention agencies to human resource needs to gain control over employee loyalty and satisfaction - how committed it is to the workforce of the organization and if employees are completely satisfied with how they measure the likelihood of living with the

company. Therefore, one of the key aspects of human resource management is the measurement of employee satisfaction. Companies need to ensure high employee satisfaction among employees, which is a prerequisite for improving productivity, responsiveness and quality and customer service.

The needs or satisfaction of the employee depends on the profitable and satisfactory relationship between the staff and the administration. In fact, employees who appreciate their work and feel remunerated by their efforts will help the success of an organization. The success of any company is directly link to the satisfaction of the employees who embody that company, which retaining talented people is critical to the success of any organization. In [6] shows that businesses that excel in employee satisfaction issues reduce turnover by 50% from the norms, increase customer satisfaction to an average of 95 % and lower labor cost by 12%. According to [7], the more satisfied an employee is, the less turnover and absenteeism occurs. On the other hand, in [8-9] argued that employee satisfaction is positively correlated with motivation, job involvement, organizational citizenship behavior, organizational commitment, life satisfaction, mental health, job performance and negatively related to absenteeism, turnover, perceived stress and identify it as the degree to which a person feels satisfied by his/her job.

In contrast, in [10] identified three components of employee satisfaction: they are characteristics of the organization, job task factors and personal characteristics. Most organizations strive for employee satisfaction, but not all attain this goal. That is why it is important for human resources professionals to know more about the factors that can increase employee satisfaction and how it fits into a company's overall success. Therefore, the objective of this study is to identify the factors that influence employee's satisfaction among executive and non executive staff at Eastern Pacific Industrial Corporation Berhad Terengganu, Malaysia. The findings of this study will give significant contribution in supporting theories pertaining to employee's satisfaction, especially in developing countries as well as providing information to policy makers in formulating a more effective action plan to realize the goal of creating a knowledge worker in Malaysia.

2. LITERATURE REVIEW

2.1. Employee Satisfaction at Organization

Employees' satisfaction is met when employees will be more loyal and productive [11]. This employee satisfaction affects organizational productivity and customer satisfaction [12]. In addition, satisfaction will be affected the emotional of the employees. It causes the supervisor to build and maintain the desired work environment within the organization. In addition, as [13] point out, one of the basic requirements of the organization is employee satisfaction. Thus, satisfied employees will operate more passionately and it is provided to the organizational effectiveness. A study that was conducted by [14-15] confirmed that there is a positive relationship between general employee satisfaction and financial performance and organizational market. On the contrary, according to [16], poor work environment from the organization contributed to employee dissatisfaction. It may also result in a decrease in efficiency caused by a poor working environment.

Business functions will improve when employees are satisfied and involved. Therefore, it is important to benchmark and consistently measure satisfaction and engagement among employees to achieve the best business goals. It is important to implement a systematic strategy to track and increase employee engagement to ensure that a company is creating a culture where employees are not only satisfied, but are truly involved in the mission and goals of the organization. Hence, organizations should strive to provide employees with the desire to set the employee satisfaction approach.

2.2. Career Development and Employee Satisfaction

According to [17], employee satisfaction is determined by career development. Career development is a program organized by the organization to coordinate the needs of employees and organizations. Within career development, an individual will seek the best organization and also contribute to organizational objectives, vision and mission. An employee development characteristic includes the efforts initiated to assess the worker's role in their work paths, planning and implementing their work and planning towards a better job. Thus, career development is a program organized by the organization to coordinate the needs of employees and organizations. According to [18], career improvements are influenced by an instructive grip, passionate personality and value of a person.

In [19] focuses on the recognition of Sabah Local Authorities in Malaysia against 40 employees has examine the relationship between career development, career needs, career satisfaction and career commitment. The findingst illustrates that the willingness of administrators to organize and supervise career programs will help the employees meet their career requirements. Therefore, it can provide career satisfaction and commitment to the organization. According to them, administrators are able to plan and supervise a career that suits the needs of their employees and there will influence positive decisions, attitudes and behaviors (e.g. proactive, performance, justice, trust and ethics).

A career advancement program must clearly characterize duties to the employees, the managers and the organization. It should offer them an assortment of improvement options, shape the interface between current execution and future improvement which incorporates the idea of best "fit" or "match." To discover the leading "fit" or "match" in their career goals, employees must know their qualities and weaknesses and the required knowledge and skills that they should have to stay in the organization. This can be obtained through performance appraisal and information given by managers and supervisors. The spread of accessible career choices or job openings inside the organization will too offer assistance workers in deciding their future advancement. Therefore, this study presents hypotheses as follows:

H1-Career development has a significant positive relationship between employees satisfactions.

2.3. Compensation and Rewards and Employee Satisfaction

Pay provided by an employer to its employees for services rendered (i.e., time, effort and skill). This includes both fixed and variable pay tied to performance levels (world). In [20] stated that compensation as financial and non-financial extrinsic rewards provided by an employer for the time, skills and efforts made available by the employee in fulfilling job requirements aimed at achieving organisational objectives. According to [21], establishing compensation for the employee is the basis of both the employee and the employer and it is a major part of the employment relationship. Usually, employees are dependent on compensation, payroll rates and further onwards to provide a substantial part of their income and benefits to provide pay safety and well-being.

The important role of organizations and work units to attract and retain employees is

recognition and rewards. Hence, recognition can contribute to a high spirit in the working environment. According to [19], it is clear that compensation is seen as a part of human capital management that emphasizes planning, organizing and controlling different payment systems to reward employees who carry out their work or services. In the organization, compensation makes the workers have different interpretations. Previous study conducted by [22] examines the relationship between compensation systems (financial and non-financial compensation) and job performance among employees. The outcomes were found that base salary was the prevailing component of the compensation system in influencing the employees' job performance. Therefore, the organization is empowered more in this financial compensation in order able to influence employees' job performance. Hence, compensation is a hygiene factor or a motivational factor.

Rewards can be non-financial such as vacation paid for two people. The organization requires planning and creating the rewards based on the profile of the employees and the nature of work. Rewards require being significant and meaningful to the employees. This would make them feel the reward is personalized to them as they create their effort to accomplish the objectives. Accordingly, this study proposes the following hypothesis:

H2-Compensation and rewards have a significant positive relationship between employees satisfaction.

2.4. Workplace Environment and Employee Satisfaction

Workplace refers to a place in which the workstation and any other place are located within the promised area where the employee has access to his / her employment. The working environment overall is a worker who works closely and agrees with what the organization provides such as the quality of facilities, equipment, ergonomic design, light, air, temperature, noise, ventilation and joint participation of supervisors and co-workers. Employee productivity, safety and health, and psychologically can be affected by the environment. The working environment according to [23] is comprised of three main factors of the situation: the technical environment, the human environment and the organizational environment. The equipment, technology infrastructure and other physical or technical elements are referred to the technical environment. This environment can promote informal interaction in the workplace so that opportunities to share knowledge and exchange ideas can be improved. This

is the basis for achieving the highest efficiency.

The workplace environment is the most critical factor in keeping an employee satisfied in today's business world. Today's workplace is different, diverse and constantly changing. In [24] states that work conditions will affect work satisfaction, as employees are more concerned with a work environment comfortable physical. Furthermore, this will give job satisfaction at highest positive level. Herzberg's Motivation-Hygiene Theory or the two-factor theory of Frederick Herzberg is an organizational arrangement used to distinguish the working people and what makes the employees satisfied or dissatisfied [25]. Previous study conducted by [26] examined ten selected government offices in Shah Alam, Selangor on the relationship between workplace environment and job performance. The practice of good workplace environment may bring benefits to the organization, where it may empower employees to deliver positive behavior while at the same time anticipating from disloyalty and dissatisfaction. According to them, neglecting the aspect may result in significant losses for workers as well as the organization. In [27] study on 31 bank branches showed that comfortable and ergonomic office design motivates the employees and increased their performance substantially. A study by [28] reported that nine out of ten workers believed that a workspace quality affects the attitude of employees and increases their productivity. In line with this, in [16] argued that unsafe and unhealthy workplace environment in terms of poor ventilation, inappropriate lighting, excessive noise etc. affect workers productivity and health. Based on the discussion above, the following hypotheses have been established:

H3-There is significant relationship between workplace environment and employee satisfaction.

3. METHODOLOGY

3.1. Sample

In this study, the population consists of 210 administrative staff from six subsidiaries in EPIC. Six subsidiaries are Pangkalan Bekalan Kemaman Sdn Bhd (Kemaman Supply Base (KSB), Konsortium Pelabuhan Kemaman Sdn Bhd, EPIC Mushtari Engineering Sdn Bhd, Tubex Sdn Bhd, Eastern Pacific Properties Sdn Bhd and Sukma Samudra Sdn Bhd. According to [29], population is a group of people who have certain characteristics (or set of characteristics).

Through a staged proportion sampling method, the population is divided according to strata which is based on six subsidiaries in EPIC. The samples for each strata were determined according to the proportion of the strata population in the whole population (210). Based on the sample size determination method presented by [30], the study sets the number of samples at 136. The population and sample size of each strata are shown in Table 1.

Table 1. Sample distribution for subsidiaries of EPIC

Programme	N	S
Kemaman Sdn Bhd (Kemaman Supply Base (KSB))	130	84
Konsortium Pelabuhan Kemaman Sdn Bhd	11	7
EPIC Mushtari Engineering Sdn Bhd	23	15
Tubex Sdn Bhd	19	13
Eastern Pacific Properties Sdn Bhd	22	14
Sukma Samudra Sdn Bhd	5	3
Total	210	136

Notes: N is population size, S is sample size

3.2. Measures

In this research, a set of questionnaires was used by researchers to collect data. Questionnaires is the best tool to collect from representative because of all issues in the have been clearly characterized [31]. The questionnaire was designed based on the five sections referring to the objective of the study. The questionnaire consists of five sections namely Section A (Personal Information), Section B (Employee Satisfaction), Section C (Career Development), Section D (Compensation and Reward) and Section E (Workplace Environment). The items in this questionnaire are coordinated and modified based on previous researchers. The questionnaire was specifically outlined by the researchers for the purpose of this study to suit the type of study and to answer the research question. The questionnaire was presented and disseminated to all respondents who are employees of Eastern Pacific Industrial Corporation Berhad (EPIC).

Table 2 shows that the Cronbach's Alpha coefficient for all variables has a high alpha value and exceeding 0.7. This shows that all the items used in the relevant research variables are

reliable [32].

Table 2. Variable reliability analysis

Variables	Coefficient	Number of Item	Cronbach's Alpha
Employees' Satisfaction		5	0.71
Career Development		5	0.82
Compensation and Reward		5	0.71
Workplace Environment		5	0.86

4. RESULTS AND DISCUSSION

The descriptive analysis in Table 3 shows the mean value, standard deviation and correlation between all variables. All variables show the value of more than 3 with the highest record involving relationship variables (3.74). The correlation analysis between the variables shows that there is a significant relationship between all the variables involved.

Table 3. Descriptive and correlation statistics

Variables	Mean	Standard Deviation	1	2	3	4
1.Career Development	3.746	0.555	1.000			
2. Compensation and Reward	3.440	0.532	0.512**	1.000		
3.Workplace Environment	3.792	0.568	0.497**	0.463***	1.000	
4.Employees' Satisfaction	3.792	0.568	0.497**	0.463***	1.000**	1.000

Note: N = 260; ***p < 0.01

Table 4 presents the Test of Normality. For the Kolmogorov-Smirnov and the Shapiro-Wilk test, data is normality classified if the tests are insignificant. The test will be insignificant if $p > 0.05$. The results of both tests here are insignificant ($p > 0.05$) and thus assumed the data is normally

distributed.

Table 4. Normality test

Variables	Kolmogorov-Smirnov		
	Statistic	df	Sig
1.Career Development	0.168	108	0.000
2.Compensation and Reward	0.108	108	0.000
3.Workplace Environment	0.198	108	0.003
4.Employees' Satisfaction	132	108	0.000

An analysis on the determinants of employees satisfaction administrative staff involves three main variables namely career development, compensation and reward, and workplace environment. These factors are identified from previous studies. Multiple regression analysis is used to involve influence of each variable on employee's satisfaction. The R square indicates the extent or percentage the independent variable (career development, compensation and reward and workplace environment) can explain the variations in the dependent variable (employee satisfaction). In this research, independent variable can explain 29.5% (0.295) of variations independent variable. However, it still leaves 70.5% unexplained in this study. In other terms, there are other further variables that are important in defining employee satisfaction that has not been examined in this research. The findings of multiple regression analysis that used to clarify all the research hypotheses are shown in Table 5.

Referring to Table 5, the career development factor has no significant relationship with employees satisfaction ($\beta = 0.100$, $p > 0.05$). Based on these findings, studies confirm that H1 which explains career development factor, did not influence employee's satisfaction among administrative staff. However, the results of the multiple regression analysis in Table 5 show empirically that there is significant positive relationship between compensation and rewards with employees satisfaction ($\beta = 0.201$, $p < 0.05$). Based on the analysis, the H2 study confirmed that compensation and rewards possessed by organization can influenced their employee's satisfaction. The findings from empirical multiple regression analysis explains that there is a significant influence of workplace environment on employee's satisfaction. In fact, this factor is the most important element among the three factors involved in the study.

The significant positive correlation ($\beta = 0.352$, $p < 0.05$) confirming H3, which clarifies the relationship between workplace environment and employee's satisfaction among administrative staff. The effectiveness of the work environment encourages employees to be happy with their work and ultimately influences organizational and economic growth.

Table 5. Multiple regression analysis

Independent Variables	Dependent Variable Employee's Satisfaction Beta Coefficient and Significant Level
Career Development	0.100**
Compensation and Reward	0.103*
Workplace Environment	0.095**
R	0.54
R ²	0.29
Adjust R ²	0.27
F value	14.47
Sig. F value	0.000

Note: significant levels: ** $p < 0.01$, * $p < 0.05$

5. CONCLUSION

This study is an attempt to analyze and evaluate employee's satisfaction administrative staff at EPIC. This involves a review of factors influencing employees satisfaction based on the field of study. These factors are identified from the previous studies. From multiple regression analysis, the study found that the relationship between two factors involved in the study were significant but with the influence of different strengths. Based on the findings, the organization should have a well manage planning procedures for career development for employees. Career development and talent planning should be led and driven by the top of the organization at Eastern Pacific Industrial Corporation Berhad, Kemaman Moreover; career development planning should prioritize diversification management. In providing a brief career growth source accordingly to employees at all levels, organizations need to create

progressive steps while driving higher employee engagement that contributes to the talent channel of employees.

On the other hand, organizations should give additional rewards to motivate employees. The offer of an additional reward gives an employee that extra motivation to go above and beyond. Some rewards may cost money, whereas others are investments in time and effort. All can contribute to a more pleasant work environment. Moreover, the rewards system can effectively attract new employees in the organization and motivate existing employees to perform high levels. A comprehensive compensation strategy can be the cornerstone of creating an environment that recognizes and values employee performance and helps create a strong employee engagement culture.

Organizations need to develop and implement actions to address workplace factors that indicate the risk of psychological injury, minimizing the effects of stress on the staff through the management of supporting and promoting the health and well-being of staff. Studies have proved that workers with a positive working life balance will do a better job at work, thus promoting this balance is very beneficial for individuals and companies. This is a practical guide for employers who want to promote a healthy work-life balance for their teams.

6. LIMITATIONS AND FUTURE RESEARCH

The study only conducted simple tests on the influence of some factors on employee's satisfaction among administration staff at EPIC. There is still room for further study involving more employees on technical side. In addition, comparative studies between each subsidiaries can also be conducted to get more knowledge on the inclination factors of employee's satisfaction among different subsidiaries of EPIC. Thus, the possibility of different focus will give more meaningful information about the factors that employee's satisfaction among administration staff at Eastern Pacific Industrial Corporation Berhad, Terengganu, Malaysia.

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