Chapter 1
Employees Satisfaction: An Introduction

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1.1   INTRODUCTION

Economic theories state that in the normal course of business, resources will be stripped away by competing firms and new entrants to an industry. Consequently it would behoove organizations to focus efforts toward maintaining and new entrants to an industry. Consequently it would behoove organizations to focus efforts toward maintaining those resources that provide competitive advantage (Barney, 1986). An organization should be cognizant of the benefits of the resources it controls. By benefits means resources that could be utilized to generate profits for the organization (Wernerfelt, 1984). Wernerfelt, further defined a resource as those things that contribute to the strength or weakness of an organization. Satisfaction is one of the competitive advantages which help organization to grow internally and externally.

Satisfaction is the act of fulfilling a need, desire, appetite or the feeling gained from such fulfillment. Satisfaction means you have had enough. It is a multifaceted construct with a variety of definitions and related concepts which has been studied in a variety of disciplines for many years till now. Many theories and articles of interest to managers, social psychologist and scholars, focus on satisfaction because most people spend their life time for work and understanding of the factors that increase satisfaction, is important to improve the well-being of individuals in this facet of the living (Porter, 1985).

In management we studied satisfaction in different perspectives such as: customer satisfaction, job satisfaction, employee satisfaction and many more. Employees are considered to be one of the most important pillars on which the building of organization stand. Organizations hold many resources that might be divided in physical and human resources. Utilization of non-human resources is not possible without efforts of the human resource. So, human resource is the asset that enables organizations to reap benefits from other sources. Every activity is directly

or indirectly backed by human efforts therefore organizations should hold best employees and while selecting such employees the concentration really moves towards the satisfied employees. Satisfied employees offer huge returns to organizations. The construct of employee satisfaction is important as satisfied employees can do more for organization in shape of better performance and productivity (Schneider, 1987).

Realizing the significance of employee satisfaction, the earliest employee satisfaction research took place in the 1930's (Kornhauser & Sharp, 1932). Since that time, a substantial amount of progress has been made, both in applying context (Roethlisberger & Dickson, 1939) and on theoretical fronts (Hoppock, 1935). As early as the mid 1950's, some of the larger companies were conducting employee satisfaction on a more or less regular basis. By the 1970's several research suppliers had developed standardized employee satisfaction questionnaires that were used widely. Employee satisfaction has been a key area of research among industrial and organizational psychologist. Hundreds of articles on it have been published in academic journals and trade publications.

Historically the motivation behind this research was the belief that employees' satisfaction influenced productivity, absenteeism and retention. In the earlier 1980's, an additional issue arose, the influence of employee satisfaction on customer satisfaction in predominantly service oriented settings.

Employee satisfaction also plays a central role in the study of behavior at work. For the practitioner, knowledge of the determinants, the consequences and the other correlates of employee satisfaction can be vital. Indeed, Roznowski &Hulin (1992), claim that "once an individual joins an organization, a vector of scores on a well-constructed, validated set of satisfaction scales become the most informative data, the organizational psychologist or manager can have."

1.2   MEANING OF EMPLOYEES SATISFACTION

Employees' satisfaction is the individual employee general attitude towards the job. It is also an employee cognitive and affective evaluation of his or her job.

According to New Cranny, Smith and Stone (1992), Employee satisfaction is defined as the combination of affective reactions to the differential perceptions of what he/she wants to receive compared with what he/she actually receives.

According to Moyes, Shao & Newsome (2008), the employee satisfaction may be described as how pleased an employee is with his or her position of employment.

According to Spector (1997) defined employee satisfaction, as all the feelings that a given individual has about his/her job and its various aspects.

Employee satisfaction is a comprehensive term that comprises job satisfaction of employees and their satisfaction overall with company's policies, company environment etc. Keeping morale high among workers can be of tremendous benefit to any company, as happy workers will be more likely to produce more, take fewer days off and stay loyal to the company. Therefore, the organization should try to supply the employee expectations in order to approach the employee satisfaction. In addition, emotional state of the employees may also affect their satisfaction. This forces the managers to create and sustain the desired working environment in the organizations. On the other hand, as stated by Organ & Ryan (1995), the employee satisfaction is one of the bases of organizational citizenship behavior that is, the well-satisfied employees will work more willingly and this contributes to the effectiveness of the organizations.

There are various factors that contribute to employee satisfaction, it includes treating employees with respect, time to time performance appraisals, providing regular employee recognition, empowering employees, relationship with immediate supervisor, providing employee perks, company activities, positive management within a success framework of goals, feeling safe in the work environment, opportunities to use skills and abilities, compensation and benefit, promotions, training, work tasks factors, relationship with co-workers, relationship with supervisors. Some more factors include as follows: interesting work, appreciation of work, job security, job-specific training, good wages, promotion/growth, good

working conditions, personal loyalty, tactful discipline, sympathetic help with problems, preferred incentives, flexi-timing, telecommuting, company paid vacations, accident and health insurance benefits, retired benefits, asset building loans, company transport and many more.

Having good relationships with the colleagues, high salary, good working conditions, training and education opportunities, career development or any other benefits may be related with the increasing of employee satisfaction.

The backbone of employee satisfaction is respect for workers and the job they perform (Branham, 2005). In every interaction with management, employees should be treated with courtesy and interest. An easy avenue for employees to discuss problems with upper management should be maintained and carefully monitored. Even if management cannot meet all the demands of employees, showing workers that they are being heard and putting honest dedication into compromising will often help to improve morale.

Kendall and Hulin (1969) define five different components of employee satisfaction that are opportunities of promotion, pay, relationship with supervisor, work itself and co-workers.

1.3   SIGNIFICANCE OF EMPLOYEES SATISFACTION

Employee satisfaction is utmost importance in any organization be it small or large. It plays a significant role in defining organizational success. Every organization develops strategies that strengthen the work environment and increase the employees' morale to enhance employees' performance and productivity, which ultimately results in high profits, customer satisfaction as well as customer retention. The reason behind having satisfied employees is somewhat elementary. Satisfied employees are preferred because they simply make a work environment and organizational climate better (Rue & Byars, 1989). There are many different practices that an organization can perform to create a better and more effective work environment; these practices can directly affect employee satisfaction. Some ideas that managers are the most concerned about, are: attracting the most qualified

workers and utilizing the human capital within the organization (Hoerr, 1989). The following points will show the importance of employee satisfaction.

Exhibit 1.1 Significance of Employees Satisfaction
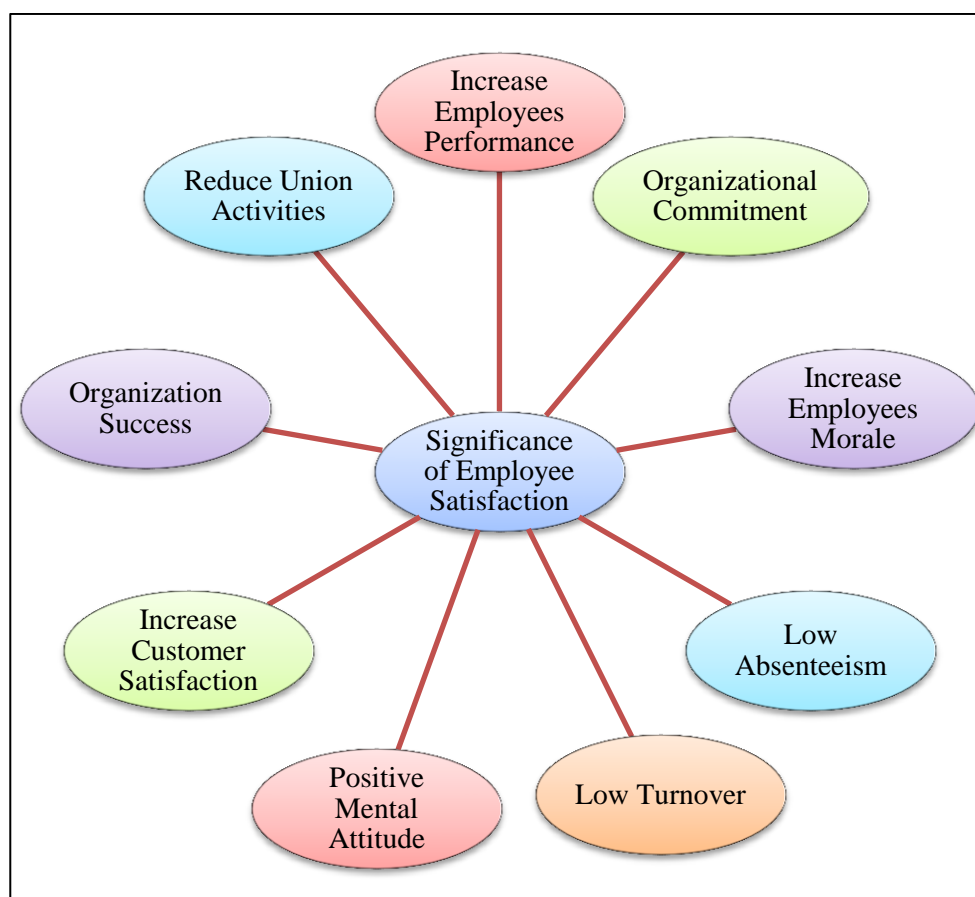
Source: Self-Generated

1)   Increase Employees Performance

Employee Satisfaction has a great impact upon the performance of an employee. (Judge, Thoresan, Bono., & Patton, 2001) conducted an extensive meta-analysis about the relationship between these two critical organizational factors and concluded true correlation between employee satisfaction and employee performance. Performance of the job by an employee also requires that his expectations and aspirations in terms of rewards, consideration and fulfillment of his needs etc. can be met. If these are fulfilled, he/she will be satisfied with the outcome of job performance and greater employee satisfaction would generally motivate the employees in performing their tasks more efficiently and that results in increasing company's productivity.

2) Organizational Commitment

According to Kreitner & Kinicki (2006), Organizational Commitment "Reflects the extent to which an individual identifies with an organization and is committed to its goals." A happy and satisfied individual can find it easy to live within the organization as well as outside it. On the contrary a chronically upset individual make organization life vexations for others with whom he interacts. There seems to be a strong correlation between employee satisfaction and organizational commitment. Higher commitment can in turn facilitate higher productivity.

3) Increase Employees Morale

There is a casual relationship between employee satisfaction and employee morale. Michigan Psychologist Norman R. F. Maier states that "Job satisfaction was shown to be important by demonstrating that morale index was definitely higher among employees who were satisfied than among those who were dissatisfied" (Norman, 1925).

4) Low Absenteeism

Absence is a phenomenon that can reduce an organization's effectiveness. Cascio (2003), defines absenteeism as "Any failure of an employee to report for or to remain at work as scheduled regardless of the reason." According to George (2000), there is inversely correlated relationship between employee satisfaction and absenteeism. In other words, when satisfaction is high, absenteeism is low and when satisfaction is low, absenteeism is high (Luthans, 1989). It is important to remember that while higher employee satisfaction will not necessarily result in low absenteeism but low employee satisfaction is likely to bring about high absenteeism (Tylczak, 1990). Absenteeism is influenced by dozens of interrelated factors which make it even more difficult to quantify, qualify or rectify.

5) Low Turnover

Turnover refers to the movement of employees out of the organization (Kadushin & Egan, 2001). According to Michaels and Spector (1982), studies have been reasonably consistent in showing a correlation between employee satisfaction

and turnover. Employees with low satisfaction are therefore more likely to quit their jobs.

A satisfied employee feels pleasure at his work place. He feels contented with his job and the environment in the organization which results in longevity and reduced employee turnover (Frye, 2004). These types of behaviors can be very beneficial to the organization because they save time and money of the management. Therefore, improving employee satisfaction can increase financial benefits (Hodson, 1997). Researches state that employee satisfaction can improve the quality of working life.

6)   Positive Mental Attitude

Satisfied employees cultivate positive mental attitude which is beneficial to the society as a whole. A happy human on the job is also happy away from the job. Dissatisfaction with one's job may have especially volatile spillover effect on many other things such as family life, leisure activities etc. Happiness is after all the heart of human life which spins off to the society in general. The dissatisfied employees take more "Mental health days off i.e. days off not due to illness or personal reason." The time thus being a non-renewal resource, the ultimate sufferer is the organization (Breaugh, 1981).

7)   Increase Customer Satisfaction

It's not a new insight that satisfied employees can have a significant impact on customer satisfaction. Satisfied, motivated and engaged employees understand the role, they need to play in consistently delivering good customer interactions. They create and nurture good relationships with customers that build customer satisfaction, increase customer retention and enhance customer loyalty (Johnson, Ryan, & Schmit, 1994). The companies that lead their industries in employee satisfaction are generally the ones that have the highest levels of customer satisfaction too (Huselid, 1995). They understand that keeping customer's happy starts with ensuring employees are satisfied, motivated, empowered and engaged and they know that measuring employee satisfaction is actually one more way to monitor service quality.

8)   Organization Success

Employee satisfaction plays a very vital role on the performance of an organization. It is essential to know as to how employees can be retained through making them satisfied and motivated to achieve extraordinary results. Target and achievement depend on employee satisfaction and in turn contribute for organizational success and growth enhances the productivity and increases the quality of work (Johns, 2002).

It is indispensable for an organization to exactly feel as to what employees feel, think, wish and to discover and make strategies that how the staff dedication and commitment can be improved. Through this initiative business outcomes can be improved, productivity can be enhanced, commitment can get strengthened. Increasing staff satisfaction is very vital and important factor for the success of an organization.

9)   Reduce Union Activities

It has been proved that satisfied employees are generally not interested in unions and they do not perceive them as necessary. Employee dissatisfaction has proved to be the major cause of unionization. The employees join the union because they feel that individually they are unable to influence changes which would eliminate the causes of dissatisfaction. The level of union activities is related to the level of dissatisfaction. Low level of dissatisfaction results in only grievances while higher levels of dissatisfaction will result in employee strikes.

10)   Other Benefits

In addition, there are number of other benefits bring about by high employee satisfaction. Highly satisfied employees tend to have better physical and mental health, learn the new job related tasks easily and have less job stress and unrest (Kaliski, 2007). Such employees will become more co-operative such as helping coworkers, helping customers etc. Such behavior will improve unit performance and organizational effectiveness (Kelli, 2012).

To conclude, we can say that employee job satisfaction results from the employee's perception that the job content and context actually provide what an

employee values in the work situation. Organizationally speaking, high level of employee satisfaction reflects a highly favorable organizational climate resulting in attracting and retaining better workers.

1.4   FACTORS AFFECTING ON EMPLOYEES SATISFACTION

Employee satisfaction is a multi-variable concept. There are number of factors that affect employee satisfaction as given below:-

Exhibit 1.2 Factors affecting Employees satisfaction

- Organizational Development
- Policies of Compensation and Benefit
- Promotion and Career Development
- Work Task
- Relationship with Supervisor
- Working Conditions and Environment
- Corporate Culture

Source: Self-Generated

1)   Organizational Development Factor

This is the most important factor which affects employees' satisfaction. It relates to the development necessities of an employee in the organization based on his/her appreciation of the organization policies and rules i.e. transfer policy of an organization is directly related to the employee, as it affects his/ her life as well as his/her family's life (Landy, 1989). Also there are variables like job security which genuinely affects the overall satisfaction level of an employee by inducting a sense of safety at his/her work place and resulting in the security of his/her job. This factor also relates the employee perspective whether they are satisfied or not with the care that organization providing them.

2)   Policies of Compensation and Benefit Factor

This is also most important variable for employee satisfaction. Compensation can be described as the amount of reward that a worker expects from the job. This factor covers the variables such as salary, the basic benefits like the retirement policies. It also covers the important variable like the medical benefits provided by the company. A feeling of satisfaction is felt by attaining fair and equitable rewards.

3)   Promotion and Career Development Factor

This factor relates to the career development path of an employee in an organization, making it one of the most important factors which affect employees' satisfaction. It considers variables such as the promotion policy and the career advancement path. It also has variables like the training and development and the work effectiveness of the employee in the organization. Promotion can be reciprocated as a significant achievement in the life. It promises and delivers more pay, responsibility, authority, independence and status. The opportunity for promotion determines the degree of satisfaction to the employee.

4)   Work Task Factor

Employee satisfaction is highly influenced by the Work Task Factor. Employees are satisfied with job that involves intelligence, skills, abilities, challenges and scope for greater freedom. This factor contributes to major portion of employees' satisfaction by taking care of the job stress, motivation and balance. Dissatisfaction arises with a feeling of boredom, poor variety of tasks, frustrations and failures.

5)   Relationship with Supervisor Factor

Any employee interacts directly and continuously with her/his supervisor, so one of the major parts of any job is the interaction with supervisor. Relationship with supervisor is defined as the extent to which leaders care about their employee's welfare and value their contributions. A leader with high supervisor support is one that makes employees feel appreciated, heard and cared about. Researchers lie Marcus & Curt (1999) have found that the talented employee may join an organization for many reason, but how long that employee stays and how productive

he/she is while there is determined by the relationship with the immediate supervisor.

6)   Working Conditions and Environment Factor

This factor contributes to employees' satisfaction, as it consists of the variable which the employees use and interact with daily in their regular work. Employees are highly motivated with good working conditions as they are provided a feeling of safety, comfort and motivation. On the contrary, poor working condition brings out a fear of bad health in employees. The more comfortable the working environment is the more productive will be the employee.

7)   Corporate Culture Factor

This factor relates to the variables which are strongly related to the culture of the organization. It directly relates to the satisfaction of employees. It is a natural desire for human beings to interact with others. Therefore, existence of group in organization is a common observable fact. This factor deals with the important variable of the communication process within the company. Along with it, this factor also comprises of variables like the team culture of the organization, the adhesiveness of colleagues and the support of organizational culture in employees development. This characteristics result in the formation of work group at the work place. Isolated workers dislike their job. The work groups make use of a remarkable influence on the satisfaction of employees.

1.5   METHODS OF EMPLOYEES SATISFACTION

Employee job satisfaction is a qualitative aspect and cannot be understood in strict quantitative terms. It is an intangible and psychological concept. There are a number of methods of measuring employee satisfaction. The commonly applied techniques to measure employee satisfaction have been discussed below:

1)   Rating Scales

Rating scales are the commonly adopted method that is used for measuring the job satisfaction. It comprises of certain statements describing the attitude of the employees with respect to the job, organization and personal factors. For each

declaration or statement, the employee is invited to express his opinion on a scale consisting of different expressions.

2)   Job Descriptive Index

"The Job Descriptive Index (JDI) is a 72-item adjective checklist type questionnaire developed by Smith, Kendall and Hulin in 1969" and since then has been used by over 1,000 organizations in many sectors (Smith, Kendall, & Hulin, 1969). Job Descriptive Index is a scale used to measure five major factors associated with employees' satisfaction: work itself, supervision, pay, co-workers and promotion opportunities. The scale is simple, participants answer either yes, no, or can't decide (indicated by '?') in response to whether given statements accurately describe one's job.

3)   Minnesota Satisfaction Questionnaire

The Minnesota Satisfaction Questionnaire (MSQ), developed by Weiss, Dawis, England, and Lofquist (1967). The MSQ is designed to measure an employee satisfaction with his/her particular job. Method includes 100 items measuring 20 facets of job satisfaction. There are three versions available: two long forms (1977 version and 1967 version) and a short form. The long form takes about 30 minutes to minister while the short one can be completed within 10 minutes. MSQ provides a tailed picture of the specific satisfaction and dissatisfaction of employees.

4)   Critical Incidents

The critical incidents approach to the measurement of employee satisfaction was developed by Herzberg and his associates in their research on the two-factor theory of motivation. Employees were asked to describe incidents then content-analyzed in determining which aspects were closely related to positive and negative attitudes.

5)   Interviews

Interviewing employees as a method of measuring employees' satisfaction is mostly useful in organizations that have positive relationships with employees and

believe the problem is too sophisticated to be understood with a survey. If employees do not trust the organization or interviewer then responses may not be entirely honest. Business, with low satisfaction of employees who fear being let go, may find the employees reluctant to discuss the situation since they may fear; it could negatively affect them in the future. The questions asked should be standardized in order to compare different employee responses as well as the same employees' responses over time.

6)   Survey

The most accurate method of assessing employee satisfaction is a well-constructed employee satisfaction survey. Employees provide a rating against a series of questions or statements related to their job, supervision and the work environment. Survey results are reported at a business unit or workgroup level, offering a level of anonymity that encourages employees to respond honestly. Surveys must be carefully worded, as there is no opportunity to clarify ambiguous questions or statements. Care must be taken when comparing small departments or workgroups. Their results can be unreliable, as a random error has greater effect when analyzing a small number of responses.

7)   Monitoring Performance Target

Monitoring performance targets is a method of measuring employee satisfaction that requires a business to be an active observer. With this method, management monitors employee satisfaction by using standard criteria, such as achieving bonus, participating in optional programs and performance in reaching goals. This method provides indirect data on the levels of employee satisfaction. While it can flag management that there is a problem with employee satisfaction, combining this with a survey or interview can provide the company with a stronger analysis on the cause of low levels of satisfaction.

8)   Focus Groups

Companies can use focus groups to assess employee satisfaction. Focus groups produce responses following discussions led by trained facilitators. Focus groups generate richer data than individual interviews, as participants bounce ideas

off one another. They also allow for follow-up questions and probing to clarify and enrich the information generated. However, participants may be inhibited by the lack of confidentiality and anonymity. The opinions of vocal group members may dominate the discussion unless the facilitator has the skill required to control the group dynamic.

1.6   PROCEDURE OF EMPLOYEES SATISFACTION SURVEY

For employees' satisfaction survey, a common procedure can be used. Conducting survey is a systematic step by step effort undertaken by the organizations to measure employees' satisfaction levels. This procedure includes following steps:-

Step1. Define Survey Objectives and Target Group
- Define the objectives
- Define the final use of the results
- Ensure a perception survey is the adequate tool
- Define target group

Step 2. Draft Survey Questions
- Set up discussions with members of a target group to identify key issues
- Translate those into questions and answer categories
- Draft simple and clear questions
- Keep the questionnaire short to maximize response rate and concentration
- Ensure respondents have the opportunity to report problems

Step 3. Pilot and Re-adjusting the Questionnaire
- Test the survey on a smaller-scale target group to identify weaknesses in the survey design
- Possibly ask volunteers to think aloud while answering questions and analyses what motivated their answers
- Adjust questionnaire if needed

Step 4. Select Respondents and the Data Collection Method

- Select a sample either by random sampling or other methods

- Ensure that the sample size allows drawing valid conclusions from the results

- Choose the data collection method: personal interviews, telephone interviews, internet surveys, email surveys, etc.

- Maximize response rate through appropriate data collection method.

Step 5. Run the Survey

- Ensure high response-rate through follow-up emails otherwise conclusions to the survey could be biased

- Use trained interviewers to avoid unintentional influence on responses

Step 6. Analyze the Results

- Interpret results as perceptions rather than facts

- Take into account the response rate. A low rate means that no general conclusions can be drawn.

- Take into consideration the number and the way respondents have been selected in the result analysis.

- Understand how results were reached is essential to draw findings and conclusions.

- Write up a summary of what is found.

(Source- http://www.oecd-ilibrary.org/)

1.7   IMPLICATIONS ON EMPLOYER FAILING EMPLOYEES SATISFACTION

Employee satisfaction is important for company's overall success. Employee dissatisfaction is the forerunner to a number of problems that can be quite serious to a business. Employees with low satisfaction can negatively affect a company or employer because they typically lack motivation, perform poorly, poor customer service and possess negative attitudes. These symptoms can directly affect a

company's bottom line. There are following implications on employer's failing employee satisfaction.

1)   Workforce Productivity Declines

Dissatisfied employees tend to spend less time focusing on their job duties and more time discussing with family, friends and co-workers, why they are unhappy at work. Lack of motivation and attention to detail are the results of employees' dissatisfaction, which translate to low productivity. Consequently, companies whose employees' productivity levels are low also experience loss of profits.

2)   Low Customer Retention

Customer loyalty declines when employees are dissatisfied with their jobs. "Nayar states that "Employees first and Customers second is a management approach. It is a philosophy, a set of ideas, a way of looking at strategy and competitive advantage." Satisfied employees, according to Nayar, are excited about doing their jobs. Employees who enjoy what they do, especially employees in the customer service area are more likely to interact with customers and clients in much more positively and cheerfully. An oft-used business tenet is that happy employees equal happy customers.

3)   Increase in Employee Turnover Ratio

As turnover rates increase, dissatisfaction can spread throughout the workplace, encouraging others to find employment elsewhere. Employee retention, a workplace measurement related to turnover, can be extremely difficult in an environment where employees are frequently dissatisfied with their jobs or working conditions.

4)   Low Company Morale

A single unsatisfied employee is capable of disrupting morale in a department or throughout the company. The pessimistic attitude of that one person is transmitted to others and passed around just as though it were a tangible item handed

from one employee to another. The result is low morale for multiple employees that in turn become a costly situation for the company to deal with.

5)   Poor Work Quality

Employees who are not satisfied with their home or work situation are less likely to pay attention to details on the job. Production suffers and work performance lags until the employee's task performance is barely acceptable or even useless. An employee working on an assembly line can disrupt the process by incorrectly putting the pieces together or forgetfully omitting minor parts that cause the product to fail or not work at all.

6)   Declines in Business Reputation

Employees are the face of the organization, which means, business reputation, depends on employees' behavior, actions and performance. Improving employees' satisfaction can work wonders for the way of business is viewed by competitors, customers and people interested in working for the organization. Employees' dissatisfaction impacts employer's ability to reach certain business markets as well as employer's ability to recruit qualified applicants. Business failure can be linked to variables such as financial distress or economic hardship; however, employees, who are dissatisfied with their jobs and the company they work for, can have a tremendous impact on organization reputation and success.

7)   Constant Complaints

Dissatisfied employees are largely unfocused on their work and attention to detail. Hence, chances of errors and shoddiness in their work are more. A constant stream of complaints from clients about the work done by a certain employee or a group of employees might, thus, indicate that they are unhappy.

8)   Violence

In extreme cases, dissatisfied employees might resort to violent activities to vent their frustration, such as destroying office property or displaying overt hostility with co-workers. If a certain employee has often been reported to display such violent acts, it might indicate dissatisfaction with the job.

9)   Absenteeism

A high level of absenteeism among employees could be a sign of dissatisfaction. Employees who are unhappy with their jobs tend to take longer lunch breaks, stay away from work more and take more leaves. If other employees are asked to fill in for the absent ones, it might lead to the spreading of ill will, resentment and low morale in organization.

10)   Poor Attitude

The poor attitude of an employee might be indicative of his/her dissatisfaction. Continuously refusing requests by co-workers, refusal to follow instructions, rudeness or aggressiveness, outbreaks of temper, as well as a regression in appearance and hygiene, can show that the employee is unhappy.

1.8   EMPLOYEES SATISFACTION IN SERVICE SECTOR

Globalization and technology have fueled great growth in the service sector. In this cyclonic business environment, new strategies and philosophies have been emerged out for the optimal use of available recourses. As a result of these strategies, retention of intellectual capital has become an important source of competitive advantage. Employee's commitment and contribution are important for the profitability and sustainability of organizations. The concepts of positive organizational behavior and employee's emotions play a vital role in improving the organizational performance as it includes the concept of trust, engagement and optimism.

Employees' satisfaction has been the source of extensive scholastic research and it is linked to positive employee outcomes and firm performance. Desirable employee outcomes attributed to satisfied workers include workplace safety, job security and advantageous firm results associated with satisfied workers include productivity and efficiency increases. A great deal of attention has recently been placed on employees' satisfaction and related concepts. Almost without exception, discussion of these concepts has pertained to private industry, particularly service industries. Employees' satisfaction is a central concern particularly in the service industry. Although research arena associated with employee satisfaction are numerous. In this research we associate various dimensions which are widely being

researched in present time i.e. corporate culture, relationship with supervisor, nature of work task and many more.

The service sector presents particular challenges with respect to management, motivation and employee performance. Managers are often required to operate with limited administrative practices, limited resources for training, employee development and salary increases, restrictions on the ability to reassign or replace employees and little or no usage of recognition and reward programs to motivate employees. Given this situation, substantial opportunity exists to enhance public sector workers' experiences through by understanding employee satisfaction.

With special reference to public utility sector of the country the resolution below presents the exact emotion to develop the sector: "The State will progressively assume predominance and direct responsibility for setting up new industrial undertakings and for developing facilities." -*Industrial Policy Resolution 1956*.

Employee satisfaction is crucial in public service sector as they work in government designed policies and face the competition from private units. They deal with the pressure to be competitive and simultaneously to reduce employee attrition. It is necessary to understand how employees can be kept satisfied and motivated to achieve out of the ordinary results.

The purpose of the present research is to understand the level of employees' satisfaction in the service sector of India with geographical reference of Rajasthan. We selected electricity distribution units as the sample of the study. These units provide services and also come under the category of utility providers. This helps us to understand the concept of employees' satisfaction and its determinants and various dimensions that effect the satisfaction among the employees.

1.9   PROFILE OF VIDYUT VITRAN NIGAMS OF RAJASTHAN

In the present section of the chapter, the organizational profile has been mentioned in brief. The   present study consists of three Vidyut Vitran Nigams of Rajasthan District of India.

## 1.9.1 Power Scenario in Rajasthan

At the time of the formation of the State in 1949 the installed capacity was merely 13.27 MW and electricity supply was limited to the princely States and few towns. The power sector in Rajasthan received impetus after the formation of RSEB on 1st July 1957 and planned growth in installed capacity, transmission network and rural electrification took place with the State investing 28-30% of its plan outlay in the initial years in the power sector. The State grid, as on March 1999, has access to 3356 MW of installed capacity, of this 1302 MW is exclusively owned and operated by RSEB whereas the State has a share of 949 MW in the inter-state partnership projects, both hydel and thermal and has an allocation of 1105 MW in the central sector power stations. The transmission & distribution system covers a large geographical area of 342,000 Sq. Kms., 2/3rd of which is desert with low population density, serving over 50 lac consumers from different categories. Electricity sales have been growing at an annual average of 11%. The unserved demand is significant, as evidenced by a backlog of over 6 lac applications in service connections. At present Rajasthan State Electricity Board (RSEB), a vertically integrated State owned utility constituted under the Electricity (Supply) Act, 1948, is the sole supplier of electricity to the consumers of the State. However, without Government's subvention, RSEB has not been able to achieve the rate of return of 3% on net fixed assets after interest, as stipulated in the Electricity (Supply) Act 1948. Like most other States in the country, the power system in Rajasthan is characterized by the problems of frequent service interruptions, high system losses, unexpected voltage and frequency swings, restrictions on demand, poor cost recovery and heavy commercial losses. The State is also facing chronic power shortage, both in terms of peaking availability as well as energy availability to the extent of 36% and 11% respectively. The State's power scenario is unlikely to improve in the next few years and shortages, both in terms of MW and energy, would continue till the end of the 10th Five Year Plan.

1.9.2 Structural Changes in the Power Sector

The power sector was restructured to encourage functional specialization; decentralization, autonomy and accountability in decision making; to facilitate and

encourage private sector participation; to progressively promote competition in different segments of the sector and to ensure an effective, efficient and independent regulation of the sector. The new power companies will operate within an independent regulatory regime which promotes efficiency and makes the companies accountable for the quality and reliability of the service provided to the customers. The functions, presently being performed by the vertically integrated RSEB, will be segregated into separate generation, transmission and distribution companies to be incorporated under the Indian Companies Act, 1956. Separate profit centers will be established within these companies to further promote productivity and efficiency. To grant appropriate managerial and operational autonomy to the new companies, while these are State owned, the Government will ensure that at least one fifth of the Directors are from outside the Government entities and that for each company the Directors are appointed exclusively on the basis of professional merit. The existing generation stations of RSEB will be grouped under a separate power generation company. Transmission of power will be entrusted to a separate transmission company. Power distribution will be assigned to a number of independent power distribution companies.

Exhibit 1.3 Restructuring the Power Sector
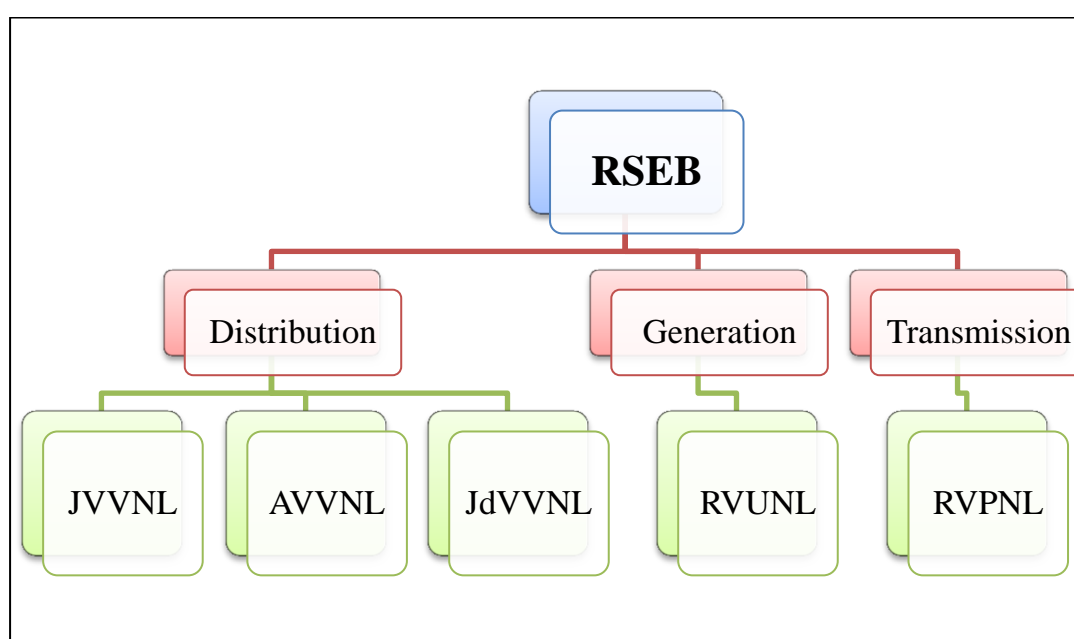
Source: Self-Generated

With the notification of the Rajasthan Power Sector Reforms Transfer Scheme 2000, on 19th July, 2000 the assets, liabilities and personnel of Rajasthan State Electricity Board (RSEB) have been transferred to the newly formed five companies namely a Generation company viz Rajasthan Vidyut Utpadan Nigam Ltd. (RVUNL), Transmission company Viz Rajasthan Vidyut Prasaran Nigam Ltd. (RVPNL) and three distribution companies, viz. Jaipur Vidyut Vitran Nigam Ltd. (JVVNL), Ajmer Vidyut Vitran Nigam Ltd. (AVVNL), Jodhpur Vidyut Vitran Nigam Ltd. (JdVVNL). With this, Rajasthan became the first in the country to have completely separated all the three functions in a single stage. These companies have been incorporated under Indian Companies Act, 1956.

(I) Power Generation

The existing Power Stations and those under commissioning in the State sector have been transferred to a separate generation company viz. Raj. Rajya Vidyut Utpadan Nigam Ltd. (RVUNL) registered under the Indian Companies Act, 1956. This company has started its operation, as a wholly state owned company and the State Government may, at a later stage, invite private sector participation in this company. This Company is responsible for operating all the existing generating stations of erstwhile RSEB and to complete the projects under commissioning of erstwhile RSEB.

(II) Power Transmission

A State owned transmission company Raj. Rajya Vidyut Prasaran Nigam Ltd. (RVPNL) incorporated under the Companies Act, 1956, has been entrusted with the power transmission grid network of extra high tension lines including O&M of interstate tie lines, in so far as they pertain to the state. The RVPN is the state transmission utility in the State. RVPNL has an allocation of power to the extent of 971.46 MW in shared power projects:

(III) Power Distribution

The State has been geographically divided into three distribution companies (with headquarters at Jaipur, Jodhpur and Ajmer) formed on considerations of viability and operational ease. Details of distribution companies are as under:

Table 1.1 Profiles of Sample Distribution Companies

Distribution Company	Districts Covered	O&M Circles Covered
Jaipur Vidyut Vitran Nigam Ltd, Headquarter at Jaipur	Jaipur, Alwar, Dausa, Bharatpur, Karauli, Dholpur, Sawai Madhopur, Tonk, Kota, Jhalawar, Baran, Bundi	Jaipur City, Jaipur District, Alwar, Dausa, Bharatpur, Sawai Madhopur, Kota, Jhalawar.
Ajmer Vidyut Vitran Nigam Ltd, Headquarter at Ajmer	Ajmer, Jhunjhunu, Sikar, Nagaur, Bhilwara, Chittorgarh, Udaipur, Rajsamand, Banswara, Dungurpur	Ajmer, Jhunjhunu, Sikar, Nagaur, Bhilwara, Chittorgarh, Udaipur, Banswara.
Jodhpur Vidyut Vitran Nigam Ltd, Headquarter at Jodhpur	Jodhpur, Sri Ganganagar, Hanumangarh, Churu, Bikaner, Jaisalmer, Barmer, Pali, Jalore, Sirohi	Jodhpur City, Jodhpur District, Sri Ganganagar, Hanumangarh, Churu, Bikaner, Barmer, Pali.

(Source: http://www.rajenergy.com)

As above stated Jaipur Vidyut Vitran Nigam Limited (referred to as JVVNL/ Jaipur Discom) is one of the Power Distribution Company of the state of Rajasthan. Other two distribution companies are Ajmer Vidyut Vitran Nigam Limited (AVVNL/Ajmer Discom), and Jodhpur Vidyut Vitran Nigam Limited (JdVVNL/ Jodhpur Discom). The Discom supplies electricity to all the categories of users, they be domestic, non-domestic, small/ medium/large industrial or agricultural consumers. The supply of electricity to each and every citizen in the state is one of the most challenging operations as it involves, on one side forecast the demand of energy accurately and subsequently purchase the same and on other side distribute quality supply to all the consumers spread all across on 24x7 basis. Electricity is no more an item of luxury in fact, it is a vehicle of economic development. The power distribution set up has a large & complex distribution network infrastructure which carries the energy from the power sub stations (33/11 KV), through the HT and LT lines, up to the consumer's premises and in order to operationalize, the discom has huge human capital that work round the clock. Due to various reasons the technical and commercial losses that occur in the supply of electricity affect the financial health of the Discom severely.

Vision

The vision of Vidyut Vitran Nigams in Rajasthan is to have reliable, adequate and quality power for all the sections of the society and to make Rajasthan self-sufficient in energy by the year 2020.

Mission

The mission of Vidyut Vitran Nigams in Rajasthan are as follows:

1. To achieve its vision by providing necessary support and enabling policy framework for integrated development of distribution infrastructure in the state.

2. To reduce the commercial losses from 22% to 15%.

3. Encourage PPP (Public Private Partnership) model in growth and development of distribution of power.

Objectives

To achieve mission and vision, Vidyut Vitran Nigams in Rajasthan have the following objectives:-

1. To supply electricity to the consumers under the most efficient conditions in terms of quality and cost in order to support the economic development of the state.

2. To take effective steps to enable the power sector to mobilize, from within the sector, adequate financial resources for financing grid expansion requirements.

3. To encourage private sector investment for growth and development of generation, transmission and distribution of power.

4. To have greater level of electrification, especially rural electrification, either through grid or through alternate energy source.

5. To enhance the availability of trained and skilled man power for power sector through in house training.

6. To monitor consumer grievances redresses by the distribution companies.

Activities

Distribution companies distribute power to various categories of customers in the area at the tariff, fixed by Electricity Regulatory Commission and responsible

for energy purchased and sold. Distribution Company purchases power from Transco/ National Grid and sell to customer, maintain quality and reliable supply to customers.

The various activities perform by Vidyut Vitran Nigams in Rajasthan are as follows:-

- Accounting of energy (input units) purchased and accounting of energy (sales) sold to customers.
- Planning for expansion of substation capacity like new sub-stations, lines, additional transformers etc.
- Maintaining equipment registers, power transformers and distribution transformers.
- Maintaining fuse call center.
- Customer service.
- Revenue related services like new connection, disconnection, reconnection, billing etc.
- Purchase of line material and equipment.
- Providing metering to customer.
- Maintenance of lines and equipment
- Monthly meter reading, billing and payment collection.
- Proper allocation of work to O&M staff.
- Periodical review of distribution system.

Organizational set up

After unbundling of the Board, the affairs of the three Discom are managed by respective Board of Directors. The Chairman–cum–Managing Director (CMD) of each Discom is the chief executive who is assisted by Chief Engineer (CE) Material Management (MM), CE Meter and Protection (M&P) and CE Operation and Maintenance (O&M) in management of affairs of procurement, performance, installation and replacement of defective meters.

There are 23 Assistant Controller of Stores (ACOS), who are responsible for receiving new meters as per dispatch instructions issued by the MM Wing, for

testing defective meters received from sub-divisions (O&M) in 32 laboratories, for receiving tested meters from laboratory for onward issue to sub-divisions (O&M) as per directions of the Superintending Engineer (SE) (O&M) and to pursue the suppliers for replacement of new rejected meters failed during guarantee period. The Assistant Engineer (O&M) sub-division is responsible for release of new connections and replacement of stopped/defective meters of consumer.

1.10 CONCLUSION

This chapter defines the introduction, meaning and significance of employees' satisfaction along with the factors affecting employees satisfaction, methods of finding employees satisfaction, procedure of getting result of employees satisfaction and as well as implications on employer failing employees satisfaction.

Low employee satisfaction can contribute to multiple organizational problems and has been associated with increased levels of turnover and absenteeism, which ultimately cost the organization in terms of low performance and decreased productivity. The factors that affect employee satisfaction are varied and dynamic in nature. It is important to be aware of the needs and composition of their workforce as well as the impact of environmental factors when developing their programs and policies. As the job market expands, it will be particularly important to pay close attention to the aspects that are important to employee satisfaction in general and by employee age, gender and other workforce characteristics.

There are a number of methods of measuring employee satisfaction e.g. survey, rating scale, interviews etc. which provide proper result for measuring employees' satisfaction in organization. Most commonly organizations are using survey methods to get proper results. This chapter defines the complete step by step procedure of survey technique for getting employees satisfaction level. This chapter also explains the restructuring of power sector in Rajasthan and individual profiles of Vidyut Vitran companies in Rajasthan.

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