

CHAPTER II

LITERATURE REVIEW

2.1. Organization and Organizational Behavior

A company is a kind of organization. There are several expert make a definition to organization. Organization has its own definition depend on the source. There are some definitions of organization:

1. Davis and Newstrom (1997)

“Organizations are the grand strategies created to bring order out of chaos when people work together. Organizations create predictable relationships among people, technology, jobs and resources. Wherever people join in a common effort, organization must be employed to get productive result”.

2. Greenberg and Baron (2008, p: 5)

“Organization is a structure social system consisting of groups and individuals working together to meet some agreed upon objectives”.

3. Robbins (2003, p: 2)

“Organization is a consciously coordinated social unit, composed of two or more people, that functions on a relatively continuous basis to achieve a common goal or set of goals”.

Each organization has its own way to act or subject their employees. The action taken by organization to subject employees is different one to another. The action depends on the basic concept of the organization and can be called as organization behavior. Some experts has studied about organizational behavior and they define organizational behavior as:

1. Davis and Newstrom (1997, p: 5)

“Organizational behavior is the study and application of knowledge about how people act within organization”.

2. Greenberg and Baron (2008, p: 5)

“Organizational behavior is the field that seeks increase knowledge of all aspect of behavior in organizational settings trough the use of the scientific method”.

3. Robbins (2003, p:8)

“Organizational behavior is a field of study that investigates the impact that individuals, groups and structure have on behavior within organizations for the purpose of applying such knowledge toward improving an organization’s effectiveness”.

Understanding organizational behavior is quite important, because organizational behavior learns about human behavior in organization. Organizational behavior study has several goals to describe, to understand, to

predict and to control some phenomena. Related to the behavior of organization members by studying organization behavior a manager will be able to describe what will human do in various situation, and try to understand why human behave like that in that kind of situation. If the manager can understand and predict the action of staffs of variety condition, hopefully manager can control the course of actions in the work place.

2.2. Job Satisfaction

Job satisfaction has strong relation to organizational behavior. Different kind of organizational behavior will act differently to its employees. Action that taken will cause different result related to job satisfaction of each employee. There are several definition for job satisfaction according to the experts there are:

1. Davis and Newstorm (1997, p: 256)

“Job satisfaction is a set of favorable or unfavorable feelings with which employees view their work”.

2. Greenberg and Baron (2008, p: 221)

“Job satisfaction is individuals’ cognitive, affective and evaluative reaction toward their jobs”.

3. According to Mangkunegara (2005)

“Job satisfaction is a favorable or unfavorable feeling of employee related to their job or them self. The feeling which is related to the

job will be influence by salary, job opportunity, kind of job, structure of organization in the company, and supervising. The feeling related to their self will be influenced by age, healthy condition, capability and education”

4. Robbins (2003, p: 25)

“Job satisfaction is an individual’s general attitude toward his or her job. Job satisfaction represent an attitude tather than a behaviour”.

5. Spector (1997)

“Job satisfaction is simply how people feel about their job and different aspect of their jobs. it is the extent to which people like (satisfaction) or dislike (dissatisfaction) their job”

According to pervious definition we can conclude that job satisfaction is about the employee feeling about their job. Those feelings usually job related. The feeling about their job sometimes influences their work performance. If the employee gets stress about their job, the work result sometimes will not good as if they feel happy about the job.

2.2.1. Theories of job satisfaction

There are several theories that are related to job satisfaction, there are:

a. Two factor theory

This theory was developed by Herzberg. Two factor theory has divided into two parts there are hygiene factor and motivator. Hygiene factor is factors when it has been fulfilling it will keep job satisfaction and when it does not it will cause job dissatisfaction. Factors that cause hygiene theory are working condition, pay, security, quality of supervisor, relations with others. Those factors will not motivated the employee to be better, those factor just need to keep job satisfaction. Motivators' factors associated with high level of job satisfaction. When motivator has been fulfilling job satisfaction of someone will increase to the higher level. Those factors are promotion opportunities, opportunities for personal growth, recognition, responsibility, achievement, nature of their job.

b. Affective event theory

Each way of organization act towards its employees may result in different job satisfaction and different effect on each person. Affective event theory said that employee reaction to their job even positive or negative will result job satisfaction and job performance.

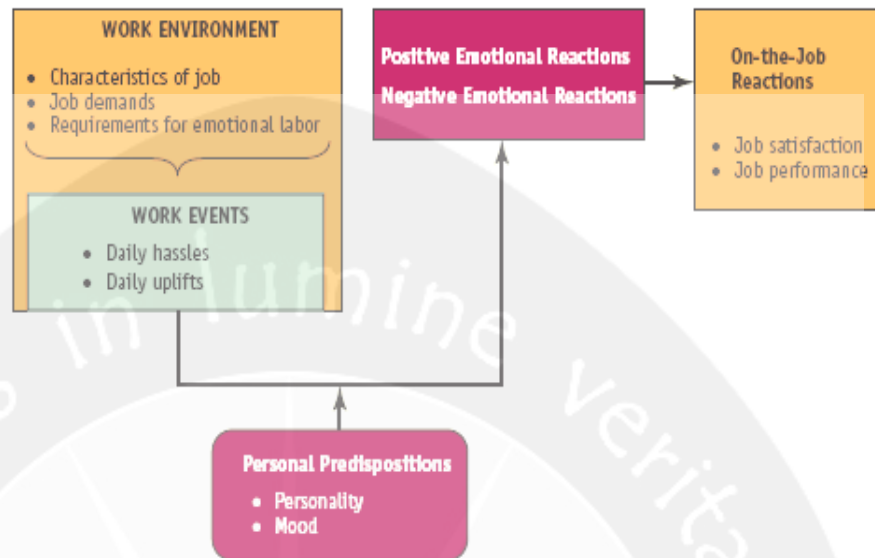


Figure 2.1. Affective Event Theory

(Source: presentation of Behavior in Organization: 9th ed, by Greenberg and Baron)

c. Value theory

This theory was developed by Locke. This theory just concern about the outcomes, regardless of what they are and not necessarily basic lower order needs. Discrepancy between gain and aspect will be the key of this theory, the greater discrepancy, and the less satisfaction

d. Expectancy theory

This theory was developed by David Nedler and Edward Lawler.

This theory consists of three components there are:

1. Expectancy of process and result: when doing something people want to get something from their activity. This expectancy will influence the decision making of the action

2. Motivation: result of doing something can create motivation. Motivation is different one to another depend on the needs of that person.

3. Hope of effort and process: reach a goal is quite difficult. Usually people will find an alternative way to reach goals.

e. Equity theory

Equity theory said that satisfaction cause by justice. This theory consists of four factors there are person, input, outcome and comparison person. Person is the people who did a problem. Input is something valuable that give to the job such as education, experiences, etc. Outcome is the rewards that give by company such as salary, status, opportunity, etc. Comparison person is someone to be compared by that person in input and outcomes. It can be the partner, someone outsider that works in another company or it can be someone from the past. If the result of the comparison is quite fair, so that person will feel satisfied.

f. Hierarchy of needs theory

This theory was developed Abraham Maslow. According to this theory every human has needs and the it is in hierarchy. The lower is physiological need and the higher is self actualization need.

a. Physiological needs: need of physiological include hungry, thirsty, and any other physic needs

- b. Safety needs: it is needs about safety and self protection from emotion and physical aspect
- c. Social need: it is needs about love, friendship, etc
- d. Esteem need: divided into two part there are internal esteem needs and external esteem needs. Internal esteem need such as respect to our self, effort to finish problem, etc. Internal esteem needs comes from people itself. External esteem needs such as status, appreciation from another people, etc.
- e. Self actualization needs: self actualization needs is the higher level of human needs according to Maslow. Example of self actualization needs is needs to reach dream.

This theory said that people will fulfill their basic human needs first before fulfill the higher level of needs. Beside that everybody has willingness to move forward to reach better life.

g. Theory X and Y

This theory was developed by Douglas McGregor. McGregor said there is two kinds of human character there are negative called theory X and positive character called theory Y. There are four assumption of theory X:

- a. Employees inherently dislike work and, whenever possible, will attempt to avoid it
- b. Since employee dislike work, they must be coerced, controlled, or threatened with punishment to achieve goals

c. Employees will avoid responsibilities and seek formal direction whenever possible

d. Most workers place security above all other factors associated with work and will display little ambition

Theory Y is the opposite of theory X. Theory Y views about positive human beings. There are four assumptions in theory Y:

- a. Employees can view work as being as natural as rest or play
- b. People will exercise self direction and self control if they are committed to the objectives
- c. The average person can learn to accept, even seek, responsibility
- d. The ability to make innovative decisions is widely dispread throughout the population and is not necessarily the sole province of those in management position

h. ERG theory

This theory was developed by Clayton Alderfer from Yale University. He do rework of Maslow's theory. ERG is existence, relatedness and growth. According to Alderfer human needs just in three level of hierarchy:

- a. Existence: it concern about basic human needs. Maslow theory of physiological and safety needs are classified in this class.

b. Relatedness: it is about maintaining relationship in social life. Relatedness is align to social and esteem needs in Maslow theory

c. Growth: it is about people feeling of satisfaction if people make a contribution to others. It desire for personal development.

i. McClelland theory of needs

This theory consists of three needs of human needs:

- a. Need for achievement : the willingness to achieve something based on the setting standard, to strive to success of finish something
- b. Need for power: the needs to make the circumstance both human and nature to behave nicely so the goal can receive
- c. Need for affiliation: the need of friendly to another people.

2.2.2. Factors caused job satisfaction

Several experts already suggest factors that influenced job satisfaction there are:

1. Rose (2001): factors that influenced job satisfaction are individual well being, working hours, work orientation, financial variables, the employment contract, and market and job mobility.
2. Robbins (1998): there are four factors that determine job satisfaction there are mentally challenging work, equitable rewards,

supportive working condition and supportive colleagues. Based on affective event theory, mood and emotion can be factors that influence job satisfaction.

3. Greenberg and Baron (2008 p: 170): emotion is over reaction that express feelings about event. Major emotions are anger, fear, joy, love, sadness, and surprise. Greenberg and Baron (2008, p: 173) mood is unfocused, relatively mild feeling that exists as background to our daily experience.
4. Sofyandi and Garniwa (2007): type of work, supervisor, salary, promotion opportunity, and relation between workers will be factors that can influence job satisfaction. To measure job satisfaction based on those factors, score that already check will be given to factors and after that calculate to get total value.
5. Siagian (1986): every organization has hope, and hope of organization can be shown in activities that happen in daily life there are good circumstance work place, be active in a process of decision making, especially when it is related to his/ her life, diplomatically in discipline, reward of work, supervisor faithful to the underlining, fairly payment, promotion opportunity and growth in organization, understanding from supervisor to the underlining private problem, guarantee to get good treatment and objective, and interesting job.

2.2.3. Measuring job satisfaction

There are several ways to measure job satisfaction. According to Luthan (1989) there are four ways to measure job satisfaction there are:

1. Rating scale: examples of rating scales are Minnesota Satisfaction Questionnaire (MSQ), Job Descriptive index, and Porter Need Satisfaction Questionnaire.
2. Critical incidents: it was made by Hezberg when create two factor theory. Hezberg ask workers about factors that make them feel satisfy and dissatisfy
3. Interview: doing interview can make us know about workers feeling about their job honestly. Interview should be done face to face.
4. Action tendencies: it is about the willingness of someone to do or do not want to do something.

According to Spector (1997) there are several legal ways to measure job satisfaction. There are:

1. Job Satisfaction Survey (JSS): JJS originally use in human service organization but it is applicable to all organization. It use nine facet there are pay, promotion, supervisor, fringe benefit, contingent rewards (performance based rewards), operating procedures (required rules and procedures), coworkers, nature of work, and communication. Rating scale that use in JSS consist of six choices ranging from strongly disagree to strongly agree.

2. Job Descriptive Index (JDI): JDI use five general factor that related to job satisfaction there are nature of work, compensation and benefit, attitude towards supervisors, relations with co-workers, and opportunities for promotion. JDI can be applying for all type of respondents. It was introduced in 1969 and created by Smith, Kendall and Hulin.
3. Minnesota Satisfaction Questionnaire (MSQ): it has twenty points as the knowledge and each point will consist of five questions. Those points are ability utilization, achievement, activity, advancement, authority, company, compensation, coworkers, creativity, independence, moral values, recognition, responsibility, security, social service, social status, supervisor (HR), supervisor (technical), variety, and working condition. The advantages to use MSQ are:
 - a) Easy to use, easy to understand
 - b) Valid and reliable
 - c) Applicable to any organization
 - d) Applicable for manager, supervisor and employees.
4. Job Diagnostic Survey (JDS): it is statically mode, that measure about employee feeling when they working in organization is happy or sad.
5. Job in General Scale (JIG): made by Ironson et al in 1989. The format is same with JID and it has three choices answer there are agree, isn't sure, and disagrees. Questions that ask are about job in general rather than faced.

6. Michigan Organizational Assessment Questionnaire (MQAQ): it has seven choices answers there are strongly disagree, disagree, slightly disagree, neither agree nor disagree, slightly agree, agree and strongly agree. When the answers of items are totaled the overall job satisfaction score will be getting.

2.2.4. Research about job satisfaction

Many research have done in this world to measure job satisfaction. Those research has done by several organization. Purposes of doing job satisfaction measurement is different one to another, depend on the topic that taken. There are several example of research about job satisfaction.

2.2.4.1. European foundation study

Measuring job satisfaction is already done in this world. European Foundation had made reseach about job satisfaction and conclude in a paper with title Measuring Job Satisfaction in Survey – Comperative Analytical Report. Data are taken from fifteen contries there are Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxemburg, Netherlands, Spain, Portugal, Sweden, and UK. One of the purposes of this research is to understand how job satisfaction assessed to the country member and to outline the trends and correlation regarding to job satisfaction in those country. The result is:

Country	Not at all satisfied	Not very satisfied	Fairly satisfied	Very satisfied	Mean (standard deviation)
Austria	1.0%	10.6%	49.9%	38.5%	2.258 (0.682)
Belgium	3.2%	9.4%	56.1%	31.3%	2.155 (0.716)
Denmark	1.1%	3.9%	41.2%	53.8%	2.475 (0.630)
Finland	1.3%	5.7%	65.1%	27.9%	2.195 (0.593)
France	4.8%	17.5%	60.2%	17.5%	1.904 (0.730)
Germany	2.0%	12.8%	60.2%	25.0%	2.082 (0.673)
Greece	5.1%	26.1%	54.8%	14.0%	1.777 (0.746)
Ireland	0.8%	4.9%	44.5%	49.8%	2.433 (0.626)
Italy	4.5%	17.8%	60.1%	17.5%	1.906 (0.726)
Luxembourg	1.5%	10.5%	61.6%	26.4%	2.128 (0.644)
Netherlands	2.1%	9.6%	40.3%	48.0%	2.341 (0.739)
Spain	4.2%	19.2%	62.1%	14.4%	1.869 (0.698)
Portugal	3.4%	16.2%	68.8%	11.6%	1.886 (0.634)
Sweden	5.1%	10.3%	56.5%	28.0%	2.074 (0.764)
UK	3.2%	6.1%	50.8%	39.9%	2.273 (0.717)
EU15	3.3%	13.0%	56.8%	26.9%	2.074 (0.724)

Note: All self-employed individuals, civil servants, individuals older than 65 years as well as all individuals working in the non-profit sector, in agriculture, mining and the army were excluded from the original sample, as were individuals with missing information on one of the variables used. This led to a reduced final sample of 10,693 observations.

Source: Bauer, 2004, using EWCS 2000 data

Figure 2.2. Job Satisfaction in EU15

Based on one of the purposes of European level research about trend that regarding to job satisfaction there is an issue about age that related to job satisfaction. The issue said that the higher education degree the higher level of job satisfaction will be received. In Bulgaria, research about that issue has done and the result is:

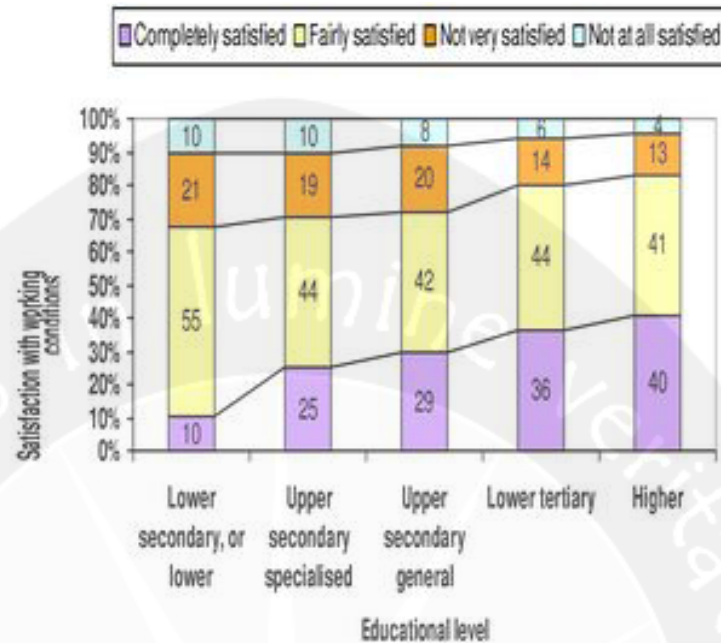


Figure 2.3. The relation between educational label and satisfaction with working condition in Bulgaria

Italy had been measured job satisfaction related to education of workers.

This research has been published in a paper *Measuring Job Satisfaction in Surveys - Comparative Analytical Report*. The paper said that “*the Italian case identified some factors for the positive correlation between job satisfaction and educational level. While satisfaction with professional fulfillment and work perspective increases as the educational level rises, the satisfaction with internal relation with superiors and colleagues tends to decrease. In Italy educational level strongly increases as age decreases, due to the availability of better educational opportunities in recent times; consequently, young well educated workers are more satisfied in their work than their older counterparts*”.

Beside education another interesting trend related to job satisfaction is working time. According to the paper there is unclear relationship between working time and job satisfaction but according to research by national correspondent there is positive relationship between job satisfaction with working time flexibility and negative relationship between job satisfaction and overwork. It says that people with long working hour would be less satisfied than people with less working hours. There is the result that had done to find out the relation between job satisfaction and working hour in Denmark.

Working time per week	Sex	Job satisfaction			
		High	Some	Little	No
0-29 hours	Men	72.58	23.39	2.42	1.61
	Women	69.25	24.34	3.10	3.32
30-35 hours	Men	66.15	28.46	3.08	2.31
	Women	69.22	26.49	3.36	0.93
36-39 hours	Men	70.08	24.71	3.13	2.09
	Women	72.07	23.44	2.74	1.75
40-48 hours	Men	78.81	17.66	1.69	1.84
	Women	76.36	19.02	2.99	1.63
49 hours or more	Men	81.27	15.56	1.59	1.59
	Women	81.25	10.94	3.13	4.69

Figure 2.4. Job Satisfaction and Working Time in Denmark

(source: DWECS 2000, cross tabulation of question B60 and B15, by sex Denmark)

2.2.4.2. A study by Chileshe and Haupt

This study was conducted by Nicholas Chileshe from University of South Australia, Adelaide, South Australia and Theodore C Haupt from Cape Peninsula University of Technology, Cape Town, South Africa. The title of this paper is “

The effect of age on the job satisfaction on construction workers”. Research had done around Western Cape province, use three hundred questionnaire that spread randomly, but just sixty five questionnaire were returned.

In order to find relationship between age and job satisfaction, age of respondent are classified into two categories younger (less than 40) and older (more than 40). Questionnaire consist of three part, where first part consist of demographics question, second part consist of job satisfaction survey, and the last part consist of job effects. Demographics question used to find out general information of respondent such as age, type of work, year of service in construction and current employment. Job satisfaction part consist of personal health, quality of life, personal development, relationship with workmates, relationship with supervisor, and satisfaction with occupation questions. Questions about effects of job satisfaction comprised eight item there are poor recognition of abilities, job dissatisfaction, indifference, lack of alertness, lack of motivation, dejection, lack of confidence, and poor of self image.

The result of the analysis of the relation between job satisfaction and age is present in a table below:

Job satisfaction factors	Total sample (n = 65)		Younger workers (n = 37)		Older workers (n = 28)	
	Mean	SD	Mean	SD	Mean	SD
HF ₁ = relationship with workmates	4.771	0.529	4.784	0.479	4.704	0.609
HF ₂ = relationship with supervisor	4.016	1.118	3.886	1.183	4.222	1.013
MF ₁ = personal health	3.459	1.467	3.389	1.440	3.593	1.500
HF ₃ = satisfaction with occupation	3.361	1.426	3.351	1.585	3.407	1.152
MF ₂ = quality of life	3.131	1.372	3.324	1.396	2.889	1.311
MF ₃ = personal development	2.856	1.618	2.971	1.562	2.704	1.706
Overall job satisfaction score	3.599		3.701		3.586	

Notes: MF = motivational factor; HF = hygiene factor

Figure 2.5. Result of Job Satisfaction Score by Age

Job effects	Levene's test for equality of variances		t-test for equality of means			Significant difference (yes or no)
	F	Sig.	t	df	Sig. (two-tailed) ($p < 0.05$)	
Relationship with workmates	1.546	0.218	0.589	62	0.558	No
Relationship with supervisor	2.818	0.098	-1.181	60	0.242	No
Personal health	0.035	0.852	-0.546	61	0.587	No
Satisfaction with occupation	6.739	0.012	-0.164	62	0.870	No
Quality of life	0.127	0.723	1.264	62	0.211	No
Personal development	1.164	0.285	0.643	60	0.523	No

Figure 2.6. Result of t-test comparing job satisfaction scores of younger and older workers

Conclusion that made by Chilese and Haupt based on their research that already conclude in the table above is age of workers did not influence workers satisfaction in South African construction industry.

For effects of job satisfaction, the conclusion that taken by Chilese and Haupt based on the data analyzis on the table below is “*younger workers reported higher scores than the older workers on “indiference”, however there was no significant differences in the remaining seven job satisfaction effects scores outcome factors between the young and older construction workers, with the older workers reporting suffering from a lack of alertness and dejection as the two most rack effects*”.

Job satisfaction effects	Younger workers (< 40 years old) <i>n</i> = 34			Old workers (> 40 years old) <i>n</i> = 28		
	Mean ^a	SD	Rank	Mean ^a	SD	Rank
JSE ₁ = poor recognition of abilities	2.912	1.264	1	2.286	1.512	4
JSE ₂ = job dissatisfaction	2.647	1.276	2	2.250	1.506	5
JSE ₃ = indifference	2.559	1.236	3	1.926	1.035	8
JSE ₄ = lack of alertness	2.529	1.328	4	2.615	1.444	1
JSE ₅ = lack of motivation	2.441	1.284	5	2.115	1.339	6
JSE ₆ = dejection	2.412	1.237	6	2.357	1.337	2
JSE ₇ = lack of confidence	2.265	1.214	7	2.296	1.235	3
JSE ₈ = poor self-image	1.941	1.153	8	1.929	1.184	7
Total JSE ₁₋₈ = overall impact	19.706			17.777		

Note: ^aThe smaller the mean, the lower the job satisfaction effect

Figure 2.7. Result of Rank Comparison of Job Satisfaction Effects

Score by Age