

FACTORS THAT INFLUENCE EMPLOYEE JOB  
SATISFACTION IN FOOD INDUSTRY AT KAMPAR,  
PERAK

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We hereby declare that:

(1) This undergraduate research project is the end result for our work done and due acknowledgement has been given in the references to ALL sources of information be they printed, electronic, or personal.

(2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.

(3) Equal contribution has been made by each group member in completing the research project.

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To ourselves, for our unwavering passion and patience,

And finally,

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## LIST OF ABBREVIATIONS

F&B	Food and Beverage
MNC	Multi-National Corporations
MEF	Malaysian Employers Federation
SPSS	Statistical Package for Social Sciences
UTAR	UniversitiTunku Abdul Rahman



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## **PREFACE**

According to the researches that have been done by other researchers, there are a number of components in factors that can influence employees' job satisfaction. Different researchers categorize those components differently.

Food industry in Malaysia is a fast growing industry. It keeps transforming due to high demands of food and beverage products. In this industry, having talent, skillful and knowledgeable employees in a company is important. This means that the satisfaction of these talented employees is a priority in this industry.

In this study, we have chosen “Factors That Influence Employee Job Satisfaction in Food Industry in Kampar, Perak” as our research topic. The objective of our research is to find the significant relationship between the chosen three independent variables and a dependent variable. The four independent variables are compensation and benefits, employee engagement and working environment while the dependent variable is job satisfaction. In this research, the relationship between the independent variables and the dependent variable can be either positive or negative. A total of 200 samples will be taken into account for their response.

This research includes five chapters. Chapter 1 will be introducing the factors that affecting employees' job satisfaction Chapter 2 will be stating the literature review, Chapter 3 will be discussing about research methodology, results of our research will be stated in Chapter 4, and lastly, Chapter 5 will be our discussion and conclusion.

The results obtained from this research enable us to identify the relationship between compensation and benefits, employee engagement, working environment and job satisfaction. Therefore, it will then be useful for companies to understand these relationships to effectively satisfy the employees.

## **ABSTRACT**

This research looked at the extent to which identified compensation and benefits, employee engagement and working environment (independent variables) influence the employee's job satisfaction in Food industry in Malaysia. The research was aimed to achieve the following objective: identify and establish compensation and benefits, employee engagement and working environment variables will affect the job satisfaction of the employees; determine the extent to which the identified independent variables are influencing the employee's job satisfaction in the Food industry in Malaysia; and make recommendations to management of the selected sector on which factors should be included in their recruitment program to satisfy their employees and reduce the turnover indirectly.

The study adopted the quantitative research design because the findings are generalized and the data objective. The study examined few Food industries in Malaysia which located in Kampar, Perak. The total population of the research was estimated at about 10,000 employees with a sample size of 200 respondents. The questionnaire, measured on a Likert Scale was used to collect data from the respondent and its reliability is considered high. The Pearson Correlation test of association was used in testing the hypothesis of the study. Other than that, Multiple Regression analysis is also used to examine the relationship between compensation and benefits, employee engagement and working environment and job satisfaction of the employees. This research was concluded with summary of statistical analyses, discussion of major findings, implications of the study, limitations and recommendations for the future research.

Keywords: compensation and benefits, employee engagement, working environment and job satisfaction.

## **CHAPTER 1: INTRODUCTION**

### **1.0 Introduction**

Throughout this chapter, the research project is aim to investigate the factors that will influence job satisfaction in food industry at Kampar, Perak. In this chapter, it contains eight sections for this research study. Firstly, it presents an overview of the scenario with research background, problem statement of the research, followed by the research objectives, research questions, hypothesis of the study, significance of study, chapter layout and lastly the overall conclusion.

### **1.1 Background of the Study**

Employee job satisfaction is a determination terminology used to determine the happiness of employee or contended and fulfilling their desires and needs on work. Job satisfaction was defined as an affective and emotional response to various facets of one's job (Kreitner and Kinicki, 2004). Meanwhile, the job satisfaction concept and its definition have continually grown from time to time, and it was expanded and unfolded through the previous decades.

A huge number of theoretical models which integrate various factors have been developed in the job satisfaction literature (Yakin and Erdil, 2012). Job satisfaction can be influenced by several factors including personal traits and the job characteristics (Wexley and Yukl, 1984; Swarnalatha and Sureshkrishna, 2013). The employer plays the role to ensure the employees satisfaction. A sufficient connection or communication between organization and its employees will give the employees a better feeling of belongingness and trustworthy.

There are many research result showed that employee job satisfaction is a factor in effecting employee self-objective and positive morale in the workplace as well as motivation. Empowering employees, fairness and respect treatment, employee recognition or commitment by organization, offering above industry-average benefits and compensation, providing employee perks and company activities and positive management within a success framework of objective achievement, measurements and expectations are the factors that contribute to the employee satisfaction (Swarnalatha and Sureshkrishna, 2013). Growth opportunities are a major contributor to employees' job satisfaction.

Besides that, employee engagement has it affect on work-related attitudinal and behavioral outcomes such as job performance and job satisfaction. Employee engagement may leads to variance in organizational commitment and job satisfaction. Employee engagement in work involves high levels of energy and identification with one's work (Yakin and Erdil, 2012). A high level of employee engagement reflects a greater trustworthy and loyalty relationship between employee and the employer (Biswa and Bhatnagar, 2013). Positive levels of individuals perceive on organizational collaboration are intrinsically encourage upon exerting considerably higher of effort on work. Employee engagement refers to the degree of an employee's positive or negative emotional attachment in performing their task, relationship between colleagues and organization which profoundly influence their job satisfaction, willingness to learn and

perform at work (Sumi, 2013). Employee who experience a pleasurable emotional state at work, indicate a high level of job satisfaction.

Other than that, compensation and benefits also a basis factor to motivate employee to attain greater productivity. Salary structure include importance organization attach to each job, payment according to performance, personal or special allowances, pension, fringe benefits such as medical care, dental, insurances and so on (Sumi, 2013). Compensation can be divided into two types, which are direct and indirect compensation. Direct compensation is about the wage or salary while indirect compensation refers to the additional benefit an employee enjoys as a result of achievement in an organization. The work life balance benefits and practices also helps in employee retention in an organization and indicate higher level of employee engagement as employee gets sufficient time to take care of organizational and also the personal issues. Talent is one of the important assets to ensure an organization to run smoothly, witnessed a flow towards the Multi National Corporation (MNCs), which offered not only better compensation packages but also better working environment in culture (Bhatnagar and Som, 2010).

A high employee satisfaction will minimize the happening of the absenteeism, accident and employee stress. Productivity and profits can be increase by improving employees' satisfaction with life. According to Swarnalatha and Sureshkrishna (2013), satisfied employees would be more creative and innovative and offer advances that allow company to evolve positively over time with changes in market conditions. Satisfied employees would produce superior performance in optimal time which contributes to profit maximization. They also willing to contribute and work harder for the organization and plan to stay in the organization ultimately reducing the organization's labor cost. In the employee world views, as they pertain to work, may be transforming in response to the changing nature of work and subsequently the prevalence of meaningful work (Fairlie, 2011).

## 1.2 Problem Statement

During past two decades, employee engagement became a very popular managerial concept. Organizations use different engagement building tools in order to engage employees to their jobs or organization and also increase the level of employees' job satisfaction (Sakovska, 2012).

According to Frederick Herzberg's Motivation-Hygiene Theory, employees' job satisfactions are influenced by two factors which are motivation factor and hygiene factor. Motivation factors include challenging work, recognition, and responsibility while hygiene factors consist of pay and benefits, supervision, working condition, and job security. Both factors are the key components of employee engagement (Rogel, 2010).

Based on the past empirical studies, some researchers identified few concerns from the literatures review. Job Satisfaction is considered as a key issue by the entrepreneur where efforts are taken and programs are initiated. Every food industry organization is giving higher priority to keep their employees with satisfaction in term of compensation and benefits, employee engagement and also working environment. If an employee is not satisfied with the job there are chances for absenteeism, job turnover, lower productivity, and committing of mistaking (Hassan).

The level of employees' job satisfaction may cause decrease of employees' productivity and morale. It will subsequently bring a negative impact towards employees' performance. It may cause employees loss confidence toward their job, lack of motivation to perform their job if they are unable to engage themselves with their jobs, and also may loss the trustworthy of employer toward employees' ability.

According to the research conducted in Malaysia by Converging Knowledge Pte Ltd(2011), food service industry is highly competitive if compare to other industries in Malaysia. Every player in this industry often suffers with challenge in improving the standards and inventing their food offerings in order to attract more customers.

Besides that, Hall(2010) also emphasizes that front line employees have contributed directly to an organization's competitive advantage and it will be a serious effect on its bottom line. He also stated that the employees' work performance in food industry would directly lead to customer satisfaction or dissatisfaction since they are the one who face directly with customers.

Dienhart and Downey(1992) mentioned that "Service-oriented employees are important to virtually every job in a foodservice organization because they promote the organization's public image and the quality of life in the workplace". For a conclusion, in order to better serve customers in any foodservice industry, the organization must be fully understand the service's components and define the impact of employees' service orientation which would direct affect to foodservice operation's success.



**Table 1.1: Average Yearly Turnover Rate of Executives**

July 2010 – June 2011 by Industry %

<b>Types of Industry (Manufacturing)</b>	<b>Annual Average</b>
Basic & Fabricated Metallic Products	23.88%
Electrical & Electronics	23.04%
Food & Beverage	17.88%
Petroleum/Chemical	7.08%
Pharmaceutical/Toiletries/Non Metallic/Mineral	9.6%
Plastic/Rubber	19.92%
Printing/Publishing/Paper/Timber/Wood Products	11.88%
Transport/Machinery/Manufacturing	16.68%
Sub Total	18.84%

Source: Malaysian Employers Federation (MEF)

Job satisfaction directly affecting the turnover rates of the employees, employees will leave the job as their feel unhappy or dissatisfied with their job. A well-managed organization usually sees an average worker as the root source of quality and productivity gains. Such organizations do not look at capital investment, but at employees, as the fundamental source of improvement(Olusegun, 2013).

As seen from the table, Food & Beverage (F&B) industry has forth highest percentage in turnover rate within the manufacturing sector. Having a 17.88% turnover rate is considered quite high for any industry. Therefore, identifying factors to increase employees' job satisfaction is very important for companies in order to reduce the turnover rates and improve employees' engagement(Goh, 2012).

Meanwhile, job satisfaction is recognized as a key factor that will affect critical individual and organization outcomes. If the employees feel dissatisfied to the work, they will intend to leave the organization and find other work that will satisfied them. Thus, the organization may face loss of some potential employees and maybe face the profit downturn or even close down of the organization because lack of employees.

### **1.3 Research Objectives**

In this section, the main purpose of this investigation will be carried out and identified. This section will provide the specific, concrete and achievable goals that could be attained from this research project.

#### **1.3.1 General Objective**

The purpose of this research is to examine the factors that are derived from the compensation and benefits, employee engagement and working environment that would influence the employee job satisfaction in food industry.

### **1.3.2 Specific Objectives**

- I. To examine whether there is a significance relationship between compensation and benefits toward employee job satisfaction.
- II. To examine whether there is a significance relationship between employee engagement toward employee job satisfaction.
- III. To examine whether there is a significance relationship between working environment toward employee job satisfaction.

## **1.4 Research Question**

In this research, there have several research questions had been developed to investigate the factors that influence employee job satisfaction. The research question developed as below:

- I. Does compensation and benefits have a significant relationship with employee job satisfaction?
- II. Does employee engagement have a significant relationship with employee job satisfaction?
- III. Does working environment have a significant relationship with employee job satisfaction?

## 1.5 Hypothesis of the Study

The several hypotheses have been developed to facilitate the objective of this study to examine the employee job satisfaction.

a)  $H1_0$ : There is no significant relationship between the compensation and benefits and the employee job satisfaction in food industry.

$H1_1$ : There is a significant relationship between the compensation and benefits and the employee job satisfaction in food industry.

b)  $H2_0$ : There is no significant relationship between the employee engagement and the employee job satisfaction in food industry.

$H2_1$ : There is a significant relationship between the employee engagement and the employee job satisfaction in food industry.

c)  $H3_0$ : There is no significant relationship between the working environment and the employee job satisfaction in food industry.

$H3_1$ : There is a significant relationship between the working environment and the employee job satisfaction in food industry.

## **1.6 Significance of the Study**

There is a lot of information after conducted this study for the food industry. This research able to recognize the factors that influence employee job satisfaction, this is a very helpful knowledge to have better understanding and further research in this industry.

This study is useful as it play the roles as a reference for the food industry in order to have a better engagement with employees to improve employee job satisfaction and also to improve the service as well as product quality provided by food industry. Corporation can make changes on the management by enhancing it, and get rid of unnecessary factors in which did not add value to employee job satisfaction. Thus, this study helps the food industry to find out the problems that influenced it's on employee job satisfaction and solve the issue effectively.

## **1.7 Chapter Layout**

In this research proposal it consists of five chapters which are introduction, literature review, research methodology, research results and discussion and conclusion.

### **Chapter 1: Introduction**

Inthis introduction chapter, it is an overview of this research. This chapter is basically about the introduction of the research and how is the idea come from in conducting such study. It is explains the research problem and research objectives

were set to be achieved. Besides that, answered the research questions and tested the hypotheses.

## **Chapter 2: Literature Review**

This chapter is discussing about the literature reviews from the supporting materials that found to support this research by summarizes up all the results of the supporting material and concludes them as a support into this research.

## **Chapter 3: Research Methodology**

In this chapter, it delineate research design, the way of conduct this research, and how the data been collect in testing the relationship between independent variables and dependent variables. Furthermore, the conclusion was made for all the research result of this chapter in order to show a clearer picture and vision for other people to understand the purpose of this research better.

## **Chapter 4: Research Results**

This chapter shows the modes of the results and analyses of the results which are related to the research questions and hypotheses.

## **Chapter 5: Discussion and Conclusion**

This chapter links the entire previous chapter and carries out discussions on major findings, implications and limitations of this research. Recommendation and overall conclusion from the entire previous chapter were made for future research.

## **1.8 Conclusion**

Last but not least, this chapter will introducing this research topic and briefly explains the theory that constructed and the factors that relevant to the topic. Hence, a problem statement also includes in it to prove that this research is worth for what had contributed and have the value. Furthermore, this research objectives and the hypothesis being carried out in a specific and as a simple guideline for the whole assignment. In the next chapter, summary will be make basedon the supporting materials to support this research.

## **CHAPTER 2: LITERATURE REVIEW**

### **2.0 Introduction**

This chapter is to overcome the problems mentioned in previous chapter. The main objective of this chapter is to investigate the factors that influence job satisfaction. Various factors that influence employee job satisfaction will be investigate. First of all, the definition of the concepts related to the research topic will be explained and research framework will be provided based on the research objective and research questions. Lastly, the testable hypothesis will be formulated.

### **2.1 Review of the Literature**

#### **2.1.1 Dependent Variable: Job Satisfaction**

Job satisfaction is a regularly studied subject in work and organizational literature which determined by several disciplines such as psychology, sociology, economics and management sciences. This is mainly because of the fact that many experts believe that job satisfaction trends can influence labor market behavior and affect work productivity, work effort, employee absenteeism and staff turnover. Besides that, job satisfaction also considered as a strong predictor



of overall individual well-being(Luis & Vieira, 2005), as well as a good predictor of intentions or decision of employees to leave a job(Gazioglu & Tansel, 2002).

<b>Leading to Dissatisfaction (Hygiene Factors)</b>	<b>Leading to Satisfaction (Motivation Factors)</b>
• Company Policy	• Achievement
• Supervision	• Recognition
• Working Environment	• Work Itself
• Salary, Compensation & Benefits	• Employees' Empowerment
• Relationship with boss	• Responsibility
	• Growth

Figure 2.1 Sources of job satisfaction and job dissatisfaction

Herzberg's two factors theory is one of the most influential job satisfaction theories. The Herzberg's two factor theory are hygiene factor and motivation factor. These two factors also identified as sources of job satisfaction and job dissatisfaction (Figure 2.1)

Hygiene factors are the factors that leading to dissatisfaction which included such thing as company policy, supervision, working environment, salary, compensation and benefits, and also relationship with boss. Because of it, hygiene factors also named as dissatisfiers hygiene factors. While motivation factors are the factors that leading to satisfaction and it include achievement, recognition, work itself, responsibility, employees' empowerment and growth. Motivation factors named as satisfier motivators(Herzberg's Motivation-Hygiene Theory, 2010).

According to Locke, job satisfaction defines as “pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences”. Locke believe that the satisfaction is implemented when one realizes one’s important job values provided there are congruent with or help to fulfill one’s basic needs(Locke, 1976).

### **2.1.2 1<sup>st</sup> Independent Variable: Compensation and Benefits**

Definition for compensation is the return of all rewards which earned by employees. There will be different types of compensation which are direct financial compensation, indirect financial compensation and non-financial compensation. Direct financial compensation includes the pay that given in the form of salary and wages. For indirect financial compensation consist of other financial rewards which do not comprise in direct financial compensation, for example, education, paid leaves, benefits and retirement plans these are a part of social contract between employee and employer. Non-financial compensation involves of working environment, career development, recognition of work, feeling of achievement, authority and advancement opportunities (HR council, 2005). Benefit is a form of value which acts as a return for the employees’ contribution to the company other than in the form of payment (UK Essays, 2013).

Besides that, compensation and benefits that pay as a reward to employees can be in different form of pay systems based on employee's job performance which decide and set by an employer refer to human resource management theory. Compensation and benefits can be either in monetary form or non-monetary form based on different situation, for example, employee skill and knowledge, job

conditions, job structure, as well as employee's performance. Employees will measure the compensation and benefits that their expected with the actual one that they have been received to see whether it conscious with their merits and achievement or not. The pay given to the employee also must be fair based on the performance framework. This all will affect job satisfaction of employees directly (Ismail, Mohamed, Hamid, Sulaiman, Girardi& Abdullah, 2011).

Moreover, compensation consists of elements like basic salary, allowances, benefits and others. These are the rewards that pay for the employees based on their job scope, performance and skills. A fair financial compensation will improve employee's productivity and efficiency. The pay systems will motivate and retain employees to make the organization to be competitiveness thus it also has a significant impact on job satisfaction. Refer distributive justice, the fairness of distributing the rewards will increase the job satisfaction level of employees (Ismail, Ibrahim, &Girardi, 2009).

Furthermore, the compensation must be flexible too by increasing the variable pay like bonus and gain sharing. There are three main components listed in French organization's compensation system which are fixed pay, benefit, and flexible pay. Benefits include of allowances, employee welfare programs, perquisites health insurances and complementary pension plans (Igalens&Roussel, 1999). Compensation cash payment which is variable to the employee that able to work and achieve an organization objective, for example, performance based pay, bonus, and pay based on skill, and other (Myer, 2013).

Compensation also acts as a motivator for the employees and employer should take into consideration to attain a greater productivity and better performance. Compensation can be in the form of allowances, salaries as well as benefit such as

pension and paid leaves. Promotion a type of non-financial compensation for the employees and this will motivate the employees too in order to get increment in salaries after getting promotion. The compensation will affect employees working behavior and level of job satisfaction (FaheemGhazanfar, Khan, & Bashir, 2011).

### **2.1.3 2<sup>nd</sup> Independent Variable: Employee Engagement**

Employee engagement plays an important role in improving the organization morale as well as culture. Employee engagement is relatively new concept of “positive psychology” referring optimal functioning and positive experience at work (Mauno et al, 2007). Employee engagement can be characterized by energy, involvement and positive communication in the workplace.

According to Yakin and Erdil (2012), engagement refers to the professional efficacy and energy involvement which can be considered to be the opposite of burnout. Therefore, engaged employees are energetically and initially in performing task. Engaged employees helps improve the organization performance (Ghadi et al, 2010). Employees who perceive themselves to be engaged append a lot of personal meaning to their affiliation with their job and the organization (Biswas and Bhatnagar, 2013). Employee world views, as they pertain to work, may be transforming in response to the changing nature of work and, subsequently, the prevalence of meaningful work (Fairlie, 2011).

An engaged workplace encourages commitment, energy and productivity from all those involved to increase efficiency and effectiveness in production and business

performance (Swarnalatha and Sureshkrishna, 2013). Nowadays, employee engagement has view as a route to success a business. Employee engagement is a workplace approach designed to ensure that employees are committed to business the organization business values and goals as well as objectives (Swarnalatha and Sureshkrishna, 2013). Engaged employee are motivate to put in effort and initiative to perform in their task by represent high commitment levels to the organization.

Employee engagement is emerging as a critical organizational issue especially as businesses are recovering from the trauma of the global recession (Andrew and Sofian, 2012). Engaged employees will feel belongingness with the organization and lead the job satisfaction to a higher level because of the trustworthy by the organization.

#### **2.1.4 3<sup>rd</sup> Independent Variable: Working Environment**

Basically the employee job satisfaction is playing an important role in defining the feeling of the employees towards their jobs. Employee may bring the positive effect for company if they meet the job satisfaction. In other word, the working environment can say as job environment which can defined as an environment that consists of chemical, biological, social, physical and cultural factors that surrounding a people in their work place(Folger, 1998).

In this competitive world, human resources are an important component for company success. A responsibility, satisfied and happy employee is the biggest

asset of company. When an employee is satisfied with the working conditions of a company, there will be a lower number of turnovers within the corporation. Hence, an employee feels secured. Therefore, this may create a good work environment for company, thus help to increase company profitability and productivity.

Work environment is very important towards job satisfaction. Bowen, Cattell, Distiller and Edwards(2008) found that many respondents still believed a healthy working environment although they require working in an unsecure environment. On the other hand, working environment is more influencing the employees at work than individual, environmental and organizational characteristic (Mehmood, 2012). Holland (1997) explore out the working environments can share the characteristic which include building common self-concepts, inspire the common skills and award the common value of the environment.

Hanif and Kamal(2009) also argue that if company create a tactics for employees which related to work environment, policy development may lead to employee engagement with the company because the happy and satisfied employees are more attracts the customer and for employees that are not satisfied with the job may less attracts the customer and lead to make customer uncomfortable.

Based on Smith and Gregory(2010), a bad management and poor work environment also might force the employees out of their work. Furthermore, their job is physically and mentally demanding, so that they will lead to decrease the job satisfaction and poor performance. Therefore, the company should create a good and safety working environment for the employees in order to increase their work performance and job satisfaction.

A good working environment is required to retain the employees in the company. It means that the company is considers employees with respect, regardless of races, gender or age. There have a significant relationship between satisfaction with working conditions, policies, and advancement to the organizational commitment. Further, Adekola and Bola(2012) found that management might be increase the level of commitment in company by increase satisfaction with working conditions, policies and advancement. As a conclusion, the working environment plays a major role in influencing the employee job satisfaction.

## **2.2 Review of Relevant Theoretical Models**

### **2.2.1 Compensation and Benefits and Job Satisfaction**

Theory that has been used is expectancy theory. It related the compensation and benefits with job performances which stress on expected rewards. This theory veiled the increment in rewards will affecting job performance increase. Another theory is equity theory, it measures perceived outcome with perceived inputs to find out whether the situation is favorable or not. When perceived outcomes is smaller than the effort or inputs that they give, the result will be inequity (Odunlade, 2012).

Based on the past empirical studies, the level of salary which is one of the components under the form of compensation has positive and fairly constant impact to the job satisfaction (Tremblay, Sire, &Pelchat, 1998). Moreover, type of

payment system has been examined by applying direct effects model in previous studies. The previous studies are using different sample such as 2336 employees in a big public research organization, respondents from the 1988 wave of the US National Longitudinal Study of Youth and respondents from 9831 different in United Kingdom. The studies able to determine that properly design of levels of pay based on employees performance has increased job satisfaction (Ismail et al, 2011). Based on the means, standard deviation and correlation for compensation as a dimension for job satisfaction, it showed that there is a significant correlations for employer satisfaction through compensation ( $r = -0.42, p < 0.01$ ) (Rice, 2009).

### **2.2.2 Employee Engagement and Job Satisfaction**

Engagement is the situation of emotional and intellectual satisfaction to an organization or team producing behavior that will help fulfill an organization's promises to customers- and, in so doing, improve business result (Sumi, 2013). A meaningful job and career prospects can provide employees a sense of satisfaction and satisfied employees create satisfied customer (Abraham, 2012). Hence, the workplace environment is required to retain the employee engagement level to satisfaction in order to create a positive value to the organization.

Employee engagement and therefore job satisfaction, has become a subject concern for both research scholar and business leaders in view of the contemporary, technological, market and organizational changes associated with it (Sumi, 2013). Employee engagement is an opportunity for employee growth as well as organization growth and it is an important contributor to satisfaction. Thus,



employee engagement was measured as an individual's involvement, satisfaction and enthusiasm for his or her work (D'Souza and Mulla, 2011). According to Biswas and Bhatnagar (2013), engaged employees experience a pleasurable emotional state at work, indicate a higher level of job satisfaction.

Harter, Schmidt and Hayes (2002), defines employee engagement as "the individual's involvement and satisfaction with as well as enthusiasm for work". The employees appreciation by being more engage to the organization may lead to a competitive advantage because of the satisfied employees perform better in work.

The meaningful role of employee engagement will affect other employee performance such as organization commitment, employee retention, job satisfaction and burnout. Job satisfaction is intrinsic as well as extrinsic in nature (Sumi, 2013). The level of satisfaction can be derives from several sources. The resultant psyche leads to higher level of involvement, greater degree of participation, greater cost of consciousness and timely maintenance of job schedules (Sumi, 2013).

Employee engagement is defined as "the extent to which employees commit to something or someone in the organization, the effort in work and the time of employee work in an organization as a result of that commitment." (Lockwood, 2007). Employee engagement refers to a more persistent and pervasive affective-cognitive which is not focused on any particular object, event, individual, or behavior (Salanova et. al., 2006).

### **2.2.3 Working Environment and Job Satisfaction**

The purpose of this research is to study the relationship between working environment and job satisfaction. Many employees are more likely to prefer a good working environment that can make them feel secure and comfortable which conducted by (Abuduaini, 2009). Other, based on the 2012 employee job satisfaction survey results that the working environment has bring a significant relationship for the employee job satisfaction. In this survey, it found that there is nearly one-half (48%) of employee indicated that feeling safe in the working environment. (Abraham, 2012).

From the research, working environment was found that it can be influencing by the external factors which include climate (humidity, temperature, meteorological conditions). (Bakotić, 2013) . This may bring a certain effect to employee job satisfaction. For example productivity and profitability of the company will reduce.

Besides that, the employee motivation level might be decreasing if the work place is in a bad condition. Thus, it may affect the employee job satisfaction negatively. (Wadhwa, Verghese, & Wadhwa, 2011). The previous studies mention that the internal quality of a working environment contributes most to the employee satisfaction. Internal quality means that the feelings, benefits and pay that the employee towards the job. (Heskett, 1997).

## 2.3 Proposed Theoretical/ Conceptual Framework

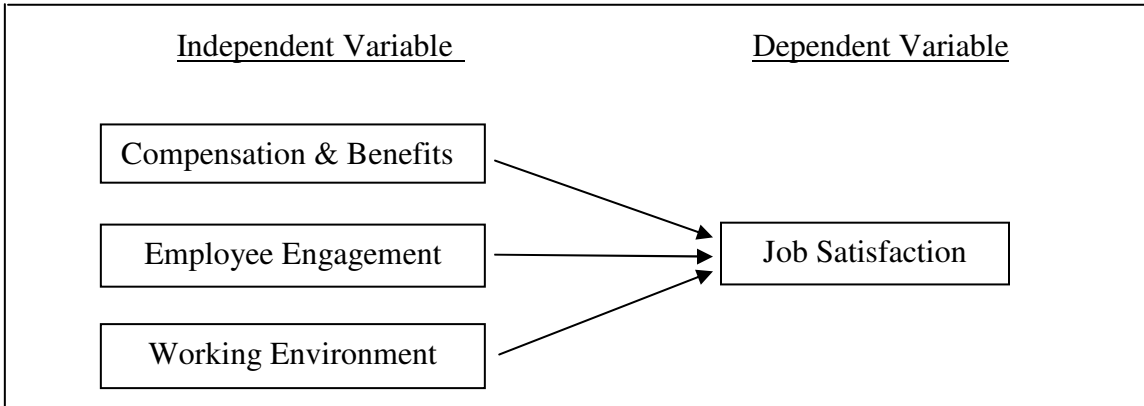


Figure 2.2 Theoretical Framework

Based on the three basic theoretical model mentioned previously, compensation and benefits, working environment and employee engagement would definitely affect on employee job satisfaction. Therefore, this research draws out a proposed theoretical framework to test the relationship between these three factors that would influence employee job satisfaction. Hence, this research will come up the hypothesis to examine the relationship between the three factors and the job satisfaction.

## 2.4 Hypotheses Development

Hypothesis has clearly stated the statement which aimed to be investigated. It must be publicly written as well as be specified before carry out research. Besides that, hypothesis assist in determining the research objectives, main concepts for the research and relationship between problem statement and literature review (Prasad, Rao, &Rehani,2011). Hypothesis has two types which are null hypothesis and alternate hypothesis. There will be no distinction functional result of free-hand placement

techniques and the computer-assisted insertion whereas that is opposite with alternate hypothesis (Surg, 2010). Due to the reason to have a clear purpose for carry out in this research, hypotheses had developed to study the factors that affect job satisfaction in food industry which located in Malaysia

### **2.4.1 Hypothesis of Compensation and Benefits**

H<sub>0</sub>: There is no significant relationship between the compensation and benefits and employee job satisfaction in food industry.

H<sub>1</sub>: There is a significant relationship between the compensation and benefits and employee job satisfaction in food industry.

Compensation significant impact to job satisfaction, compensation that employee get from their employment in all pattern of rewards and pay. Moreover, compensation is one of the important purposes for people to work. It is one of the most significant determinants of job satisfaction from the US government's study on their employees (Absar, Azim, Balasundaram, & Akhter, 2010).

Compensation has been taken into consideration as a significant variable in job satisfaction. Furthermore, employee's perception emphasize on the fairness of compensation more than the real amount that received by them (Waskiewicz, 1999). Other than that, there is a positive relationship between compensation and benefits and job satisfaction refer to the report which carry out by Society for Human Resource management (2009) (UK Essays, 2013).

### **2.4.2 Hypothesis of Employee Engagement**

H<sub>0</sub>: There is no significant relationship between employee engagement and employee job satisfaction in food industry.

H<sub>1</sub>: There is a significant relationship between employee engagement and employee job satisfaction in food industry.

According to Kahn(1990), an employee able experience engagement on any one of the dimensions at a point of time which the engagement is refer to psychological engagement, emotional engagement and also cognitively engagement. This definition indicates that job satisfaction is related to the cognitive aspect of employee engagement. Moreover, employee engagement is also defined as the degree to which employees feel job satisfactions and an emotional connection to the success of their business and which will result in improved productivity, innovation and retention(Abraham, 2012).

### **2.4.3 Hypothesis of Working Environment**

H<sub>0</sub>: There is no significant relationship between the working environment and employee job satisfaction in food industry.

H<sub>1</sub>: There is a significant relationship between the working environment and employee job satisfaction in food industry.

Working environment has a positive relationship towards the job satisfaction. Iaffaldano and Muchinsky(1985)found that the working environment have a positive relationship to job satisfaction while Zeytinoglu and Denton (2005) also argue that the working environment might affect the employee either stay or leave the company. According to Ghoshb, RituparnaBasaka and Anjali(2011) research, employee may easy handle over the working condition if they are involved in a good working environment, thus feel more satisfied. Some more, it may positively influence the company productivity and the employees morale (Dana, 2010).

## **2.5 Conclusion**

In conclusion, chapter two has been specified the review of literature and review of relevant theoretical models. The theoretical framework is being proposed and hypotheses are being developed in this chapter. The research methodology will be discussed in the next chapter.

## **CHAPTER 3: RESEARCH METHODOLOGY**

### **3.0 Introduction**

In this chapter will further specify about the research methodology that could be used to collect the applicable information. This chapter consists of research design, data collection method, sampling design, research instrument, construct measurement, data processing, data analysis and lastly is conclusion.

### **3.1 Research Design**

This is a quantitative research paper which practices both the primary and secondary data to explain the relationship between the dependent variable (compensation and benefits, employee engagement, working environment) and independent variables (job satisfaction). This research belongs to exploratory research too as this paper is conducted to clarify ambiguous relationship of the dependent variable and independent variables that may be potential business opportunities

## **3.2 Data Collection Method**

Data collection is one of the most important and essentially aspect of any research studies. Researchers can conducted in different method but the every research is based on the data which is analyzed and further clarify to get information("slideshare", 2012), There have two method to collect data which are primary data and secondary data, Basically, the primary data use the survey, experiments and direct observation. Secondary data may be obtained from many sources which include literature, newspaper, books, magazines, industry surveys, journals and so on.

### **3.2.1 Primary Data**

According to Chan and Farid Ahmed (2006), the primary data are information gathered and collected for the research purpose. Primary data is conducted from the first hand sources which has not been published yet and the data is more reliable, accurate and objectives. There have few methods to collect the primary data which including interview, observation and questionnaire. In this research, the questionnaire is the main method used by the researchers to collect the information from the respondents. Questionnaire method is an easy way to obtain the data from the respondents in the shortest time. Others, the questionnaires is a list of questions either closed-ended question or an open-ended question for respondent to give the answer. In this research, the researchers are using the closed-ended questions, so that the respondent must choose one of the answers from the questionnaire. Thus, the researchers can obtain more reliable and accurate data.



### **3.2.2 Secondary Data**

The secondary data is refers to the existing data that obtained by others researchers and has been published previously. Normally, the secondary data is more simple and easy to be collected as it can be obtain from the various way for example journals, books and internet. Besides, the time used to obtain the secondary data is almost the same compared to primary data. Disadvantage for this secondary data is data obtained is not accurate and may be outdated compared to primary data. For this research, the journals and internet are using by the researchers in order to obtain and gather the relevant information. Most of the secondary data obtained were online journals which are from electronic databases such as University Tunku Abdul Rahman(UTAR) Library online databases, ProQuest and Science Direct. In addition, the researchers also use Google, Yahoo, and Emerald to search for relevant information and articles in order to support the research. The secondary data were used widely to determine the framework for this research.

### **3.3 Sampling Design**

Sampling is a process that using samples selected for the certain population in a research project (Ross, 2005). There is important to use the sampling rather than the whole population elements in order to get an effectiveness and efficiency result for the research project. According to Sekaran and Bougie (2010), the use of sampling may help to reduce the risks of error and other factors such as limited time, insufficient budget, and human resource factors. Therefore, the sampling design process is including the confirmation of target population, sampling frame and sampling location, sampling elements, sampling

technique, and sampling size. This process can give a clear direction for this research survey.

### **3.3.1 Target Population**

Target population is defined as whole set of elements that selected by the researchers for the investigate purpose (Cox, Elliehausen, & Wolken, 1989). The target population will have the specific and key characteristics that required for the study. Thus, this research may get the right respondents to contribute the adequate information.

Food industry of Malaysia is miscellaneous as the multi-cultures of Malaysia, with a broad scope of manufactured food that suit with Asian tastes. Products of food are value around US\$3.5 trillion is predicted in global retail sales. It is also expected increase 4.8% at the annual rate and become US\$6.4 trillion by 2020 (MIDA, 2012). Besides that, employments that contribute for food industry in year 2008 is 45,418 and in year 2009 it reduced 5.1 percent to 43080. Labor cost still competitive in food industry (AHK Malaysia, 2012).

### **3.3.2 Sampling Frame and Sampling Location**

Sampling frame, also called as working population, which is defined as the list of a population (Sekaran & Bougie, 2010). However, there is no sampling frame due

to the number of the executive employees are unknown. Thus, non-probability sampling method will be used for this research project.

Moreover, the sampling location that been chosen is Kampar, Perak. For this research project, Kampar was selected because it is convenient to the collection data for the pilot test.

### **3.3.3 Sampling Elements**

The sampling elements are the respondents of the study. For this study, all employees in food industry will be the sampling elements. The employees are including from different departments and organization level. Therefore, all the employees who work in the food industry have the chance to be selected to participate for answering the questionnaire.

### **3.3.4 Sampling Technique**

For the sampling technique, there are two types of techniques for the researchers to do their research (Austin & Pinkleton, 2006). First, probability is the elements of the population are known, which means that the researchers have the list of the population and all sampling elements have a chance to be selected. Second, the non-probability is the elements in a population are unknown. Thus, the probability of selection for each element is unknown.

In this research project, non-probability technique has been selected because it cannot collect the full list of the target population elements. Under this non-probability method, there is few ways to select the sampling units. According to Sekaran and Bougie (2010), the non-probability technique has four types, which are convenience sampling, judgment sampling, quota sampling, and snowball sampling. Convenience sampling is the sampling elements are selected because of convenient for researchers. Judgment sampling is the researchers select the elements based on their own judgment due to some specific characteristics. Moreover, quota sampling is the researchers divide the target population into subgroups and select the elements follow the proportion of population size. Snowball sampling, the researchers also may select the sampling elements through the recommendation from the initial respondents and the initial respondents are selected by using the probability method (Austin & Pinkleton, 2006).

Due to the time consuming problem, this research project is using non-probability technique and convenience sampling help to collect data easily.

### **3.3.5 Sampling Size**

Sampling size for a research project is important because it may affect the result of a study. A proper sampling design should follow an effective samples size in order to get an accurate result from the research project (Ross, 2005). In food industry, the employees are in the large amount. According to Sekaran and Bougie (2010), the too large number of sampling size or too small number of

sampling size is not suitable to generate a good result. Thus, the sampling size is 200 respondents.

Furthermore, pilot test had been conducted before the actual survey for the 200 respondents. This pilot test was carrying out in order to increase the reliability and the validity of the questionnaire. Therefore, 30 sets of pilot test are selected to enhance questionnaire. According to Austin & Pinkleton (2006), after the questionnaire has been created, better conduct a pilot testing to ensure that the questionnaire is good and supported.

## **3.4 Research Instrument**

### **3.4.1 Type of Instrument**

The technique to be chosen is questionnaire. It is the method to collect data in which respondents are required to answer the same set of questions in a predetermined order. Questionnaire is considered the most suitable technique to collect all relevant data rather than observation and interview in this research. The reason to choose questionnaire for this research is more convenience to make a judgment and comparison if compare to other instruments like interview. Besides, it is not only cost saving method to collect the primary data in a shorter time, but also the respondents give their responses which is closest to their opinion. The result of whether the independent variables will strongly influence the executive employees' job satisfaction will be determined by the result of the questionnaire.

There are a few reasons for not choosing interview and observation. Interview refers to a purposeful discussion among individuals (Zakaria, 2007). The main reasons for not to use of interview because of its disadvantages includes analyzing the data easily, time consuming and hard to compare the result which is subjective. Besides, the result may be easily affected by the subjectivity of analyzer (Harris & Brown, 2010).

Observation is defined as a systematic approach to record behavioral patterns of people and objects as they happen (Demirdjian, 2006). The accuracy of the result is low and it is quite difficult to justify what types of compensation may affect the retention through observation. For this research, interview and observation are not considered as the best measuring instruments, therefore, questionnaire is the best choice to be used.

### **3.4.2 Pilot Test**

The pilot test is conducted when the questionnaires distributed to 30 respondents who are the food industry's employees. The respondents are required to answer those questions listed in the questionnaire. The purpose of pilot test is to examine the reliability and internal consistency before the actual result is tested. The most common indicator is Cronbach coefficient alpha ( $\alpha$ ) which range from 0, meaning no consistent, to 1, meaning highest consistent (Hair, Babin, Money, & Samouel, 2003). Each independent variable should have the alpha value above 0.60 which indicates that the proposed independent variables are sustained reliable and the reliability is strong (Jagannathan, 2008).

### **3.4.3 Method to Carry Out and Time Taken**

This research paper is using Statistical Package for Social Sciences (SPSS) software to examine the result of questionnaire. The questionnaire is a type of fixed-alternative questions which is called determinant-choice. It means that respondents are required to answer the questions by choosing one response among multiple alternatives (Zikmund, et al., 2010). The questionnaire is designed and developed as well as modified from the report (Rathnaweera, R.R., 2010).

The questionnaire will be distributed to the respondents and they just spend a few minutes to answer the questions. The questions are easy to be tested since it is fixed-alternative. In other words, the answers can be interpreted and compared easily and directly without complex procedures such as interpreting the result (Harris & Brown, 2010). Before the questionnaires distributed, monitoring the process is very important in order to ensure that the target respondent is only for executive employees. After completing the test, the data will be collected on the spot so as to ensure the privacy and confidential are secured and reduce the possibility of loss of questionnaires. Eventually, the answers from respondents will be key in into SPSS for analyzing the level of reliability and consistency. For the entire process, it takes about one to two days for data collecting and data checking. The final result of 200 samples will be more reliable and accurate after the pilot test being tested.

### **3.5 Constructs Measurement (Scale and Operational Definitions)**

The questionnaire consists of two sections only. Section A is about personal background and details which contain six questions. This section is using nominal scale and ordinal scale to design the questionnaire.

The level of scale measurement used in Section A is nonmetric scales involves nominal scale and ordinal scale. Nominal scale represents the most elementary level of measurement. The objective is assigned a value to respondents for identification or classification purposes with no order, no origin and no rank being imposed on the data(Cicchentti, et al., 2009). There are four questions using nominal scale which are gender, race, work position and marital status in respondent's work group. Questions under ordinal scale have nominal scale characteristics but also allowed things to be arranged based on how much of some concept they possess. An ordinal scale is also known as ranking scale. However, it doesn't tell the value of the interval between rankings(Bland & Altman, 2010). There are two questions using this scale which are age group and tenure of work.

There are four parts in Section B. The first part are measured the dependent variable which is job satisfaction while the second, third and fourth parts are measure the factors influence job satisfaction which include the three independent variables (compensation and benefits, employee engagement and working environment). In this section, all questions are using interval scale because they are captured information about differences in quantities on the form of distances between each variable. Thus, the differences between points of the scale can be interpreted and compared meaningfully. This type of scale is best used for opinion or attitude measurement.



Due to the Likert scale is suitable for measuring attitudes and the method is simple to administer (Gob, McCollin, & Ramalhoto, 2007). Hence, in Section B, Likert scale five point method is chosen as scaling technique to examine the extent relationship between independent variables and dependent variable where 1 = “strongly disagree”, 2 = “disagree”, 3 = “neutral”, 4 = “agree” and 5 = “strongly agree”. With the Likert scale, respondents are able to show their attitudes by checking how strongly they agree or disagree with each statement which ranges from very positive to very negative.

### **3.6 Data Processing**

There have some data preparation steps are gone through before they are analyzed. First step is all the questionnaire copies will be numbered and counted after collected completely from the respondents. Some problem may occur when some copies were unable to collect back or lost. Checking each of the questionnaire and ensure the respondent had already answer every single question is the second step.

Third step is checking the information. The common problems like illegal code, omissions, illogical response and inconsistent responses, Illegal codes are values that are not specified in the coding instructions. Omissions are not all items in the questionnaire are answered. Others, the illogical responses is an outlier responses which an observation that is substantially differently from other observation. Lastly the inconsistent responses are the responses that are not in harmony with the information.

The fourth step is coding and converting the data by assigning a number to the respondents' responses in order to make it easier to enter into the database. For example, all the research question from the Section B which is testing the relationship between the independent variable and dependent variable are coded with a scale from (1) to (5) where

the (1) represent the strongly disagree and (5) represent the strongly agree, while the missing code as (99) . The converting data means reverse scoring of the negative questions like reversing (1)to(5), (2)to(4), (5)to(1), (4)to(2) whereas (3) remain unchanged as it is neutral.

Fifth step is data entry. After the responses have been coded, they can be entered into SPSS software to run the reliability test. Sixth step is transcribing the result in order to write this report and draw the conclusion.

### **3.7 Data Analysis**

The data collected from the respondents through the questionnaires were analyzed and coded by the researchers using the Statistical Package for Social Science (SPSS) version 16 software while this software helps to determine whether there is a significant relationship between the independent variables and the dependent variable. Thus, the researchers can have a better understanding towards the relationship between the independent variables and dependent variable. SPSS provides many types of analysis that is needed in this research which include descriptive analysis, scale measurement and inferential analysis.

### **3.7.1 Descriptive Analysis**

Descriptive analysis provide researcher with a clearer understanding on the sample data and it also used to indicate the basic features of the data in this study. In this research, descriptive analysis was used to describe the demographic profile (Section A) of the respondents which include age, race, gender, marital status, work position and tenure of work. For these descriptive questions, bar chart or table can be used to tabulate result as it is convenience and time saving.

### **3.7.2 Scale Measurement**

#### **3.7.2.1 Pilot Test**

Pilot test is a smaller edition of a larger test and it is conducted to get ready for real test("What is a Definition of Pilot Test?", 2013). It allows the researchers to determine whether there are any ambiguous or bias. In order to ensure its reliability and validity, the pilot test should begin after designing the questionnaire. It can involve pre-testing a research tool, such as new data collection method and it can as well be used to test a design or hypothesis. After using the SPSS to analyze the data collected from the pilot test, the question which is irrelevant to the study can be eliminated or modified again.

### 3.7.2.2 Reliability Test

According to Cooper and Schindler (2006), reliability test is used to ensure the accuracy, precision and consistency of the measurement across time and variable items in the instruments. Before conduct the actual questionnaire activities, it is important to ensure that the set of questions is free from error and allow providing consistent result. Cronbach's Alpha model is used to become a standard to ensure the reliability of every independent variable and dependent variable. It also has been selected to measure the reliability of the questionnaire.

Reliability analysis will be conducted in Section B of the questionnaire. The Cronbach's Alpha reliability coefficients, which is more than 0.8 is very good reliability, more than 0.7 is good reliability, more than 0.6 is fair reliability, less than 0.6 is poor reliability(Zikmund, Babin, Carr, & Griffin, 2010). The pilot test will be conducted with the participation of 30 respondents (restaurant staff in Kampar, Perak).

Table 3.1: Coefficient Alpha

Coefficient alpha range, $\alpha$	Description
0.80 to 0.95	Very good reliability
0.70 to 0.80	Good reliability
0.60 to 0.70	Fair reliability
$\alpha < 0.60$	Poor reliability

Source: Zikmund, Babin, Carr, Griffin (2010). Business research the methods (8<sup>th</sup>ed). New York: South-Western/Cengage Learning.

Table 3.2: Pilot Test Summary

		Cronbach's Alpha
Independent Variables	Employee Engagement	0.780
	Compensation & Benefit	0.615
	Working Environment	0.639
Dependent Variable	Job Satisfaction	0.687
Combined of all variables		0.793

### 3.7.2.3 Frequency Analysis

The frequency analysis shows the frequency of occurrences of each particular variable. It help the researchers to summarize the data included when constructing the statistical table represents the mode, median, and mean of the result from the questionnaires. Frequency table shows an arraying data such as columns for percentage, numerical value, percentage adjusted for missing values and cumulative percentage. Furthermore, it provides the researchers to have a better understanding regarding the data because it can simplify the data obtained by showing in pie chart and bar graphs.

### 3.7.2.4 Measurement Scale

The measurement scales used in the survey question for this research were based on nominal, ordinal and interval or Likert scale.

### **3.7.3 Inferential Analysis**

In this analysis, Pearson correlation coefficient and multiple regressions will be used to analyze the relationship between independent variables and dependent variable.

#### **3.7.3.1 Pearson Correlation Coefficient**

Pearson correlation coefficient measures the linear association between two metric variables. All variables are measured with Likert scale, which is considered as interval level. In this research, both independent variables and dependent variable are measured in metric scale. Therefore, it is suitable to use Pearson correlation coefficient because it provides the relative result. It will show the direction, strength and significance among the independent variables and dependent variable. The value can be either positive or negative. It depends upon the direction of the relationship between independent variable and dependent variable. At the same time, the value also indicates the strength of the independent variable towards the dependent variable.

The Pearson correlation coefficient is a number between -1 and +1. It can measure the strength and the direction between independent and dependent variables.

The strength of the correlation is represented by the number. A correlation coefficient of -1 or +1 means that the relationship is perfectly linear negatively or positively.

The sign + or - indicates the direction of the correlation. A positive (+) correlation coefficient means that if a value of one variable increase, values on the other variable also tend to increase. On the other hand, negative (-) correlation coefficient shows that if a value of one variable increase, values on the other variable tends to be decreased

Table 3.3: Pearson Correlation Coefficient

Coefficient Range	Strength
+/- 0.91 to +/- 1.00	Very strong
+/- 0.71 to +/- 0.90	High
+/- 0.41 to +/- 0.70	Moderate
+/- 0.21 to +/- 0.40	Small but definite relationship
0.00 to +/- 0.20	Slight, almost negligible

Source: Hair, Money, Samouel, Page(2007). Research methods for business.Chichester, West Sussex: John Wiley & Sons, Inc.

### **3.7.3.2 Multiple Regressions**

Multiple regressions are used to explain the variance among the independent variables and dependent variable. In this research, independent variables are employee engagement, compensation and benefit, and working environmentwhile

dependent variable is job satisfaction. All independent variables are put into same equation and predict a single dependent variable. Next, each variable's correlation coefficient is determined. It can describe the relationship between independent variables and dependent variable. In addition, these coefficients also tend to evaluate the influence of independent.

### **3.8 Conclusion**

As the chapter three had described the methodologies which were used in the study such as research design, sampling design, data collection method, questionnaire design, measurement scale and data analysis, the following chapter will present the patterns of the result and analysis of the result which are relevant to the research questions and the hypothesis. The most important thing is the feedback is collected and the result is relevant to the objective and hypothesis of the research.



## **CHAPTER 4: RESEARCH RESULTS**

### **4.0 Introduction**

In this chapter, the results of 200 sets of questionnaires were being analyzed by using the Statistical Package for Social Science Version 16.0 (SPSS 16.0). Those data collected from the respondents from various restaurant employees will be analyzed by using SPSS and then the results from the analysis will be assessed based on the hypothesis established in Chapter 1. Under this chapter, it will be separated into several sections which are descriptive analysis, scale measurement, inferential analysis and lastly conclusion. The descriptive analysis includes age, race, gender, marital status, work position and tenure of work were discussed in this chapter. The scale measurement includes the reliability test to investigate the relevance of the statements for each variable towards the surveys. In inferential analysis, the Pearson Correlation Coefficient is being used to examine the relationship between the three independent variables with employee job satisfaction. However, the Multiple Regression Analysis is to investigate the effect of two or more independent variables on single dependent variable. Conclusion provided a summary for this chapter. In addition, charts and table will be provided for the convenience of reader.

## 4.1 Descriptive Analysis

### 4.1.1 Respondent Demographic Profile

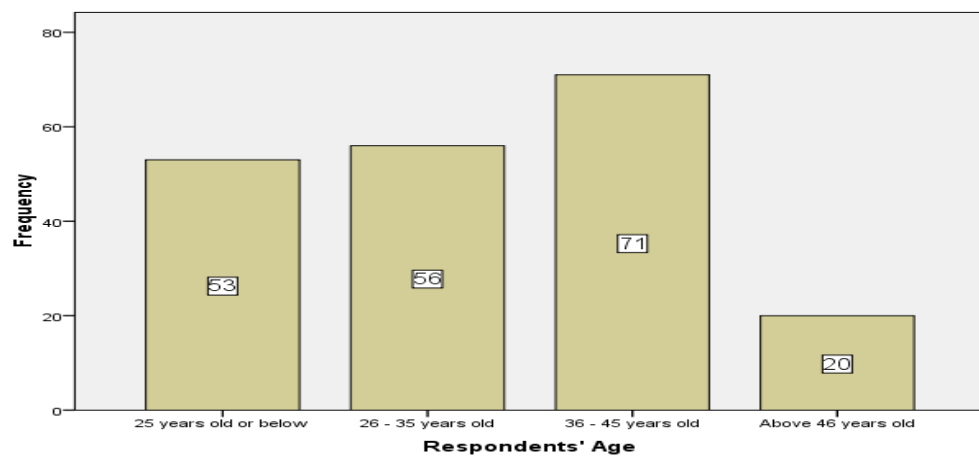
#### 4.1.1.1 Age

Table: 4.1 Respondents' Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 25 years old or below	53	26.5	26.5	26.5
26 - 35 years old	56	28.0	28.0	54.5
36 - 45 years old	71	35.5	35.5	90.0
Above 46 years old	20	10.0	10.0	100.0
Total	200	100.0	100.0	

Source: Developed for the research

Figure: 4.1 Age



Source: Developed for the research

Table 4.1 and Figure 4.1 show the age range of the respondents. Based on the table and bar chart above, the age range with the highest percentage of respondents was from 36 – 45 years old with 71 (35.5%) respondents, followed by 26 – 35 years old with 56 (28.0%) respondents, 25 years old or below with 53 (26.5%) respondents and finally above 46 years old with 20 (10%).

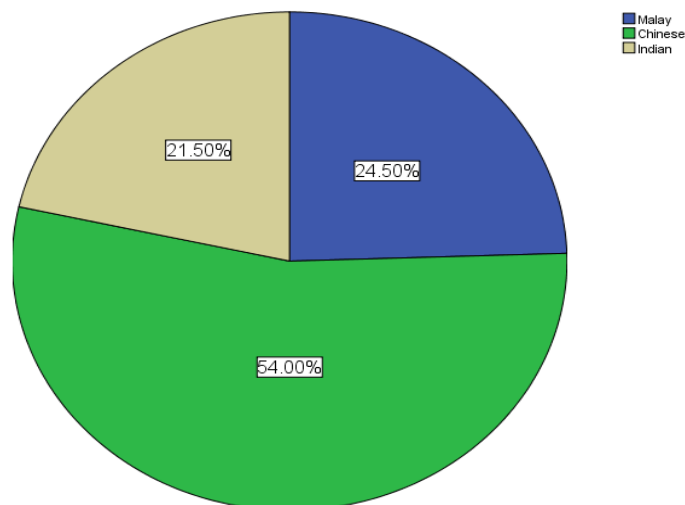
#### 4.1.1.2 Race

Table: 4.2 Respondents' Race

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Malay	49	24.5	24.5	24.5
Chinese	108	54.0	54.0	78.5
Indian	43	21.5	21.5	100.0
Total	200	100.0	100.0	

Source: Developed for the research

Figure: 4.2 Respondents' Race



Source: Developed for the research

Table 4.2 and Figure 4.2 show the race of the respondents. Based on the table and pie chart above, 108 (54.0%) of the respondents were Chinese, 49 (24.5%) of the respondents were Malay and 43 (21.5%) of the respondents were Indians.

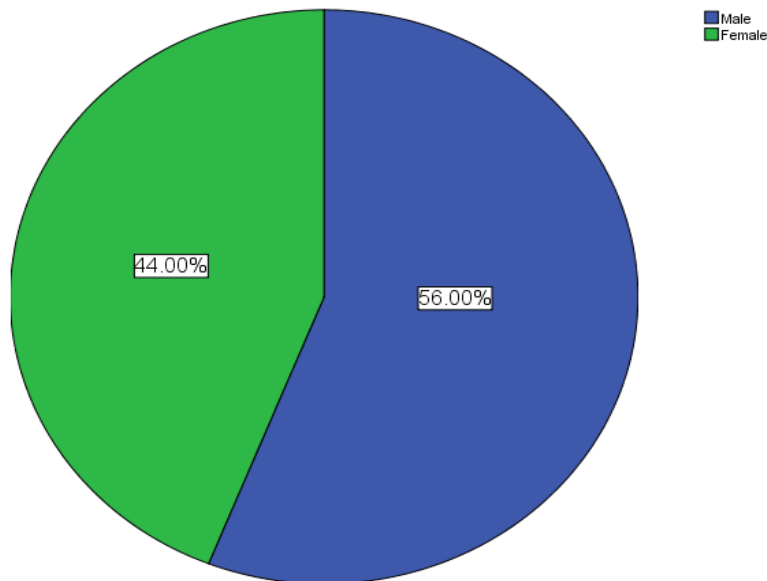
**4.1.1.3 Gender**

Table: 4.3 Respondents' Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	112	56.0	56.0	56.0
Female	88	44.0	44.0	100.0
Total	200	100.0	100.0	

Source: Developed for the research

Figure: 4.3 Respondents' Gender



Source: Developed for the research

Table 4.3 and Figure 4.3 show the gender distribution of the respondents. Based on the table and pie chart above, there were 112 (56.0%) who were male respondents and 88 (44.0%) female respondents out of the 200 total respondents.

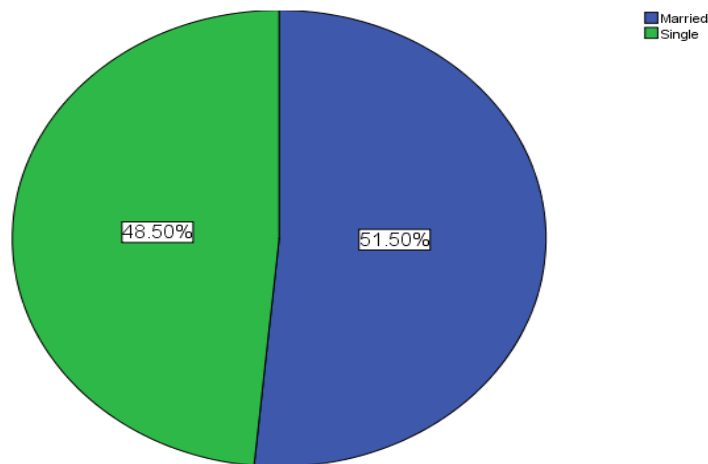
**4.1.1.4 Marital Status**

Table: 4.4 Respondents’ Marital Status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Married	103	51.5	51.5	51.5
Single	97	48.5	48.5	100.0
Total	200	100.0	100.0	

Source: Developed for the research

Figure: 4.4 Respondents’ Marital Status



Source: Developed for the research

Table 4.4 and Figure 4.4 show the marital status of the respondents. Based on the table and pie chart above, 103 (51.5%) respondents already married and 97 (48.5%) respondents were still single.

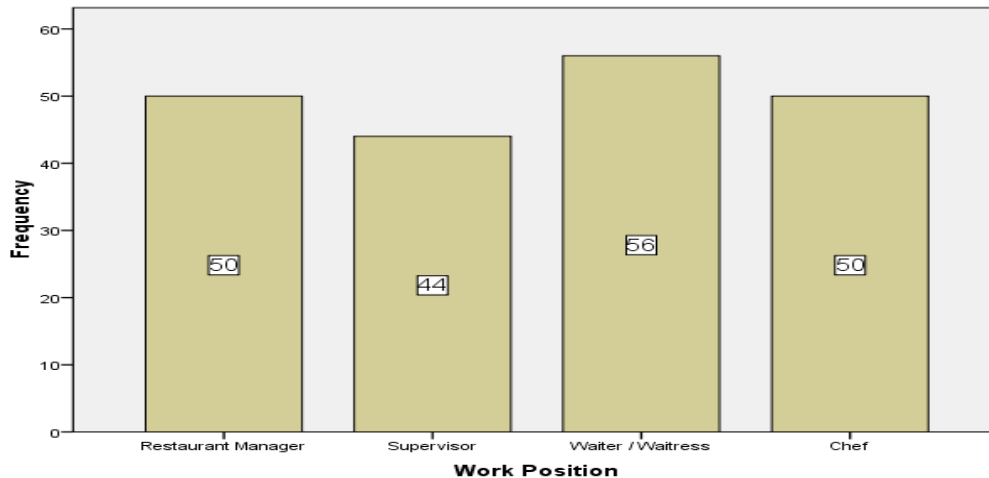
**4.1.1.5 Work Position**

Table: 4.5 Respondents’ Work Position

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Restaurant Manager	50	25.0	25.0	25.0
Supervisor	44	22.0	22.0	47.0
Waiter / Waitress	56	28.0	28.0	75.0
Chef	50	25.0	25.0	100.0
Total	200	100.0	100.0	

Source: Developed for the research

Figure: 4.5 Respondents’ Work Position



Source: Developed for the research

Table 4.5 and figure 4.5 show the working position of the respondents in the company. Based on the table and bar chart above, the highest percentage of respondents was waiter/waitress (28%) with 56 respondents. Next are restaurant manager and chef with same percentage (25%) with 50 respondents. The lowest percentage of respondents was (22%) with 44 respondents.

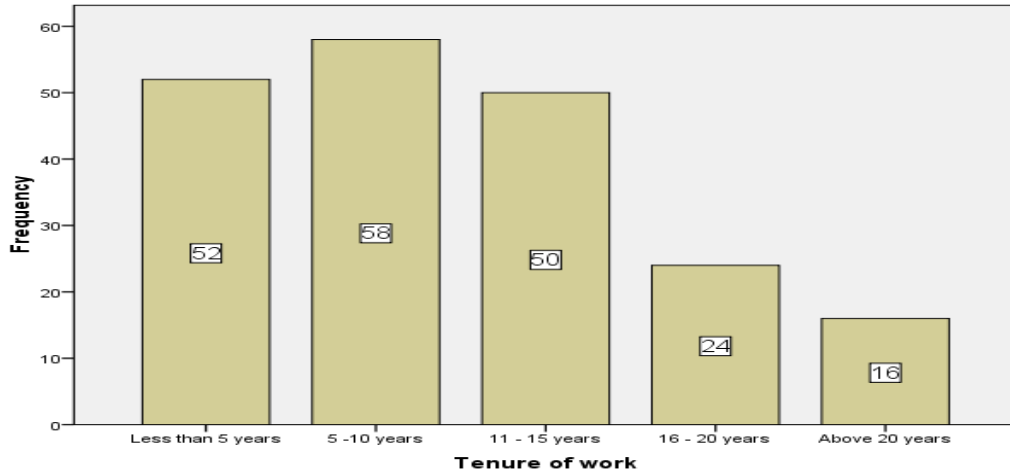
#### 4.1.1.6 Tenure of Work

Table:4.6 Respondents' Tenure of Work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 5 years	52	26.0	26.0	26.0
	5 -10 years	58	29.0	29.0	55.0
	11 - 15 years	50	25.0	25.0	80.0
	16 - 20 years	24	12.0	12.0	92.0
	Above 20 years	16	8.0	8.0	100.0
	Total	200	100.0	100.0	

Source: Developed for the research

Figure: 4.6 Respondents' Tenure of Work



Source: Developed for the research

Table 4.6 and Figure 4.6 show the tenure of work of the respondents in the company. Based on the table and bar chart above, the highest percentage of respondents was from 5-10 years with 58 (29%) respondents, followed by < 5 years with 52 (26%) respondents, 11-15 years with 50 (25%) respondents, 16-20 years with 24 (12%) and the lowest percentage was above 20 years with only 16 (8%) respondents.



### 4.1.2 Central Tendencies Measurement of Constructs

Table: 4.7 Statistics Result

	Compensation and Benefits	Employee Engagement	Working Environment	Job Satisfaction
Valid	200	200	200	200
Missing	0	0	0	0
Mean	3.2867	3.5650	3.6917	4.1917
Median	3.1667	3.5000	3.5000	4.3333
Mode	2.50	4.00	3.50	4.67
Std. Deviation	.76095	.62065	.66682	.51029
Variance	.579	.385	.445	.260
Range	2.67	2.75	2.50	2.00
Minimum	1.83	2.00	2.50	2.83
Maximum	4.50	4.75	5.00	4.83
Sum	657.33	713.00	738.33	838.33

a. Multiple modes exist. The smallest value is shown

Source: Developed for the research

Based on table 4.7 above, the mean and standard deviation for each of the predictor variables are as follows: Compensation and Benefits ( $\mu=3.29$ ,  $sd=0.76$ ), Employee Engagement ( $\mu=3.57$ ,  $sd=0.62$ ), Working Environment ( $\mu=3.70$ ,  $sd=0.67$ ). Besides that, the criterion variable (Job Satisfaction) demonstrates a mean of 4.19 and a standard deviation of 0.51.

## 4.2 Scale Measurement

The reliability analysis is to test the quality of the data in the questionnaire. The reliability of the scale examined the internal consistency by calculating the Cronbach's Alpha.

Table: 4.8 Reliability Test for Each Independent Variable

<b>Construct</b>	<b>Cronbach's Alpha (Pilot Study)</b>	<b>Cronbach's Alpha (Actual Study)</b>	<b>N of Items</b>
Compensation and Benefits	0.615	0.847	6
Employee Engagement	0.780	0.661	4
Working Environment	0.639	0.752	6
Job Satisfaction	0.687	0.738	6

Source: Developed for the research

Table 4.8 showed the pilot test and actual study's results of the reliability test for the three independent variables (compensation and benefits, employee engagement and working environment) and the dependent variable (job satisfaction). From the pilot study's result, compensation and benefits, working environment and job satisfaction are more than 0.6, which are considered as a fair reliability. The employee engagement has a good reliability which is more than 0.7 in the pilot study but only a fair reliability in the actual study which is more than 0.6. The actual study's result of working environment and job satisfaction are above 0.7, which are considered as good reliability. Besides that, the compensation and benefits has a very good reliability which is consist more than 0.8.

Table: 4.9 Reliability Test for All Variables (Actual Study)

	<b>Cronbach's Alpha (Actual Study)</b>	<b>N of Items</b>
All Variables	0.891	22

Source: Developed for the research

From the table above, the Cronbach's Alpha of the reliability test is 0.891. According to George and Mallery (2003), the rules of thumb on Cronbach's Alpha Coefficient Size stated that whenever alpha's value more than 0.6 is considered acceptable; more than 0.70 is good; and more than 0.80 is excellent. The closer the alpha value is to 1.00 the greater the internal consistency. In this research, the result of Cronbach's Alpha (0.891) is considered good reliability (Zikmund, et. al, 2010)

### **4.3 Inferential Analyses**

Pearson Correlation Coefficient and Multiple Regression Analysis will be used for reliability analysis in this research.

### 4.3.1 Hypothesis 1: Testing relationship between compensation and benefits and job satisfaction by using Pearson Correlations Coefficient.

H<sub>10</sub>: There is no significant relationship between compensation and benefits and job satisfaction.

H<sub>11</sub>: There is a significant relationship between compensation and benefits and job satisfaction.

Table: 4.10 Correlations between Compensation and Benefits and Job Satisfaction

#### Correlations

		Compensation and Benefits	Job Satisfaction
Compensation and Benefits	Pearson Correlation	1	.545**
	Sig. (2-tailed)		.000
	N	200	200
Job Satisfaction	Pearson Correlation	.545**	1
	Sig. (2-tailed)	.000	
	N	200	200

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Developed for the research

From the Correlation Coefficient test, the p-value is 0.000 which is less than significant level of 0.01. This means that the relationship between compensation and benefits and job satisfaction is significant. Hypothesis H<sub>10</sub> will not be accepted and H<sub>11</sub> will be accepted. The value of this correlation coefficient 0.545 is fall under coefficient range from  $\pm 0.41$  to  $\pm 0.70$ . This shows that the relationship between compensation and benetifs and job satisfaction is moderate.

From the result, there is positive relationship between compensation and benefits and job satisfaction. Thus, when perceived compensation and benefits is high, job satisfaction is high.

### 4.3.2 Hypothesis 2: Testing relationship between employee engagement and job satisfaction by using Pearson Correlations Coefficient.

H<sub>0</sub>: There is no significant relationship between employee engagement and job satisfaction.

H<sub>1</sub>: There is a significant relationship between employee engagement and job satisfaction.

Table: 4.11 Correlations between Employee Engagement and Job Satisfaction

#### Correlations

		Employee Engagement	Job Satisfaction
Employee Engagement	Pearson Correlation	1	.491**
	Sig. (2-tailed)		.000
	N	200	200
Job Satisfaction	Pearson Correlation	.491**	1
	Sig. (2-tailed)	.000	
	N	200	200

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Developed for the research

From the Correlation Coefficient test, the p-value is 0.000 which is less than significant level of 0.01. This means that the relationship between employee engagement and job satisfaction is significant. Hypothesis  $H_{2_0}$  will not be accepted and  $H_{2_1}$  will be accepted. The value of this correlation coefficient 0.491 is fall under coefficient range from  $\pm 0.41$  to  $\pm 0.70$ . This shows that the relationship between employee engagement and job satisfaction is moderate. From the result, there is positive relationship between employee engagement and job satisfaction. Thus, when perceived employee engagement is high, job satisfaction is high.

### **4.3.3 Hypothesis 3: Testing relationship between working environment and job satisfaction by using Pearson Correlations Coefficient.**

$H_{3_0}$ : There is no significant relationship between working environment and job satisfaction.

$H_{3_1}$ : There is a significant relationship between working environment and job satisfaction.

Table: 4.12 Correlations between Working Environment and Job Satisfaction

<b>Correlations</b>		Working Environment	Job Satisfaction
Working Environment	Pearson Correlation	1	.502**
	Sig. (2-tailed)		.000
	N	200	200
Job Satisfaction	Pearson Correlation	.502**	1
	Sig. (2-tailed)	.000	
	N	200	200

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Developed for the research

From the Correlation Coefficient test, the p-value is 0.000 which is less than significant level of 0.01. This means that the relationship between working environment and job satisfaction is significant. Hypothesis  $H_{3_0}$  will not be accepted and  $H_{3_1}$  will be accepted. The value of this correlation coefficient 0.502 is fall under coefficient range from  $\pm 0.41$  to  $\pm 0.70$ . This shows that the relationship between working environment and job satisfaction is moderate. From the result, there is positive relationship between working environment and job satisfaction. Thus, when perceived working environment is high, job satisfaction is high.

#### **4.3.4 Multiple Regression Analysis**

Multiple regression analysis is used to explain the relationship between the three independent variables (compensation and benefits, employee engagement and working environment) and dependent variable (job satisfaction) in this research.

Table: 4.13 Multiple Regression on Independent Variable and Dependent Variable (Model Summary)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.633 <sup>a</sup>	.401	.392	.39805

a. Predictors: (Constant), Compensation and Benefits, Employee Engagement, Working Environment

b. Dependent Variable: Job Satisfaction

Source: Developed for the research

The R value is the correlation coefficient between the dependent variable and the independent variables taken together. The value of correlation coefficient (R value) for this study is 0.633. Therefore, the relationship between independent variables (compensation and benefits, employee engagement and working environment) and dependent variable (job satisfaction) is positive. The R square indicates the extent or percentage the independent variables can explain the variations in the dependent variable. In this study, independent variables (compensation and benefits, employee engagement and working environment) can explain 40% of the variations in dependent variable (job satisfaction). However, it still leaves 60% unexplained in this study. In other words, there are additional variables that are important in explaining job satisfaction that have not been considered in this study.



Table: 4.14 Multiple Regression on Independent Variable and Dependent Variable (Coefficient)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1(Constant)	3.161	.195		11.099	.000
Compensation and Benefits	.191	.053	.293	3.692	.000
Employee Engagement	.140	.064	.170	2.192	.030
Working Environment	.240	.047	.314	5.097	.000

a. Dependent Variable: Job Satisfaction

Source: Developed for the research

Based on the Table 4.14, compensation and benefits, employee engagement and working environment (independent variables) are significant to predict job satisfaction (dependent variable). This is because the p-value for the compensation and benefits, employee engagement and working environment are 0.000 which is less than alpha value 0.05.

The Multiple Linear Regression Equation

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$$

Where

Y= Predicted linear relationship of job satisfaction (Dependent variable)

a= Constant Value

$\beta$ = Un-standardized Coefficients

X= Dimensions contribute to job satisfaction (Independent variables)

Job Satisfaction= 3.131 + 0.191(compensation and benefits) + 0.140(employee engagement) + 0.240(working environment)

The result shows that an increase of one unit in job satisfaction will lead to an increase of 0.191(compensation and benefits), 0.140(employee engagement) and 0.240(working environment).

The table also shows that working environment contributes the highest to the variation of the dependent variable (job satisfaction) because its Beta value (under standardized coefficient) is the largest (0.314). This means that working environment make the strongest unique contribution to explain the variation in dependent variable (job satisfaction). Second is compensation and benefits because its Beta value is second largest (0.293). Employee engagement has the lowest contribution because its Beta value is the smallest (0.170).

## **4.4 Conclusion**

In this chapter, SPSS software has been used to analyze the information of the respondents in the questionnaires to test the descriptive frequency result to obtain the demographic statistical result. Multiple regression analysis has been used to analyze the relationship of the independent and dependent variables. The discussions and recommendations will be discussed in the coming chapter based on the results in this chapter.

## **CHAPTER 5: DISCUSSION AND CONCLUSION**

### **5.0 Introduction**

The main objective of this research study is to investigate the relationship between the independent variables (compensation and benefits, employee engagement and working environment) and the dependent variable (job satisfaction) in the Food Industry. Each research result will be provided in this chapter. Firstly, a summary of statistical analysis which has been presented in previous chapter will be described. Secondly, discussions of the major findings and the implications of the study will be provided. Next, there are some limitations will be discussed and followed by recommendations to refer to the future research. At the end, an overall conclusion for the entire research project will be provided and indicate that the research project is completed.

### **5.1 Summary of Statistical Analyses**

#### **5.1.1 Descriptive Analysis**

From the Chapter Four, demographic analysis is used to draw an illustration of respondent's characteristics. From the demographic information, within the sample of respondents, there are 112 or 56% of male respondents and 88 or 44% female respondents. Most of the respondents were from age group between 36 to 45 years old (35.5%). The least respondents were from age group above 46 years old (10%). Moreover, the results shows that the most respondents is from the

Chinese race, which up to 54% (108 respondents) while the least respondents which is only 21.5% (43 respondents) is from Indian race. Besides, the respondents who are married are more than single, which occupied 51.5% (103 respondents). In addition, there is most respondents work as waiter or waitress position which is 28% (56 respondents) and the least is supervisor position which is only 22% (44 respondents). From the result, the most working duration experienced by the respondents is from those worked for the duration of 5 to 10 years, which is 29% (58 respondents) and the least working duration experience by the respondent is from those are worked for the duration of more than 20 years, which is 8% (16 respondents).

## **5.1.2 Inferential Analyses**

### **5.1.2.1 Summary of Scale Measurements**

In this study, Cronbach's Alpha used to examine the internal reliability of the 4 construct. The four constructs included compensation and benefits, employee engagement and working environment. Compensation and benefits has the highest alpha coefficient, which is 0.847. It is followed by working environment with 0.752, job satisfaction with 0.738 and lastly for employee engagement with 0.661.

### **5.1.2.2 Pearson Correlation**

According to the internal analysis, the three independent variables which are compensation and benefits, employee engagement and working environment are used to examine their relationship with the job satisfaction by using Pearson correlation analysis.

Based on the Pearson correlation analysis in Chapter 4, the result shows that the correlation between compensation and benefits and job satisfaction is 0.545; with employee engagement is 0.491; and working environment is 0.502. As an overall, this all figures show that there are three variables have positive relationships towards job satisfaction.

### **5.1.2.3 Multiple Regression Analysis**

Referring Table 4.14, working environment has the strongest beta coefficient with job satisfaction, which is 0.24. Secondly, is followed by compensation and benefits, which is 0.191. The lowest beta correlation with job satisfaction is employee engagement, which is 0.14. The result show that all the three independent variables (compensation and benefits, employee engagement and working environment) that have significant relationship with the dependent variables (job satisfaction).

The correlation coefficient of the three independent variables which is compensation and benefits, employee engagement and working environment with the dependent variables of job satisfaction is 0.633. The regression line will possibly significantly explain 63.3% of the total variations of employee's job satisfaction.

Besides, the coefficient of determination ( $R^2$ ) is 0.401 which means 40.1% of the variances in job satisfaction have been significantly explained by compensation and benefits, employee engagement and working environment.

## 5.2 Discussions of Major Findings

### 5.2.1 Discussion on Pearson's Correlation Coefficient

#### 5.2.1.1 Compensation and Benefits

$H_0$  = There is no significant relationship between compensation and benefits and job satisfaction.

$H_1$  = There is a significant relationship between compensation and benefits and job satisfaction.

Based on the results from Table 4.10 in chapter 4, the value of Pearson's Correlation Coefficient is 0.545 and it is significant at 99% confidence level ( $p > 0.01$ ). There is positive relationship between compensation and benefits and job satisfaction because of the positive value for correlation coefficient. Thus, when the compensation and benefits is high, job satisfaction is high. The results obtained shows that the relationship between compensation and benefits and job satisfaction is moderate. This indicates that executive employees of the food industry are very concerned on the compensation and benefits to make them satisfied with the organization. Therefore,  $H_0$  will be rejected and  $H_1$  will be accepted.

According to the survey report conducted by the Society for Human Resource Management (2009), they determine that compensation and benefits will affect employees' job satisfaction which the compensation and benefits are regularly

among the top three factors that affecting employees' job satisfaction. Therefore, the influence of compensation and benefits towards employees' job satisfaction is significant and obvious. Several studies can prove this statement, for example, Sousa (2000) investigate that compensation is a predictor of job satisfaction and Joanne (1980) found out that the employees who were paid highly showed a greater job satisfaction.

### **5.2.1.2 Employee Engagement**

$H_0$  = There is no significant relationship between employee engagement and job satisfaction.

$H_1$  = There is a significant relationship between employee engagement and job satisfaction.

Based on the result from Table 4.11 in chapter 4, the value of Pearson's Correlation Coefficient is 0.491 and it is significant at 99% confidence level ( $p > 0.01$ ). There is positive relationship between employee engagement and job satisfaction because of the positive value for correlation coefficient. Thus, when employee engagement is high, job satisfaction is high. This indicates that executive employees of the food industry are less concerned about the employee engagement to make them satisfied with the organization. Therefore,  $H_0$  will be rejected and  $H_1$  will be accepted.

According to Gallup (2005), employees will stay in the organization for a long time, more productive, give better customer service and in turn create greater

profit in private sector organization when the employees are engaged to their organization and are dedicated to their role. Frank (2004) emphasize that the employees will be take pride in their work after they engaged to their organization and they will put more effort to get a task completed to a good standard, not for financial gain but out of a personal sense of commitment known as discretionary effort. Therefore, the influence of employee engagement towards employees' job satisfaction is significant and obvious.

### **5.2.1.3 Working Environment**

$H_0$  = There is no significant relationship between working environment and job satisfaction.

$H_1$  = There is a significant relationship between working environment and job satisfaction.

Based on the result in Table 4.12 in Chapter 4, the value of Pearson Correlation Coefficient is 0.502.and it is at 99% confident level ( $p < 0.01$ ). There is positive relationship between working environment and job satisfaction because of the positive value for correlation coefficient. Thus, when the working environment is high, job satisfaction is high. The results obtained shows that the relationship between working environment and job satisfaction is high. This indicates that executive employees of the food industry are also concerned about the working environment to make them satisfied with the organization. Therefore,  $H_0$  will be rejected and  $H_1$  will be accepted.



According to Siti and Zahari (2006), working environment condition such as noise, temperature, humidity and light will affect the job satisfaction. A good working environment conditions will encourage the employee perform better in their tasks which also increase the level of job satisfaction. Whereas, a frustrated working environment will decreased the employee job performance and leads to low job satisfaction. Kinzl et al. (2005) indicate that the working condition is a most influential element in effecting the employee job satisfaction. Employees that perform in a unpleasant working conditions will affect employee to demonstrate a low job performance because of they are not satisfying in the environment.

## **5.3 Implication of the Study**

### **5.3.1 Managerial Implication**

After conducted this research, found out that all the three independent variable (compensation and benefits, employee engagement and working environment) have positive relationship with the dependent variable, job satisfaction. Based on the research's result, able to gather the information needed and provide the guidelines so that would have more understand about the cause of job satisfaction in food industry, thus find out the solution and ways to overcome and solve this issue.

### 5.3.1.1 Working Environment

Based on the result of the research, the highest beta value among the three variables is working environment. The result of correlation coefficient shows that there is a positive significant relationship between working environment and employee job satisfaction. Therefore, this explains that the industry must concern more about the working environment in order to increase the job satisfaction of their employees. Sometimes, this case may happened because the employee in the food industry think that the working environment is one of the most important factors that will affect their decision to accept the job offer from other food industry as well.

Besides, the dissatisfaction-avoidance or hygiene factors that are extrinsic to the job and consist of variables include interpersonal relationship, working environment, salary, status and security (Herzberg, 1987). A composite of these factors would cause job satisfaction and job dissatisfaction. Therefore, it may lead employees to job dissatisfaction when these factors are absence. A favourable and suitable working environment will prevent the employee from feeling dissatisfied about their job.

As a result, users of this research study have to provide a comfortable working environment (like serve the employee with respect regardless of their age, races or gender) to retain the employees.

### 5.3.1.2 Compensation & Benefits

Compensation and benefits was the second highest beta value among the variables. These correlations show there is a positive significant relationship between compensation and benefits and employee job satisfaction. Compensation has important consequences for key results such as job satisfaction, retention, commitment and organizational performance. (Sons, 1994).

According to Chiu, Wai and Li (2002), there have some compensation components offered by the organization in order to motivate and retain the employee. There are merit pay, year-end bonus, annual leave, overtime allowances, and profit sharing as well. A benefit which is valued by an employee might not be valued by another. Hence, this shows that different individual have different preference towards their benefits. Therefore, researchers should determine the most important compensation components to satisfy the employees' needs.

Employee receiving the compensation and benefits will tend to have high intention to stay in the company. Furthermore, they also will feel more satisfy with their job. The researchers have guided a Pearson correlation coefficient analysis to show that there has a significant relationship between compensation and benefits and employee job satisfaction.

This case may happen because the employee is aware of the compensation and benefits as the most important criteria in choosing the job. If the employees are not given compensation and benefits for their effort, they may feel unmotivated and this will lead to high turnover within the organization Therefore, the

compensation and benefits have to take into consideration by the users of this research study in order to retain the employee in the organization. If the organization able to retains the employee, this may help them to save the cost to provide the training and development for the newcomers.

### **5.3.1.3 Employee engagement**

Employee engagement is the third highest beta value among the independent variables. Wegner (2011) defines employee engagement as the employees who are engaged and promised with their organization to take action and performs in the ways to assist the organization's mission. The researchers have indicated that employee turnover and job satisfaction can be estimated based on the organization's level of employee engagement.

From all the field of the organization, both of the employee and employer are willing to take part of the culture and more committed to the organization objectives. When the employee are adopted and aligned the organization objective and culture, they are considered perform in the appropriate job. Else, a culture of engaged employee is essential for organizational innovation. According to Wegner et al. (2011) the insignificance of the engaged employees may limit the number of products and new ideas that the organization expected. As the engagement occur may help to carried out the two important results which is decrease in the likelihood to leave the company and a strong orientation to meet the customer needs. The more highly engaged employee, the more likely they would focus more on customer and less likely to quit the organization (2003).

Under this research study, researchers have carried out Pearson correlation coefficient analysis to show that there is a positive relationship between employee engagement and employee job satisfaction. This case happened probably because the employee within the organization may think that employee engagement is one of the important factors that would affect their final decision in accepting the job offer from other food industry. In a short conclusion, users of this research study may put attention to provide a satisfy employee engagement for the employees in order to satisfy their needs.

## **5.4 Limitations of the Study**

During the research process that researchers had carried out, there are some limitations of the study that impede the progress for the research. Hence, the limitations of the research will be explained to meet the quality of the research.

The first limitation of this study is sample size. The sample size of this study is limited and lack of geographical coverage to seek for wider range of data, this is because the data is obtained and focused on specific location which is Kampar, Perak. There are only 200 respondents from few restaurants in the food industry, thus the scope of the respondent for the questionnaires is medium in size. Hence, this sample size might not accurately represent all the employees in food industry in Malaysia.

Moreover, lack of information also one of the limitation of this study. Researchers had some of the difficulties in getting information for the research project as information

which related to the factors that influences the employee's job satisfaction in the food industry in Malaysia. This is because there are seldom study on this topic has been carried out before. Therefore, there is only limited information can be obtain from Malaysia and some of the information that obtained by the researchers maybe out-dated. Thus, most of the studies were adopted from other countries and it has been used as a reference in this study.

The third limitation of this study is the questionnaires that are used to collect data by the researchers might not be responsive and the result might not be accurate as the questionnaires were adopted from others researches related to this research topic. Besides, some of the respondents might think that the information could infringe their privacy and this could affect the result as they may not participate in the survey openly. Most of the respondents use minimal time to fill up the questionnaires due to their hectic schedule. Due to this issue, the researchers have the limitations to obtain more reliable information relating to the research study.

## **5.5 Recommendations for Future Research**

There are number of the limitations had been found in this study. This indicates that the results from the findings might not be accurate. In order to deal with this problem some recommendations had been made to avoid the limitations that faced in this study. These recommendations can be taken into account by other researchers who will be studying further into this field.

Firstly, they should increase their sample size for their research studies. This is because the larger the sample size, the results will be more accurate. Besides that, having more sample size will enable them to widen their research coverage.

This study was only focused in one place only which was at Kampar, Perak. Therefore, the future studies should be conducted in more states in Malaysia in order to increase the accuracy and reliability of the data collected.

In order to increase the sample size by obtaining more respondents to participate, there are ways to do it such as online survey. Questionnaires can be sent widely to people in all the states in Malaysia. Questionnaires distributed through online will save time and cost from going around to obtain respondents for the questionnaires. It is also encouraged to increase the response rates by adding cover page, interesting questions and follow-ups.

## **5.6 Conclusion**

In conclusion, this research project has fulfilled the objective of study on examine the factors that influence employee job satisfaction in food industry. However, there are still many other factors other than the factors that have been included in this research such as compensation and benefits, employee engagement, and working environment. Therefore, the further research can be done on the other factors to examine the relationship between other factors with employee job satisfaction in the food industry.

The strongest influential factor which influences employee job satisfaction in food industry is working environment. The working environment as one of factor in this research gives the highest influence on employees' job satisfaction in food industry. The second influential factor is compensation and benefits. Compensation and benefits as a factor in this study that have a high rate would definitely increase employees' job satisfaction in food industry. The last factor is the employee engagement. It has a bit least of influence on the employee job satisfaction in the food industry.

With the understanding of the relationships between the factors with employee job satisfaction in the food industry mentioned above, organizations of food industry will be able to make the right decision and improve on the management way in order to increase their employee job satisfaction. This research will be able to serve as a guideline to all companies in the food industry for their employee job satisfaction.



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11<sup>th</sup> July 2013

**To Whom It May Concern**

Dear Sir/Madam

**Permission to Conduct Survey**

This is to confirm that the following students are currently pursuing their *Bachelor of Business Administration (Hons)* program at the Faculty of Business and Finance, Universiti Tunku Abdul Rahman (UTAR) Perak Campus.

I would be most grateful if you could assist them by allowing them to conduct their research at your institution. All information collected will be kept confidential and used only for academic purposes.

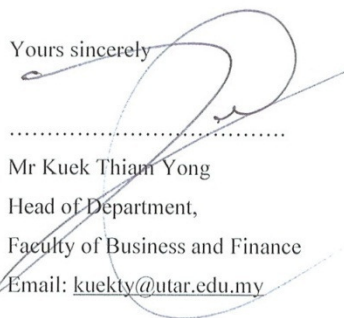
The students are as follows:


<u>Name of Student</u>	<u>Student ID</u>
TAN LEE AN	09ABB04686
TANG XIN YING	10ABB05771
TEE HAN SHENG	09ABB04853
YEW SOO BIN	10ABB00154

If you need further verification, please do not hesitate to contact me.

Thank you.

Yours sincerely

  
.....  
Mr Kuek Thiam Yong  
Head of Department,  
Faculty of Business and Finance  
Email: [kuekty@utar.edu.my](mailto:kuekty@utar.edu.my)

  
.....  
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Supervisor,  
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**Appendix 1: Questionnaire**

**FACTOR THAT INFLUENCE JOB SATISFACTION OF  
FOOD INDUSTRY IN KAMPAR, PERAK  
Survey Questionnaire**

---

Dear respondent,

We are the undergraduate students from UniversitiTunku Abdul Rahman (UTAR), currently pursuing our degree in Bachelor of Business Administration (Hons). As a partial requirement of our degree program, we are conducting a research study entitled “Factor that influence job satisfaction of food industry in Kampar, Perak”.

Thank you for your participation.

---

**Instructions:**

- 1) There are Two (2) sections in this questionnaire. Please answer ALL questions in ALL sections.
- 2) Completion of this form will take you less than 5 minutes.
- 3) The contents of this questionnaire will be kept strictly confidential.

No.	Name	Contact
1.	Yew Soo Bin	0103705747
2.	Tang Xin Ying	0164873202
3.	Tee Han Sheng	0149082124
4.	Tan Lee An	0149047371

**SECTION A: PERSONAL BACKGROUND**

Please circle (O) to the most appropriate answer for each question, unless indicated otherwise.

1. Age group
  - a) 25 years old or below
  - b) 26 – 35 years old
  - c) 36 – 45 years old
  - d) Above 46 years old
  
2. Race
  - a) Malay
  - b) Chinese
  - c) Indian
  - d) Others (Please specify) \_\_\_\_\_
  
3. Gender:
  - a) Male
  - b) Female
  
4. Marital status:
  - a) Married
  - b) Single
  - c) Others (Please specify) \_\_\_\_\_

5. Work position:
  - a) Restaurant manager
  - b) Supervisor
  - c) Waiter / Waitress
  - d) Chef
  
6. Tenure of work:
  - a) Less than 5 years
  - b) 5 – 10 years
  - c) 11- 15 years
  - d) 16 -20 years
  - e) Above 20 years

**SECTION B: FACTORS INFLUENCE JOB SATISFACTION****GENERAL DIRECTIONS**

*Please indicate by circling in any of the columns provided, your degree of agreement/disagreement with the statements listed below. The indicators are:*

Strongly Agree (SA)	Agree (A)	Neutral (N)	Disagree (D)	Strongly Disagree (SD)
5	4	3	2	1

**PART I: JOB SATISFACTION**

		SA	A	N	D	SD
1	I feel myself to be part of the organization.	5	4	3	2	1
2	I am satisfied with the provided recognition for my achievements.	5	4	3	2	1
3	I sometimes feel my job is meaningless.	5	4	3	2	1
4	I do not feel that the work I do is appreciated.	5	4	3	2	1
5	I am facing more conflict between work and family responsibilities.	5	4	3	2	1
6	I am very satisfied with my job.	5	4	3	2	1

**PART II: COMPENSATION AND BENEFITS**

		SA	A	N	D	SD
1	I am satisfied with my salary.	5	4	3	2	1
2	I feel I am being paid a fair amount for the work I do.	5	4	3	2	1
3	I am not satisfied with the benefits I receive.	5	4	3	2	1
4	I am happy with the recognition and rewards for my outstanding.	5	4	3	2	1
5	I am satisfied with the sick leave policy.	5	4	3	2	1
6	I am satisfied with the retirement plan benefits.	5	4	3	2	1

**PART III: EMPLOYEE ENGAGEMENT**

		SA	A	N	D	SD
1	In my work I like to feel I am making some effort, not just for myself, but for the organization as well.	5	4	3	2	1
2	I am satisfied with provided development opportunities.	5	4	3	2	1
3	I am highly committed to this organization.	5	4	3	2	1
4	I am extremely proud to tell people that I work for this organization.	5	4	3	2	1

**PART IV: WORKING ENVIRONMENT**

		SA	A	N	D	SD
1	There is too much bickering and fighting at work.	5	4	3	2	1
2	I am satisfied with my physical working environment.	5	4	3	2	1
3	Individual have adequate personal space.	5	4	3	2	1
4	I receive adequate support from my supervisors.	5	4	3	2	1
5	Current working situation is able to enhance my job commitment.	5	4	3	2	1
6	Working environment would affect my intention to leave.	5	4	3	2	1



**Appendix 2: Reliability Test (Pilot Study)****Scale: Employee engagement****Case Processing Summary**

		N	%
Cases	Valid	30	100.0
	Excluded <sup>a</sup>	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.780	4

**Scale: Compensation & Benefit****Case Processing Summary**

		N	%
Cases	Valid	30	100.0
	Excluded <sup>a</sup>	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.615	6

**Scale: Working Environment****Case Processing Summary**

		N	%
Cases	Valid	30	100.0
	Excluded <sup>a</sup>	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.639	6

**Scale: Job Satisfaction****Case Processing Summary**

		N	%
Cases	Valid	30	100.0
	Excluded <sup>a</sup>	0	.0
	Total	30	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.687	6

**Appendix 3: Reliability Test****Scale: Employee Engagement****Case Processing Summary**

		N	%
Cases	Valid	200	100.0
	Excluded <sup>a</sup>	0	.0
	Total	200	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.661	4

**Scale: Compensation & Benefit****Case Processing Summary**

		N	%
Cases	Valid	200	100.0
	Excluded <sup>a</sup>	0	.0
	Total	200	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.847	6

**Scale: Working Environment****Case Processing Summary**

		N	%
Cases	Valid	200	100.0
	Excluded <sup>a</sup>	0	.0
	Total	200	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.752	6

**Scale: Job Satisfaction****Case Processing Summary**

		N	%
Cases	Valid	200	100.0
	Excluded <sup>a</sup>	0	.0
	Total	200	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.738	6