

CHAPTER III

SUMMARY OF LITERATURE REVIEW

Review of Literature forms an important part of this study. According to Writing Center, the main purpose of a literature review, however, is summarizing and synthesizing the ideas and arguments of others without adding new contributions.

3.1 Theme based Literature Review

Due to complexity of the subject, the review of literature suggested following major themes for which the review has been conducted. This section will dwell on the findings and inferences from the literature review on major themes:

1. Research papers on Employee Satisfaction, Job Satisfaction and Employee Commitment.
2. Research papers on Employee Satisfaction in Middle East
3. Research Papers on Employee Satisfaction of Expatriates and Third Country Nationals
4. Research Papers on Employee Satisfaction in rest of the world.
5. Research Papers showing relationship between Employee Engagement and Satisfaction

3.1.1 Research papers on Employee Satisfaction, Job Satisfaction and Employee Commitment

In the words of Patrick Townsend, 2008, for thriving and better performance, an organization should find a way to utilize all its brainpower. This is best possible

by engaging the employees who have already got experience in working with the organization rather than engaging totally new faces.

If the Top Management wants to change organizational rules, the employees should be made known about it, otherwise they will get confused. If an organization fails to provide new procedures and allocation of power with proper structure and specific instructions, the employees will conclude that there is no change in the policies and procedures of the organization. Ovidiu-Iliuta Dobre (2008), opines that a Manager, without making just an assumption, has to understand what really motivates employees. This is very essential for an organization. In his study titled "Employee motivation and Organizational Performance", he observes that competitive edge in business for an organization can be created only by Human resources alone and not Financial resources. According to him, employee performance depends on a large number of factors, such as motivation, training & development, job satisfaction, appraisals, and so on.

Jasna Auer Antoncic and Bostjan Antoncic (2011) in their study indicate the following as important elements that affect employee satisfaction:.

- Working time, working conditions and reputation of the company which contribute to General satisfaction with work
- Inter personal relationships among employees which is found based on personal interviews with employees
- Compensation, benefits and culture of the Organization: These elements include remuneration, education, promotion, compensation in the form of benefits and praise, permanency of the job and the organizational climate and culture.
- Loyalty of the Employee

According to Jasna et al (2011), the very important characteristics of an organizational support favorable to employee satisfaction include giving

employees discretion on work, giving a patient ear to his employees' suggestions/grievances, rewards, training, management support, trust, free intra-organizational boundaries, commitment and involvement in their personal welfare. Improving the satisfaction of workers is a central task of the management since satisfaction creates confidence, loyalty and consequently improves the quality of employees' output.

In another related study Muhammad Eshan Malik et al. (2011) splits his findings into two parts - one on the employee's retention and the second one on employees turnover rate - he concludes that while organizational culture, promotions, training practices and hiring of the personnel have directly influence on employee's retention; the organizational goals, its missions (in giving importance to employees' suggestions), rewards given to employees, compensations (provided to employees' well being) and recognitions (highlighting their achievements) positively decrease turnover rate of the employees.

John Sutherland's (2013) study emphasizes that personal characteristics such as gender, age and education and also to job characteristics such as hours worked, training provided, promotion prospects, and establishment size play significant role in arriving at the job satisfaction. He further goes to say that middle aged male employees who are in their 30s and well educated have relatively lower levels of job satisfaction if made to work for long hours with nil or minimum of training on the job on hand and with the knowledge of no promotions in the line of their work. .

In 2011, Brad Shuck et al, in their study cites two examples where Employee Satisfaction measures have helped gauge the company's performance. In the first example, North Shore LIJ Health System invested USD10 million in a certain year in the training and development of their work force. They encouraged their human resources to further their education in hopes of raising engagement levels

within their organization. The results showed that there was tremendous improvement on various fronts –employee retention rate increased to 96 percent in one year, patient-satisfaction scores were increased and profit of the firm also increased to record level. The second example is at Johnson and Johnson, where engagement of their work force is a regular feature. It evaluates performance of their employees (divided into teams) and the teams are given feedback about how the quarterly and other periodical goals of their business units are made possible by the employee work contribution. The study infers that organizations that support various types of learning of their employees considerably influence important organizational outcomes such as organizational commitment, turnover, employee engagement and job satisfaction.

Benjamin Artz, 2010, argues that job satisfaction is inversely related to job absenteeism, turnover and directly related to output. Echoing similar view by taking few other factors also into consideration Jerry D. Rogers Kenneth et al (1994) in their study titled "Increasing Job Satisfaction of Service Personnel", concludes that decreasing level of employee satisfaction, ambiguity in role clarity and increase in job tension are due to lack of effective communications. According to them, Role clarity is the degree to which individuals understand information they receive to perform their jobs. On the other hand effective communication is one where the person who conveys the message and the receiver are in the same wave length - in other words both construe to the same meaning on the message that is being conveyed/received. The authors are of the opinion that clearly defined job roles minimize conflicts arising between employees and management; among employees and between employees and customers. Conversely, if there is no clarity in the employee role, they get frustrated leading to anger and unhappiness with their job. The study concludes that the employee un happiness leads to dissatisfaction and ultimately affects the customer satisfaction. Job satisfaction, therefore, becomes an important factor since an increase in job satisfaction of employees will undoubtedly have an

positive influence on organizational outcome due to whole hearted involvement of the employees in discharging their clearly defined duties.

Ku Azizah Ku Daud et al (2014) paints a poignant touch to the subject matter on hand. He says Employee Satisfaction is a positive emotional state. When the expectations of the employees are met and their liking towards their job is relatively on the higher side job satisfaction is attained. It can be defined as the congenial emotional state that results from appraisal of one's job as significant or facilitating the achievement of one's job values". Prior research has found that job enrichment as well as promotions may enhance Job Satisfaction and Organizational Commitment which may manifest in improved performance.

Aysit Tansel and Saziye Gazioglu conducted a study in 2013 titled "Management-Employee Relations, Firm Size and Job Satisfaction". They found out that a good relationship between management and employee is necessary for a satisfactory organizational performance of an organization and for its human resources to feel that they are being effectively engaged. They feel that increased employee satisfaction may be because of improvements in the objective aspects of the job which weigh more than the reduction in dissatisfying aspects of the job when compared. They also cite Freeman (1978), Akerlof et al.(1988) and Clark et al. (1998) together with recent studies conducted by Kristensen and Westgard-Nielsen (2004) and Levy-Garbous et al. (2007) since all of them agree that wages pay a substantial role in the quits and absenteeism of employees. Further, they state that employee leave jobs that provide low satisfaction for one that provides higher satisfaction. Thus employee satisfaction is an indicator of employee turnover also. For these reasons, in their view, it is vital to study the various aspects of employee satisfaction.

Carolyn Stringer et. al., in the year 2011, find that intrinsic motivation and satisfaction with one's pay have a direct bearing on employee satisfaction,

whereas extrinsic motivation has a negative association with employee satisfaction. Clear goals with clarity on the roles the employees have played are key to make sure that employees understand what is expected of them to focus in their effort. The concentrated effort put in leads to appreciation which in turn paves way for higher levels of motivation.

Lund, 2003, concludes that it is important for the management to recognize the dimensions of their corporate culture and its impact on employee related variables such as commitment, strategy implementation, satisfaction, cohesion, performance etc.

In 2006, a review paper was written by Thomas A. Wright on emergence of Job Satisfaction. The paper had reviews of various research papers that were focused on emergence of job satisfaction. Wright says that among the early researchers, Mc Murry (1932, p. 202), articulated the importance of determining the relationship between “efficiency of the employee and job satisfaction.” While discussing on the evolvement of the study on employee satisfaction Wright points out that the study on Job satisfaction started slowly in the mid-1930s, more developed during World War II and was well evidenced by the early-1950s. He also argues that, over time, many researchers interested in the study of Organizational Behavior have made their choice towards job satisfaction for their study.

Rust et.al (1996) in their study establishes an all the more broadly accepted relationship which is the link between Job Satisfaction and employee turnover. They are of the opinion that models developed on employee turnover mostly propose negative relationships between employee satisfaction and turnover. According to them, employees having long tenure in the organization develop personal relationships with customers of the organization. These personal relationships help in developing positive interactions between employees and

customers. Employees who is having positive relationships with customers are able to provide better service. Customers who receive better service do not have major complaints and thereby create fewer problems for employees. Employees in turn react more positively in dealing with customers. These reactions result in better service which again leads to higher customer satisfaction. Having a satisfied customer circle increases the sales potential of the organization which leads to better performance.

3.1.2 Research papers on Employee Satisfaction in Middle East

The research papers on Employee satisfaction in the Middle East primarily concentrate on multiculturalism and diversity. Bakr Ahmed (2008) was the pioneer in this regard who conducted a comprehensive study on Employee Satisfaction with specific reference to multi religious work force hailing from all over the world and working in the Middle East . Though, there have been other studies too, they had some bearing on the findings of this pioneer.

One of the findings of Bakr Ahmed's (2008) study states that diversity is positive factor which leads the firms to be healthy and it creates competitive advantages for firms. He states that the United Arab Emirates, with its diversity and multi culturalism, provides a larger pool of talented and experienced individuals. This, in turn, improves the capacity for innovation and creativity within society. The author strongly believes that companies utilize diversity as leverage for achieving their multidimensional goals viz; increasing their business capability, gaining competitive advantage, building the ability to compete in worldwide markets, improving their business profits, improving business performance etc. These automatically effect in achieving improved relationships with multicultural communities, higher level of Employee Satisfaction, attracting & retaining multiple talents and skills and maintaining a workforce that mirrors the customer base.

Other researchers who support diversity agree that a culturally diverse labor force is inexpensively beneficial and leads to better performance. However, they also hint that a diverse personnel represent many challenges to organization in areas such as trust & commitment, workplace authority, different work ethics, etc. When a certain diverse group feels that they have been unfairly discriminated, the problem of perceived discrimination arises that leads to a sense of rejection resulting in hostility towards the group that was perceived in receiving un due benefits. This may become a cause for conflicts and groupism among employees.

The problems faced by expatriate employees in UAE are identified and exhaustively discussed by Bakr Ahmed (2008) in his study. The following lines shall throw light on the prevailing situation which in turn will help us understand the problem

The life of an expatriate employee is highly disproportional to that of Emirate employee in all fronts. The disparity between these two groups is very apparent. Average pay for Emiratis in both sectors (Government and Private) is at least three times that of expatriates, An Emirate cannot be removed from his employment that easily. It involves lot legal jargons However, a entirely different set rules and regulations have been set for expatriates. They have very little job security and are easily terminated. The terminal compensation given to an expatriate is very meager and the tedious court procedure is a big deterrent for them if they choose to proceed legally. On an average, the court takes a minimum of one year to pronounce their verdict. Moreover, it is almost impossible for an expatriate to re employ himself while the case is in court. Thus, they have very little options to choose; either they endure, go to court, or get deported in case the court's decision is unfavorable to them.

Another problem the expatriate face in UAE is they cannot own any residential property here even if they have the resource to buy one. Every time they come on a two year (earlier three year) work visa which gets renewed based on certain mandatory regulations. They are discouraged to get a permanent residence and this creates a transient environment among the expatriates resulting in traditionally high employee turnover percentage coupled lack of focus on a committed corporate culture which is aimed to support long-term human resources with training and / or career paths.

Aon Hewitt 2014 observes that Middle Eastern organizations have the tendency to push their growth and profitability targets further and putting the economic crisis in their back yard without the thought that it imperative for an organization to retain the required talent to achieve their ambitious goals. If employers want to maintain high levels of employee engagement, constant engagement of employees is more critical than ever. He concludes with a remark that his research over the years has established that organizations with high engagement levels benefit from lower absenteeism, higher productivity, customer satisfaction and total shareholder return.

Aon Hewitt (2014) studies measure Employee Engagement with the help of proper set of survey items to assess the extent to which employees want to be a part of their organization (**Stay**), speak positively about their organization (**Say**) and desire to go above and beyond in their job (**Strive**). As mentioned earlier, the aggregate Employee Engagement Score in the Middle East decreased by 1% between 2012 and 2013. All the three - Say, Stay and Strive - behaviors have shown a declining trend with Strive showing the largest drop of -3%

In a study on the employment opportunities in UAE Lambart,et. al (2011) state that around 84% of the population of UAE is expatriates and third country nationals from around 200 countries. The GDP per capita of UAE is second

highest (United Nations Human Development Index, 2011), and because of this the country is stable and secure. UAE is ranked first in the region as the preferred location to live for young Arab expatriates (The National, 2013).

Even though the above study says that expats population, which is as high as 84%, finds UAE a preferred location, in another study by Koji, 2015, has a different view. Koji, 2015, in his study found that the expatriate population has expanded in the Middle East so much so the national (local) population figures make up less than one third of the overall population especially in Qatar, UAE and Kuwait., the federal governments of UAE recently noticed that too much dependence on expatriate workers created a demographic inequality between nationals and expatriates. This had a harmful effect on local society which besides having a direct impact on the unemployment scenario among the national population, it created a concern on their national identity. It also harbored some subtle animosity among the nationals towards expatriates. As a result of this imbalance, the federal government introduced the labor naturalization (Emiratization or Absher initiative) Policy, implementation of which commenced with the replacement of expatriate workers with national workers with a twin objective of improving employment conditions of the national labor force on one hand and reducing the number of expatriate workers on the other. However hiring of UAE workers was a costly affair when compared with expatriate employees in terms of experience, skill, productivity, pay, and other occupational ethics.

Talking of Job Security and continuity in employment, Yousef (1998) opines that the employees (expatriate) in Saudi Arabia are not pleased with their job security. We have, in earlier paragraphs we have underlined that Expatriate Employees' Satisfaction with Job Security is considerably associated to their commitment to continue in the current job. From the view point of the author, it is very important to understand the nature of the relationships between satisfaction with job security / job performance / organizational commitment and the impact of national culture

on such relationships. Organizations should provide management with precious information for developing plans for inspiring and retaining organizational commitment and for enhancing employee's performance.

3.1.3. Research Papers on Employee Satisfaction of Expatriates and Third Country Nationals

The six Arab speaking countries that structure the Gulf Cooperation Council (GCC) are Saudi Arabia, United Arab Emirates, Kuwait, Oman, Qatar and Bahrain. The estimated population of GCC is 50.3 million residents in 2015 out of which approximately 48.1% are expatriate. A point worthwhile mentioning is that these expatriates constitute around 70% of the workers in these countries.

Limiting our statistics to the UAE, its total population is around 9.5 million, of which 1.4 millions are nationals and the balance 8.1 millions are expatriates and TCNs. In terms of ratio, expatriates constitute around 85% of the UAE population

Abdullah and Shaw (1999) in their study revealed that Emiratis, the nationals of UAE show cased higher levels of continuance commitment with higher levels of education, while it was opposite in case of non-nationals. This is mainly due to the deterrent factors the expatriates face as explained in the earlier paragraphs.

In another statistical research on the Continuance Commitment, Alnajjar (1999) studied psycho-social factors influencing the commitment of 476 staff, including 398 nationals, from various governmental organizations and private companies in the United Arab Emirates. The results revealed that salary and educational level were significantly related where as there is no relationship between age and years of service and commitment. Commitment and Satisfaction were positively related as well. One interesting finding was that, on the dimensions of discipline and concern, subjects from companies that were managed by nationals were found to have higher commitment than those worked for Expatriates.

Kuehn et al. (2002) found that Omani employees reported relatively high levels of both satisfaction and commitment as compared to expatriate workers, particularly in the private sectors.

Results of above two studies clearly demonstrates the concern for maintaining National Identity among nationals.

In contrast to the above studies where expatriates shown lesser commitment, Al-Meer (1989), conducted a study in Saudi Arabia and assessed the commitment of 239 employees engaged in Managerial and Non-managerial jobs in several types of firms using the Questionnaire designed for Organizational Commitment. All were working on full time basis. They were from the United Kingdom, the United States, Saudi Arabia, and six Asian countries: India, Bangladesh, Pakistan, the Sri Lanka, Philippines, and Thailand. The results showed that Asian workers expressed higher levels of Organizational Commitment than Westerners or Saudis. Here the above study construes that Nationals and Expatriates are less committed than TCNs from Asian countries.

His study also revealed that nationals are more dedicated in the private sector firms than formerly thought. Then a genuine question arises that why the TCNs and expatriates are so unenthusiastic. They are of the opinion that the difference may be because of the sense of maltreatment the TCNs and expatriates seem to have experienced as compared to that of Nationals. It was more obvious in the case of private-sector expatriates where the expatriates had alleged high levels of imbalances. Hence, they are forced to change their level of commitments in light of these imbalances. Expats engaged in the public sector have relatively good jobs, even though salary and other benefits may be lesser compared to nationals. Here the expatriates may get convinced that their contributions are lesser than their salary they get when compared to their expat-colleagues in the private sector.

Alizee B Avril et al., 2007, in their study disclose that main reason for an expatriate to fail in his / her assignment is the incapability of the expatriate's spouse to get adjusted in his / her new surroundings. The expatriate has a sense of belonging at the work place where as the spouse often struggles with feelings of alienation.

According to Shaffer and Harrison (1998), in many cross-border assignments, cognition is the primary factor that determines employee turnover. The job satisfaction and organizational commitment which are distinctive in nature have direct implication on withdrawal cognition. Other factors such as "role overload" and "role ambiguity" contribute to a greater extent in the Expatriates feeling "emotional fatigue" which eventuates in "job burnout".

Elisa et al., 2001, in their study state an Organization shells out around USD 100,000 to USD 500,000 to the individual returning home prematurely. They also go on to disclose that around 20% who left their companies work for a competitor company after returning home.

Black (1990) found that US expatriates experienced increased work adjustment and decreased role ambiguity and role conflict because of high levels of social support from their co-workers. In another related study, Gooler (1996) examined various types of work and family support and noticed that perceived organizational support was the strongest predictor of increased employee satisfaction and decreased employee turnover.

3.1.4 Research Papers on Employee Satisfaction in rest of the world

In China, according to Kwok Leung et. al., the difference in compensation between locals and expatriates working in foreign multinationals is very high. A study conducted in the Suzhou area established the fact that local employees regarded their payment vis-a-vis that of expatriates as unfair. This became the cause of frustration among the local employees.

Okpara et. al., in 2011 summarized that from 10% to 80% of expatriates who were sent on foreign assignments were returning home before completion of their assignment. This is costing multinational enterprises (MNEs) in the range of U.S.\$ 40,000 to U.S.\$ 1 million for each failed assignment. The main reason for expatriates' failure is identified as their incapability to adapt themselves to the host-country's culture.

In a study in Amul Industries by Bhati et. al, (2013), in India, it was revealed that maintaining good relationships, providing housing to employees and other providing support to acquire other essential things are vital for Employee Satisfaction.

Calvin Reynolds (1997) feels it is essential that there is harmony among business objectives, recruitment, and compensation structure. Solid expatriate strategies are vital for success of global business and this should become the major interest for senior management.

Adwoa Boadua et. al (2012) stated that job satisfaction directly influences an organization's competitive advantage. This implies that every organization that wants to excel, must ensure that they are employing right strategy to guarantee Employee Satisfaction. They cited Kim (2001), who noted that employees satisfied with their jobs may have strong desire to improve the quality of work produced. The results of their study showed that Quality of life and personal health of the Construction Employees were poor. However, relationship with superiors and co workers were excellent. They concluded that improvements in quality of life of construction workers will enhance job satisfaction.

3.1.5 Employee Satisfaction Vs Employee Engagement

Engaged Employees are satisfied employees. There are lot of studies on finding the relationship among various terms such as Employee Satisfaction, Employee Engagement, Employee Commitment and the like.

According to Richard Mc Bain (2007), Employee Engagement plays a major role in creating a concept and measuring the impact of Human Resources in organizations and in the incorporation of many different aspects of HR – commitment, employee satisfaction, motivation, psychological bonding, involvement, job design and rewards.

In his paper he observes that most of the organizations measured engagement and the typical approach was an annual climate-type survey coupled with in-house and external administration. These surveys usually addressed commitment, engagement and leadership, as well as a range of other factors such as job satisfaction and advocacy.

He created a model showing the relationships among the factors Engagement, Satisfaction and Commitment. He concludes that Engagement influences job satisfaction, which in turn influences commitment. Hence, it can be deduced from the above that all three - commitment, engagement and job satisfaction - impact upon the key outcome of an employee.

Brad Shuk et. al., (2011) speaks about essential factors, rather than non essential factors that has been the motivation for employees to be engaged in their work. The above is closely corresponding to Kahn's (1990) field of meaningfulness. Further, satisfaction of individual needs was identified as vital factor for engaging employees (Kahn,1990).

The study also speaks about poor management practices such as creation of an unfriendly and / or hostile office climate. The study also dealt in detail about organization's poor communication skills which has resulted in decreased employee satisfaction (Brown and Leigh, 1996) and higher levels of employee turnover (Harter et al., (2002)). Employee Turnover or termination of employment is termed as an ultimate act of disengagement.

Maria Karnika et al., (2015) conclude that an organization's methodology on their employees observation will determine an individual's attitude toward their job, vis-a-vis their job satisfaction by strengthening their engagement with work. This would provide link between job satisfaction and employee engagement as to how positively the employees are oriented. The study concludes that one's psychological bond with their organization can undermine or enhance his or her engagement in and satisfaction with their work.

Angela Baron (2012), opines that commitment and job satisfaction are two elements of employee engagement. This is evident from his quote " Determinants of Employee Engagement is still open to question and many organizations are still not clear on the elements of engagement, such as commitment, job satisfaction or with engagement itself."

Engaged employees take care about the organization's future and through their individual and collective actions they are willing to strive for the future success of the organization (Seijts & Crim, 2006).

Productivity and enhanced performance of an organization can be achieved by Employee Engagement (Cummings & Worley, 2005).

Maha Ibrahim (2014) citing Schaufeli and Bakker (2004) and Sonnentag (2003) states that organizational commitment is positively related to engagement; likewise, Saks (2006) accepted the fact that engagement provides the reasons for conflict in organizational commitment as well as in other issues such as intention to quit the job, employee satisfaction, and organizational behavior. Saks (2006) is of the opinion that employees who are engaged in their jobs are likely to respond positively; they also become trustworthy and possess positive attitudes toward their organizations. Moreover, engaged employees have the tendency to socialize with others within the organization and give weightage for the trust worthiness their organizations expect from them. (Saks 2006).

According to Abishek Mittal (2011), Satisfaction is what the other can do for oneself and hence calls it a “one-way street”, whereas he terms Engagement is what people can do collectively and hence uses the terminology “two-way street” As such, the latter is a two-way contract. It involves various factors' construct and has greater validity and linkage towards revenue, profitability, growth, attrition etc of a business .

He also says that “Employee Satisfaction” as the extent to which employees are happy and contented besides fulfilling their desires and needs at work. and “Employee Engagement” is the degree to which employees are involved in and are enthusiastic in performing their task and committed to the standards of the organization which has employed them and goes beyond the basic responsibilities to impel further the business According to him an employee can be satisfied with his / her job without being actively engaged in it. From the above we may infer that basically all engaged employees are satisfied employees where as all satisfied employees need not necessarily be engaged.

Gallup research found that both employee satisfaction and employee engagement relate to meaningful endings. It goes on to explain that satisfaction is a wide, attitudinal product, like loyalty for the organization or pride. It is difficult to act upon; and some traits of satisfaction have no relevance to performance. Whereas, alternatively, Engagement assumes satisfaction and many other concrete business outcomes as indicated above.

According to an article titled “The link between Employee Satisfaction and Engagement” by West, Employee Satisfaction is a major component of Employee Engagement.

The paper written by ADP Research Institute in 2012 provides the following definition for Employee Satisfaction and Employee Engagement.

- ❖ **Employee Satisfaction** as a measurement of an employee's happiness with current job under prevailing conditions but it does not measure how much effort the employee is willing to expend.

- ❖ **Employee Engagement:** It is measured in terms of an employee's emotional obligation to an organization - it takes into account the amount of unrestricted endeavor an employee employs or willing to employ for and on behalf of the organization.

Ryan Scat, 2012, in his article "Satisfied Employees Vs Engaged Employees", is of the opinion that employees can simultaneously be satisfied and disengaged. According to him, a satisfied employee will be working according to the timing of the organization besides performing only the job assigned and nothing more. Alternatively, an engaged employee, since he is emotionally attached to the success of his organization, is compassionate towards his job and hence performs with a higher level commitment..

In their paper "The meaning of Employee Engagement", William H. Macey et al mentions that (a) behavioral engagement; (b) psychological state engagement; and (c) trait engagement are the three aspects of Employee Engagement..

Beverly Little (2006), has shown how the term "Employee Engagement" differs from "Employee Satisfaction". While Employee Engagement has mathematical relationship with profitability, productivity, safety, employee retention and customer satisfaction, Employee Satisfaction is devoid of these relationships.

From the above studies it is very evident that Employee Satisfaction and Employee Engagement are positively connected.

3.2 Research Gap

The detailed Literature review was focused on understanding what all has been researched in the area of Employee Satisfaction with special reference to Expatriates working in the Middle East. Secondly, a comprehensive study of literature was carried out on Employee satisfaction, its origin, its drivers, how its benefits business and society as a whole,. Thirdly, studies pertaining to Employee Satisfaction in the rest of the world was carried out. The final study dwelt extensively on the relationships between Employee Satisfaction, Employee Engagement and Commitment.

From the review of aforesaid literature, primary gaps envisaged for further understanding are:

1. The determinants for Employee satisfaction of Expatriate employees and TCNs working in EPC companies of Oil and Gas industry in the UAE are not known.
2. No Literature is available on how EPC companies in Oil and Gas Sector engage their employees to get the best out of them and help reduce employee turnover
3. The Literature is silent on the method of how expatriate employees and TCNs gets Job Satisfaction in EPC companies of Oil and Gas Industries in the UAE.

In a nut shell, No literature is available on Employee Satisfaction of Expatriates and TCNs working in EPC Companies of Oil and Gas Industry in the UAE.

Final Gap: In spite of various studies conducted and research undertaken, on the subject of Employee Satisfaction, studies / research papers relating to data on the level of Employee Satisfaction of Third Country Nationals and Expatriates working in EPC Companies which are executing projects in Oil & Gas Industry in UAE are not available

3.3 Research Problem & Hypothesis

3.3.1 Background

Although in the existing literature, Employee Satisfaction is dealt extensively including Employee Engagement, Employee Satisfaction in western environment, non western environment, engaging expatriate employees, determinants of employee satisfaction and various other heads, Employee Satisfaction of expatriate employees working in EPC companies of Oil and Gas Industry in the UAE is not covered. Since the **overall job satisfaction level of UAE**, based on the studies conducted, **is low**, it is important to know what is the level of Employee Satisfaction of Expatriate Employees and TCNs working in EPC companies of Oil and Gas Industry. We have already learnt that the process of replacing an expatriate employee is time consuming and involves huge cost. EPC Companies work in strict time schedules to complete their contract and hence they cannot afford to lose time and/or money. Hence, this problem needs to be addressed by means of a research study.

3.3.2 Research Problem

How to determine the current level of Employee Satisfaction, the determinants of their Satisfaction and the changes that are required to keep them satisfied?

These are to be found out through a research study.

3.3.3 Research Hypothesis

The following hypothesis are framed to be tested for this study:

Hypothesis 1: The Current level of Employee Satisfaction of Third Country Nationals working in EPC Companies of Oil Industry in UAE is low

Hypothesis 2: The Current level of Employee Satisfaction of Expatriates working in EPC Companies of Oil Industry in UAE is low

3.4 Research Questions

Following Research Questions arose based on the available literature study and business problem:

RQ1: What is the current level of Employee Satisfaction of Third Country Nationals working in EPC Companies of Oil Industry in UAE ?

RQ2: What is the current level of Employee Satisfaction of Expatriates working in EPC Companies of Oil Industry in UAE ?

RQ3: What are the changes that are needed to keep TCNs and Expatriates working in EPC Companies in Oil Industry in UAE satisfied?

3.5 Research Objectives

To find out answer to the research problem on what is the Employee Satisfaction level of Expatriate Employees and TCNs working in EPC companies of Oil and Gas Industry in the UAE, the following research objectives are pursued in this study.

RO1: To find out the current level of Employee Satisfaction of TCNs working in EPC Companies of Oil Industry in UAE.

RO2: To find out the current level of Employee Satisfaction of Expatriates working in EPC Companies of Oil Industry in UAE.

RO3: To Suggest changes that are needed to keep TCNs and Expatriates working in EPC Companies in Oil Industry in UAE satisfied.

3.6 Theoretical Premises

During earlier days, the management theories such as Frederick W. Taylor's Scientific Management Theory were only suggesting the management to motivate the employees using financial compensation to improve employee motivation and job performance. Due to improvement in Personality and learning theories in psychology during the early 1900s the development of motivational programs to enhance performance could be achieved by creation of organizational conditions which matched the goal – task – satisfaction levels. Research, conducted from the 1940s to the 1960s, on the determinants of choice, led to the development of analytical models of workplace behaviors, including employees' turnover (Nicholson, 1995, p. 332)

Brad Shuck et al., (2011) study refers to Maslow (1970) where self-actualization was defined as the completion of activity that immensely satisfies the person on completing the job on hand (Maslow, 1970). He goes on to say that the drive to self-actualization is similar to concept of Employee Engagement which is echoed by (Kahn, 1990). He further interprets that an individual, in order to visualize his dream of becoming everything one is capable of becoming and accomplish the need for internal / emotional satisfaction, he conceptualize the drive to attain ultimate self fulfillment, (Maslow, 1998, p. 3). Brad Shuck et al., (2011) study also cites Herzberg (1968), who proposed that essential factors like importance of contribution, personal growth etc motivated workers to be engaged in their work rather than factors like remuneration, corporate image etc., since those were considered non essential, This very closely corresponded with Kahn's (1990) field of meaningfulness. Further, the important component to engaging was identified as satisfaction of individual needs (Kahn, 1990). However, the study never fully explored on the understanding of individual needs

The findings of the study by Sorensen Matt Minahan, (2011) offer strong proof that McGregor's Theory Y concepts and related management approach have a lot

of application. They are closely associated to thankful inquiry and social construction. There is also evidence that, across National and Cultural boundaries, McGregor's concept of management is universal and has been applied in various situations.

The study also highlighted the work of Joanne Woodward which indicated that the firms that use fully mechanized facilities, (Theory X organizations), were more suitable for mass production technology, where as the firms that use human work force on the higher side, (Theory Y organizations) were more consistent with advanced technologies. The study praises McGregor that many researchers frequently quote McGregor as one of the major and most important works on global management. This portrays the international recognition and influence of McGregor.

Myers, (1998) proposes a familiar view of job satisfaction and he uses Locke's theory for the same. He says, Job Satisfaction is a positive emotional state which result from the assessment an employee's job experiences. It becomes a task of the theoretical difference between planned and actual performance, or the degree to which an employee's performance is discrepant with his / her set of values. He infers that the yield of satisfaction is the directly proportional to the achievement of one's values and the outcome is on the expected lines. If an employee feels that according to his values, he has achieved something and the outcome is closer to the expected value and he gets a high level of satisfaction (Locke, 1976). An employee will be satisfied as long as the above said factors help him to attain his goals and acknowledge his values.

The study concludes that by improving the job satisfaction level of an employee, the management can increase the motivation level of the employee. Thus Herzberg's (1968) concept of attitude as a powerful force in determining output, has been complemented by Locke's formulation of value and its importance to work goals and consequent job satisfaction.

Oscar et al. (2005), in their realistic study, modified the questionnaire developed by Keaveney and Young for use in their study and distributed the same to around 160 business students pursuing their under graduation at a state university in South Central Pennsylvania. Using Path Analysis, the imaginary effects were tested rationally by incorporating a widespread set of independent variables and self-reported experiential assessments to find out the experience and this in turn was related to student satisfaction. The findings proved that the path coefficient from students' partial college experience to satisfaction was consistent with Herzberg's two-factor theory.

Carolyn Wiley, (1997) has quoted Alderfer's ERG Theory and is of the opinion that ERG theory is aimed to modify Maslow's hierarchy by reducing the number of need categories. Alderfer has propagated three levels of need:

- (1) existence or survival (E);
- (2) relatedness (R) - dealing with recognition from others and attaining a social status and
- (3) growth (G) - Aiming on the longing to achieve and develop a person's latent and the internal aspects of ego accomplishment (success and autonomy)

The study reviewed all motivational theories evolved during the past 40 years and conducted a motivation survey to find out what motivates employees. The findings showed that following are the top five factors:

- (1) good wages;
- (2) unbiased appreciation for work done;
- (3) job security;
- (4) promotion and growth in the organization; and
- (5) interesting work.

From the above it is clear that lot of efforts were made by using earlier theories and their research results echoed findings of earlier ones or arrived at new relevant findings which differed from the earlier theories. Our study will also

utilize the vast knowledge developed by various theories in the past in the field of Employee Satisfaction in EPC companies of Oil Industry in UAE.

Our Study has drawn necessary input from these theories.

3.6.1 Theoretical groundwork for the Study

Priority is given to maximize employee performance which in turn help the organization achieve their goals. (Butler & Rose 2011). Since increased production and employee performance can be obtained only if their employees stay motivated, it is important that they are satisfied (with their work) and psychologically balanced. Employee satisfaction will eventually lead to their increased performance besides increase in the retention level of employees in the organisation. These factors are extremely important for the Employee Management Literature and among Human Resource Management Practitioners, especially in Oil & Gas Industry.

The current research undertaken has 3 research objectives.

RO1 – To find the Employee Satisfaction Level of TCN

RO2 - To find the Employee Satisfaction Level of Expats and

RO3 – To suggest changes that will improve the Employee Satisfaction Level.

3.6.1.1 Theoretical groundwork for RO1 and RO2

RO1 and RO2 are based on the following theories:

- ❖ Motivator – Hygiene Theory of Herzberg (1959).
- ❖ Vroom's (1964) Expectancy Theory

Relevance to Motivator - Hygiene Theory

The study is reliant on number of features for realizing Job Satisfaction: working conditions, attitudes towards pay, career prospects, co-workers and managers and other essential aspects of the work that may influence the level of employee's satisfaction in the organization. Therefore, it can be deduced that Employee Satisfaction is a measurement of job and work expectations and it is not just an overall holistic attitudinal symptoms.

Herzberg (1959) theory, which is main among the content theories of motivation, emphasized on the motivator-hygiene factors and tried to explain satisfaction and motivation in the organization. While deeply studying the theory, we could find that while certain aspects of a job caused satisfaction ensuing in motivation, certain other aspects of the job caused job dissatisfaction. Herzberg explained that the factors that lead to satisfaction or to dissatisfaction are totally different. Hence, he states that neither the opposite of job dissatisfaction is job satisfaction nor the converse of job satisfaction is dissatisfaction **but, it is no satisfaction** (Herzberg, 2003.91). This theory further states that job satisfaction and dissatisfaction are the consequences of different factors – motivation and hygiene respectively.

Important characteristics of Motivational factors are attributed to the willingness of those who wish to perform and derive satisfaction while doing their job. Hygiene factors comprise various aspects of the working environment such as interpersonal matters, working conditions, organizational policies and so on (Hackman & Oldham, 1976). Since the objective of the research is to find the employee satisfaction level, it is very much important to find the constituents of job satisfaction and job dissatisfaction. It is also very much important to find out the employee opinion on these constituents which shall be used as a tool to measure the employee satisfaction level.

We have used 17 aspects of Employee Satisfaction to design the research questionnaire tool. Of these, 14 facets are taken from Spector's 14 aspects on Job satisfaction as they are common in nature to gauge the Employee Satisfaction, balance 3 criteria which are relevant to Oil & Gas Industry were devised and added. But all the 17 aspects are basically derived from the Motivator – Hygiene factors of Herzberg.

The following table provides details of the designed questionnaire and its relevance to Herzberg theory.

Sl.No	Facet	Question Numbers	Relevance to Herzberg
1	Appreciation	1,2	Motivator
2	Communication	3,4	Hygiene Factor
3	Co Worker	5,6	Hygiene Factor
4	Pay	7	Hygiene Factor
5	Fringe Benefits	8,9	Hygiene Factor
6	Job Conditions	10	Motivator
7	Job Nature	11,12	Motivator
8	Organization	13	Motivator
9	Personal Growth	14	Motivator
10	Policies & Procedures	15,16	Hygiene Factor
11	Promotion	17,18	Motivator
12	Recognition	19	Motivator
13	Job Security	20	Hygiene Factor
14	Supervision	21	Hygiene Factor
15	Work- Life Balance	22,23,24	Hygiene Factor
16	Equality	25,26,27	Hygiene Factor
17	Environment	28,29	Hygiene Factor

Table 3.1: Design of Questions with relevance to Facets

Relevance to Vroom's Expectancy Theory

Victor H. Vroom (1964) invented Expectancy Theory. It projected that people chose how to act depending on the outcomes they anticipate as a result of their conduct. In other words, one decides what is to be done based on what one expects the outcome to be. For example a person may work for longer hours in the hope of getting an increment.

Further, Expectancy Theory also states that the process by which one decides his / her behaviors is also influenced by how probably one perceives those rewards to be. In the above example, if an employee is promised for a pay rise by management, the employee tries to work hard (and thus perceives that outcome as very likely) than if he / she had only assumed it is not possible to get one (the pay rise) (and perceived the outcome as possible but not likely)

Expectancy Theory is based on three elements:

- 1. Expectancy** – the conviction that one's effort will result in achieving his / her desired goal. This is based on the previous experience, the self confidence of the employee and the employees thinking that how difficult it is to achieve (the desired goal)

- 2. Instrumentality** – the belief that an employee will receive a reward if he / she meets performance targets.

- 3. Valence** – the value an employee places on the reward.

Therefore, we can conclude that according to Expectancy Theory, people are very much motivated if they believe that they will receive the desired reward once they meet the requisite target set by the organization. They are least motivated if they

don't believe that their efforts will result in the reward or if they are not interested in the reward.

Relevance to our Research Objective RO1 & RO2

The Questions relating to Appreciation, Pay, Fringe Benefits, Personal growth, Promotion, Recognition and Equality & Respect are provided to measure the Employee Expectancy level in those areas. The Lower score in these areas will prove that the **Employee Expectancy** is not met and their motivation level is low.

Based on the score of these areas, the EPC companies should work on improving the **instrumentality** area by making necessary arrangements and developing initiatives for employees to believe that they will be rewarded once they meet the targets.

The **valance** is based on the value the employee places on the reward. Highly motivated employees will always value every reward of their company.

By understanding the current level of Expectancy, EPC companies will be taking actions to improve their motivation level, thereby overall employee satisfaction will be improved which will ultimately benefit the EPC organizations.

3.6.1.2 Theoretical groundwork for RO3

The RO3 is based on Maslow's need Hierarchy Theory and Alderfer's ERG Theory

Maslow's Need Hierarchy Theory:

Maslow's (1943, 1954) *hierarchy of needs* is a theory on motivation and related to psychology. It comprises of a five tier model of human needs, often termed as hierarchical levels within a pyramid.

Maslow is of the opinion that people get motivated for accomplishing their list of wishes and in the process some wishes take priority over others. Our most basic necessity is for physical survival, and this will be the first thing that will motivate our behavior. Once that criteria is fulfilled, we move to accomplish the next foremost want in our motivational agenda and once this is also acquired, we move on to next and so on.

Maslow's five stage need hierarchy model is also divided into deficiency needs and growth needs. The first four levels of the model are termed as deficiency needs or (*D-needs*), and the top level is termed as growth needs or being needs (*B-needs*).

The deficiency needs are said to motivate people when they are yet to be met. Also, the quest to fulfill such needs grows stronger till its accomplishment. For example, if a person is struggling without food for more time, then food will motivate him.

The theory states that the lower level needs are to be satisfied initially before progressing on to meet growth needs which are on the higher level. When a deficit need has been satisfied, interest towards that (need) will reduce over a period of time, and our activities become routinely directed towards meeting the next set of needs that are yet to be satisfied. These then become our leading requirements. On the other hand, growth needs persist to be felt and may even become stronger once they have been engaged. But if anyone is able to satisfy these needs, even if to a reasonable level, he is known to have accomplished self-actualization, which is the highest level, commonly known as B level.

Alderfer's ERG Theory:

The psychologist Clayton Alderfer developed a new model to explain the simultaneous nature of Maslow's five needs. He termed it as ERG Theory of

Motivation in his first article captioned "An Empirical Test of a New Theory of Human Need." which was published in the year 1969.

In his theory, Alderfer compacted Maslow's need hierarchy from five to three:

- ❖ Existence
- ❖ Relatedness
- ❖ Growth

Alderfer's ERG Theory

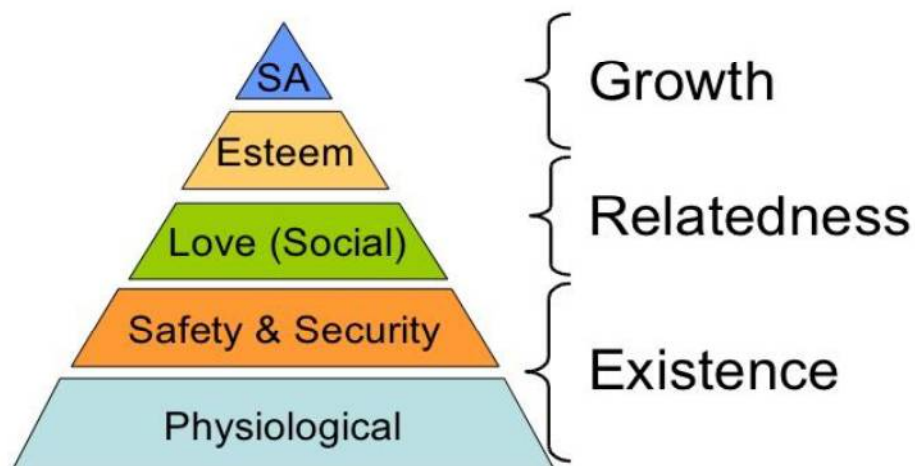


Fig 3.1: Relationship between Maslow's and Alderfer's Theories

However, his theory goes further by reducing the number of needs and expanding them by providing explanation on what each covers means. While he still maintains that there is a general order for pursuing needs, he claims that this order is not as fixed as it is in Maslow's hierarchy. Existence Needs, though is prioritized over relatedness and growth needs, changes are possible depending on the situation and person.

ERG theory has the following main differences from Maslow's theory:

- ❖ It states that people can be motivated by needs from more than one level at the same time. It also suggests that no regular pattern is necessary when moving from one level to another.
- ❖ It acknowledges that significance of the needs varies for each person and as situation change. It also concedes some people may give more importance to growth when compared to relations during later phase of their lives.
- ❖ It has a "frustration-regression" element. This means that if needs remain displeased at one of the higher levels, the person will become discouraged, and go back to pursuing lower level needs again.

Relevance of these theories to our Research Objective RO3

In the research undertaken, the suggestions provided by Employees and Employers for improving the Employee Satisfaction level has been originated by them in the quest for fulfilling their needs only. Employees have prioritized their needs by giving more weightage for certain suggestions over weightage given for some other.

The following table shows the suggestions given by Employees as well as Employers and the rationale behind their suggestion which the researcher infer from their need. The table also relates each suggestion with a need in Maslow's hierarchy as well as Alderfer's ERG level.

Sl.No	Suggestions for improvement in Employee Satisfaction	Relevance to Maslow's Hierarchy	Relevance to Alderfer's ERG Theory
1	Promotion	Self Actualization	Growth
2	Salary Increase	Esteem needs	Relatedness & Growth

3	Motivation	Self Actualization	Growth
4	appraisal & Feedback	Esteem needs	Relatedness & Growth
5	Incentives & Rewards	Esteem needs	Relatedness & Growth
6	Working Hours	Social Needs	Relatedness
7	Equality	Esteem needs	Relatedness & Growth
8	Appriciation	Esteem needs	Relatedness & Growth
9	Site persons' spl treatment	Esteem needs	Relatedness & Growth
10	Communication	Social needs	Relatedness
11	Treatment	Esteem needs	Relatedness & Growth
12	Recognition	Esteem needs	Relatedness & Growth
13	Vision / Mission	Self Actualization	Growth
14	fringe benefits	Self Actualization	Growth
15	Team Building	Self Actualization	Growth
16	Training	Self Actualization	Growth
17	Job safety	Security Needs	Existence
18	Supervision	Esteem needs	Relatedness & Growth
19	Career Development Plans	Self Actualization	Growth
20	Role Clarity	Self Actualization	Growth

21	Innovation	Self Actualization	Growth
22	Freedom to work	Self Actualization	Growth

Table 3.2: Relevance of suggestions to improve Employee Satisfaction to Maslow's / Alderfer's theories

3.6.1.3 Theoretical Gap

The research undertaken has focused on Employee Satisfaction of Expatriate Employees and Third Country Nationals working in EPC companies of oil & gas industry in UAE. These employees always face problems of equality and respect. This research has tried to measure their opinion on variables such as discrimination, harassment and stress level. Thus, this research has tried to add new dimensions to other aspects of employee satisfaction.