

JOB SATISFACTION AT IT SMES IN DURBAN.

by

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DECLARATION

This work has not been previously accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

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This dissertation is dedicated to

My Mum- my inspiration.

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ABSTRACT

The purpose of this study is to assess the job satisfaction of employees at selective IT SMEs in Durban and to ascertain if the personal characteristics of gender, age, race, and tenure influenced job satisfaction. This was assessed by determining if these employees were satisfied with their reward structure, their work environment, and the impact of gender, age, race and tenure on job satisfaction.

To investigate this, a quantitative, single cross-sectional study was conducted using a self-designed questionnaire on the selected sample ($n = 54$). The reliability (Cronbach's Alpha) and construct validity (Factor Analysis) of the questionnaire were determined. This questionnaire was found to be reliable and valid.

Descriptive and inferential statistics were calculated. Personal characteristics of gender, age, race (Black and Indian) and tenure were found to have no influence on job satisfaction. The findings indicated that there were significant differences in the level of satisfaction for Reward Structure and in the Work Environment. It was found that the IT SME respondents were satisfied with both their Reward Structure and Work Environment. Overall, it was found that all respondents were satisfied with their jobs.

It was, therefore, recommended that these IT SMEs maintain or improve this level of satisfaction. This will help ensure that such enterprises remain sustainable and continue to make a positive contribution to the South African economy.

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LIST OF ABBREVIATIONS

HRM	Human Resource Management
IT	Information Technology
IT SMEs	Information Technology Small and Medium Enterprises
MSQ	Minnesota Satisfaction Questionnaire
SME	Small and Medium Enterprise
THS	Tongaat-Hulett Sugar

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CHAPTER ONE

OVERVIEW OF THE STUDY

1.1 INTRODUCTION

Due to ever-increasing global competition, companies throughout the world are under continuous pressure to remain competitive. In such a competitive environment many companies have had to become leaner, quicker and more efficient. Consequently restructuring, reengineering, downsizing and de-layering have become the buzzwords of the business environment.

Therefore, entrepreneurship is often not seen as a career choice but as a necessity. Besides unemployment, job insecurity and job frustration other personal reasons for entrepreneurs establishing small or medium enterprises (hereafter referred to as SME) is the need for independence, achievement, recognition, personal development and wealth (Nieman, Hough and Nieuwenhuizen, 2003:31).

Internationally, SMEs are major contributors to the economy, stimulating growth and competitiveness. The success of other countries such as the United States of America, Japan and England, has proven that the only growth sector in the economy is the SME sector. This implies that SMEs are being established and grow (Nieman, Hough and Nieuwenhuizen, 2003:4).

Small business growth has become a major factor in the economic policies of developing countries. Developing economies are characterised by an abundance of labour and lack of capital and foreign exchange with which to import the necessary capital (Ntsika, 2002: 54).

According to the White Paper on National Strategy for the Development and Promotion of Small Business in South Africa (South Africa, Department of Trade and Industry, 1995:3), throughout the world SMEs are playing a critical role in absorbing labour, penetrating new markets and expanding economies. The White Paper states that internationally SMEs are addressing the challenges of job creation, economic growth, and equity and with an enabling environment the same can be achieved in South Africa.

However, the enabling environment which is desperately required for economic growth has been lacking. For the past decade since South African companies entered the global arena, they too had to restructure and downsize to remain internationally competitive. Ironically, this has resulted in increased job losses at a time when job creation is of utmost significance in South Africa.

The abundance of under-utilised human resources in South Africa is retarding economic growth. One of the main reasons is that people do have access to resources such as education, training, infrastructure and basic social services. As the Government does not have the capacity to deliver social services and develop all areas equally, SME development can provide a means of addressing geographic inequalities cheaply and allowing previously disadvantaged communities access to resources and the economy (Ntsika, 2002).

SMEs create employment which is particularly important since the demand for labour in large corporations does not increase in proportion to their growth. In 2002, SMEs employed 68.2% of people employed in the private sector, as opposed to 44% in 1995 and 53.9% in 2001. KwaZulu- Natal has the second highest number of SMEs in South Africa at 18.4%, with Gauteng the highest at 38.4% (Ntsika, 2003).

President Thabo Mbeki stated in his State-of-the-Nation Address on 14 February 2003, that one of the key areas the Government's economic programme would focus on, was SME development. He further stated that there would be concerted action in specific growth sectors, one of which was the Information Technology (hereafter referred to as IT) sector (Ntsika, 2003:15).

Despite the above attention paid to South African SMEs, there is still a high failure rate in the SME sector. A study has shown that more than six out of 10 new business fail within the first 18 to 24 months (Business Times, 1997). According to a study conducted by the University of Port Elizabeth (Xinhua, 2001) AIDS, crime and poor management are accountable for almost 80% of SME failure in South Africa. Whilst entrepreneurs are competent, the study showed that they lack managerial skills.

Nieman, Hough and Nieuwenhuizen (2003) support the claim that entrepreneurs lack managerial skills and state that entrepreneurs do not know how to manage their people despite the claim that human resources are supposed to be a company's most important asset. They state that human resources are one of the four major challenges confronting SMEs.

The purpose of this study is to address the human resource problem with specific focus on the IT industry. One way of achieving this would be to determine the current level of job satisfaction in the information technology small and medium enterprises (hereafter referred to as IT SMEs) in order to make recommendations for improvement.

1.2 PROBLEM STATEMENT

The purpose of this study is to determine the current level of job satisfaction of employees in the IT SME sector in Durban.

1.2.1 Sub-Problem One: Level of Satisfaction of IT SME Employees towards Rewards

The first sub-problem is to determine whether the employees are satisfied with the rewards they receive specifically with regards to pay and promotion.

1.2.2 Sub-Problem Two: Level of Satisfaction of IT SME Employees with respect to their Work Environment

The second sub-problem is to establish if the employees are satisfied with their work environment in terms of the work itself and their relationships with co-workers and managers.

1.2.3 Sub-Problem Three: The Influence of Personal Characteristics on Job Satisfaction

The third sub-problem is to analyse the personal characteristics in terms of age, gender, race and tenure, of these SME employees, and to determine the impact of these factors on job satisfaction.

1.3 CONCEPTUAL CLARIFICATION

The terminology used frequently in this study is defined below.

1.3.1 SME

According to the Ntsika Annual Review (2003:34) SMEs are classified qualitatively as follows: Small Enterprises are enterprises that have a secondary managerial structure with some form of managerial level coordination and Medium Enterprises have a managerial structure that is more complex with further decentralisation of decision-making and higher labour division.

A quantitative definition is also provided per industry as determined by the number of full-time employees, annual turnover and gross asset value.

The IT SME industry performs the task of providing a business service and procurement of computer equipment. According to the National Small Business Amendment Act 26 of 2003 (South Africa, 2003:25763), the IT SME industry falls in both the category of retail and business services. An IT SME, therefore, can collectively be defined as having between five and 200 employees, an annual turnover less than R39 million, and a gross asset value of less than R6 million.

1.3.2 Job Satisfaction

Kreitner, Kinicki and Buelens (1999:197) define job satisfaction as “An affective or emotional response to one’s job”.

1.4 DELIMITATIONS

This study was conducted within selected companies in Durban. This study is further delimited to the Durban metropolitan area.

1.5 LIMITATIONS

There were certain limitations in the study including the following:

- Data was collected through a self-completed questionnaire and thus the researcher was dependent on the voluntary cooperation of the respondents.
- The study was also limited to the responses on the factors of the job as measured by the self-designed questionnaire.

1.6 ASSUMPTIONS

The following assumptions were made in this study:

- The questionnaire would provide adequate assessment of the respondent's perception regarding job satisfaction.
- The reward structure comprised of only pay and promotion.
- The work environment category assessed relations with managers and co-workers and factors relating to the work itself.
- Personal characteristics comprised of gender, age, race, and tenure.

1.7 MOTIVATION FOR THE STUDY

The researcher is an employee at Tongaat-Hulett Sugar (hereafter referred to as THS) working in the IT department. In 2004 THS found itself in financial distress for the following reasons:

- A drought which resulted in low sugar production.
- The dumping of cheaper Brazilian sugar in the South African market.
- The reduced world price of sugar.
- The strong Rand that impacted on the export market.

In order to address this problem, THS embarked on a cost-cutting initiative. This included a reduction of personnel by at least 50%. The retrenchment process began at executive level with five of the 10 directors being retrenched. The technical section of the IT department, which was deemed to be non-core to the business, was outsourced. An organogram of the IT department is provided in **APPENDIX 1**. These technical employees, however, opted not to work for Business Connexion, the outsourcer, but to form their own company, Dynatech, and operate as a SME.

The researcher's theoretical knowledge of SMEs and discussions with the entrepreneur of Dynatech prompted the current research to determine the level of job satisfaction of these employees, as well as that of other IT SMEs in Durban.

A survey on job satisfaction is beneficial, as it assists entrepreneurs in managing their workers more effectively. Such a survey will produce a number of important benefits including providing management with an indication of overall levels of employee satisfaction and indicating the specific areas of satisfaction or dissatisfaction. The survey also allows employees to vent their feelings about work, and aids in determining training requirements (Newstrom and Davis, 1993). In addition, Arnold and Feldman (1986) state that a job satisfaction survey helps identify problems that would have otherwise gone

unnoticed, and identifies the causes for absenteeism and turnover as well as serving as a means of communication.

A job satisfaction study in the IT SME sector was beneficial because SMEs are important role players in the South African economy. SMEs tend to be less capital-intensive than larger enterprises which is significant since South Africa is characterised by a shortage of capital and a surplus of labour. Furthermore, SME growth remains strong even during bad economic periods thereby supporting the view that the SME sector is imperative for the economic growth of South Africa (Ntsika, 2003).

A successful and vibrant small business sector not only aids employment creation but also assists in reducing the concentration of oligopolies in South Africa (Luiz, 2002:53).

Hence, understanding factors that contribute to an employee's job satisfaction is imperative for both the entrepreneur and employees. A study done by Topolosky (2000:71) has shown that the satisfaction variables of personal development, involvement and participation, use of skills and abilities, promotion practices, and opportunities for a better job, were strongly related to the financial success of a business. In addition, Robbins (1996:194) states that organisations that have satisfied employees are more effective. Thus, having satisfied employees at IT SMEs will help ensure that such enterprises remain sustainable and continue to make a positive contribution to the South African economy.

1.8 ORGANISATION OF THE STUDY

This study is organised into six chapters:

Chapter One presents an overview of the study and provides an introduction to SMEs, the research problem, assumptions, limitations, and motivation for the study.

Chapter Two contains the review of related literature on job satisfaction and findings from current research.

Chapter Three describes the methodology employed for this research. It includes a description of the sample, construction of the questionnaire, data collection procedures and the method of data analysis.

Chapter Four presents the research findings.

Chapter Five analyses the research findings.

Chapter Six includes the summary of the research and offers the conclusion and the recommendations for SMEs.

1.9 CONCLUSION

Since the SME sector is such an important vehicle for the growth of the South African economy, it is essential to address the challenges these companies face to ensure their sustainability. By determining the job satisfaction in the IT SME sector, this study would, in part, provide a means to this end. In assessing job satisfaction, the related literature is reviewed in the following chapter.

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CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

This chapter discusses the literature related to job satisfaction. It identifies the theories, sources and consequences of job satisfaction.

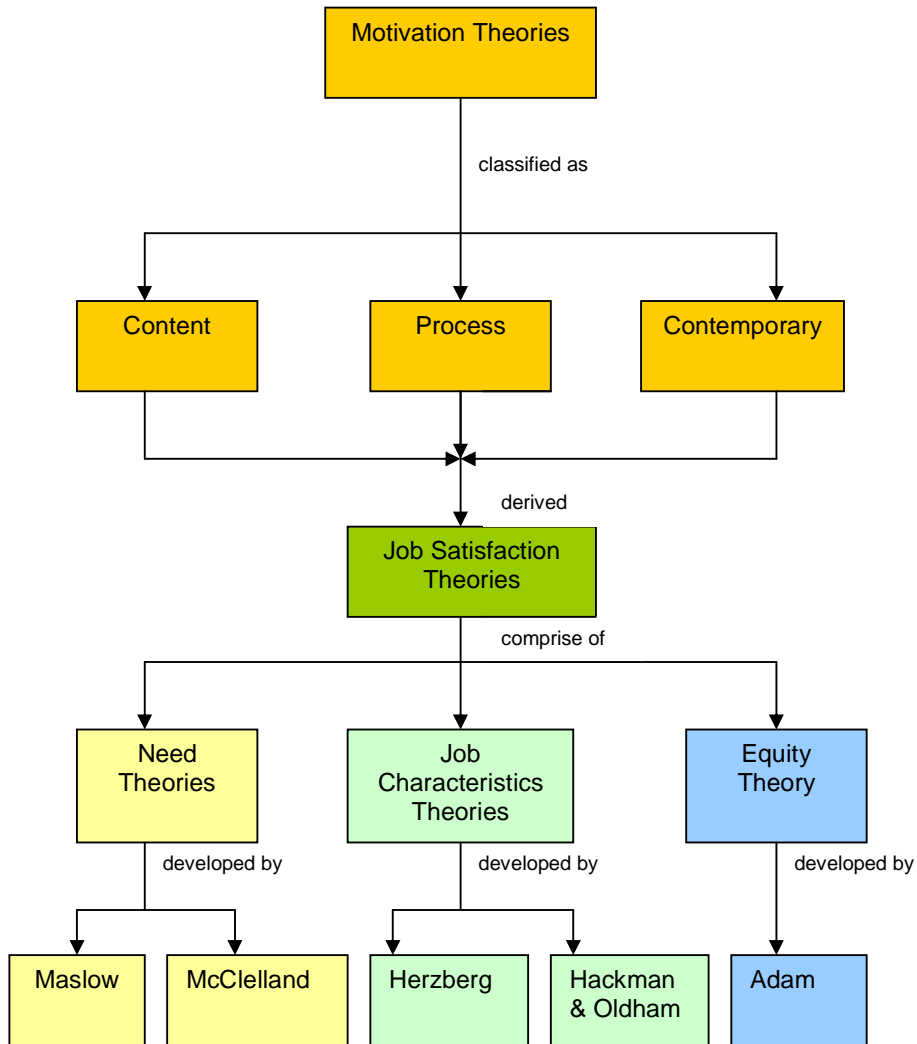
2.2 OVERVIEW OF THE CHAPTER

Job satisfaction is addressed through the theories of motivation. It is, therefore, necessary to define motivation and job satisfaction and to discuss the association between these variables. An overview of the motivational theories is provided and those pertaining specifically to job satisfaction are detailed. This is depicted in **FIGURE 2-1**.

The factors that influence job satisfaction are discussed. Personal and work-related factors identified are based on the theories of job satisfaction and the literature findings.

The literature on job satisfaction in the IT industry is also reviewed. The consequence of job satisfaction, or a lack thereof, is addressed to show its impact on the organisation.

FIGURE 2-1: The Theoretical Development of Job Satisfaction.



Source: Self-generated.

2.3 JOB SATISFACTION

In order to understand the theories relating to job satisfaction, the term is firstly defined.

2.3.1 Job Satisfaction Defined

In reviewing the literature it becomes apparent that job satisfaction can be defined in many ways.

Job satisfaction is defined by Arnold and Feldman (1986:86) "...as the amount of overall positive affect (or feelings) that individuals have toward their jobs". Robbins (2001:69) defines job satisfaction as one's general attitude towards work. He states further, that an individual with high job satisfaction has a positive attitude to the job and a dissatisfied individual has a negative attitude about the job. Spector (1996) contends that job satisfaction is not only how people feel about their jobs overall, but also how they feel about the various facets of the job. He says there are two approaches in the study of job satisfaction: the global approach and the facet approach. The global approach considers job satisfaction as a single, overall feeling toward the job, whilst the facet approach focuses on different factors of job satisfaction such as pay and the work environment. Fraser (1983:24) supports Spector and states that job satisfaction is not a unitary factor. It is possible that an individual could be satisfied with one factor of the job, such as work, but be dissatisfied with another factor, like pay.

Researchers at the University of Minnesota identified 20 intrinsic and extrinsic factors underlying job satisfaction (Weiss, Davis, England and Loquist, 1967). Whilst researchers at Cornell University developed the Job Descriptive Index which measures job satisfaction on five factors: pay, promotion, work, co-workers, and supervision (Smith, Kendall, and Hulin, 1969).

Luthans (2005: 212) provides a good definition of job satisfaction comprising of three dimensions. Firstly, it is an emotional response to job satisfaction and therefore it cannot be seen only inferred. Secondly, it is often determined by how well outcomes meet or exceed expectations. Finally, it represents several related attitudes. He identifies the most important factors affecting job satisfaction as the five factors of Smith, Kendall and Hulin as listed above.

From the above it maybe concluded that job satisfaction is a summation of one's feelings about the various aspects of one's job. An examination of the literature shows that job satisfaction is addressed by motivational theories.

2.4 MOTIVATION

Since motivational theories discuss job satisfaction, the link between motivation and job satisfaction needs to be established. This will be realised by defining motivation and job satisfaction and comparing them.

2.4.1 Motivation Defined

According to Hellriegel, Slocum, and Woodman (1998) motivation symbolises the forces that causes a person to behave in a specific manner and is goal directed.

Similarly, Torrington and Hall (1991:422) define motivation as a "...psychological concept related to the strength and direction of behaviour". The behaviour of people shows how motivated they are. If an employee is motivated at work, this will be evident in their behaviour through their dedication. A less motivated employee will display less of this behaviour and will display alternate forms of behaviour such as socialising instead of working. Torrington and Hall claim being motivated leads to job satisfaction. This is supported by the Porter-Lawler Motivation Model which shows motivation with other factors leads to satisfaction (Kreitner, Kinicki and Buelens, 1999:219).

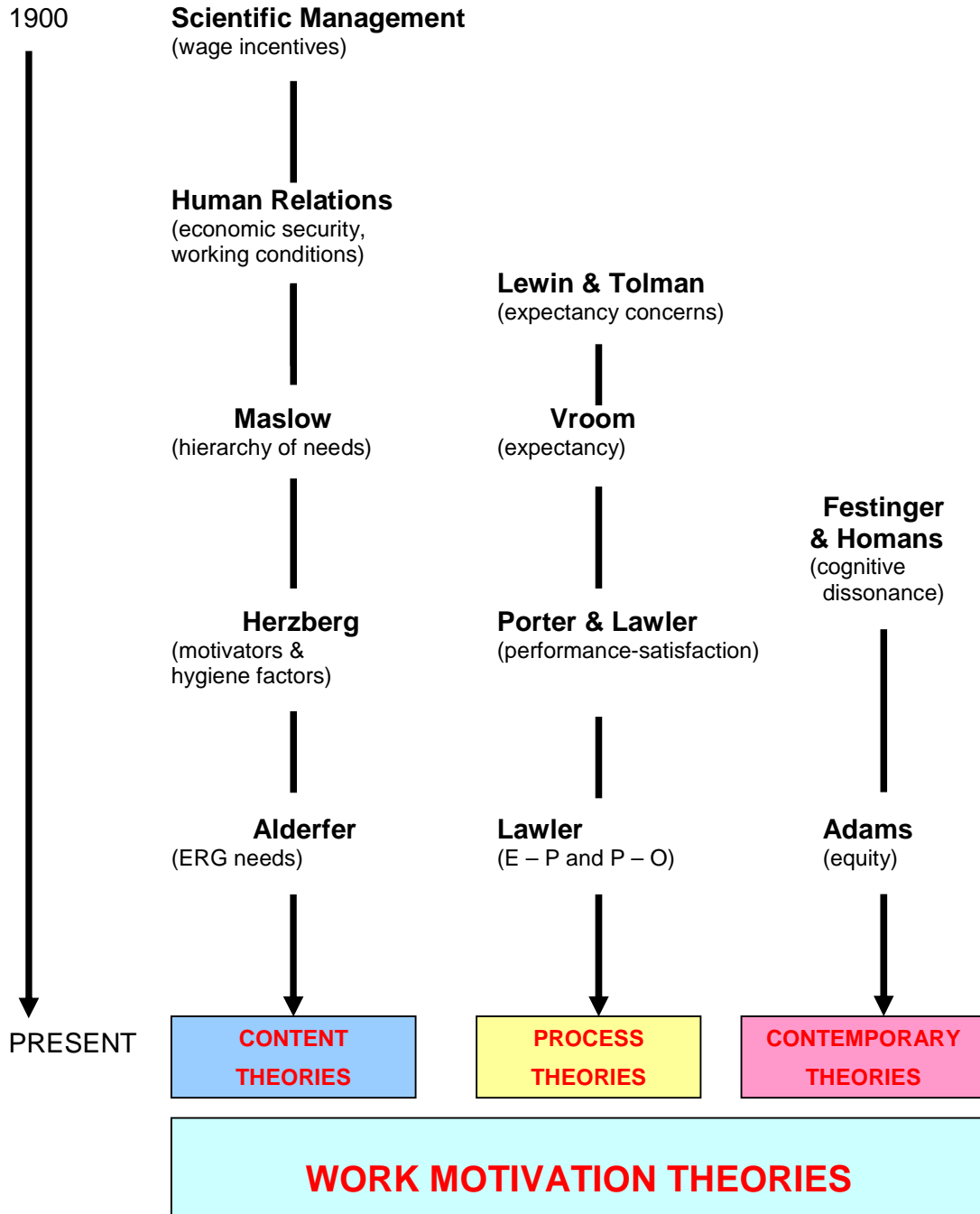
Furthermore, Luthans (1981:193) alleges that satisfaction is an attitude and motivation is a process and therefore they are not synonymous. Thus, it can be deduced that satisfaction and motivation are different concepts with motivation leading to job satisfaction. Investigating the theoretical background of motivation will provide a better understanding of the relationship between motivation and job satisfaction.

2.4.2 Theories of Motivation

Many theories have been proposed to explain the concept of motivation. However, they can be broadly classified into three categories as Content theories, Process theories and Contemporary theories (Luthans, 2005:239).

A discussion of the early Content theories of Scientific Management and Human Relations follows as they provide the foundation to the development of the modern theories of motivation. The different theories of motivation are depicted in **FIGURE 2-2**.

FIGURE 2-2: The Theoretical Development of Work Motivation.



Source: adapted from Luthans (2005: 239).

2.4.2.1 Historical Background

The Content theories of motivation began in the 1900s with Scientific Management developed by Fredrick Taylor (Refer to **FIGURE 2-2**). This was one of the first studies that sought to examine the relationship between the physical environment and worker productivity. It was based on detailed analysis of tasks and time-and-motion studies with piece-rate pay schemes to improve productivity (Luthans, 1981; Vecchio, 2000).

However, Scientific Management was criticised because it tended to exploit workers rather than benefit them, and it failed to consider social networks that influenced production rates (Benton and Halloran, 1991:6).

The principles of Taylorism were adopted in the mining industry in South Africa in the 1910s and 1920s in an effort to increase the productivity of the workers and to maximise profits. However, Scientific Management focused mainly on the working environment with little attention given to the worker. Workers were treated as commodities that were only motivated by economic incentives. This is similar to McGregor's Theory X where the worker was considered lazy, irresponsible and lacking in intrinsic motivation. Therefore, the worker had to be extrinsically motivated by the organisation with performance directly linked to pay (Barling, 1983).

The next motivational theory focused on Human Relations and concentrated on the people performing the job, rather than the task to be performed as in Scientific Management.

The focus on Human Relations began in 1924 with the Hawthorne studies conducted by Elton Mayo and F.J. Roethlisberger. Contrary to Taylor's principles that believed that human problems should be minimised as they obstructed production, Mayo saw human problems as an opportunity for progress. The study was conducted at the Hawthorne Works of the Western

Electric Company where the effects that varying degrees of illumination on worker productivity were examined. What began as an attempt to identify the relationship between working conditions and productivity ended with the realisation that supervision had a major influence on human behaviour (Benton and Halloran, 1991; Newstrom and Davis, 1993:8; Luthans, 2005).

Nonetheless, Vecchio (2000:11) claims that just as the Scientific Management approach had problems of application, so too does the Human Relations approach. The latter suggests that a reciprocal relationship exists between management and the employee. This means that if management takes care of their staff they will be happier and reciprocate by being more productive. However, Vecchio states that this relationship has not been firmly established, as studies have not found clear evidence of a relationship between employee satisfaction and productivity.

In South Africa, Human Relations began not because of such studies but because of pressure from within and outside South Africa. The development of unions and subsequent strikes were indications that the workers were demanding better jobs and work conditions. In addition, there was external pressure from other organisations such as the United Nations and the International Labour Organisation that threatened sanctions and boycotts unless South Africa treated its black workers more humanely. The objective of the Human Relations movement was to build a cooperative work force by making the workers feel useful and part of the organisation (Barling, 1983).

The next humanistic approach, Human Resource Management (hereafter referred to as HRM), was based on Maslow's theory. HRM extended on Human Relations and looked beyond social needs to physiological, security, self-esteem and self-actualisation needs. The goals of HRM were to introduce change strategies which focused on self-actualisation and emphasised individual satisfaction. The principles of HRM were identified by the theorists Maslow (1954), Argyris (1957), McGregor (1960), and Herzberg (1967) and so

began the modern Content theories of motivation (Barling, 1983; Luthans, 2005).

In South Africa, the change to HRM was stimulated by the same pressures that initiated Human Relations, as well as the shortage of skilled labour. The lack of skilled labour in the 1970s affected the growth of the economy and provided the impetus to train the non-white workers. This resulted in the introduction of more humanistic and participatory policies such as the codes of fair employment practices (Barling, 1983).

2.4.2.2 Content Theories- Modern

HRM lead to the development of the modern Content theories of motivation as depicted in **FIGURE 2-2**. The Content theories attempt to determine what motivates people to work. The Content theories are also often referred to as Need theories since it focuses on an individual's personal needs and motives (Arnold and Feldman, 1986; Hellriegel, Slocum, and Woodman, 1998).

The most recognised modern Content models are Maslow's Need Hierarchy, Alderfer's ERG model, McClelland's Achievement model, and Herzberg's Two-factor model (Arnold and Feldman, 1986; Hellriegel, Slocum, and Woodman, 1998; Bateman and Snell, 1999).

2.4.2.3 Process Theories

The next category of motivational theories identified in **FIGURE 2-2** are the Process models which describe how personal or internal factors interact and influence each other to produce certain kinds of behaviour. These models help understand the psychological processes that engender motivation within individuals. The best-known Process models are Expectancy, Reinforcement, and Goal Setting (Arnold and Feldman, 1986; Hellriegel, Slocum, and Woodman, 1998).

2.4.2.4 Contemporary Theories

Although motivation theories are commonly categorised into Content and Process approaches, Luthans (2005:251) introduces a third category called Contemporary theories (Refer to **FIGURE 2-2**). This encompasses the Equity and Organisational Justice theories.

From the Content, Process and Contemporary theories of motivation those that pertain specifically to job satisfaction need to be identified and detailed as highlighted in **FIGURE 2-1**.

2.4.3 Selection of Job Satisfaction Theories

It is evident there are numerous motivational theories. However, Kreitner, Kinicki and Buelens (1999:184) state that they are not applicable in all situations and that a contingency approach is required to select the motivational theories that suit a particular situation. Kreitner, Kinicki and Buelens extend on the work of Landy and Becker, and suggest that the motivational theories that address job satisfaction are the Need theories, the Equity theory, and the Job Characteristics theories as shown in **TABLE 2-1**.

**TABLE 2-1: Motivation Theories and Workplace Outcomes-
A Contingency Approach**

OUTCOME OF INTEREST	NEED	REINFORCEMENT	EQUITY	EXPECTANCY	GOAL SETTING	JOB CHARACTERISTICS
Choice to pursue a course of action				X		
Effort	X	X	X	X	X	X
Performance		X	X		X	X
Satisfaction	X		X			X
Absenteeism		X	X			X
Turnover		X	X	X		X

Source: Kreitner, Kinicki and Buelens (1990: 184).

2.5 JOB SATISFACTION THEORIES

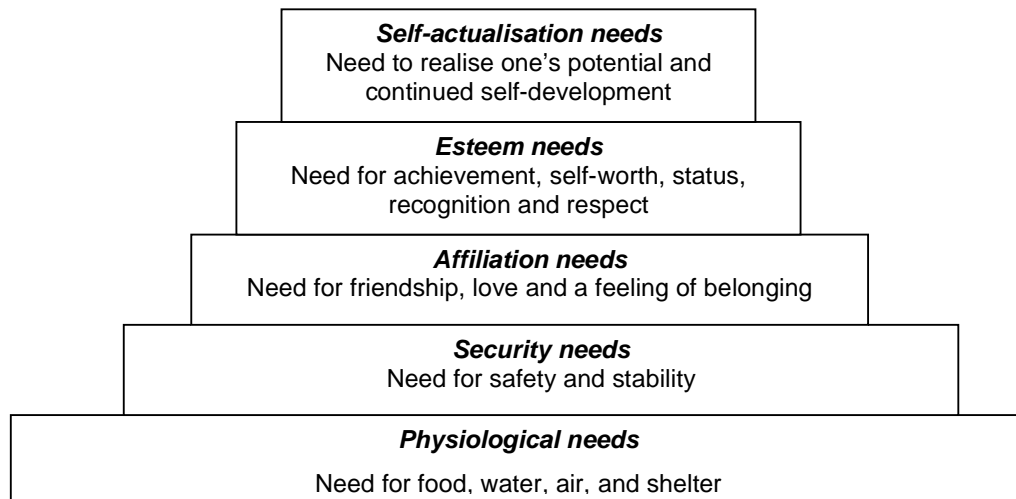
The Need, Job Characteristics and Equity theories of motivation address job satisfaction and will be discussed in further detail (Refer to **FIGURE 2-1** and **TABLE 2-1**). For the purpose of this study these three motivational theories are collectively termed as the Job Satisfaction theories.

2.5.1 Need Theories

The basic principle of these theories is that people have needs. Thus, they will be motivated to behave in a manner that will result in these needs being satisfied. These needs can be strong or weak and are influenced by environmental factors. The two most influential Need theories of Maslow and McClelland will be discussed (Arnold and Feldman, 1986:52; Kreitner, Kinicki and Buelens, 1999:185).

2.5.1.1 Maslow's Need Hierarchy Theory

Abraham Maslow's need hierarchy is one of the most well known motivational theories. Maslow proposed that a person has five basic needs arranged in ascending hierarchical order as shown in **FIGURE 2-3**.

FIGURE 2-3: Maslow's Hierarchy of Needs

Source: adapted from Torrington and Hall (1991:424); Hellriegel, Slocum, and Woodman (1998).

Maslow proposed that motivation was dependent on the desire to satisfy these needs in a hierarchical manner (Hellriegel, Slocum, and Woodman, 1998). Maslow separated the five needs into higher and lower orders. The physiological and security needs were described as lower order needs and the affiliation, esteem and self-actualisation needs as higher order needs (Fraser, 1989:122). The differentiation between the two orders was made on the basis that higher order needs are satisfied internally but lower order needs are satisfied externally by factors such as pay and tenure (Robbins, 2001:157). Vecchio (2000:76) states that most organisations are able to do a good job of satisfying employees lower order needs, but are not as good at providing opportunities to satisfy the higher order needs for esteem and self-actualisation.

The rationale behind the hierarchy is that one could only progress to the next level when the previous need was satisfied. Thus, Maslow was suggesting a distinct relationship between motivation and satisfaction, in that an individual, when satisfied with the current need would be motivated by the next need in

the hierarchy. Once a need is satisfied, then it ceases to motivate (Torrington and Hall, 1991; Hellriegel, Slocum, and Woodman, 1998).

Maslow proposed that managers create the climate necessary to utilise employees potential. A conducive climate would provide opportunities for independence, recognition, and responsibility. Maslow contented that poor work climates would result in employee frustration, lack of job satisfaction, and increased turnover. Thus, his theory is important when developing organisational policies as these factors need to be considered (Vecchio, 2000).

Despite its popularity research does not support this theory. Benton and Halloran (1991) state that this hierarchy of needs is convenient, but it is also misleading because one does not need full satisfaction before the next need makes itself felt. In addition, not everyone progresses through the five needs in hierarchical order (Bateman and Snell, 1999).

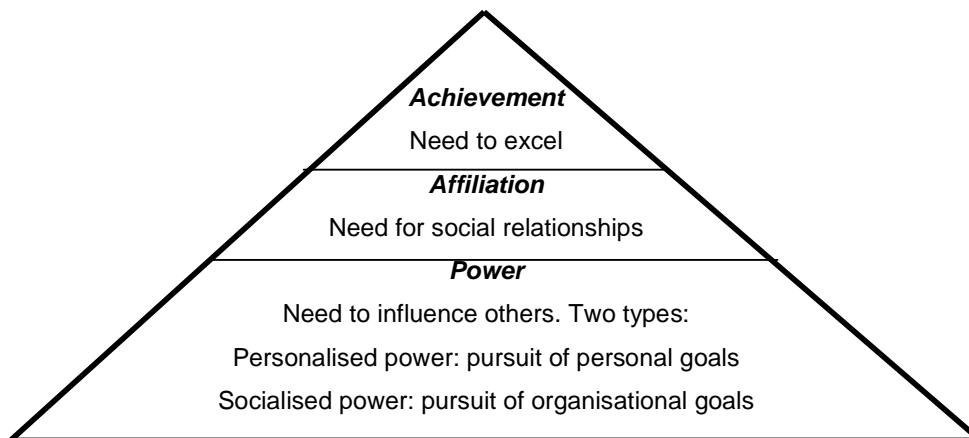
Although it seems intuitive the theory is difficult to define and test. The hierarchy is based on cultural values from the United States. Thus, while the needs maybe universal, their logic and sequence will differ by culture. Further higher order needs may not be satisfied at work (Torrington and Hall, 1991: 423; Hellriegel, Slocum, and Woodman, 1998; Kreitner, Kinicki and Buelens, 1999:186).

Nevertheless, Maslow's theory has made three important contributions. Firstly, it highlighted need categories that can help managers provide positive reinforcers in the workplace. Secondly, it is useful to think of two levels of needs with lower level needs having to be satisfied before higher level needs become important. Thirdly, Maslow's theory made managers aware of the importance of personal growth and self-actualisation (Bateman and Snell, 1999:447).

2.5.1.2 McClelland's Need Theory

The next Need theory to be discussed as shown in **FIGURE 2-1** is McClelland's theory. David McClelland developed a model of motivation that was rooted in culture. He believed culture influenced the manner in which people viewed their jobs and lives. He proposed that an individual has three important needs as shown in **FIGURE 2-4** below. The first is the need for achievement which is the drive to excel, pursue and attain goals. The second is the affiliation need which is the need to relate to people on a social basis, and the third is the need for power which is the desire to influence and coach people. He also identified two types of power: personalised power that is directed at helping oneself, and socialised power that is directed at helping others (Kreitner, Kinicki and Buelens, 1999; Robbins, 2001).

FIGURE 2-4: McClelland's Need Theory



Source: adapted from Bateman and Snell (1999: 448).

The difference between a worker motivated by achievement or affiliation is evident by their behaviour. An achievement-motivated person will work harder when their manager provides a detailed evaluation of their work. Whilst people who are motivated by affiliation are influenced when they are complimented

for their cooperation and attitude. Achievement motivated people will select people who have the capability, to work with them, without concern for their personal feelings. However, persons with affiliation motives would select friends to work with them (Newstrom and Davis, 1993:124).

Vecchio (2000: 73) argues that the need for achievement is an important explanation for individual success and failure, but it can be overemphasised. The need for achievement is suitable in many situations but it is not always applicable to all jobs in every organisation. In addition, individuals who have a high need for achievement may have problems getting along with their colleagues. Furthermore, a high need to achieve does not necessarily lead to being a good manager, especially in large organisations because high achievers may be interested in how well they do personally and not in encouraging others to do well.

It is also suggested that managers with affiliation motives may not make effective managers because their high concern for good social relations may hamper the task of actually getting the work done. However, managers with high socialised power instead of personal power do make effective managers. This supports McClelland's proposition that top managers should have a high need for power with a low need for affiliation (Newstrom and Davis, 1993; Bateman and Snell, 1999: 448; Kreitner, Kinicki and Buelens, 1999).

The next category of the Job Satisfaction theories is the Job Characteristics theories (Refer to **FIGURE 2-1**).

2.5.2 Job Characteristic Theories

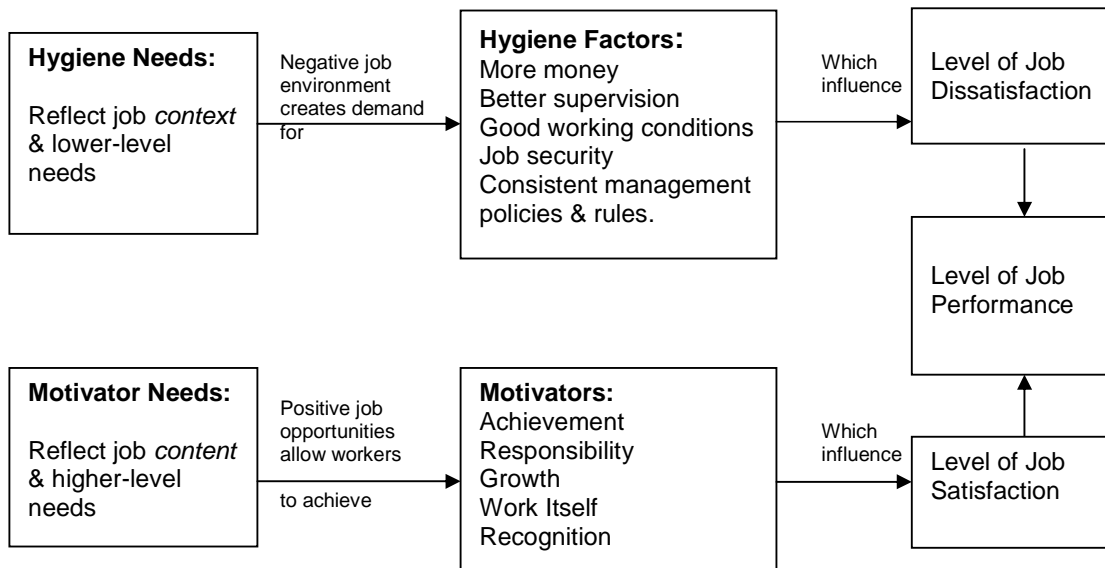
The Job Characteristics theories focus on how jobs can be enriched, thereby making them more meaningful and satisfying to people by focusing on key characteristics of jobs (Spector, 1996). Two highly recognised theories that

address this are Herzberg's Two-Factor theory and Hackman and Oldham's Job Characteristics Model.

2.5.2.1 Herzberg's Two-Factor Theory

Similar to Maslow, Herzberg expressed his theory of motivation in terms of satisfaction instead of productivity outcomes. The underlying assumption of this theory was that a satisfied employee would be a productive employee (Torrington and Hall, 1991: 425).

Research by Herzberg in 1968 was developed from an interview investigation of 203 accountants and engineers. The employees were asked to identify those situations that lead to satisfaction or dissatisfaction. The results showed that job satisfaction was associated with positive intrinsic sources that related to the content of the job which Herzberg termed motivators. On the other hand, job dissatisfaction stemmed from negative extrinsic sources relating to the context of the job which he labelled as hygiene factors (Torrington and Hall, 1991: 425; Vecchio, 2000:77; Robbins, 2001). **FIGURE 2-5** depicts Herzberg's theory and a list of the motivators and hygiene factors can be found in **APPENDIX 2**.

FIGURE 2-5: Herzberg's Theory- Factors Affecting Job Satisfaction

Source: Carrell, Elbert, Hatfield, Grobler, Marx and Schyf (1999:108).

Luthans (2005) compares Herzberg's theory with Maslow's and concludes that the hygiene factors are similar but not identical to Maslow's lower level needs. These hygiene factors prevent dissatisfaction, but they do not necessarily lead to satisfaction. Hygiene factors do not motivate, only the motivators can lead to motivation. This he equates to Maslow's higher order needs. Thus, Luthans claims that managers can motivate employees by applying the above factors to their jobs. Therefore, an employee will be dissatisfied when they have grievances about hygiene factors. He concluded, however, that satisfaction and dissatisfaction were not merely opposites. Poor working conditions led to dissatisfaction but good working conditions did not necessarily result in satisfaction.

Critics of Herzberg's theory argue that the results he obtained are artificial and criticise his methodology in collecting the data. It is common for people to attribute positive events to internal reasons and negative events to external forces (Torrington and Hall, 1991: 423; Vecchio, 2000:78). Newstrom and

Davies (1993:131) state that Herzberg's model considers pay and interpersonal relations as hygiene factors and therefore these two factors cannot motivate an individual. The authors disagree and state pay and interpersonal relations not being able to motivate an individual seems counter-intuitive to managers.

In addition, Herzberg's research was conducted among supervisors and middle management, therefore its applicability to other areas of work or to workers of a different culture, is questionable (Fraser, 1989:122). However, this study has been replicated across other populations and included different occupation levels. The results of these studies still support Herzberg's theory (Herzberg, 1990). Thus, it can be concluded that Herzberg's theory is applicable to other cultures and other occupations. When this study was replicated in South Africa, of all the factors that contributed to job satisfaction, 86% were motivators and of all the factors that contributed to dissatisfaction over their work, 72% involved hygiene factors. These results were quite similar to the original American study (Herzberg, 1990).

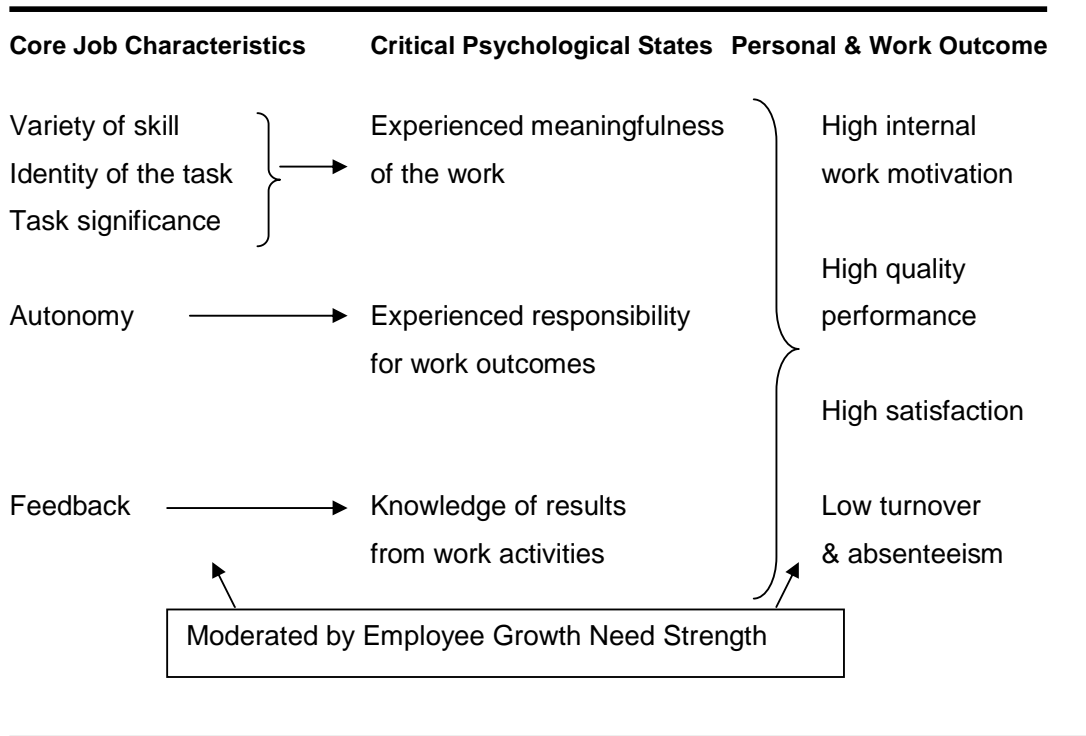
Despite the criticism, this theory has had a major influence on the field of management and is said to be one of the most widely known theories of motivation in managerial circles. According to Vecchio (2000:78) Herzberg's theory also influenced job redesign and Robbins (2001: 160) states that the popularity of vertically expanding jobs to allow workers more responsibility can be attributed to Herzberg's research.

2.5.2.2 Job Characteristics Model of Hackman and Oldham

Richard Hackman and Greg Oldham developed the Job Characteristics Model which was based on earlier work by Hackman and Lawler. The model shows that certain job characteristics contribute to certain psychological states and that the strength of the employees need for growth has an important

moderating effect (Luthans, 2005: 484). This model is presented diagrammatically in **FIGURE 2-6**.

FIGURE 2-6: Job Characteristics Model



Source: Luthans (2005:484).

The model claims that skill variety, task identity and task significance lead to experienced meaningfulness; autonomy leads to feeling responsible; and feedback leads to knowledge of results. The consequence of this is increased motivation, performance and satisfaction coupled with reduced turnover and absenteeism. Similar to Maslow’s self-actualisation level, this model caters for differing levels of ‘Growth Need’. When job characteristics are improved this will most likely impact people with a high ‘Growth Need Strength’ (Refer to **FIGURE 2-6**) resulting in changes in the critical psychological states (Torrington and Hall, 1991; Luthans, 2005).

The core job characteristics are discussed to provide clarity on how they affect an employee's psychological state resulting in job satisfaction. Variety of skill relates to doing different tasks using different skills and abilities. Jobs that are high in variety reduce monotony and are more challenging. Identity of the task entails completing a task from beginning to end with a visible outcome. Thus, the worker would feel a sense of completion and responsibility for the whole product or service. Significance of the task refers to the importance of the task. If the worker is aware that their work has significance and is making a difference this will positively impact on work outcomes. Autonomy refers to the freedom and discretion the worker has in scheduling work, decision-making, and determining how to do the work. This is essential for building a sense of responsibility. Feedback refers to information about job performance. This feedback could be from the task itself, or supervisor or co-workers (Newstrom and Davis, 1993; Bateman and Snell, 1999).

Thus, if employees have a high need for growth, specific job characteristics lead to psychological conditions that result in increased motivation, performance, and satisfaction (Texas A&M University, 2004). However, there is evidence suggesting that skill variety may be redundant with autonomy (Fried and Ferris, 1986). Other research has shown a correlation between job characteristics and job satisfaction but its applicability is said to be situational (Spector, 1996; Kreitner, Kinicki and Buelens, 1999).

The next category of the Job Satisfaction theories is the Equity theory (Refer to **FIGURE 2-1**).

2.5.3 Equity Theory

Equity theory states that people are not only interested in having their needs met but they also want their reward system to be fair. In other words, job satisfaction is determined by the degree of equity, or inequity, they perceive

they have in their work situation. This will be discussed using Adams Equity theory (Newstrom and Davis, 1993; Luthans, 2005).

2.5.3.1 Adams Equity Theory

Equity theory suggests that individuals compare themselves with others in an equivalent position in the company to determine if they are being treated fairly. If the 'comparison person' is treated in the same manner, then the individual feels s/he is being treated equitably. If discrepancies are seen then it may be felt that the situation is inequitable and the individual will be motivated to resolve the inequity (Arnold and Feldman, 1986). **TABLE 2-2** offers examples of inputs and outcomes. The items in the list are not paired, that is, the input of job effort will not necessarily have the outcome of pay.

TABLE 2-2: Examples of Job Inputs and Outcomes

Inputs	Outcomes
Job effort	Actual pay
Education	Social rewards
Seniority	Fringe benefits
Performance	Job security
Job difficulty	Working conditions
Age	Challenging work
Training	Recognition

Source: adapted from Newstrom and Davis (1993:155) and Hellriegel, Slocum, and Woodman (1998:159).

The model makes two assumptions. The first is that people evaluate their interpersonal relationships as they would evaluate a house during purchase. The model views interpersonal relationships as a two-way process with the individual making a contribution and expecting an outcome. The second assumption is that people do not work in a vacuum. They make comparisons

with others to determine if they are being treated equitably or not (Hellriegel, Slocum, and Woodman, 1998:159).

According to the Equity theory when making comparisons both inputs (the contributions the person makes to the organisation) and outputs (the rewards the person receives from the organisation) are considered. People compare themselves to one another in terms of their ratios of inputs to outcomes. In other words, the person evaluates his/her inputs and the associated outcomes received. The person then compares this ratio to some other 'comparison person' in the organisation. If this ratio is perceived to be similar to the 'comparison person' then s/he considers the situation to be equitable, but if the ratios differ then a situation of inequity exists (Arnold and Feldman, 1986; Bateman and Snell, 1999; Vecchio, 2000).

The equity definition has been recently expanded to include distributive justice and procedural justice. Distributive justice considers the fairness in how resources and rewards are distributed. Procedural justice looks at the fairness in the procedures used to make allocation decisions (Bateman and Snell, 1999; Kreitner, Kinicki and Buelens, 1999). Research has indicated that distributive justice has a greater influence on employee satisfaction than procedural justice (Dailey and Kirk, 1992).

Studies have shown that reaction to salary increases are influenced by the employees perception of the fairness of the increases. If the employees perceive the increase to be allocated fairly, then the employee would be more satisfied than if they perceived the allocation procedures to be unfair. Job satisfaction is influenced more by the perceived fairness of the procedures used to allocate pay increases rather than the actual amount of the pay increase received. The employee's assessment of procedural justice has also been linked to job satisfaction, among other factors. Thus, it is advisable that managers use a fair and equitable decision-making process to distribute rewards (Hellriegel, Slocum, and Woodman, 1998:162).

In one study, 102 undergraduate students were either equitably paid or underpaid for performing a clerical task. The underpaid students stole money to compensate for their inequity (Greenberg, 1993).

Equity theory also has shortcomings as identified by Hellriegel, Slocum, and Woodman (1998:163). When research is conducted, the comparison group is always known. The research does not consider the effect if the group or situation changes. Also, the research focuses on short-term comparisons, so it does not consider if perceptions of equity alter over time. Finally, the equity model does not provide the corrective action for any perceived inequity.

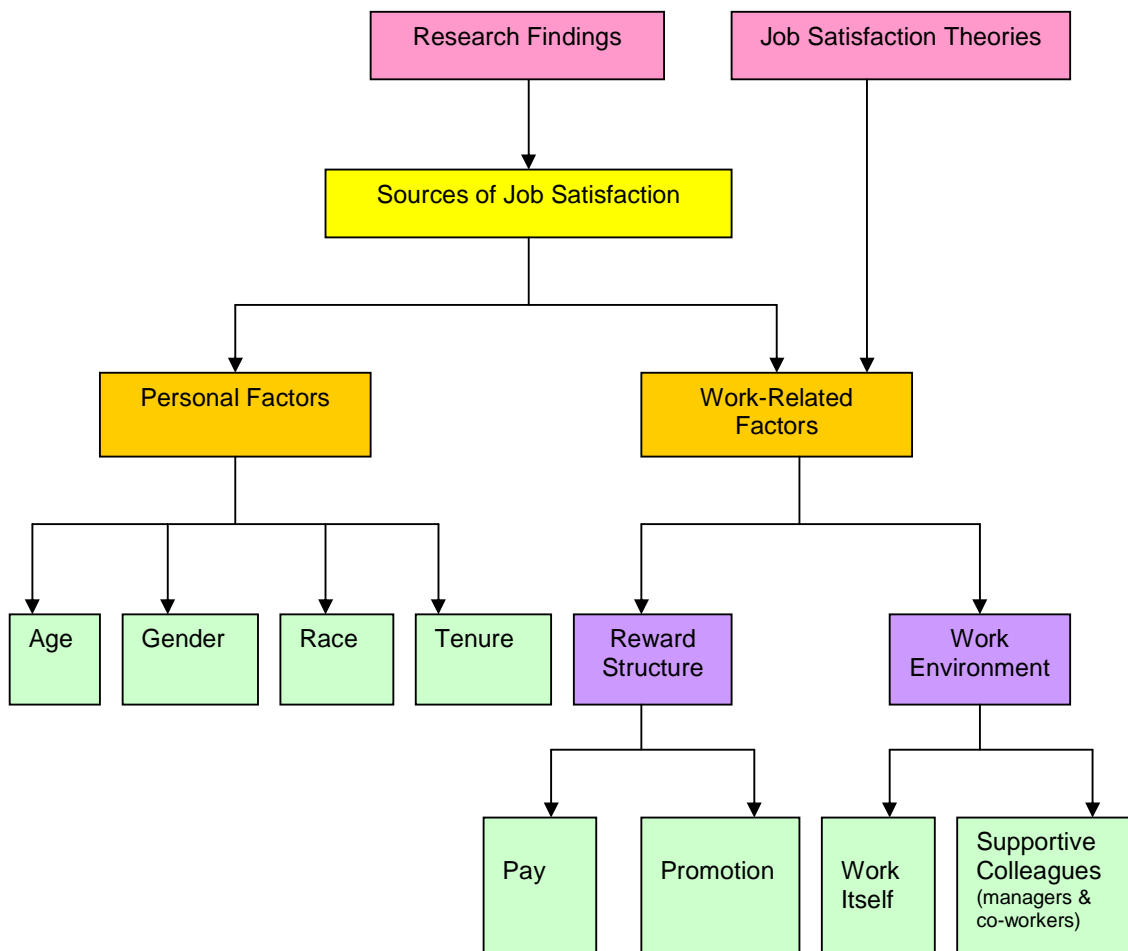
Expanding on the Equity theory is the concept of a psychological contract which is a set of perceptions that employees have of what they owe their employers, and what the employers owe them. Over time, how the psychological contract is sustained or violated, and changed unfairly or fairly, will also influence satisfaction (Bateman and Snell, 1999).

Having reviewed the models on job satisfaction it is necessary to establish the sources of job satisfaction.

2.6 SOURCES OF JOB SATISFACTION

Previous research has looked at job satisfaction as a predictor for behaviours such as performance, turnover, and absenteeism. This has changed, with recent research attempting to identify factors that influence job satisfaction. The literature shows that both personal and work characteristics can influence job satisfaction (Spector, 1996; Vecchio, 2000; Reudavey, Ling and Dickie, 2003). **FIGURE 2-7** below provides an overview of the sources of job satisfaction.

FIGURE 2-7: Overview of Sources of Job Satisfaction



Source: Self-generated.

2.6.1 Personal Characteristics

Personal characteristics such as age, gender, race, and tenure of service were found to be common determinants in job satisfaction studies (Spector, 1996; Kreitner, Kinicki and Buelens, 1999; Green, 2000). However, none of the Job Satisfaction theories address these personal characteristics hence the discussion will be based on the research only (Refer to **FIGURE 2-7** above).

2.6.1.1 Gender

The research on gender and satisfaction has provided mixed evidence. Vecchio (2000:271) says the rising expectations of women in the workplace will result in differences in job satisfaction between the genders.

Most studies that have looked at job satisfaction amongst men and work have found few differences (Spector, 1996:229). Quinn, Staines and McCullough (1974) also claim that there is no evidence that gender affects satisfaction. Similar conclusions were reached in a study done by Green (2000:69). According to Benton and Halloran (1991:88), previously men had a higher degree of satisfaction but this has weakened because of equal opportunities for employment and advancement. For women, however, co-workers and working conditions are more important factors than they are for men.

According to DeVaney and Chen (2003) the impact of gender on satisfaction varies with occupational level of the employee. For example, professional women such as psychologists and social workers had lower levels of job satisfaction than their male counterparts. For non-professionals the reverse was true (Shapiro and Stern, 1975). This proved to be the case in a study of academic staff at education colleges which revealed that job satisfaction for males were higher than that of the females (Bohloko, 1999:138). However, a study in the financial services sector found that female professionals were more satisfied than their male counterparts (DeVaney and Chen, 2003). The

same result was shown with a study of middle school principals. In this study the female principals showed higher job satisfaction than the males principals (Newby, 1999:109). Thus, it is evident that the effect gender has on job satisfaction is inconclusive (Texas A&M, 2004).

2.6.1.2 Age

The literature shows inconsistencies on the effect that age has on job satisfaction. Various types of relationships have been reported across studies such as positive linear, negative linear or no significant relations (Bernal, Synder and McDaniel, 1998).

Some studies have shown that older workers are more satisfied with their jobs than younger ones (Spector, 1996:229; Bohloko, 1999:139). Other studies have found a U-shaped relationship between age and job satisfaction (Kacmar and Ferris, 1989). This is evident when job satisfaction is high for young people, it declines for the middle-aged group and then increases again with age. Similarly, Benton and Halloran (1991:87) declare that young people will perform well and experience high satisfaction on initial employment. However, this will decline until they reach their late twenties. Then satisfaction increases slowly with age, eventually bypassing the initial levels of employment.

In a study of 1, 095 employees conducted by Bernal, Synder and McDaniel (1998), a positive, but weak, linear relationship was established between age and satisfaction. They concluded that age was not a viable predictor of job satisfaction. Another study of community college chairpersons found no relationship between job satisfaction and age (Green, 2000:69). Similarly, a study of graduates in financial services also showed no relation between age and satisfaction (DeVaney and Chen, 2003).

Robbins (1996:84) claims the reason for the mixed results is that the studies are comparing professional and non-professional employees. If professionals are separated from non-professionals then satisfaction increases among professionals with age, whereas it declines with non-professionals during middle age and then increases again in later years.

A study of academic staff at education colleges in the Orange Free State provides support for this proposition. This study revealed that satisfaction did increase with age for this group of professional workers (Bohloko, 1999:141). Conversely, a study of middle school principals revealed a U-shaped curvilinear association with job satisfaction high in the youngest group with a decline in the middle age groups and an increase after age 55 (Newby, 1999:109). It can be concluded that there is no consistent link between age and job satisfaction.

2.6.1.3 Race

In all countries, the workforce is becoming more multicultural. Foreign investment in South Africa has resulted in companies having a diverse workforce. In order to ensure that such a varied work force performs at its optimum, it is necessary to determine how satisfied the workforce is (Spector, 1996:230).

Studies that have examined job satisfaction between Black and Whites have found that Whites are happier (Spector, 1996; Texas A&M, 2004). In America, this is attributed to the occupation level of the African American (Riley, 2000). A study done by Tuch and Martin (1991) reported that African Americans have a lower level of job satisfaction because they are mainly blue-collar workers and therefore, have low pay and high job instability.

There are also differences in job satisfaction across countries. According to the International Survey Research, Switzerland has the highest level of job

satisfaction, with Japan having the most discontented employees (Kreitner, Kinicki and Buelens, 1999:192). Despite extensive research no studies of job satisfaction by race could be found for South Africa but it is evident from the research that racial differences do influence job satisfaction.

2.6.1.4 Tenure

Tenure is important because it has been judged a legal and defensible basis for distributing rewards and making staffing decisions (Gordon and Johnson, 1982).

Vecchio (2000:270) states that individuals with less time on the job are more dissatisfied than “long-termers”, but this, he says can be attributed to the possibility that “long-termers” tend to be in higher-level jobs. According to Spector (1996:230), longer tenure can be associated with higher job satisfaction because of the rewards that accompany it.

Bedeian, Ferris, and Kacmar (1992) found that tenure was a more consistent predictor of job satisfaction than age. A study of academic staff at education colleges in the Orange Free State provides support for this proposition. This study revealed that satisfaction did increase with the number of years of teaching experience of the respondents (Bohloko, 1999:142). However, a study of community college chairpersons found no correlation between length of service and job satisfaction (Green, 2000:69). Similarly, a study of aviation employees showed no relationship between tenure and job satisfaction (Reudavey, Ling and Dickie, 2003:796). Whereas, Benton and Halloran (1991) state that tenure follows a similar U-shaped pattern as age. Initially satisfaction is high, followed by a decline during the first year of employment. This remains low for several years before increasing. The effect tenure has on job satisfaction has shown inconsistent results.

In summary, the influence of age, gender and tenure on job satisfaction has revealed mixed results. Racial differences have been shown to impact job satisfaction. Having reviewed the effects of personal characteristics on job satisfaction, it is now necessary to consider the work-related aspects.

2.6.2 Work-Related Factors

Based on the literature, the most common determinants of job satisfaction in the work environment were identified and grouped as follows (Arnold and Feldman, 1986; Robbins, 1996; Spector, 1996; Carrell, et al. 1999; Luthans, 2005):

- **Reward Structure:** this includes pay and promotion.
- **Work Environment:** this encompasses both the job itself and supportive colleagues where colleagues include both co-workers and managers.

A discussion follows linking Reward Structure and Work Environment to the Job Satisfaction theories mentioned previously, as well as to research findings (Refer to **FIGURE 2-7**).

TABLE 2-3: Job Satisfaction- Correlation of Work Factors and Theories

Work Factor	Maslow	McClelland	Herzberg	Hackman & Oldham	Adam's Equity
Reward Structure:					
Pay	X		X		X
Promotion	X	X	X		X
Work Environment:					
Work Itself			X	X	
Supportive Colleagues (Managers & Co-workers)	X	X	X		

Source: Self-generated.

2.6.2.1 Reward Structure

Pay and Promotion are rewards employees expect for their contribution. According to the Equity theory people are satisfied at work when they perceive rewards to be fair.

According to Beer and Walton (1990), satisfaction with rewards is related to what an employee expects and what s/he actually receives. Satisfaction or dissatisfaction arises when individuals find that their inputs (skills, education, effort, performance) are not congruent with their outputs (intrinsic and extrinsic rewards). Furthermore, reward satisfaction is also influenced by comparisons with other people in similar jobs and companies. The authors profess that overall satisfaction is determined, not by just one reward, but by a combination of rewards. Both intrinsic and extrinsic rewards are significant and cannot be substituted for each other. For example, employees who are paid well for monotonous work will be dissatisfied with the lack of intrinsic

rewards. Similarly, employees who are not paid adequately for challenging work will be unhappy with their extrinsic rewards.

2.6.2.1 (a) Pay

According to Maslow's theory, the most basic need in the work environment for an employee is that of pay (Luthans, 2005:242). Herzberg states that Pay is a hygiene factor and therefore, it does not motivate but it is necessary to prevent dissatisfaction (Refer to **APPENDIX 2**). Herzberg argued that monetary incentives can work, but only in the short term (Carrell, et al. 1999:109).

Pay is important and is rated among the top five rewards. However, pay as a reward is considered differently amongst employees depending on where they are in their career. Other rewards such as growth and status maybe more important than pay at a particular stage in one's career. The need for money is also influenced by culture. American managers emphasise pay for individual performance more than the managers in European and Japanese countries do. European and Japanese companies rely more on promotions and seniority (Beer and Walton, 1990).

According to Spector (1996:226) pay satisfaction is determined by the fairness with which it is distributed, rather than the actual amount of pay. In other words, people who earn lower may be more satisfied with their pay than higher earning individuals. Consequently, pay satisfaction is influenced by how an individual's salary compares to others in the same job, rather than to people in general. Research done by DeVaney and Chen (2003) concluded that pay was an important determinant of job satisfaction. They measured pay relative to other employees and to the job itself. The value for pay was not measured by the amount that the employee was actually paid.

Witt and Nye (1992) state that employees want pay systems that they perceive as fair, but they contend that not all employees are motivated by money. Many people will settle for a lower salary if they receive other benefits. This includes a better work location, lower workload, autonomy in their work or flexibility in the hours worked. Whilst this may be true, Carrell, et al. (1999:561) report that pay is often the lowest ranked factor on job satisfaction surveys and is one of the reasons for low job satisfaction.

Beer and Walton (1990) suggest that to ensure employee satisfaction with pay, companies should have a system such that there is equity in pay with internal and external groups. However, even with new pay structures such as profit sharing and gain sharing, where you have a reduction in fixed pay and a variable portion linked to performance, there are still problems. Lower-paid employees cannot afford variable incomes as easily as higher paid employees. Furthermore, not all employees work efforts can be directly linked to profitability (Kanter, 1990).

2.6.2.1 (b) Promotion

The reward by promotion can be explained by McClelland's theory for achievement and by Maslow's theory of an individuals need for self-esteem and self-actualisation. In addition, according to Herzberg, promotion is a motivator and therefore influences satisfaction (Refer to **APPENDIX 2**).

One of the four top factors identified as contributing to job satisfaction was the opportunity to grow. Opportunity for promotion was an important determinant in job satisfaction as it provided the platform to advance and learn new skills (Carrell, et al. 1999:561). Witt and Nye (1992) support the claim that promotion provides opportunities for growth and add that it increases both responsibilities and social status. They also state that if promotion policies and practices are deemed fair, then employees are more likely to experience satisfaction.

On the other hand, Luthans (2005:213) claims that promotion has different impacts on job satisfaction because there are many types of promotions with varying rewards. For example, a promotion that comes with a 10% increase is not as satisfying as a promotion that comes with a 20% increase. Furthermore, individuals promoted on the basis of seniority are less likely to be as satisfied as those promoted on the basis of performance.

A South African study using Maslow's theory showed that the performance of top managers were affected by their perceptions of opportunities for advancement and growth (Arnolds and Boshoff, 2001:41). Another study of middle managers in the South African Police Service revealed that the Afrikaans and English-speaking respondents were more disappointed with promotion opportunities than the African-speaking respondents. This was due to affirmative action initiatives from top management (Bellingan, 2004:34). It can be concluded that the reward structure of pay and promotion does influence job satisfaction.

2.6.2.2 Work Environment

The second work-related factor identified was the work environment. This encompassed the work itself and supportive colleagues (Refer to **FIGURE 2-7**).

2.6.2.2 (a) Work Itself

Work itself is best explained by the Job Characteristics Model of Hackman and Oldham which states that the characteristics of the work determine job satisfaction (Kreitner, Kinicki and Buelens, 1999). Herzberg also considers work itself as influencing job satisfaction since it is a motivator (Refer to **APPENDIX 2**).

Luthans (2005:212) states that work content is a major source of satisfaction. Similarly, Carrell, et al. (1999:561) state that work itself is the most important factor in determining job satisfaction. People are satisfied if they have challenging work and autonomy. Katzell, Thompson and Guzzo (1992) state that employees favour work that allows them to use their skills and abilities, offers variety, autonomy and they are given feedback. These characteristics make work interesting and challenging. However, whilst too few challenges can lead to boredom, too many can lead to frustration and feelings of failure. There must be balance in terms of the challenges for employees to be satisfied.

In addition to the work, employees also seek supportive working conditions and this determines job satisfaction. This includes factors in the physical surroundings such as light, noise and temperature which are necessary for comfort and to facilitate work (Robbins, 1996). Herzberg claims working conditions is a hygiene factor and thus it prevents dissatisfaction but does not lead to satisfaction (Refer to **APPENDIX 2**).

2.6.2.2 (b) Supportive Colleagues (Managers and Co-workers)

McClelland's theory on the need of affiliation and Maslow's theory on the need for belonging purport that an individual's social need can be satisfied at work. This is achieved by having supportive relationships with co-workers and managers (Newstrom and Davis, 1993; Luthans, 2005). However, Herzberg states that supportive colleagues being a hygiene factor does not result in satisfaction but it prevents dissatisfaction (Refer to **APPENDIX 2**).

Robbins (1996) maintains that work is not only a means to obtaining money, it also provides an environment for social relations. Thus, having supportive colleagues results in job satisfaction. This takes into account relations with one's manager. Research has shown that if a manager is supportive of their staff then job satisfaction is increased. Carrell, et al. (1999:561) support this

and state that “Job satisfaction is considerably improved when supervisors are perceived to be fair, helpful, competent and effective.”

A study in the financial services sector by DeVaney and Chen (2003) revealed that relations with co-workers was a significant determinant of job satisfaction. This emphasises how much workers value the support and good relationships with their colleagues. Therefore, it seems apparent that the work environment, in terms of the job itself and supportive colleagues, does impact on job satisfaction.

For the purpose of this research these characteristics were investigated in the IT SME sector. Whilst there has been no prior research on job satisfaction in the IT SME sector, studies in the IT industry were identified.

2.7 JOB SATISFACTION IN THE IT INDUSTRY

According to the last web-based survey done by Computerworld, the level of job satisfaction among IT workers is low. The majority of the respondents stated that they were less satisfied with their companies than they were a year ago and that they are dissatisfied with their opportunities for advancement (Computerworld, 2003). The overall job satisfaction results are shown in **TABLE 2-4** and **APPENDIX 3**.

TABLE 2-4: Overall Job Satisfaction (international)

Job Satisfaction	2003
Sample size	936
Very Satisfied	18%
Somewhat Satisfied	35%
Neither Satisfied nor Dissatisfied	11%
Somewhat Dissatisfied	25%
Very Dissatisfied	11%

Source: adapted from (Computerworld, 2003).

In South Africa, a study was done in 2004 based on Herzberg's model to determine the relative importance of motivating factors in the IT industry. The results showed that the highest ranked factor was the job itself, followed by salary and achievement. Overall, the ranking for motivating factors was higher than the hygiene factors, indicating that the intrinsic factors relating to the work itself were more influential than the extrinsic factors of the work environment. This supports Herzberg's model, where motivators are considered more influential than the hygiene factors. In fact the only hygiene factor in the top five was salary (Mould, 2004).

The above findings are supported by IT Web's 2004 Salary Survey which rated salary as the top job satisfaction factor (Burrows, 2004). IT Web's 2004 and 2005 Salary Survey which comprised of IT respondents from South Africa, reported a high degree of overall job satisfaction but the degree of satisfaction with salary was significantly lower. The results of overall job satisfaction for the two years are shown in **TABLE 2-5** and in **APPENDIX 4** (Burrows, 2004; Franz, 2005; Jovanovic, 2005).

TABLE 2-5: Overall Job Satisfaction in the South African IT Industry

Overall Job Satisfaction	2004	2005
Sample size	3110	4123
Loved their job	22%	24%
Fairly Satisfied	44%	44%
Just Managing	24%	23%
Not satisfied at all	10%	9%

Source: adapted from Burrows (2004); Franz (2005); and Jovanovic (2005).

It is clear that the number of respondents who Loved their job was still relatively low but it has increased since 2004. Nearly half the respondents indicated they were Fairly Satisfied with their jobs. This remains unchanged since 2004. The 23% that were Just Managing and the 9% that were Not Satisfied at all mirrored the figures from 2004 (Franz, 2005). In contrast for compensation the percentages were significantly lower as shown in **TABLE 2-6** and **APPENDIX 5**.

TABLE 2-6: Compensation Satisfaction in the South African IT Industry

Compensation Satisfaction	2004	2005
Sample size	3112	3792
Very Satisfied	10%	7%
Accept that it is fair	57%	51%
Not satisfied at all	32%	41%

Source: adapted from Burrows (2004); Franz (2005); and Jovanovic (2005).

The percentage of respondents Not Satisfied with their compensation, increased from 32% to 41%. More than half the respondents felt their salaries were fair. Whilst the number of respondents who were Very Satisfied with their compensation decreased from 10% to 7%. Those individuals who were Very

Satisfied with their salaries were the highest earners (Burrows, 2004; Franz, 2005; Jovanovic, 2005).

According to Burrows (2005), 82% of the pay increases in the IT industry are now linked to performance. This reflects the development of linking performance to annual increases. According to Phillips (2005), many companies offer long-term incentives and short-term incentives instead of cash benefits. Long-term incentives include share options, deferred compensation and rolling incentives. Short-term benefits include vehicle allowance, cell phones, credit cards, entertainment allowances and medical aid.

According to Jovanovic (2001), salary earnings of South African IT people were partially determined by personal characteristics such as gender, age and race. Since salary is considered an important determinant of job satisfaction, it can be deduced that personal characteristics could also influence job satisfaction. However, no information on the influence that personal characteristics have on job satisfaction could be found for the IT industry.

The IT industry is constantly evolving and requires employees to be innovative and stay abreast of the latest trends to be successful. Thus, the current practice is to promote dynamic young IT professionals to senior positions and pay them high salaries to retain them. This puts the older IT person at a disadvantage and, in order to remain competitive, they have to learn the new technologies. Unfortunately, this does not suffice in terms of gaining employment since the more experienced person would cost more to hire, whilst the younger IT person is willing to start at a lower salary (Cumming, 2001).

It can be seen that job satisfaction is not high within the South African IT industry with only 24% Very Satisfied employees. The effects on the

organisation will be discussed by looking at the consequences of job satisfaction.

2.8 CONSEQUENCES OF JOB SATISFACTION

Job satisfaction is an extremely important area from an organisational perspective. This is because of its correlation with other variables such as job motivation, organisational commitment, performance, turnover, and absenteeism that have a direct impact on an organisation's effectiveness. All these consequences are probable if there is a lack of job satisfaction which can be costly and disruptive to the organisation. Job satisfaction is good, not only for employers, but employees too. Of significance is the relation of job satisfaction to health and well-being (Spector, 1996; Bateman and Snell, 1999; Carrell, et al. 1999; Kreitner, Kinicki and Buelens, 1999; Vecchio, 2000).

According to Meyer (1999:95), there is a lack of job satisfaction in most South African companies. Consequently, there is a low level of commitment to performance and the achievement of organisational goals. This is evident by reduced productivity, high absenteeism, labour unrest, industrial action and increased labour turnover.

The consequences of job satisfaction identified above will now be discussed.

2.8.1 Job Satisfaction and Motivation

A meta-analysis of nine studies and 2,237 employees showed that there was a positive relationship between motivation and satisfaction. There was also a correlation between satisfaction with supervision and motivation. This shows that the behaviour of managers affects employee satisfaction (Kinicki, Schriesheim, McKee, Carson, 1997).

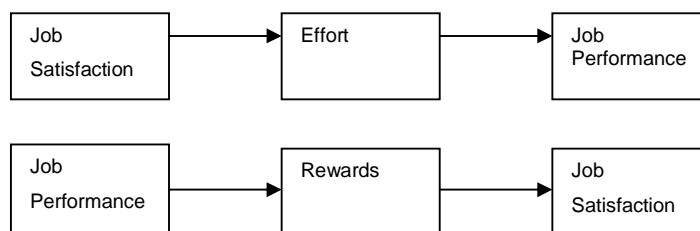
2.8.2 Job Satisfaction and Organisational Commitment

A meta-analysis of 68 studies and 35,282 people found a strong relationship between commitment and satisfaction (Tett and Meyer, 1993). By increasing job satisfaction employees will be more satisfied and more committed to the company. Consequently, higher commitment will facilitate higher productivity (Mathieu and Zajac, 1990).

2.8.3 Job Satisfaction and Job Performance

Whilst there is sufficient evidence to show that performance and satisfaction are related, there are two contrasting arguments. The first is that satisfaction may lead to performance. In other words, people who are happy put more effort into work, work harder and therefore perform better. The second is that performance results in satisfaction. People who perform better are more likely to receive rewards resulting in improved satisfaction (Spector, 1996). Both these views are illustrated in **FIGURE 2-8**.

FIGURE 2-8: Relationship between Job Satisfaction and Performance



Source: Spector (1996:233).

According to Newstrom and Davis (1993), the first argument is a myth. High satisfaction does not always lead to high employee performance. Workers who are satisfied may be low, average or high performers and they will continue with the level of performance that previously brought them

satisfaction. The authors tend to support the second argument that better performance leads to better rewards. If these rewards are deemed to be equitable then job satisfaction improves. A study by Jacobs and Solomon (1977) provides support for the second argument in that people who perform well will be more satisfied because they received rewards. In addition, to the receipt of external rewards, Robbins (1996:194) suggests that by doing a good job one feels intrinsically satisfied.

According to Vecchio (2000:276), if superior performers are receiving greater rewards their satisfaction levels should be higher. The consequence is that performance and satisfaction should be positively correlated. The extent to which performance and satisfaction is correlated indicates how healthy an organisation is. If satisfaction and performance were inversely related, then poor performers would be more satisfied and less likely to quit. This is not in the organisation's best interest, and therefore managers should create a link between performance and satisfaction by offering attractive rewards that are equitable to performance.

2.8.4 Job Satisfaction and Turnover

Higher job satisfaction has been linked to lower staff turnover (Newstrom and Davis, 1993:199). Many studies have revealed that dissatisfied employees are more likely to quit their jobs than satisfied employees (Hulin, Roznowski and Hachiya, 1985; Crampton and Wagner, 1994; Vecchio, 2000).

However, Judge (1993) states that a person's general disposition towards life impacts the satisfaction-turnover relationship. This implies that if two people were equally unhappy at work, the person who has the highest tendency to be satisfied in general will be more inclined to leave.

Furthermore, Luthans (2005, 215) affirms that there are other factors that can influence a person to leave besides job satisfaction. Some people cannot see

themselves changing jobs so they remain in a job even if they are unhappy. Another factor is the economy: when the economy is good and there is little unemployment, then there is an increase in turnover because people will look for better opportunities in other organisations. This may happen even if the individual is happy but the opportunity elsewhere seems more promising. Alternatively, if there are few jobs available, and downsizing and mergers are occurring, dissatisfied employees will stay in their current jobs.

The effect of employee turnover is two-fold. On the one hand, replacing a worker is expensive, remaining employees maybe de-motivated and their work schedules may increase until a replacement is found. The reputation of the organisation is also at risk. However, turnover could provide opportunities for internal promotion and also the injection of new skills by new employees. If the turnover is among poor performers then the change is actually to the benefit of the organisation (Newstrom and Davis, 1993; Carrel, et al. 1999; Vecchio, 2000).

2.8.5 Job Satisfaction and Absenteeism

Intuition would suggest that people who are unhappy at work are more likely to stay away from work than those who are happy. However, research has proved otherwise (Spector, 1996). The link between satisfaction and absence is prevalent only under certain conditions (Spector, 1996:234).

According to Hackett and Guion (1985), absence was more highly correlated with some satisfaction factors. In particular, it had the highest correlation with the nature of work. Kohler and Mathieu (1993) suggest that the reason for this is that a person could be absent for many reasons some of which may be associated with job satisfaction and others not. For example, if one stays away because one is unhappy at work, then it is plausible to relate satisfaction and absence, but it is not likely to be related to absence caused by an illness. Thus, overall absenteeism cannot be linked with satisfaction.

Robbins (2001:78) states that whilst satisfaction does have a correlation with absenteeism, other factors could influence and reduce this correlation. For example, if an organisation offers sick leave with no penalties, then even satisfied employees maybe tempted to take time off, even though they may not be sick. Clegg (1983), states that while high job satisfaction may not necessarily lead to low absenteeism, low job satisfaction is more likely to result in absenteeism.

2.8.6 Job Satisfaction and Health and Well-Being

Although some studies have reported that dissatisfied employees have more health problems (Begley and Czajka, 1993; O'Driscoll and Beehr, 1994), others have argued that this could be due to the personality of the employee, rather than related to dissatisfaction at work (Brief, Burke, George, Robinson, and Webster, 1988). Dissatisfaction may impact an employees health but there is insufficient evidence to support this claim (Spector, 1996).

2.8.7 Job Satisfaction and Life Satisfaction

The spill-over hypothesis proposes that satisfaction or dissatisfaction in one area of life spills over to another (Weaver, 1978). This hypothesis has been supported by studies that have found a positive correlation between life satisfaction and job satisfaction: life satisfaction causes job satisfaction and that job satisfaction causes life satisfaction (Rain, Lane, and Steiner, 1991).

The above discussion has exposed the importance of job satisfaction.

2.9 CONCLUSION

In this chapter, the Job Satisfaction theories were explained by the Need, Equity and Job Characteristics theories. It was established that both personal and work-related factors could influence job satisfaction either positively or

negatively. Personal factors included age, gender, tenure, race while work-related factors comprised of the reward structure and the work environment. All the work related factors were found to correlate with the Job Satisfaction theories.

It was evident that a lack of job satisfaction can have dire consequences to an organisation. Thus, it is imperative that managers take cognisance of the importance of ensuring that their employees are happy. A happy employee makes for a successful organisation. Therefore, further investigation is crucial in the South African IT industry as it was reported that only about a quarter of the sample liked their jobs.

As mentioned there are several reasons for measuring satisfaction. In particular managers can better handle their resources if they understand the attitudes of their various employees (Roberts and Savage, 1973:82). The methodology employed in this research to measure job satisfaction at the IT SMEs is discussed in the next chapter.

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CHAPTER THREE

RESEARCH METHODOLOGY

3.1 INTRODUCTION

In Chapter Three the data used in the research will be classified and the selection criteria that the researcher employed will be identified. The research methodology and the specific treatment of each sub-problem will be discussed.

3.2 THE DATA

Both primary and secondary data was used for this investigation as detailed below.

3.2.1 The Primary Data

According to Ivy (2002), primary data is collected for a specific research purpose. For the purpose of this research, the primary data was collected from the Job Satisfaction questionnaires that were distributed to IT SMEs in Durban to ascertain the level of job satisfaction of these employees. This questionnaire may be found in **APPENDIX 6**.

3.2.2 The Secondary Data

Secondary data is already published and collected for other reasons other than the specific research question at hand (Ivy, 2002). In Chapter Two, the literature on job satisfaction was reviewed from various secondary sources to determine which theories discuss job satisfaction as well as the influences on job satisfaction and the organisational impact thereof. In addition,

literature was sourced to establish what existing questionnaires there are on job satisfaction.

3.3 SELECTION CRITERIA

Dynatech was the first SME selected because of the researcher's alliance with this organisation (Refer to **APPENDIX 1**). The researcher then attempted to find a total list of IT SMEs in Durban from which a sample could be selected.

Exhaustive research was done but the researcher was unable to find a list of IT SMEs in Durban. This included contacting sources such as the Durban Chamber of Commerce, Ntsika Enterprise Promotion Agency, and DTI. As this was proving difficult, the researcher opted to use snowball sampling as suggested by Cooper and Schindler (2001:194). The authors suggest snowball sampling when respondents are difficult to find and can best be identified through referrals. Thus, by employing snowball sampling, subsequent IT SMEs in Durban were identified by referrals from Dynatech.

The population for this study comprised of the four SMEs as shown in **TABLE 3-1** below. A census study was conducted providing a total of 94 possible respondents (N = 94).

TABLE 3-1: Population Details

Name of the Company	Total Number of Employees
Dynatech Information Systems (Pty) Ltd	20
Fundani Computer Systems (Pty) Ltd	39
Invotech Computer Systems (Pty) Ltd	17
Tri-Star Technologies CC	18

Source: Self-generated.

However, only 54 questionnaires were fully completed and used as the research sample ($n = 54$).

3.4 DATA COLLECTION METHOD

As the researcher intended to identify the level of job satisfaction at a particular point in time, using a questionnaire and statistical techniques, the research design can be classified as a quantitative, single cross-sectional study (Cooper and Schindler, 2001; Ivy, 2002). The questionnaire and statistical techniques employed are detailed in the following sections.

3.4.1 The Questionnaire Design

Wegner (1993:17) states: “the *design* of a questionnaire is critical to ensure that the correct research questions are addressed and that accurate and appropriate data for statistical analysis is collected”. Extensive research was conducted to obtain the most valid and reliable job satisfaction questionnaires.

According to the literature, the three most popular, well-constructed and validated job satisfaction scales are the Job Descriptive Index, the Minnesota Satisfaction Questionnaire (hereafter referred to as MSQ), and the Job Satisfaction Survey (Weiss, et al. 1967; Roberts and Savage, 1973; Arnold and Feldman, 1986; Smith, 1992; Spector, 1994; Spector, 1996; Reudavey, Ling and Dickie, 2003; Mitchell, 2004; Gray, 2005).

The MSQ is produced in two formats: the short form which comprises of 20 questions, and the long form that contains 100 questions. The short form has been shown to be robust as far as portability between the United States and South Africa is concerned (Boshoff and Hoole, 1998:73) and it has been shown to be applicable to South Africans whose home language is not English (Kamfer, Venter and Boshoff, 1998:85). Despite the applicability of the MSQ short form in the South African context, it was not used in this study because it

was deemed to be too short. Thus, the researcher compiled a longer questionnaire using both the short form and the long form of the MSQ as well as the Job Descriptive Index and the Job Satisfaction Survey. Based on the literature review personal characteristics were also included (Refer to **APPENDIX 6**).

The questionnaire consisted of two sections. Section A contained the personal characteristics of gender, age, race (for the purpose of this research Black referred to Africans only) and tenure. Section B consisted of 45 items measured on a 5-point Likert scale, with scale responses varying between Not Satisfied to Extremely Satisfied as used in the MSQ (Weiss, et al. 1967:27; University of Minnesota). Cooper and Schindler (2001:234) state that a Likert scale is most appropriate for measuring attitudes. A study conducted by Birkett (1986) tested the response categories for a Likert scale and reported that there is no significant correlation between the number of categories (2-point, 6-point and 14-point) and the response rate.

There are three major criteria for evaluating a questionnaire: validity, reliability, and practicality (Cooper and Schindler, 2001:210). These are discussed below.

3.4.1.1 The Validity of the Questionnaire

Validity is the degree to which an instrument measures what it is supposed to measure (Gay and Diehl, 1992:156). This includes content-validity, criterion-related validity, and construct validity (Cooper and Schindler, 2001).

3.4.1.1 (a) Content Validity

Content validity was achieved in that questions were based on valid and reliable questionnaires as discussed in Section 3.4.1 above. The researcher and supervisor evaluated the questionnaire to identify duplications and

double-barrelled questions. In addition, face validation was done in a pilot test. These respondents assessed the questionnaire in terms of its clarity, understandability, flow and construction. The questionnaire was revised accordingly.

3.4.1.1 (b) Construct Validity

Several sources were used as guidelines in the construction of the questionnaire (Gay and Diehl, 1992; Wegner, 1993; Cooper and Schindler, 2001; Ghauri and Gronhaug, 2002; Ivy, 2002).

The most common factors of job satisfaction as identified in the literature, were used in the construction of the questionnaire. Questions were compiled for each of the three identified factors: personal characteristics, reward structure and the work environment. The answers to these questions were combined to determine the job satisfaction on each factor (Refer to **APPENDIX 7**). A factor analysis was computed to determine the underlying groups as reported in Chapter Four.

3.4.1.1 (c) Criterion Validity

Criterion validity was not applicable for this research since it is used for prediction or estimation.

To provide further validation a post-test was conducted after the questionnaires were collected. Selected respondents were contacted telephonically to determine if they had additional comments regarding the study.

3.4.1.2 The Reliability of the Questionnaire

Reliability refers to the consistency of a measurement (Bryman, 1995:55). According to Cooper and Schindler (2001:216) there are three techniques to test reliability: Test-retest, Parallel forms, and Split-half/KR20/Cronbach Alpha.

Of the three approaches the Cronbach Alpha method was used. It was deemed most suitable since it measures the internal consistency of an instrument that has similar questions, as is the case in the questionnaire designed for this research. Furthermore, it uses only one administration of the questionnaire. The results of this test are reported in Chapter Four.

3.4.1.3 The Practicality the Questionnaire

The scientific requirements for an instrument require it to be reliable and valid while the operational requirements call for it to be practical (Cooper and Schindler, 2001:218). An instrument meets the practicality criterion if it is economical, convenient, and interpretable (Thorndike and Hagen, 1969).

3.4.1.3 (a) Economy

The questionnaire was selected as the method of data collection because of its flexibility, efficiency and it is more economical. This method was chosen above the personal interview and telephonic interview, because it allows contact with otherwise inaccessible people such as corporate executives. It is also perceived as more anonymous and allows respondents more time to think about the questions. However, the major disadvantage of this method is the lack of response. A further limitation is that large amounts of information cannot be expected, as respondents are reluctant to complete long and complex questionnaires (Bryman, 1995; Cooper and Schindler, 2001). To

accommodate this, the questionnaire was designed to be simple and to take no more than 10 minutes to complete which according to Cooper and Schindler (2002:314), is an acceptable time.

In order to improve the response rate and reduce the cost associated with mailing, the researcher opted to use the 'drop-delivery' method. This entailed personally delivering the questionnaires and collecting them seven days later. In addition, this gave the researcher the opportunity to identify the respondents' geographic location and helped to build a rapport with the respondents (Cooper and Schindler, 2001:316).

3.4.1.3 (b) Convenience

An instrument is said to be convenient if it is easy to administer. This means it must have clear instructions, a good design and layout. Instructions for completing the questionnaire for this research were provided in the Letter of Information and the questionnaire itself (Refer to **APPENDIX 6**). Further the questionnaire was designed to be simple and easy to answer.

3.4.1.3 (c) Interpretability

Interpretability must be considered if anyone other than the researcher needs to interpret the results which was not the case in this research.

Hence, it can be concluded that the questionnaire meets the requirements of validity, reliability, and practicality.

3.5 PROCEDURE

The following procedure was used in conducting the research.

The CEO at each SME was contacted to request permission to conduct the research. They agreed to distribute and collect the questionnaires from their respective employees. The questionnaires were assigned an alphanumeric number. An alpha was used to facilitate differentiation between the companies (Refer to **TABLE 3-2**).

TABLE 3-2: Questionnaire Details

Name of the Company	Number of Employees	Questionnaire Number
Dynatech	20	A1 - A20
Fundani	39	B1 - B39
Invotech	17	C1 - C17
Tri-Star	18	D1 - D18

Source: Self-generated.

The survey pack which consisted of a Letter of Information and Consent and the questionnaire (Refer to **APPENDIX 6**) were put into sealed envelopes to ensure confidentiality. The survey packs were then delivered to the respective companies.

A week later the completed questionnaires were collected. The sample ($n = 54$) was captured on the Statistical Package for the Social Sciences (SPSS) to analyse the data and determine whether the hypotheses are supported, or rejected (Gay and Diehl, 1992:459). The statistical tools used for each sub-problem are discussed below and the findings of the research are reported in Chapter Four.

3.6 THE SPECIFIC TREATMENT OF EACH SUB-PROBLEM

The specific treatment of the three sub-problems is as follows:

3.6.1 The Problem Statement

To determine the current level of job satisfaction of employees in the IT SME sector in Durban.

3.6.2 Sub-Problem One

The first sub-problem was to determine whether the employees are satisfied with the rewards they receive specifically with regards to pay and promotion.

3.6.2.1 Hypothesis One

It is hypothesised that there are no differences in the levels of satisfaction for reward structure.

3.6.2.2 The Data Needed

The data for testing the first hypothesis was obtained from the responses to Section B of the job satisfaction questionnaire (Refer to **APPENDIX 6**).

The responses that pertained specifically to pay and promotion were used in this hypothesis. **APPENDIX 7** provides the questions that relate to this factor. Essentially this comprised of the following:

- The employee satisfaction regarding the pay received.
- The opportunity for promotion.
- The fairness in the distribution of pay and promotions.

3.6.2.3 The Location of the Data

Only the responses from the selected sample ($n = 54$) that had completed the questionnaire were included in the study.

3.6.2.4 The Means of Obtaining the Data

The data needed for the investigation was collected by means of the questionnaire that has been described in the Data Collection Method section (Refer to section 3.4 above).

3.6.2.5 Treatment of the Data

The completed questionnaires were screened to determine whether all the questions were completed. Only the questionnaires that were duly completed were included in the research. The response for each question was coded on a scale from 1 to 5 where 1 = Not Satisfied, 2 = Somewhat Satisfied, 3 = Satisfied, 4 = Very Satisfied and 5 = Extremely Satisfied.

3.6.2.6 The Interpretation of the Data

A Likert scale produces interval data (Wegner, 1993). The Chi-square statistic is applicable to such a scale, when it is possible to group responses into nominal categories as is the case in this study (Cooper and Schindler, 2001:499). A one sample Chi-square statistic was chosen to interpret the data. This statistical tool establishes whether a random variable, in this instance reward structure, follows certain patterns of outcomes in the population (Wegner, 1993:248).

The Chi-square statistic tests the null hypothesis by comparing a set of observed frequencies (from the responses to the questionnaire) which are based on sample findings to a set of expected frequencies to determine if

there is a significant difference in the proportion of respondents who are Not Satisfied, Somewhat Satisfied, Satisfied, Very Satisfied and Extremely Satisfied.

The Chi-square statistic measures the extent to which the observed and expected frequencies differ. If this measure of difference is small, the null hypothesis is accepted. Conversely, large differences will result in the null hypothesis being rejected (Gay and Diehl, 1992; Wegner, 1993:248). For this study the probability value (p-value) was used. If the observed p-value was less than 0.05 then the null hypothesis was rejected (Cooper and Schindler, 2001:494).

3.6.3 Sub-Problem Two

The second sub-problem was to establish if the employees are satisfied with their work environment in terms of the work itself and relationships with co-workers and managers.

3.6.3.1 Hypothesis Two

It is hypothesised that there are no differences in the levels of satisfaction in the work environment.

3.6.3.2 The Data Needed

Section B of the job satisfaction questionnaire was used to generate the data for testing the second hypothesis (Refer to **APPENDIX 6**).

The responses that pertained specifically to the work environment were used in this hypothesis. **APPENDIX 7** provides the questions that relate to this factor.

Essentially this comprised of the following:

- The work itself which encompasses work content, skill variety, autonomy, and working conditions.
- Relations with co-workers.
- Relationship with one's manager.

3.6.3.3 The Location of the Data

Only the responses from the selected sample ($n = 54$) that had completed the questionnaire were included in the study.

3.6.3.4 The Means of Obtaining the Data

A questionnaire was used to collect the data needed for the investigation. The questionnaire has been explained in the Data Collection Method section (Refer to section 3.4 above).

3.6.3.5 Treatment of the Data

In order to ensure that all the questions in the questionnaires were completed, the questionnaires were screened. Only properly completed questionnaires were included in the study. The response for each question was coded on a scale from 1 to 5 where 1 = Not Satisfied, 2 = Somewhat Satisfied, 3 = Satisfied, 4 = Very Satisfied and 5 = Extremely Satisfied.

3.6.3.6 The Interpretation of the Data

In order to facilitate the interpretation of the data a Likert scale was used. The interpretation was further facilitated by the Chi-square statistic since it was possible to group responses into nominal categories. Furthermore, the Chi-square statistic establishes whether a random variable, in this instance the

work environment, follows certain patterns of outcomes in the population (Wegner, 1993:248).

The null hypothesis was tested by using the Chi-square statistic. The Chi-square statistic test compares the set of observed frequencies (from the responses to the questionnaire) to a set of expected frequencies. The Chi-square statistic measures the extent to which the observed and expected frequencies differ. If the difference in frequency is small, the null hypothesis is accepted (Gay and Diehl, 1992; Wegner, 1993:248). For this study the p-value was used. An observed p-value of less than 0.05 would result in the null hypothesis being rejected (Cooper and Schindler, 2001:494).

3.6.4 Sub-Problem Three

The third sub-problem was to analyse the personal characteristics (age, gender, race and tenure) of these SME employees and to determine the impact thereof on job satisfaction.

3.6.4.1 Hypothesis Three

It is hypothesised that personal characteristics of an employee influences job satisfaction.

3.6.4.2 The Data Needed

The responses to Section A of the job satisfaction questionnaire were collated to test the third hypothesis (Refer to **APPENDIX 6**).

The following data was obtained from the questionnaire:

- Gender
- Age
- Race
- Tenure

3.6.4.3 The Location of the Data

Only the responses from the selected sample ($n = 54$) that had completed the questionnaire were included in the study.

3.6.4.4 The Means of Obtaining the Data

The questionnaire as described in the Data Collection Method section (Refer to section 3.4 above) was used to obtain the data needed for the investigation.

3.6.4.5 Treatment of the Data

The completed questionnaires were checked to determine if all the questions were answered. Only the questionnaires that were fully completed were included in the research.

3.6.4.6 The Interpretation of the Data

Descriptive and inferential tests were computed for this hypothesis. The analysis of the personal characteristics entailed computing frequencies for gender and race, with grouped frequencies being calculated for age and tenure.

The total job satisfaction score was first determined in order to assess the influence of the personal characteristics on job satisfaction.

The t-test statistic is used to determine whether two means are significantly different at a selected probability level (Gay and Diehl, 1992:508). Thus, to determine the influence of gender on job satisfaction the t-test was used because gender consists of only two variables. The corresponding p-value

was used. If the p-value was less than 0.05 then the null hypothesis would be rejected (Ghauri and Gronhaug, 2002:148).

The one-way analysis of variance (ANOVA) test statistic is used to determine whether there is a significant difference between two or more means at a selected probability level (Gay and Diehl, 1992:513). Hence, the ANOVA test was selected to test the influence of age, race, and tenure on job satisfaction. A p-value of less than 0.05 would result in the null hypothesis being rejected.

3.7 CONCLUSION

Chapter Three describes the research tools and methods used for this investigation to obtain relevant information from the sample population. These statistical tests can be summarised as follows:

- Reliability: Cronbach Alpha (internal consistency).
- Validity: Factor Analysis (construct validity).
- Hypothesis 1: Chi-square statistic (reward structure).
- Hypothesis 2: Chi-square statistic (work environment).
- Hypothesis 3: ANOVA (gender, race, and tenure).

The results of the analysis are described and discussed in the following two chapters.

****00****

CHAPTER FOUR

RESULTS OF THE RESEARCH

4.1 INTRODUCTION

This chapter reports the findings of the research tests identified in Chapter Three. It describes the sample, the results of the validity and reliability tests, and the findings of the hypotheses.

4.2 SAMPLE CHARACTERISTICS

The characteristics of the sample are described by identifying the percentage of respondents by gender, race, age and tenure as shown in **TABLE 4-1**.

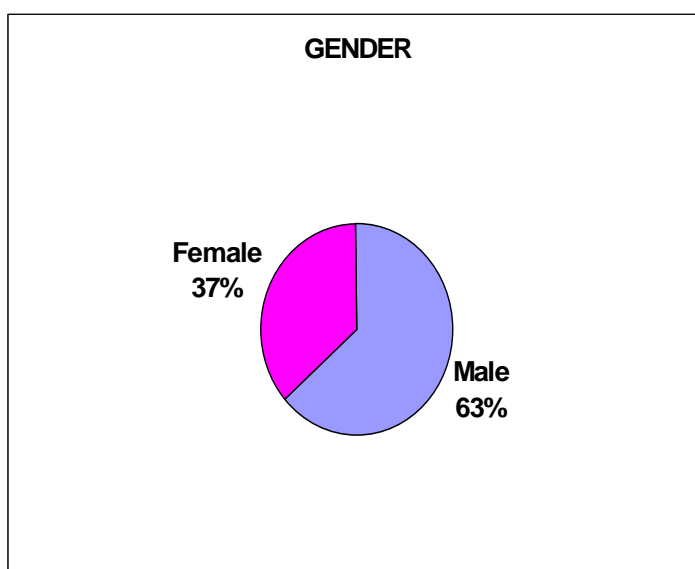
TABLE 4-1: Sample Characteristics

		Count	%
Gender	Male	34	63.0%
	Female	20	37.0%
Age	20 - 30	32	59.3%
	31 - 40	11	20.4%
	41 - 50	9	16.7%
	51 - 60	1	1.9%
	60+	1	1.9%
Race	Black	26	48.1%
	Indian	24	44.4%
	Coloured	3	5.6%
	White	1	1.9%
	Other	0	.0%
Length of Service	0 - 2	42	77.8%
	3 - 5	12	22.2%
	6 - 8	0	.0%
	9 - 11	0	.0%
	12+	0	.0%

4.2.1 Gender

PIE CHART 4-1 reveals the percentage of respondents by gender. For this research, 63% of the sample were male and 37% were female.

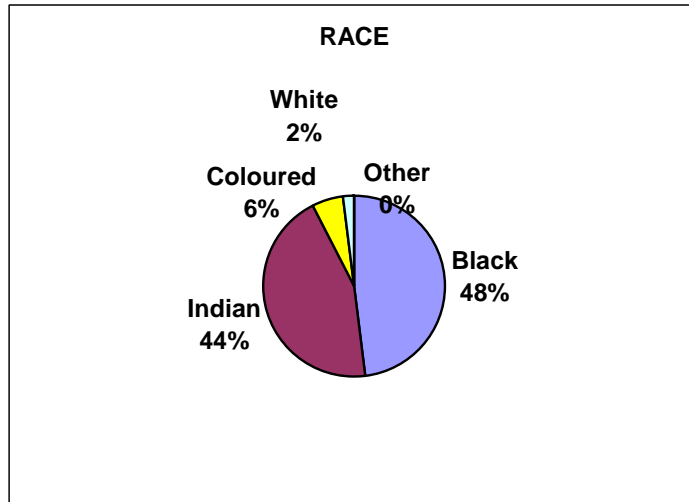
PIE CHART 4-1: Percentage Response Rate Indicating Gender in the Sample Population



4.2.2 Race

PIE CHART 4-2 reflects the breakdown of the sample by race. It is evident that the majority of the respondents were Black or Indian with percentages of 48 and 44 respectively.

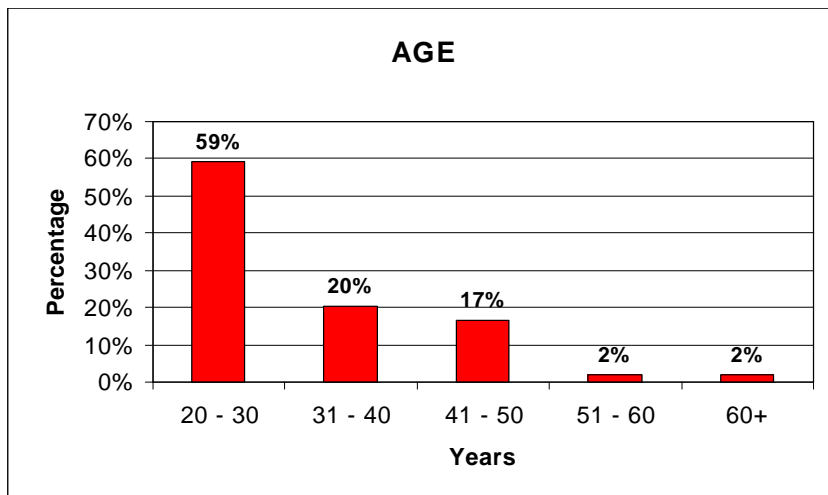
PIE CHART 4-2: Percentage Response Rate by Race in the Sample Population



4.2.3 Age

From **BAR CHART 4-1** it is apparent that most of the respondents fall in the age category between 20-30 years.

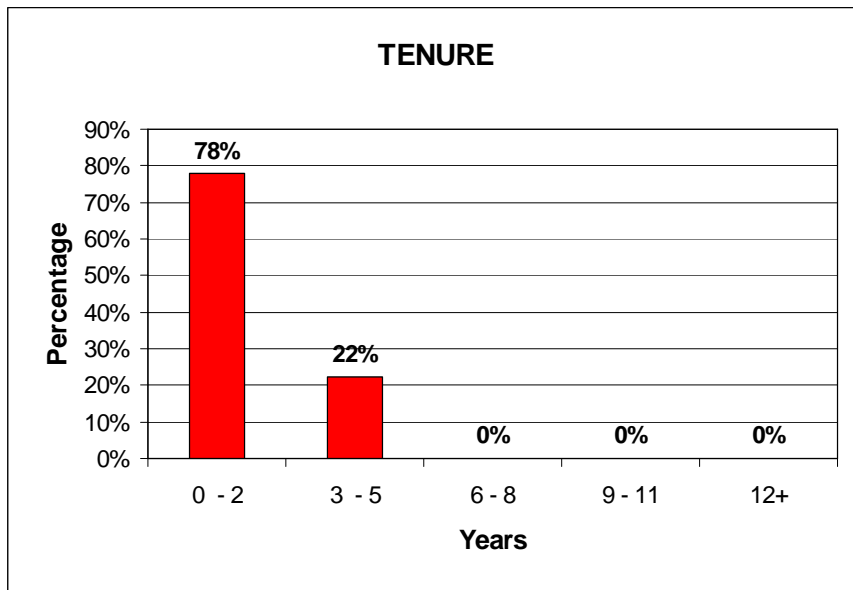
BAR CHART 4-1: Percentage Response Rate per Age Group in the Sample Population



4.2.4 Tenure

BAR CHART 4-2 highlights that all respondents had tenure of less than 5 years. Seventy-eight percent had tenure of less than 2 years and 22% had tenure between 3-5 years.

BAR CHART 4-2: Percentage Response Rate by Tenure in the Sample Population



4.3 RESULTS OF THE RELIABILITY AND VALIDITY TESTS

The reliability and validity tests identified in Chapter Three are the Cronbach Alpha and Factor Analysis tests respectively.

4.3.1 Cronbach Alpha Test

The Cronbach Alpha test was computed to measure the internal consistency of the factors used in the questionnaire. According to Ghauri and Gronhaug (2002: 69) the various questions pertaining to a factor should correlate positively but they should not be perfectly correlated, as that would imply that they are capturing the identical data. Bryman (1995:57) advises that 0.80 is the minimum acceptable level of internal reliability. The findings indicate that each factor has adequate internal consistency reliability as depicted in **TABLE 4-2**.

TABLE 4-2: Cronbach's Alpha Reliability Coefficient

Factor	Cronbach Alpha Reliability Coefficient
Pay	0.9360
Promotion	0.9545
Work Itself	0.9105
Co-workers	0.9341
Managers	0.9454

4.3.2 Factor Analysis

A Kaiser-Meyer-Olkin and Barlett test was performed to determine if factor analysis was appropriate. Refer to **TABLE 4-3**.

TABLE 4-3: Factor Analysis- KMO and Barlett Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.729
Bartlett's Test of Sphericity	Approx. Chi-Square	2879.817
	df	990
	Sig.	.000

The Kaiser-Meyer-Olkin test indicates that the data is suitable for factor analysis (KMO = 0.729 which is close to 1) and Barlett's test shows there are significant relationships between the variables (Sig. = 0.000 < 0.05).

A factor analysis was conducted to determine if there were any underlying dimensions in a questionnaire (Ghuri and Gronhaug, 2002:165). From **TABLE 4-4** it is evident that the five factors extracted explain 73.53% of the total variance.

TABLE 4-4: Factor Analysis- Principal Component Analysis

Component	Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	7.113	15.807	15.807
2	6.773	15.051	30.858
3	6.738	14.972	45.830
4	6.468	14.374	60.204
5	5.999	13.330	73.534

Extraction Method: Principal Component Analysis.

RESULTS OF THE RESEARCH

Rotated Component Matrix ^a

	Component				
	1	2	3	4	5
B16	.886	.155	.052	.133	.122
B2	.851	.006	.035	-.010	.235
B41	.790	.047	.264	.211	.132
B7	.741	.104	.007	.237	.363
B25	.689	.211	-.004	.435	.191
B37	.649	.338	.166	.391	.083
B27	.636	.322	.165	.456	.182
B4	.561	.488	.188	-.086	.364
B43	.540	.276	.183	.408	.459
B18	.499	.409	.360	.442	.134
B21	.095	.753	.325	.096	.353
B36	.186	.718	.400	.291	.133
B15	.064	.707	.294	.309	.054
B45	.172	.707	.389	.133	.406
B9	.216	.583	.224	.392	.242
B10	.370	.562	.329	.058	.319
B42	.202	.527	.437	.117	.461
B14	.148	.517	.371	.338	.321
B26	.395	.483	.408	.177	.273
B22	.126	.432	.787	.142	-.076
B30	.059	.316	.783	.096	.309
B35	.046	.325	.770	.262	.213
B44	-.010	.207	.770	.269	.323
B17	.215	.208	.716	.014	.153
B39	.071	.396	.622	.411	.171
B13	.081	.179	.620	.232	.514
B8	.070	.144	.615	.310	.351
B1	.272	-.005	.457	.322	.320
B24	.127	-.016	.143	.808	.265
B33	.174	.295	.278	.692	.218
B38	.105	.149	.273	.618	.452
B34	.364	.363	.307	.589	.308
B19	.415	.278	.255	.579	.188
B32	.319	.265	.323	.556	.389
B23	.507	.464	.132	.517	.270
B20	.453	.435	.082	.483	.231
B3	.433	.351	.157	.444	.359
B29	.284	.056	.160	.106	.721
B12	.213	.365	.300	.341	.695
B40	.279	.232	.236	.442	.583
B31	.172	.503	.405	.232	.569
B5	.079	.217	.201	.462	.562
B28	.271	.279	.225	.503	.559
B11	.203	.512	.175	.291	.531
B6	.410	.202	.152	.429	.501

Extraction Method: Principal Component Analysis.
 Rotation Method: Equamax with Kaiser Normalization.

a. Rotation converged in 61 iterations.

The items with the highest loadings on a factor, define the factor as highlighted in **TABLE 4-4**. By referring to the content of these items it is possible to determine the underlying factors. In **TABLE 4-4**:

- Component/Factor 1 includes items 2, 7, 16, 25, 27, 37 and 41 and this relates to Pay.
- Component/Factor 2 includes items 10, 15, 21, 26, 36, 42 and 45 which relate to Managers.
- Component/Factor 3 includes items 1, 8, 13, 17, 22, 30, 35, 39 and 44 and this relates to Co-workers.
- Component/Factor 4 includes items 19, 24, 33 and 38 which relate to the Work Itself.
- Component/Factor 5 includes items 6, 12, 28, 40 which relate to Promotion.

4.4 THE DESCRIPTIVE STATISTICS

From **TABLE 4-5** it is evident that the mean score for all factors is approximately three. This implies that majority of respondents were satisfied. The minimum, maximum and standard deviation shows that scores ranged from Not Satisfied to Extremely Satisfied.

TABLE 4-5: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Reward Structure	54	1	5	2.67	0.85
Pay	54	1	5	2.52	0.84
Promotion	54	1	5	2.83	0.94
Work Environment	54	2	5	3.17	0.78
Work Itself	54	1	5	3.20	0.84
Co-workers	54	1	5	3.16	0.79
Managers	54	2	5	3.16	0.91
Total Job Satisfaction	54	2	5	2.92	0.78

**4.5 THE RESULTS OF HYPOTHESES ONE
(REWARD STRUCTURE)**

Hypothesis One: There are no differences in the levels of satisfaction for reward structure.

The results for Hypothesis One are shown in **TABLE 4-6** below which contains results of the Reward Structure and its component factors of Pay and Promotion.

TABLE 4-6: Statistics for Hypothesis One

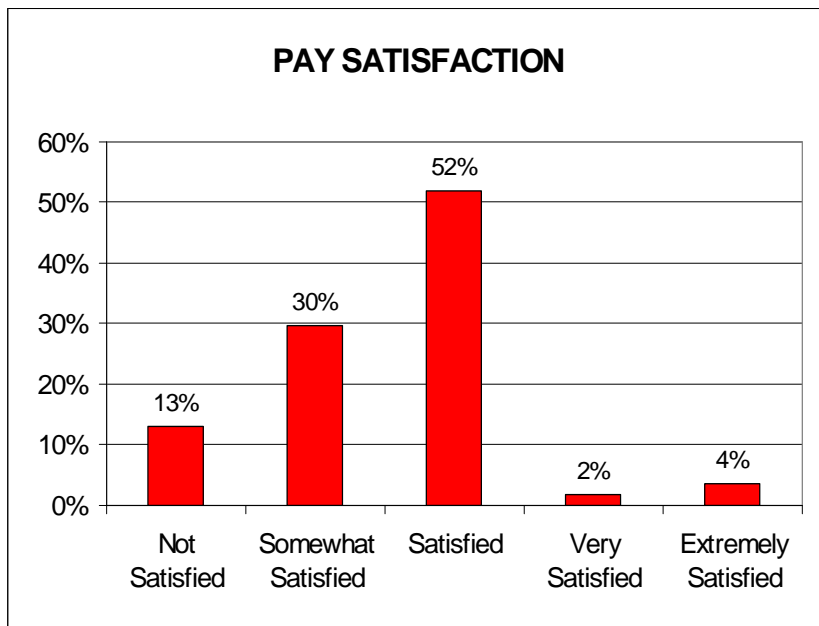
	Not Satisfied		Somewhat Satisfied		Satisfied		Very Satisfied		Extremely Satisfied		Test Statistics		
	Count	%	Count	%	Count	%	Count	%	Count	%	Chi-square	df	p
Pay	7	13.0	16	29.6	28	51.9	1	1.9	2	3.7	47.296	4	.000
Promotion	6	11.1	13	24.1	25	46.3	8	14.8	2	3.7	29.148	4	.000
Reward Structure	6	11.1	15	27.8	28	51.9	3	5.6	2	3.7	43.963	4	.000

An analysis of each of these factors and its associated statistics follows.

4.5.1 Pay

BAR CHART 4-3 shows that in terms of Pay, 13% of the respondents were Not Satisfied, 30% were Somewhat Satisfied, 52% were Satisfied, 2% were Very Satisfied and 4% were Extremely Satisfied.

BAR CHART 4-3: Percentage Response Rate Regarding Satisfaction with Pay

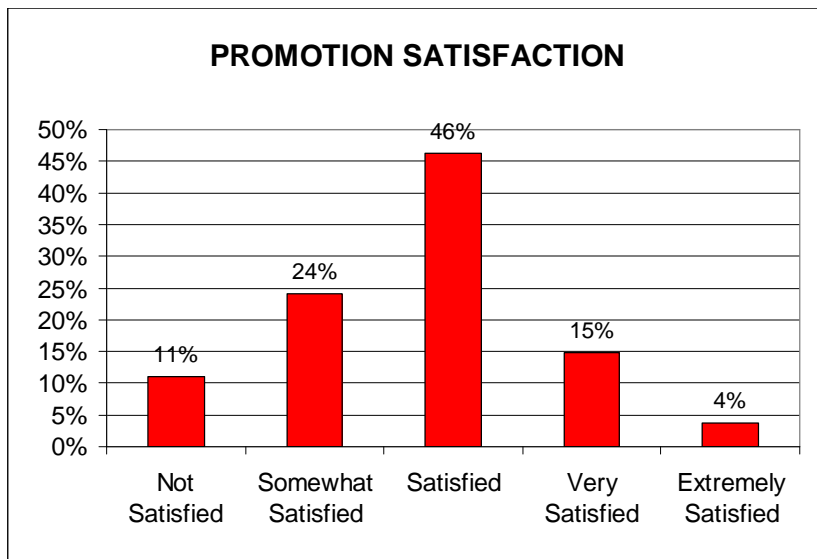


There is a significant difference between the observed and expected frequencies for Pay at the 5% level of significance ($\chi^2 = 47.296, p=0.000$). The observed count of respondents who selected Satisfied is higher than expected (Refer to **APPENDIX 8**).

4.5.2 Promotion

BAR CHART 4-4 shows that for the factor Promotion, 11% of the respondents were Not Satisfied, 24% were Somewhat Satisfied, 46% were Satisfied, 15% were Very Satisfied and 4% were Extremely Satisfied.

BAR CHART 4-4: Percentage Response Rate Regarding Satisfaction with Promotion



There is a significant difference between the observed and expected frequencies for Promotion at the 5% significance level ($\chi^2 = 29.148$, $p=0.000$). The observed count of respondents who selected Satisfied is higher than expected (Refer to **APPENDIX 8**).

4.5.3 Reward Structure

Considering Pay and Promotion together, **BAR CHART 4-5** shows that 11% of the respondents were Not Satisfied, 28% were Somewhat Satisfied, 52% were Satisfied, 6% were Very Satisfied and 4% were Extremely Satisfied with their Reward Structure.

BAR CHART 4-5: Percentage Response Rate Regarding Satisfaction with Reward Structure



There is a significant difference between the observed and expected frequencies for Reward Structure at the 5% level of significance ($\chi^2 = 43.963$, $p=0.000$). The observed count of respondents who selected Satisfied is higher than expected (Refer to **APPENDIX 8**).

4.6 THE RESULTS OF HYPOTHESIS TWO (WORK ENVIRONMENT)

Hypothesis Two: There are no differences in the levels of satisfaction in the work environment.

The results for Hypothesis Two are shown in **TABLE 4-7** which contains results of the Work Environment and its component factors: Work Itself, Co-workers, and Managers.

TABLE 4-7: Statistics for Hypothesis Two

	Not Satisfied		Somewhat Satisfied		Satisfied		Very Satisfied		Extremely Satisfied		Test Statistics		
	Count	%	Count	%	Count	%	Count	%	Count	%	Chi-square	df	p
Work Itself	1	1.9	12	22.2	24	44.4	13	24.1	4	7.4	29.889	4	.000
Co-workers	2	3.7	10	18.5	24	44.4	14	25.9	4	7.4	28.593	4	.000
Managers	0	0	13	24.1	22	40.7	13	24.1	6	11.1	9.556	3	.023
Work Environment	0	0	13	24.1	25	46.3	10	18.5	6	11.1	14.889	3	.002

An analysis of each of these factors and its associated statistics follows.

4.6.1 Work Itself

BAR CHART 4-6 shows that 2% of the respondents were Not Satisfied, 22% were Somewhat Satisfied, 44% were Satisfied, 24% were Very Satisfied and 7% were Extremely Satisfied with their Actual Work.

BAR CHART 4-6: Percentage Response Rate Regarding Satisfaction with the Work Itself



There is a significant difference between the observed and expected frequencies for Work Itself at the 5% level ($\chi^2 = 29.889$, $p=0.000$). The observed count of respondents who selected Satisfied is higher than expected (Refer to **APPENDIX 8**).

4.6.2 Co-workers

BAR CHART 4-7 reveals that 4% of the respondents were Not Satisfied, 19% were Somewhat Satisfied, 44% were Satisfied, 26% were Very Satisfied and 7% were Extremely Satisfied with their Co-workers.

BAR CHART 4-7: Percentage Response Rate Regarding Satisfaction with the Co-workers



There is a significant difference between the observed and expected frequencies for Co-workers at the 5% level ($\chi^2 = 28.593$, $p=0.000$). The observed count of respondents who selected Satisfied is higher than expected (Refer to **APPENDIX 8**).

4.6.3 Managers

BAR CHART 4-8 reveals that none of the respondents were Not Satisfied, 24% were Somewhat Satisfied, 41% were Satisfied, 24% were Very Satisfied, and 11% were Extremely Satisfied with their Managers.

BAR CHART 4-8: Percentage Response Rate Regarding Satisfaction with the Managers



There is a significant difference between the observed and expected frequencies for Managers at the 5% level of significance ($\chi^2 = 9.556$, $p=0.023$). The observed count of respondents who selected Satisfied is higher than expected (Refer to **APPENDIX 8**).

4.6.4 Work Environment

Combining the factors of Work Itself, Co-workers, and Managers **BAR CHART 4-9** shows that none of the respondents were Not Satisfied, 24% were Somewhat Satisfied, 46% were Satisfied, 19% were Very Satisfied, and 11% were Extremely Satisfied with their Work Environment.

BAR CHART 4-9: Percentage Response Rate Regarding Satisfaction with the Work Environment



There is a significant difference between the observed and expected frequencies for Work Environment at the 5% level of significance ($\chi^2 = 14.889$, $p=0.002$). The observed count of respondents who selected Satisfied is higher than expected (Refer to **APPENDIX 8**).

**4.7 THE RESULTS OF HYPOTHESIS THREE
(PERSONAL FACTORS)**

Hypothesis Three: The personal characteristics of an employee influence their job satisfaction.

For Hypothesis Three the effect of gender, age, race and tenure on job satisfaction is determined.

4.7.1 Gender

The statistics for Gender is reflected in **TABLE 4-8** below.

TABLE 4-8: Influence of Gender on Job Satisfaction

Group Statistics

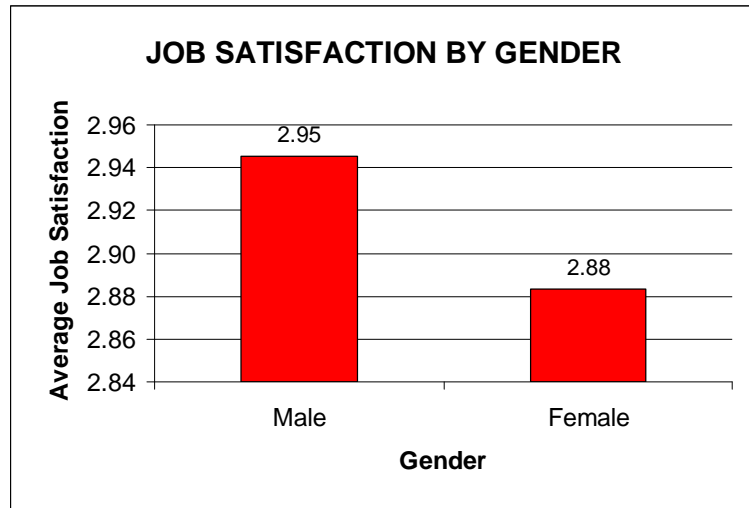
	Gender	N	Mean	Std. Deviation
Total Satisfaction Score	Male	34	2.9455	.79650
	Female	20	2.8833	.76757

Independent Samples Test

	t-test for Equality of Means		
	t	df	p
Total Satisfaction Score	.281	52	.780

From **BAR-CHART 4-10** it is evident that the male employees had a mean of 2.95, while the female employees had a mean of 2.88 for total job satisfaction.

BAR CHART 4-10: Response Rate of Total Job Satisfaction by Gender



The results of the t-test indicate there were statistically no significant differences between male and female employees in their total job satisfaction ($t = 0.281$, $p = 0.780$) at the 5% level of significance.

4.7.2 Age

For the Age factor the number of intervals was reduced from six (20-30, 31-40, 41-50, 51-60, 60+) to three (20-30, 31-40, 40+) because there were insufficient respondents in the latter intervals (Refer to **TABLE 4-1**). As the counts for the latter two intervals were small an additional test was deemed necessary. The Kruskal-Wallis test was selected because it said to be appropriate for interval data that does not meet the ANOVA assumptions (Cooper and Schindler, 2001:517; Martin and Acuna, 2002:68). These statistics are shown in **TABLE 4-9** below.

TABLE 4-9: Influence of Age on Job Satisfaction

Descriptive

Total Satisfaction

	N	Mean	Std. Deviation
20 - 30	32	2.94	.759
31 - 40	11	2.82	.751
40+	11	3.00	1.000
Total	54	2.93	.797

ANOVA

Total Satisfaction Score

	F	p
Between Groups	.146	.864

Test Statistics^{a,b}

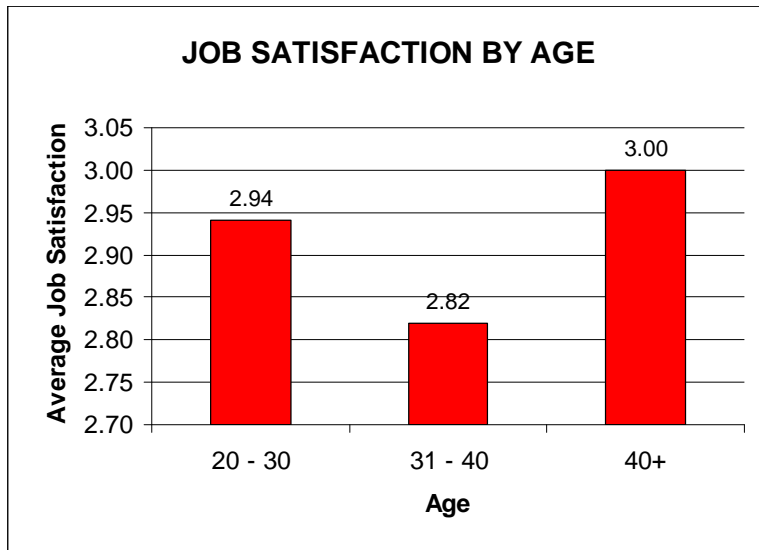
	Chi-Square	df	p
Total Satisfaction Score	.175	2	.916

a. Kruskal Wallis Test

b. Grouping Variable: Age

BAR-CHART 4-11 shows that employees between the ages of 20-30 had a mean score of 2.94, those between 31-40 had a mean score of 2.82, and those older than 40 had a mean score of 3.00.

BAR CHART 4-11: Response Rate of Total Job Satisfaction by Age



The results of the one-way ANOVA test indicate there were statistically no significant differences between groups in their total job satisfaction based on the respondent's age ($F = 0.146$, $p = 0.864$) at the 5% level of significance.

The Kruskal-Wallis test also showed no significant differences between age groups at the 5% level of significance ($p = 0.916$).

4.7.3 Race

As mentioned in Chapter Three an ANOVA test was selected for this factor. However, there were too few respondents for the White or Coloured intervals for the ANOVA to be computed (Refer to **TABLE 4-1**). Thus, the researcher decided to compare Indians and Blacks only, since they formed the majority of the sample (93%) and the t-test was used. These statistics are shown in **TABLE 4-10** below.

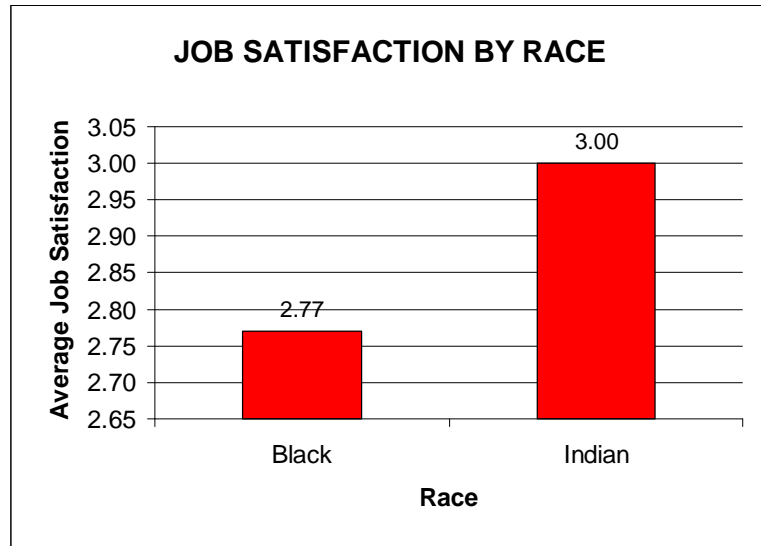
TABLE 4-10: Influence of Race on Job Satisfaction

Group Statistics				
	Race	N	Mean	Std. Deviation
Total Satisfaction Score	Black	26	2.77	.652
	Indian	24	3.00	.885

Independent Samples Test				
		t-test for Equality of Means		
		t	df	p
Total Satisfaction Score	Equal variances assumed	-1.056	48	.296

BAR-CHART 4-12 reveals that Black employees had a mean of 2.77 and Indians a mean of 3.00.

BAR CHART 4-12: Response Rate of Total Job Satisfaction by Race



The results of the t-test indicate there were statistically no significant differences between Indians and Blacks in their total job satisfaction ($t = -1.056$, $p = 0.296$) at the 5% level of significance.

4.7.4 Tenure

For Tenure, the ANOVA test was also initially selected as indicated in Chapter Three, but was not used because all the respondents belonged in the first two intervals (Refer to **TABLE 4-1**). Hence, a t-test was computed instead. However, since the count on the second interval (3-5 years) was small an additional test was sought. The Mann-Whitney U test which is an alternative to the t-test but without its limitations, was consequently used (Cooper and Schindler, 2001:742; Martin and Acuna, 2002:68). These statistics are shown in **TABLE 4-11** below.

TABLE 4-11: Influence of Tenure on Job Satisfaction

Group Statistics

	Length of Service	N	Mean	Std. Deviation
Total Satisfaction Score	0 - 2	42	2.93	.778
	3 - 5	12	2.92	.900

Independent Samples Test

		t-test for Equality of Means		
		t	df	p
Total Satisfaction Score	Equal variances assumed	.045	52	.964

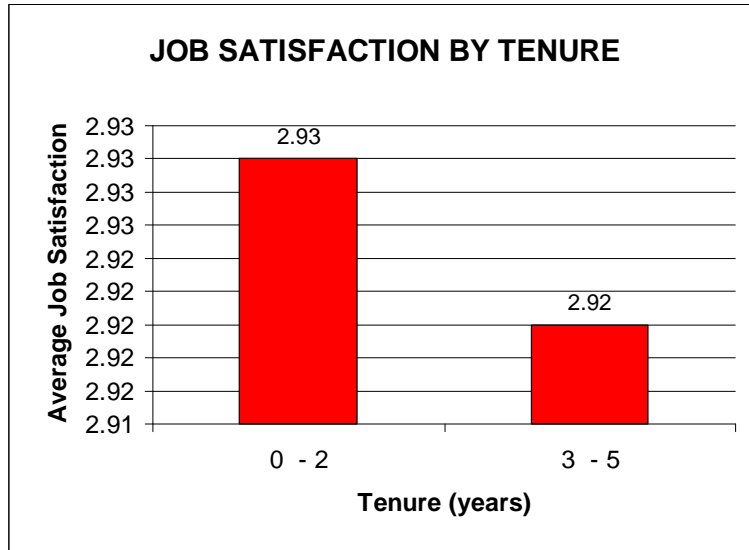
Test Statistics^a

	Mann-Whitney U	Z	p
Total Satisfaction Score	242.500	-.214	.831

a. Grouping Variable: Length of Service

BAR-CHART 4-13 shows that employees with tenure between 0-2 years had a mean of 2.93 and those with tenure between 3-5 years had a mean of 2.92.

BAR CHART 4-13: Response Rate of Total Job Satisfaction by Tenure



The results of the t-test indicate there were statistically no significant differences between groups in their total job satisfaction based on the respondent's tenure ($t = 0.045$, $p = 0.964$) at the 5% level of significance.

The Mann-Whitney U test also revealed that there were no significant differences at the 5% level of significance ($p = 0.831$).

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4.8 TOTAL JOB SATISFACTION

The statistics for Total Job Satisfaction which is a combination of Reward Structure and Work Environment, is shown in **TABLE 4-12** below.

TABLE 4-12: Total Job Satisfaction

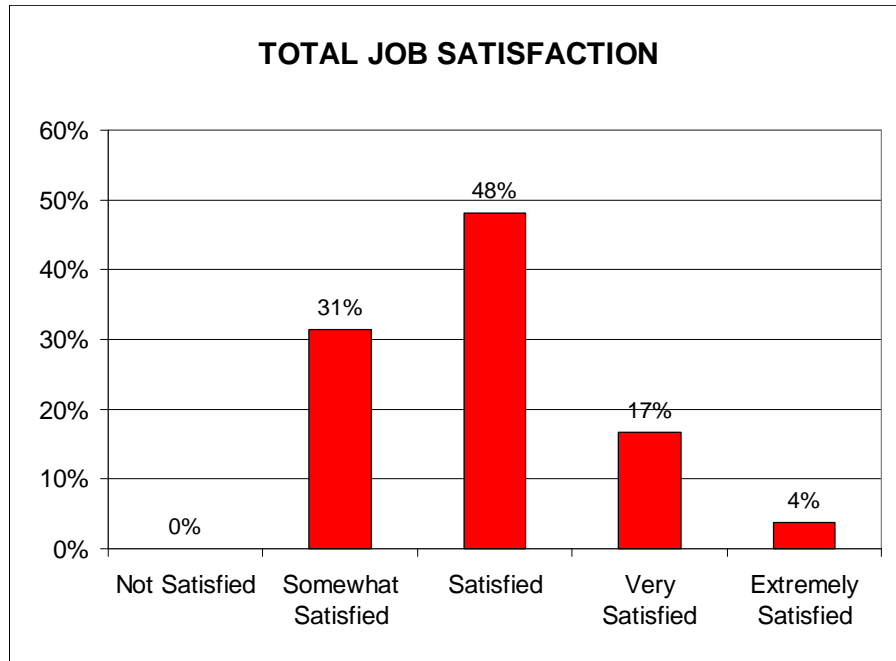
	Not Satisfied		Somewhat Satisfied		Satisfied		Very Satisfied		Extremely Satisfied	
	Count	Table %	Count	Table %	Count	Table %	Count	Table %	Count	Table %
Total Satisfaction Score	0	.0%	17	31.5%	26	48.1%	9	16.7%	2	3.7%

Test Statistics

	Chi-Square	df	p
Total Satisfaction Score	23.778	3	.000

In terms of Total Job Satisfaction all respondents were relatively Satisfied with 31% Somewhat Satisfied, 48% Satisfied, 17% Very Satisfied and 4% Extremely Satisfied as shown in **BAR-CHART 4-14**.

BAR CHART 4-14: Percentage Response Rate Regarding Total Job Satisfaction



There is a significant difference between the observed and expected frequencies for total job satisfaction at the 5% level of significance ($\chi^2 = 23.778$, $p=0.000$). The observed count of respondents who selected Satisfied is higher than expected (Refer to **APPENDIX 8**).

4.8 CONCLUSION

The results obtained from the research survey identified the characteristics of the sample, the respondent's satisfaction with their reward structure and work environment, and the influence of personal characteristics on job satisfaction. In addition, validity and reliability tests were conducted. A discussion of these results follows in Chapter Five.

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CHAPTER FIVE

DISCUSSION

5.1 INTRODUCTION

This chapter discusses the results of Chapter Four and incorporates a discussion of the sample characteristics, reliability and validity tests and the hypotheses. The three hypotheses are examined with a view to establishing if IT SME employees are satisfied with their reward structure, their work environment and the impact of their personal factors on job satisfaction. This discussion includes comparisons to the literature reviewed in Chapter Two.

5.2 THE CHARACTERISTICS OF THE SAMPLE POPULATION

In this sample of IT SMEs, it is evident that there is high concentration of Blacks and Indians, with more male than female respondents. The majority of these respondents were relatively young and below 30 years of age. All respondents have worked for fewer than five years at their particular SME. This can be attributed to the fact that SMEs are relatively new in South Africa and have grown recently because of government support.

A few of the respondents also displayed some sensitivity in disclosing their names on their questionnaires. After consulting the researcher, they opted to only sign the questionnaire or to remain anonymous.

5.3 RELIABILITY AND VALIDITY TESTS

5.3.1 Cronbach Alpha Test

The results showed that all five factors Pay, Promotion, Work Itself, Co-workers, and Managers had an alpha above 0.90. The minimum acceptable level is said to be 0.80. Therefore, it can be deduced that the factors had high internal consistency reliability (Refer to **TABLE 4-2**).

5.3.2 Factor Analysis

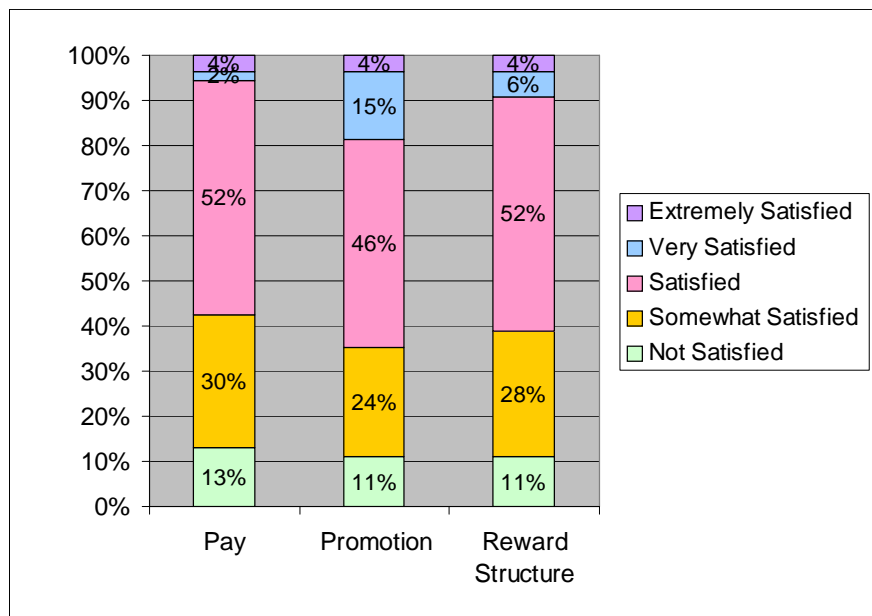
The KMO and Bartlett tests indicated that the data was suitable for factor analysis. Five components were extracted that explained 73.53% of the variance (Refer to **TABLE 4-4**). These components included the factors of Pay, Managers, Co-workers, Work Itself and Promotion.

5.4 HYPOTHESES ONE (REWARD STRUCTURE)

Hypothesis One: There are no differences in the levels of satisfaction for reward structure.

The factors of Pay and Promotion that constitute Reward Structure will be discussed. **BAR CHART 5-1** shows the response rates for each factor and for the Reward Structure.

BAR CHART 5-1: Comparison of the Percentage Response Rates on the factors of Reward Structure



5.4.1 Pay

The results showed the observed count of respondents who selected Satisfied was higher than expected (Refer to **APPENDIX 8**). From **BAR-CHART 5-1** it is apparent that the majority of the respondents are to some extent Satisfied

with Pay (87%). On average the respondents were Satisfied with Pay (mean = 2.52).

Satisfaction with Pay correlates with Maslow's theory thus suggesting that the most basic need in the work environment has been met for these respondents. It also compares to the Equity theory thereby suggesting that the respondents believe they are being treated fairly and that the procedure of pay increases is also fair. Nonetheless, according to Herzberg's theory Pay is a hygiene factor, therefore it is necessary to prevent dissatisfaction but it will not contribute to overall job satisfaction.

Thirteen percent of the respondents claimed to be Not Satisfied with their Pay. However, this is still significantly lower than that reported by the South African IT industry that showed 41% of the respondents were Not Satisfied (Refer **TABLE 2-6**). It also contrasts findings by Carrell, et al. (1999:561) that reported pay as often being the lowest-ranked factor on job satisfaction surveys.

5.4.2 Promotion

The results showed that the observed count of respondents who selected Satisfied was higher than expected (Refer to **APPENDIX 8**).

From **BAR-CHART 5-1** it is clear that most of the respondents are to some degree Satisfied with Promotion (89%). On average the respondents were Satisfied with Promotion (mean = 2.83).

From the application of Maslow's theory, it may be deduced that the respondents need for self-esteem and self-actualisation could be met. According to McClelland's Need theory, these respondents need for achievement may be satisfied. This also relates to the Equity theory which seems to suggest that most respondents believe they are being treated fairly

in terms of promotion. This contrasts with the research findings done by Computerworld which revealed that 55% of the respondents were dissatisfied with their opportunities for advancement (Hoffman, 2003:1).

Promotion was rated as one of the four top factors contributing to job satisfaction, so this is expected to influence the overall job satisfaction (Carrell, et al. 1999:561). Herzberg purports promotion is a motivator, thus one would expect it to influence overall job satisfaction.

5.4.3 Reward Structure

The results showed a significant difference between the observed and expected frequencies for Reward Structure ($p = 0.00 < 0.05$). Thus, the null hypothesis is rejected and it is concluded that there are differences in the level of satisfaction for Reward Structure.

These differences may be attributed to the fact that the observed count of respondents who selected Satisfied was higher than expected (Refer to **APPENDIX 8**). In addition from **BAR-CHART 5-1** it is clear that most of the respondents are relatively Satisfied with Reward Structure (89%). It was also shown that on average the respondents were Satisfied with Reward Structure (mean = 2.67).

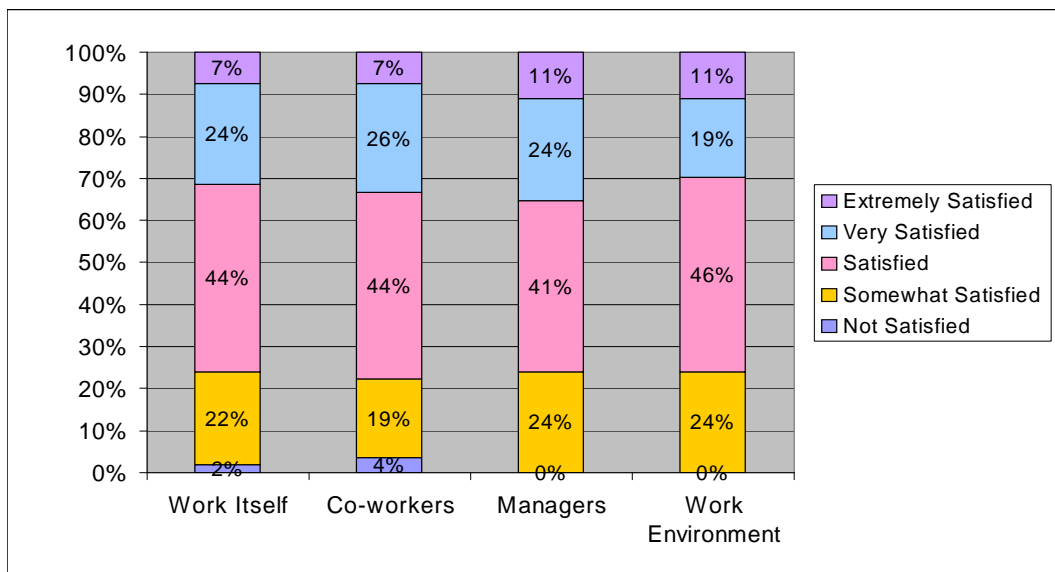
Thus, it may be deduced that the respondents are Satisfied with Reward Structure. According to Beer and Walton (1990) satisfaction with rewards is related to what an employee expects and what s/he actually receives. Hence, this result suggests that the respondents expectations in terms of rewards may have been met. Based on the review of the literature then one would expect these results to impact positively on the overall job satisfaction.

5.5 HYPOTHESES TWO (WORK ENVIRONMENT)

Hypothesis Two: There are no differences in the levels of satisfaction in the work environment.

The Work Environment factors of Work Itself and Supportive Colleagues are now addressed. **BAR CHART 5-2** shows the response rates for each factor and for the Work Environment.

BAR CHART 5-2: Comparison of the Percentage Response Rates on the factors of Work Environment



5.5.1 Work Itself

The results showed that the observed count of respondents who selected Satisfied was higher than expected (Refer to **APPENDIX 8**).

From **BAR-CHART 5-2** it is clear that most of the respondents are to some degree Satisfied with the Work Itself (98%). On average the respondents were Satisfied with Work Itself (mean = 3.20).

This result correlates with the Job Characteristics Model suggesting that the respondents are Satisfied with their work content. Overall job satisfaction should be high since Work Itself is considered a motivator and a major source of satisfaction as highlighted in Herzberg's model. In South Africa, a study was done to determine the relative importance of motivating factors in the IT industry using Herzberg's model and the highest ranked factor was the job itself (Mould, 2004).

On the issue of Working Conditions (Question 38 and a subset of Work Itself) only 2% were Not Satisfied. While it is necessary for comfort and to facilitate work, working conditions is a hygiene factor according to Herzberg, thus it prevents dissatisfaction but does not lead to satisfaction. Therefore, it is expected that this would not influence the overall job satisfaction.

5.5.2 Supportive Colleagues (Managers and Co-workers)

The results showed that the observed count of respondents who selected Satisfied was higher than expected (Refer to **APPENDIX 8**).

From **BAR-CHART 5-2** it is clear that most of the respondents are to some degree Satisfied with their Co-workers (96%). On average the respondents were Satisfied with their Co-workers (mean = 3.16).

Similarly for Managers, the results showed that the observed count of respondents who selected Satisfied was higher than expected (Refer to **APPENDIX 8**).

From **BAR-CHART 5-2** it can be seen that all respondents are to some degree Satisfied with their Managers. On average the respondents were Satisfied with their Managers (mean = 3.16).

These results can be applied to Maslow's theory and McClelland's theory. Consequently, this proposes that the respondents affiliation needs may be met. However, Herzberg's theory contends that Supportive Colleagues, being a hygiene factor, does not result in satisfaction but it prevents dissatisfaction. In contrast, the literature reviewed has identified Supportive Colleagues as being a significant determinant of satisfaction, so one would expect these results to positively influence the overall job satisfaction.

5.5.3. Work Environment

The results showed a significant difference between the observed and expected frequencies for Work Environment ($p = 0.00 < 0.05$). Therefore, the null hypothesis is rejected and it is concluded that there are differences in levels of satisfaction with their Work Environment.

These differences could be attributed to the fact that the observed count of respondents who selected Satisfied was higher than expected and there were no counts for the Not Satisfied category (Refer to **APPENDIX 8**). From **BAR-CHART 5-2** it is evident that all the respondents are to some degree Satisfied with Work Environment. Furthermore, it was shown that on average the respondents were Satisfied with their Work Environment (mean = 3.17). Thus, it can be deduced that the respondents are Satisfied with their Work Environment. From the literature review one would expect these results to impact positively on the overall job satisfaction.

5.6 HYPOTHESES THREE (PERSONAL FACTORS)

Hypothesis Three: The personal characteristics of an employee influence job satisfaction.

5.6.1 Gender

The results showed that whilst the job satisfaction for males was, on average, higher than for females this was not statistically significant ($p = 0.78 > 0.05$). Consequently, it may be concluded that there were no significant differences between males and females in their total job satisfaction.

This finding supports studies by Quinn, Staines and McCullough (1974), Spector (1996:229) and Green (2000:69) that showed that gender did not affect satisfaction. However, the current results do not support research done by Shapiro and Stern (1975) and Bohloko (1999:138) that revealed that males were more satisfied than females or the research done by DeVaney and Chen (2003) and Newby (1999:109) that found that females were more satisfied.

5.6.2 Age

From **BAR CHART 4-11** it is apparent that on average job satisfaction was high for the 20-30 age group, declined for the 31-40 age group, and then increased for the 40+ group. This tends to suggest a U-shaped relationship that provides support for studies done by Kacmar and Ferris (1989), Benton and Halloran (1991:87), and Newby (1999:109).

Despite this, the difference with regard to job satisfaction between the age groups were shown to be statistically not significant ($p = 0.86 > 0.05$). Hence, it may be concluded that there is no significant difference in job satisfaction between age groups. This is in keeping with research done by Green (2000:69) and DeVaney and Chen (2003) that also showed no relation

between age and satisfaction. However, this is contrary to studies done by Spector (1996:229) and Bohloko (1999:139) that claim that older workers are more satisfied than younger workers. Bernal, Synder, and McDaniel (1998) also established a positive albeit a weak, linear relationship between age and satisfaction.

5.6.3 Race

Due to the limited number of respondents belonging to the White and Coloured race groups a comparison was made between the Black and Indian race groups only, since they formed the majority.

The results revealed that, on average, Indians scored higher on job satisfaction than Blacks. However, this was not statistically significant ($p = 0.296 > 0.05$). Consequently, it can be concluded that there were no significant differences between Indians and Blacks in their total job satisfaction.

Whilst no previous studies could be found that compared job satisfaction between Indian and Blacks, the results do seem contrary to the literature that found racial differences do influence job satisfaction, although the literature compared only Black and Whites.

5.6.4 Tenure

The results demonstrated that, on average, the job satisfaction between the 0-2 tenure group and 3-5 tenure group were similar. There were statistically no significant differences between these groups in their total job satisfaction based on the respondent's tenure ($p = 0.964 > 0.05$).

This is supported by studies by Green (2000:69) and Reudavey, Ling and Dickie (2003:796) that showed no relationship between tenure and job

satisfaction. Nonetheless, it does not support the work by Spector (1996:230), Bohloko (1999:142), and Vecchio (2000:270) who state that longer tenure is associated with higher job satisfaction. It also does not support Benton and Halloran (1991) who state that tenure followed a similar U-shaped pattern as age.

5.6.5 Personal Factors

Since it was found that there were no significant differences between personal characteristics (gender, age, race, and tenure) and job satisfaction the null hypotheses is rejected and it is concluded that the personal characteristics of an employee do not influence job satisfaction.

5.7 TOTAL JOB SATISFACTION

The results showed that the observed count of respondents who selected Satisfied was higher than expected (Refer to **APPENDIX 8**).

As anticipated, based on the results of Hypothesis One and Hypothesis Two there were no respondents Not Satisfied in terms of overall job satisfaction. All respondents were to some extent Satisfied with their jobs (Refer to **BAR CHART 4-14**). It was found that, on average, the respondents were Satisfied with their jobs (mean = 2.92).

However, this does not support the results of the IT survey done by Computerworld that showed that 36% were Not Satisfied (Computerworld, 2003) or the survey conducted by IT Web in South Africa that showed 9% of the respondents were Not Satisfied (Franz, 2005). It is also contrary to Meyer (1999:95) who states that there is a lack of job satisfaction within most South African companies.

As discussed in the literature review, job satisfaction is correlated to other variables such as job motivation, commitment, performance, turnover, and absenteeism. Based on the above result, it suggests then that the respondents at the IT SMEs are motivated, committed, and perform well. This implies that the absenteeism and staff turnover rates should be low. Since these variables are said to have a direct impact on an organisation's effectiveness this result also implies that these IT SMEs may be performing effectively.

5.8 CONCLUSION

In the above discussion Herzberg's theory was applied to all the work related factors. From all the Job Satisfaction theories, discussed in the literature review, Herzberg's theory is the only theory that correlates with all the work-related factors (Refer to **TABLE 2-3**).

Based on the results obtained from the research survey it is concluded, that all three hypotheses are rejected: There are no differences in the levels of satisfaction for Reward Structure (Hypothesis One) or in the Work Environment (Hypothesis Two), while the personal characteristics of an employee does influence job satisfaction (Hypothesis Three).

Therefore, it may be deduced that the IT SME respondents are satisfied with their Reward Structure and Work Environment and that their personal characteristics do not influence job satisfaction. In terms of total job satisfaction, it may also be concluded that the respondents at the IT SMEs are satisfied with their jobs.

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CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter presents the summary of the research and provides recommendations for IT SMEs and for further research.

6.2 SUMMARY OF THE RESEARCH

It is apparent from the research that the majority of the employees at the IT SMEs researched are satisfied with their Reward Structure and Work Environment. It was also established that their gender, age, race and tenure did not influence their overall job satisfaction.

What has become evident from the research is that the employees are more satisfied with their Work Environment than they are with their Reward Structure. It was also interesting to note that all employees were satisfied with their Managers. In terms of overall job satisfaction, all employees were satisfied as well. Thus, it is expected that these IT SMEs would perform better and be more effective.

6.3 RECOMMENDATIONS FOR IT SMEs

Since a small percentage indicated being dissatisfied with their Reward Structure, it is recommended that the pay and promotion policies and procedures be checked to ensure that they are equitable.

Whilst the research has shown the employees are satisfied overall, it is recommended that management at the IT SMEs maintain this level of satisfaction or increase it to a higher level. This is necessary since a business that has satisfied employees performs better. In order to accomplish this, it is recommended that such surveys be administered periodically and remedial action be taken where necessary. This will ensure that such enterprises remain sustainable and continue to make a positive contribution to the South African economy.

6.4 RECOMMENDATIONS FOR FURTHER RESEARCH

This study identified the level of job satisfaction among employees at IT SMEs. As there were no studies previously conducted in this sector, neither changes nor trends could be identified. Therefore, it is recommended that this study be repeated in the future to allow for comparative analysis studies.

As this investigation was limited to IT SMEs in Durban it is suggested that this be replicated to other provinces within South Africa, specifically Gauteng and Cape Town where there are a high concentration of IT SMEs.

The questionnaire designed for this study determined how satisfied employees are with certain factors such as the work environment. However, it did not identify the reasons for this. This kind of information might be useful and therefore a qualitative study which can combine with statistical analysis to provide a triangulation approach is recommended.

The questionnaire used for this study can also be utilised in other sectors in South Africa. Since, job satisfaction plays such an important role in contributing to the productivity levels of employees in companies it may be feasible to extend this study to secondary IT sectors and other industries in South Africa.

6.5 CONCLUSION

This study has shown that the employees at the IT SMEs in Durban are content with their jobs. It was also evident that gender, age, race (Black and Indian) and tenure did not influence job satisfaction.

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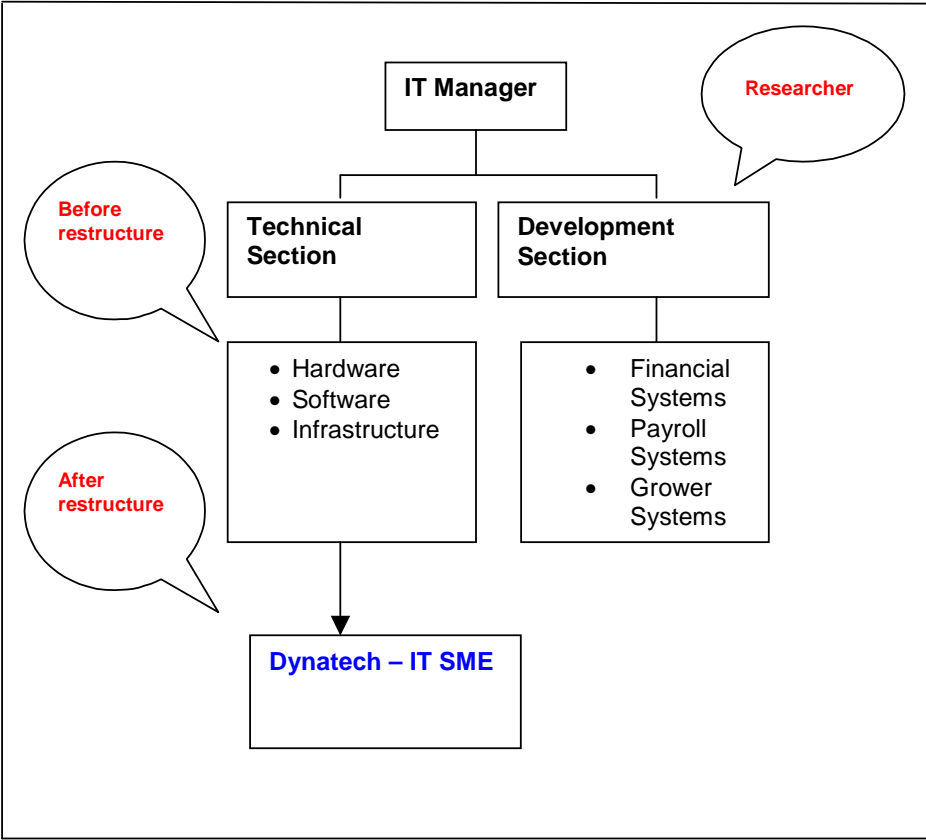
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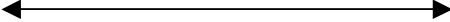

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APPENDIX 1: Overview of the THS IT department and their Functionality



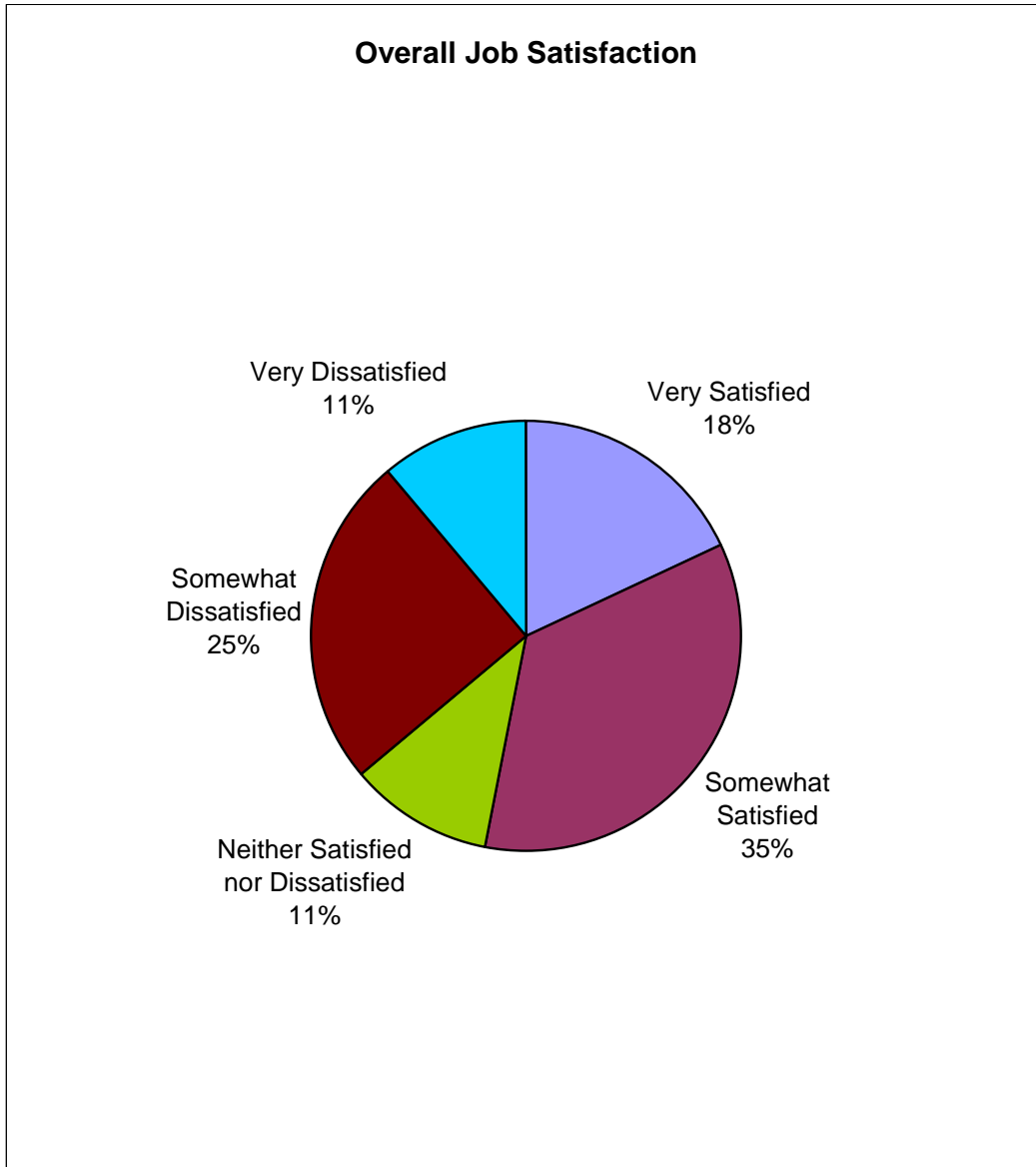
Source: Self-generated.

APPENDIX 2: Motivators and Hygiene Factors

Motivators (job satisfaction)	Hygiene Factors (job dissatisfaction)
<p>Not Satisfied Satisfied</p> 	<p>Dissatisfied Not Dissatisfied</p> 
<p>Achievement- set clear, achievable goals and provide feedback.</p>	<p>Company & administration policies- policies must be fair and apply equally to all.</p>
<p>Recognition- recognize achievements through praise, bonuses or recognition programs.</p>	<p>Supervision- supervisors must be leaders and treat all fairly.</p>
<p>Work Itself- provide important work and meaningful tasks.</p>	<p>Salary- pay must be fair.</p>
<p>Responsibility- give employees ownership of their work.</p>	<p>Interpersonal relations- allow time for socialization during breaks.</p>
<p>Advancement- reward loyalty and performance with advancement.</p>	<p>Working Conditions- equipment and facilities must be good.</p>

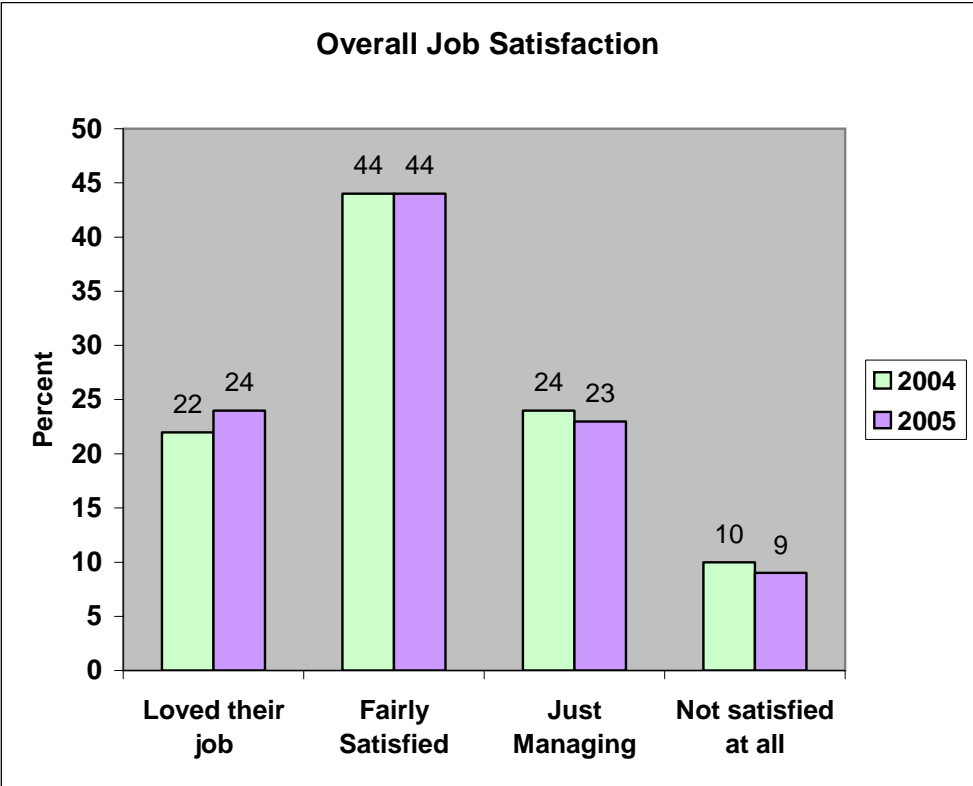
Source: adapted from Torrington and Hall (1991: 425); Syptak, Marsland, and Ulmer (1999); Vecchio (2000:77); and Robbins (2001).

APPENDIX 3: Overall Job Satisfaction



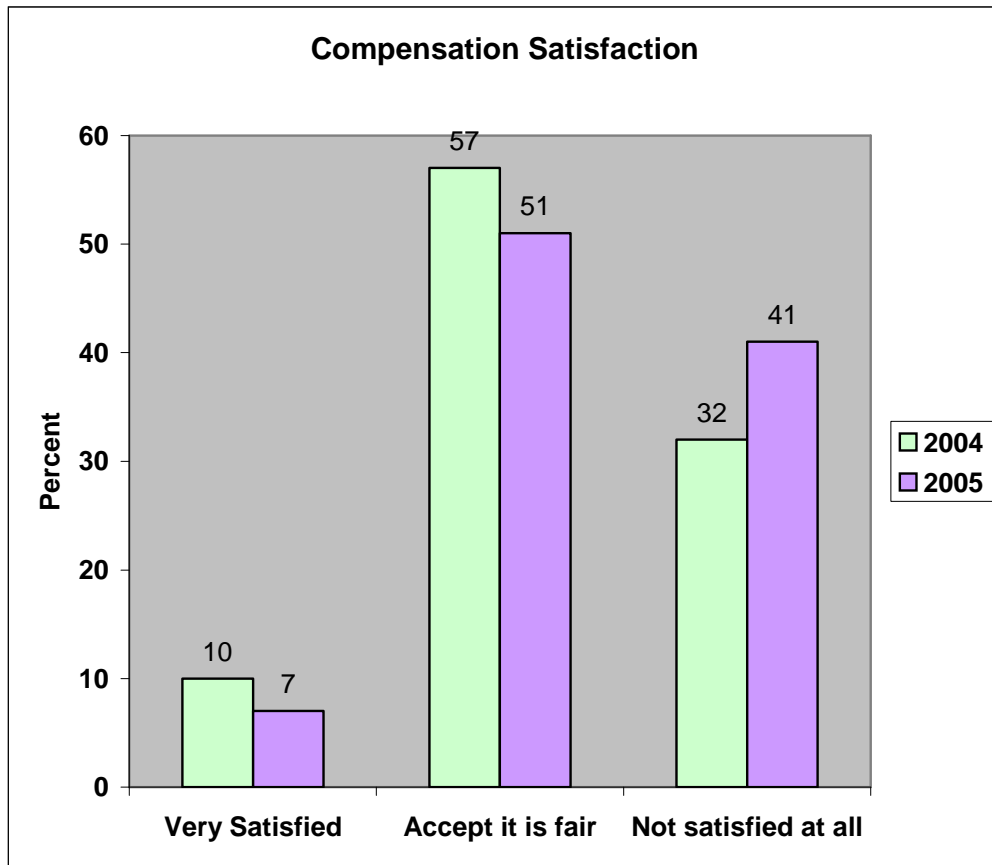
Source: (Computerworld, 2003).

APPENDIX 4: Overall Job Satisfaction in the South African IT Industry



Source: adapted from Burrows (2004); Franz (2005); and Jovanovic (2005).

APPENDIX 5: Compensation Satisfaction in the South African IT Industry



Source: adapted from Burrows (2004); Franz (2005); and Jovanovic (2005).

APPENDIX 6: Job Satisfaction Questionnaire

Dear Respondent

Letter of Information and Consent

“ An investigation of Job Satisfaction of employees at IT SMEs in Durban”

I am undertaking an important research project in part fulfilment of a Masters Degree in Business Administration. The purpose of this research is to determine job satisfaction among employees in the IT small and medium enterprise (SME) sector. The reason for investigating job satisfaction is that the management of employees has shown to be a major challenge for entrepreneurs of SMEs in South Africa.

Your assistance in this study will be greatly appreciated and would contribute significantly to research in the IT SME sector. It will also benefit you and your company as the information obtained from this questionnaire will be used to suggest improvements to your company.

Please find attached the questionnaire that will take approximately 10 minutes to complete. Please note that participation is voluntary. The information you provide will be used for research purposes only and will be kept completely confidential. In addition the questionnaire must be returned in a sealed envelope. Should you wish to discuss this research further, please feel free to contact my supervisor (Mrs M Lourens, 031-3086795) or I.

Please return the completed questionnaire in the envelope provided to your CEO as soon as possible but before the 2nd September 2005.

Yours sincerely

R Peerbhai

Tel: 072 218 3616

Please complete the following as confirmation of your willingness to participate in this research project.

I, voluntary agree to participate in this study.

Signature.....

Date:

Job Satisfaction Questionnaire

Dear Respondent

Please answer all questions.

Questionnaire No.

--	--	--

Section A : Please tick the appropriate box.

1. **Gender**

Male

1	
2	

Female

2. **Age at next birthday**

20 - 30

1	
2	
3	
4	
5	

31 - 40

41 - 50

51 - 60

60+

3. **Race**

Black

1	
2	
3	
4	
5	

Indian

Coloured

White

Other

If other, please state.

.....

4. **Length of service in the current business in years.**

0 - 2

1	
2	
3	
4	
5	

3 - 5

6 - 8

9 - 11

12+

Section B

Please read each statement carefully and ask yourself:

How satisfied am I with this aspect of my job?

Please tick the appropriate box.

	On my current job, this is how I feel about...	Not Satisfied	Somewhat Satisfied	Satisfied	Very Satisfied	Extremely Satisfied
1	The way my co-workers get along with each other.					
2	The pay I get for the amount of work I do.					
3	The chance for advancement on this job.					
4	The competence of my manager in his/her job.					
5	Being able to keep busy.					
6	The opportunity for getting promoted for a job well done.					
7	The frequency of salary increases.					
8	My relationship with my co-workers.					
9	The chance to do something that makes use of my abilities.					
10	The way my manager treats me.					
11	The freedom to use my own judgement.					
12	The chance of getting ahead in this job.					
13	My co-workers support of me.					
14	The rules and procedures and its effect on getting my job done.					
15	My manager's availability.					
16	The pay in comparison with other organizations.					
17	The competence of my co-workers.					
18	The way promotions are given out on this job.					
19	My work content.					
20	Frequency and amount of bonuses.					
21	Communication with my manager.					
22	My co-workers speed of accomplishing tasks.					
23	My chances for advancement.					
24	The amount of job security.					
25	The percentage by which your salary increases.					
26	My manager's active involvement in my career development.					
27	Connection between pay and performance.					
28	The opportunities for advancements on this job.					
29	Opportunity to use new technologies.					
30	My co-workers sense of responsibility.					
31	The way my manager supports his/her staff.					
32	The chance to make as much money as my friends.					
33	The variety in my work.					
34	The company policies on promotion.					
35	Co-operation with my colleagues.					
36	The way my manager delegates work to others.					
37	How my pay compares with that for similar jobs in other companies.					
38	The working conditions on this job.					
39	The chance to develop close relationships with my co-workers.					
40	The promotion policy in comparison with other companies.					
41	How my pay compares with that of other workers in the company.					
42	The way my manager takes care of the complaints of his/her staff.					
43	Connection between promotion and performance.					
44	The way my co-workers treat me.					
45	The way my manager provides help on hard problems.					

Thank You for Your Assistance.

APPENDIX 7: Matrix of Factors and Questions

Factor	Question Number								
Section A									
1. Personal Characteristics									
Age	1								
Gender	2								
Race	3								
Tenure	4								
Section B									
2. Reward Structure									
Pay	2	7	16	20	25	27	32	37	41
Promotion	3	6	12	18	23	28	34	40	43
3. Work Environment									
Work Itself	5	9	11	14	19	24	29	33	38
Co-workers	1	8	13	17	22	30	35	39	44
Managers	4	10	15	21	26	31	36	42	45

Source: Self-generated.

APPENDIX 8: Chi-square Statistics- Observed and Expected Counts

Pay

	Observed N	Expected N	Residual
Not Satisfied	7	10.8	-3.8
Somewhat Satisfied	16	10.8	5.2
Satisfied	28	10.8	17.2
Very Satisfied	1	10.8	-9.8
Extremely Satisfied	2	10.8	-8.8
Total	54		

Promotion

	Observed N	Expected N	Residual
Not Satisfied	6	10.8	-4.8
Somewhat Satisfied	13	10.8	2.2
Satisfied	25	10.8	14.2
Very Satisfied	8	10.8	-2.8
Extremely Satisfied	2	10.8	-8.8
Total	54		

Reward Structure

	Observed N	Expected N	Residual
Not Satisfied	6	10.8	-4.8
Somewhat Satisfied	15	10.8	4.2
Satisfied	28	10.8	17.2
Very Satisfied	3	10.8	-7.8
Extremely Satisfied	2	10.8	-8.8
Total	54		

Co-workers

	Observed N	Expected N	Residual
Not Satisfied	2	10.8	-8.8
Somewhat Satisfied	10	10.8	-.8
Satisfied	24	10.8	13.2
Very Satisfied	14	10.8	3.2
Extremely Satisfied	4	10.8	-6.8
Total	54		

Managers

	Observed N	Expected N	Residual
Somewhat Satisfied	13	13.5	-.5
Satisfied	22	13.5	8.5
Very Satisfied	13	13.5	-.5
Extremely Satisfied	6	13.5	-7.5
Total	54		

Work-Itself

	Observed N	Expected N	Residual
Not Satisfied	1	10.8	-9.8
Somewhat Satisfied	12	10.8	1.2
Satisfied	24	10.8	13.2
Very Satisfied	13	10.8	2.2
Extremely Satisfied	4	10.8	-6.8
Total	54		

Work Environment

	Observed N	Expected N	Residual
Somewhat Satisfied	13	13.5	-.5
Satisfied	25	13.5	11.5
Very Satisfied	10	13.5	-3.5
Extremely Satisfied	6	13.5	-7.5
Total	54		

Total Satisfaction Score

	Observed N	Expected N	Residual
Somewhat Satisfied	17	13.5	3.5
Satisfied	26	13.5	12.5
Very Satisfied	9	13.5	-4.5
Extremely Satisfied	2	13.5	-11.5
Total	54		

Source: Generated from SPSS.