

JOB SATISFACTION IN LOGISTICS SECTOR: A REVIEW AND RESEARCH AGENDA

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Abstract:

The logistics sector plays a vital role in influencing the economic development of a country. Moreover with the advent of new technology the entire globe has shrunk in terms of reachability and easy access. Thanks to the technological growth, Robust trade growth and innovative practices in the logistics industry has paved way for easy mobility of goods and services to any corner of the world. Growth in world trade and corresponding cargo movement paves way for the trade volumes to double once in every 5 to 7 years. This is not possible without big players entering the booming industry with multiple options and customer service. Ultimately the pressure builds up and the competition becomes very stiff. In such a critical environment how do employees working in logistics industry handle the challenge? Whether it is a matter of survival or satisfaction? To accomplish any of these two elements the workplace environment plays a crucial role for employees in any organization. Nowadays with the rapid growth of job alternatives, employees have a large number of opportunities and options to choose from and this makes the working environment act as a critical factor for accepting as well as keeping jobs for longer times. Workplace environment is considered as one of the essential component from which job satisfaction evolves. Job satisfaction can have a positive effect on performance, if it increases effort to reduce employee shirking and unrealistic targets. How well employees get satisfied with their jobs influence their productivity by minimizing the error rate, absenteeism

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and turnover, and by maximizing idea generation, innovation at work and collaboration with other employees. Satisfied employees are psychologically happy and emotionally attached to their job as well as the organization with great enthusiasm. They are even ready to take off in a fast track way for the success of the employer, going extra mile beyond the contractual agreement. Hence this review was mainly undertaken to introspect the factors that have significance on affecting the job satisfaction such as the work factor, salary factor, work place environment, career growth factor, promotion opportunities, management support and co-workers. This paper evolves a comprehensive analysis of job satisfaction indices of Logistics Industries, the dissatisfaction factors and finally the suggestions to overcome dissatisfaction and improve the overall satisfaction level.

Key words:

Job satisfaction, workplace environment, employee performance, career growth and employee productivity.

1.Introduction:

People join various organizations in most part of their lives for various reasons. These organizations are strong social tools that create bondage between individuals. It's a constitution where more people come together to achieve a common goal. When employees come together for a common cause it is unanimously agreed that the expectation and productivity is synergized. Moreover with the rapid pace of growth witnessed by all sectors across the globe it is inevitable and whole heartedly accepted by managers that this century demands more efficiency and productivity than any other older times in history. In marketing terms we call it as customer delight in advancement to customer satisfaction. Likewise how organizations are going to catapult employee engagement by ensuring employee job satisfaction is a herculean task for every sector. Especially for sectors like logistics, where multi skilled human resources are required to complete a task, the process is even more challenging.

Job satisfaction as a concept is very vast. It is a topic of wide interest to both people who work in organizations and people who study them. Job satisfaction is closely related with many organizational phenomena such as pay and benefits, job safety and security, management support, training and development, career growth etc. Researchers have attempted to identify

various components of job satisfaction, measure the relative importance of each component of job satisfaction and examine what effects these components have on employee's productivity (Nurul Kabir, 2011). This paper limits itself to discuss the basic components of job satisfaction based on few literatures. It has four main parts. Firstly it explores the evolution of the concept and how different it is from the earlier ones such as attitudes, culture and spiritual aspects.

1.1 Objective of the study

- To assess the satisfaction level of employees working in logistics sector
- To identify the factors that influence employees' job satisfaction level
- To identify the factor which influences the employees' satisfaction the most

1.2 Limitations of the study

- Any survey is subject to bias and prejudices of the respondents and hence cannot be assured 100% valid.
- The survey and research was carried out in a short span of time and hence the researcher could not widen the study.
- It is limited to logistics sector in Chennai region only.
- Research analysis tools are not used by the researcher for testing the collected data but this review paves scope for further research.

2. Review of literature:

2.1 Job satisfaction:

Why there is so much research done on job satisfaction? For those who work it is tacit, but for those who study this area also are equally interested to explore more. The concept of job satisfaction was first developed from the Hawthorne studies during late 1920s by Elton Mayo at Western Electric Company in Chicago. One supporting outcome is there is a positive correlation between job satisfaction and productivity. However, the evidence in support of such a relationship is not conclusive. Smith, Kendall & Hulin (1969) found no correlation between job satisfaction and productivity. However, job satisfaction may affect productivity indirectly through burnout, absenteeism, apathy and turnover, all of which can lead to discontinuity of work. Since Elton Mayo studied the work habits of the employees at the Hawthorne Western Electric plant in the 1920's (Pugh, 1990) and discovered that the perceptions the employees had about how they were treated by management had some effect on their work habits and production, there has been considerable research on job satisfaction. By 1985, over 4700 articles

had been written on some aspect of job satisfaction (Spector, 1985). This shows that job satisfaction is a popular topic of study. Bruce and Blackburn (1992) wrote, "Satisfied employees are more likely to experience high internal work motivation, to give high quality work performance, and to have low absenteeism and turnover". (p.6)

Optimum utilization of employee capabilities by playing the role of a catalyst is vital for the effectiveness of the firm. This can be sketched as a competitive advantage over a period of time. Employees are more loyal and productive when they are satisfied (Hunter & Tietjen, 1997), and these employees affect the customer satisfaction and organizational productivity (Potterfield, 1999). Employee satisfaction is defined as the combination of affective reactions to the differential perceptions of what they want to receive compared with what they actually receive (Cranny, Smith, & Stone, 1992). Therefore, the organizations should concentrate to fulfill employee expectations in order to ensure employee satisfaction.

Spector(1997) refers to job satisfaction in terms of how people feel about the different aspects of their jobs. Ellickson and Logsdon (2002) support this view by defining job satisfaction as the extent to which employees like their work. Schermerhorn (1993) defines job satisfaction as an affective or emotional response towards various aspects of an employee's work. C.R.Reilly(1991) defines job satisfaction as the feeling that a worker has about his job or a general attitude towards work or a job and it is influenced by the perception of one's job. J.P. Wanous and E.E. Lawler (1972) refers job satisfaction is the sum of job facet satisfaction across all facets of a job. Abraham Maslow (1954) suggested that human needs transforms to a five-level hierarchy ranging from physiological needs, safety, belongingness and love, esteem to self-actualization. It has been described by Edwin A Locke (1980) as the pleasurable or positive emotional state that results when an individual evaluates his job or job experience. Job satisfaction results when an individual perceives that his job provides him with what is important to him. P C Smith , L M Kendall and C L Hulin (1969) explained the six job dimensions namely the work, pay, promotion opportunities, supervision, coworkers, working conditions that represent the most important characteristics of a job that elicit favorable or unfavorable responses from employees. Based on Maslow's theory, job satisfaction has been approached from the perspective of need fulfillment.

For years, management researchers and practitioners have tried to find out the impact of employee job satisfaction on organizational effectiveness. They wanted to know whether job

dissatisfaction would lead to decline in employee output and consequently, organizational performance. They analyzed the outcomes of job satisfaction by studying the relationship between job satisfaction and various other organizational aspects such as productivity, turnover, absenteeism etc. But as Hussami rightly says job satisfaction and dissatisfaction not only depends on the nature of the job, it also depend on the expectation what's the job supply to an employee (Hussami, 2008). According to Mulinge, lower convenience costs, higher organizational, social and intrinsic reward will increase job satisfaction (Mulinge and Mullier, 1998; Willem et al., 2007).

A study commissioned by sustainability Victoria and the Kador group (sustainability Victoria case study, 2002) results collectively suggest a significant positive impact on staff productivity and satisfaction resulting from the move. They do not provide the basis for the construction of a predictive model for productivity gains from sustainable office accommodation but do provide a compelling case for indoor environmental quality as a positive influence on staff productivity. Demet Leblebici (2012) in his paper titled 'Impact or workplace quality on employee's productivity: casestudy of a bank in Turkey' has highlighted that while employees are unhappy with the physical conditions of the workplace, they have remarkable satisfaction with the workplace by having strong behavioral workplace conditions. From his survey results he has proven that workplace environment do affect employee performance but behavioral workplace environment has greater effect on employees' performance.

2.2 Logistics sector:

Logistics has advanced from the warehousing and transportation to boardrooms of the successful leading companies across the world (V V Sople, 2010). Supply chain management and Logistics as an area of research also is getting remarkable attention from academicians and practitioners as well. This is mainly due to globalization as more and more Multinational companies are sourcing, manufacturing and distributing, making their supply chains very complex to manage. Moreover they are now transcending towards complex supply chains to contemporary value chains. At this juncture, outsourcing came as a boon to our economy. Outsourcing activities to experienced logistics service providers (LSP), also known as third party logistics (3PL) providers enable companies to get very efficient and quality support which enables them to concentrate fully on their core organizational activities (Subrata Mitra, 2008). The concept of logistics outsourcing is quite interesting when we dig up its history. In the 1950s and 60s, logistics

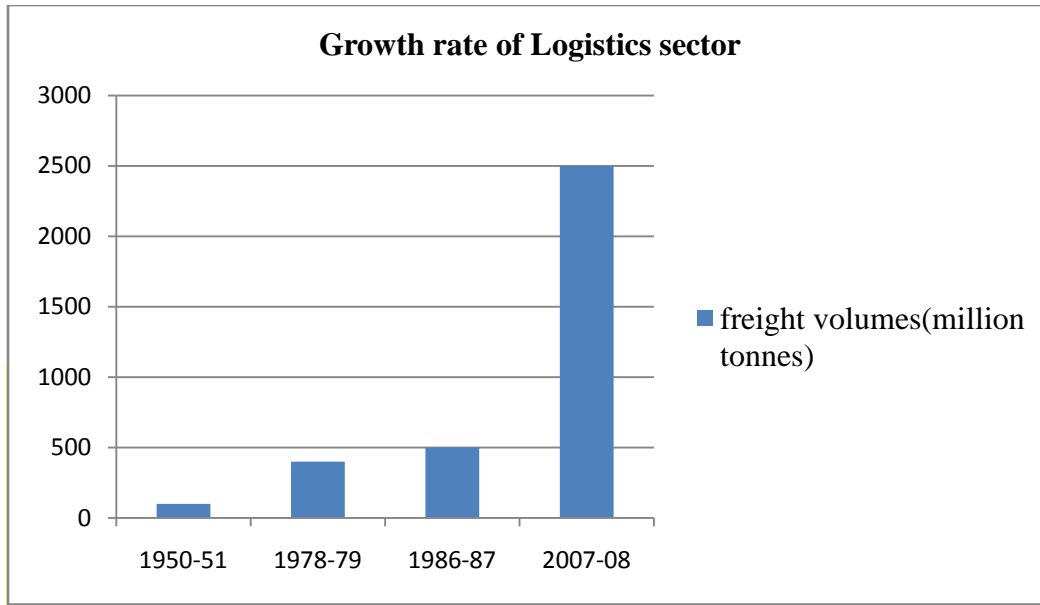
outsourcing was limited to transportation and warehousing. Common man perceived logistics as transportation and warehousing function only. Later in 70s, productivity gained predominance, while value added services such as packaging, labeling and inventory management took off in the 80s. When in 90s, outsourcing picked up momentum more value added services were offered like customs clearance, import/export management, freight forwarding, stevedoring, order processing, order fulfillment, reverse logistics, consultancy, fleet management, facility location etc.

2.3 Logistics Industry in India

The Indian Logistics Industry is estimated at US\$ 125 billion in 2010 and has generated employment for 45 million people. The industry is expected to grow annually at the rate of 15-20 percent, reaching revenues of approximately \$385 billion by 2015. The sector is highly unorganized with organized sector responsible only for 6%. Market share of the organized logistics players is also slated to double to approximately 12 percent by 2015. The size of the 3PL industry is estimated to be US\$1.5 billion in Financial year 2011, which is 1% of the logistics cost. Logistics costs are 10-20% of GDP. Indian infrastructure is rated 54th among the 59 countries, accounting to Road: 56/59, Rail: 25/59, Seaport: 51/59, Airport: 40/59 (source: Biznews). As per the World Bank's Logistics Performance Index 2010, India is placed at 47th position out of 155 countries.

Growth rate of Logistics sector in terms of freight volumes

Year	Freight volumes (million tonnes)
1950-51	100
1978-79	400
1986-87	500
2007-08	2500



Sources also estimate that the industry employs over 45 million people in the country as against IT and ITES sectors which employ approximately 4.3 million people and is growing at the rate of 15% with sub-sector growing at 30-40% per annum. Due to its current growth and its future growth potential the Indian logistics sector is viewed as one of the most attractive in the world. The emerging market survey, 2011 conducted by Transport Intelligence, highlights India's attractiveness as a strong growth area for logistics in the future. The survey found that nearly half of its respondents agreed that India would emerge as a major logistics hub in the future. Also India's rapid growth and market size were the key factors for global players looking at opportunities in the region.

3. Capsule to achieve job satisfaction:

So far we discussed on the evolution, definition and various job satisfaction strategies proposed by researchers in context to logistics industry scenario. Job satisfaction was also described as the employee satisfaction as the combination of affective reactions to the differential perceptions of what they want to receive compared with what they actually receive. As opinion differs and that was evident from our literature review, it would be a value addition if more employee job satisfaction strategies are introduced and implemented in the organizations. A manager can have a more satisfied employee in job aspects if he follows the below points. That is the reason why they can be rightly called as capsules because if followed they are certain to cure employee job

dissatisfaction diseases. Also from a small primary survey conducted with the middle level executive staff working with logistics industries it was quiet interesting and evident that majority of them feel that it is the work that gives them utmost satisfaction than any other factor. Out of 100 employees surveyed 63 of them have ranked work as the most satisfying factor, 28 of them as salary as the most satisfying factor and 3 of them each as workplace environment, career growth and job security as the most satisfying factor. Few other factors such as management support, promotion opportunities and co-workers were also considered for study but were not given due importance by the respondents. Based on the interaction with the executive staff in the logistics sector, it is clearly understood and essential to conceptualize a strategy and suggest if followed by the managers can ensure job satisfaction amongst the staff to a greater extent possible. Managers can try these capsules right from day one.

- i. **Design a challenging Job description:** It is evident from the survey that most of the executives working with logistics sector prefer ‘the work’ as the most satisfying factor in their job. Hence it is a clear indication for the managers to design employees’ most preferred factor in such a manner that the description addresses their expectations by itself. A Job description clearly narrates the roles, responsibilities and the most important outcomes from a position and thus enables an employee to stretch himself for the extra mile he is willing to travel. One who gets attracted towards a challenging job description will definitely stay for a longer duration which is absolutely a clear indicator of job satisfaction.
- ii. **Attract and develop talented staff:** Next follows the proper execution of the task mentioned in the first step. Once a neatly designed job description is ready, it’s time now for the managers to attract a pool of talented workforce to conceptualize their dreams. Attracting right talent for the right task is always essential. One cannot be careless in identifying the right person for the job to be performed. If one such mistake is committed the loss and dissatisfaction will be caused mutually. To avoid such a delicate scenario right fitment of staff becomes vital, especially in logistics sector where multiple profiles are required to perform various tasks. Also it is a general perception that logistics jobs involves more of physical work and this may be true to some extent as far as the lower level employees are considered. Utmost care should be envisaged from right selection of human resource to ensuring high job satisfaction.
- iii. **Train employees in Logistics related areas:** It is like icing and garnishing a delicious recipe and plating it for supper. Training facilitates acquisition of knowledge, skills and competencies

in a practical environment. The practical environment has to be converted to a positive environment so that it instills confidence in the learners and bring them closer to the target. It is unanimous that a skilled person is more inclined towards the task he is performing and gives tremendous outputs. Lot of earlier research has discussed that productivity has direct connectivity with job satisfaction. Hence grooming an employee towards better performance is directly proportional to the output produced by him which again is in accordance with the job satisfaction derived by the individual.

- iv. **Provide conducive work environment:** Work environment though not as a single contributor but delivers a sizable proportion as a major stake holder towards job satisfaction. Work environment is a combination of workplace and the co workers in any organization. With special reference to logistics sector where multiple work places and multiple peers are involved, it becomes more challenging to design a positive work environment for employees. It is understood from the details collected from our respondents that 63% of them feel that their work environment is positive. Any employee for that matter is highly satisfied with a conducive work environment. If he is free from a nagging colleague and bullying boss, he is more inclined towards constructive work and thus increases productivity. Also ensure that employees have everything in place to perform their jobs faster with perfection. It is tacit again that productivity escalates job satisfaction.
- v. **Ensure Supportive Management and developmental opportunities:** Management support plays a key role in the success factor of any individual employee. Many researchers have proved and the famous speaker Ray B Williams also have rightly quoted that 'Happy individuals are more likely than their less happy peers to have fulfilling, positive relationships, superior work performance and robust health'. Making an employee happy and productive is otherwise not so possible without the support of the top management. Also not sufficient is only their support but ultimately empowerment. Employee gets a feeling of togetherness and belongingness once he is empowered with authority. Moreover it is transparent from our survey too that more often the organization's leadership is positive and supportive.
- vi. **Announce attractive Pay and reward systems:** Given 2nd position in the rank order in the survey conducted on job satisfaction among middle level employees of logistics sector, it is not so surprising to have pay and promotions acclaiming such a high importance. Since it is the direct outcome factor of employee performance, employee more often tries to strike a string and

make it to the top. It gives an employee, satisfaction as well as recognition. Vroom's has rightly demonstrated in his 'Expectancy theory of Motivation', the relationship between effort-performance-reward and personal goals. From my perspective I would like to include job satisfaction as one more key factor which will drive employee to put in more effort that leads to performance and then to reward and accomplishment of personal goals which will in turn fetch high level of job satisfaction.

- vii. **Enhance career growth opportunities:** All employees expect their organization to be a trajectory when it comes to their personal growth. This is also one of the reasons why competency mapping is done as a rigorous exercise in many organizations. Proper alignment of organizational as well as personal goals will automatically pave way for better career opportunities. With astounding growth of private sector jobs in our country, especially in logistics sector that has generated employment for 45 million people very high scope is evident for personal growth as well. Organizations should structure their activities in such a manner that it automatically paves way for career growth of individuals.
- viii. **Practice strong two way communication and feedback system:** Everything and anything is incomplete unless it is well communicated and received. Communication is incomplete unless it is well received. So is the feedback system. Today's employees have huge expectation from their management not only in monetary returns but also in terms of their participation in decision making process. Their belongingness and cohesiveness increases to a greater extent if given an opportunity to give feedback and contribute ideas. Moreover employees are internal customers who portray the organization's image (positive or negative) in front of the stakeholders. They move closer to the customers understanding them better and are the right tools to sketch the feelings of the customers. This bondage provides immense job satisfaction too to them which obviously reduces employee turnover in the long run.

It is to be indicated here that there is lack of sufficient literature on the challenges that entangle with manager's effort to improve their employee's job satisfaction scores. Most of the researches have focused on identifying the drivers or factors leading to job satisfaction, however failing to articulate strategies to satisfy employees in their job. The above suggested capsules also will have financial implications on the organizations. But still researches have not lucidly shown the cost implications and efforts aimed at increasing employee job satisfaction.

4. Conclusion

It is unanimous that employee job satisfaction will elevate the service quality and overall productivity of the organization. Having understood this matrix well, employers have started to construct a framework to provide facilities and satisfy their employees. This initiative in turn fetches enormous amount of job satisfaction to the employee from different perspectives. This study tested job satisfaction in Logistics sector with various parameters. The result also suggests the importance and priority to be given for the factors by the management. Based on the results the work factor followed by the salary factor together are the crucial keys for job satisfaction. Immediate factors were the work place environment, career growth and job security which also were considered to be vital for any employee working in logistics sector. Work is considered to be a driving force for any employee as far as the results of this survey is considered. The involvement towards work comes only when an employee is satisfied with his work and performance shoots up. Salary comes as a rewarding factor for the effort put in which again boosts up employee job satisfaction. Supporting factor to this statement is work place environment that often motivates employees to contribute and further paves way for constructive comparison and feedback. Career growth being the combined end result of all the effort put in and the job security for which any employee aspires for. A good work environment with better working conditions can increase employee performance and provide job satisfaction. Several elements like management support, personal goals, materials and equipment provided at work and positive work culture are all considered in the questionnaire to extract responses. The importance is hence describing the physical environment and identifying the elements that constitute this physical environment. These elements are the determinants to ascertain whether it influences employee job satisfaction. In logistics companies employees believe they receive adequate training to improve their skills and also can utilize their learned skills to the fullest possible extent. This indicates interest towards employee engagement and scope for career growth as well. Moreover employees feel that they are treated fairly and equally with respect, most of the times. This is a positive sign and a good indication for organizational excellence. This fairness and equal treatment is hence a key factor that shoots up job satisfaction and hence to be considered crucial by logistics companies. Moreover job security and safety also was considered equally important especially in these logistics companies as more of physical work is involved. This is also due to the dominance of unorganized sector playing a major occupancy

rate in this sector. More number of small players are plunging into this business often and this at the same time has posed a threat on job security of their employees. If employers plan and design a structured guideline that ensures safety as well as security, it is obvious to attract job satisfaction from the employees.

5. Recommendation

Scope and opportunity for future research has emerged as the outcome of this study. In addition to overcome the limitation of data collection through a structured questionnaire with limited number of respondents, additional research is needed to observe the relationships between the work factor, salary factor, work place environment factor, career growth factor, pay and reward factor, management support factor and the co-worker factor to job satisfaction. These limitations have added to the lack of arriving at statistically proven findings. The following suggestions can be considered for future research:

1. Usage of a proportionate stratified random sampling in multiple regions using a larger sample.
2. Quantitative survey using various research tools if handled by the researcher will provide a different perspective of employees' in depth understanding on their jobs.

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