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EMPLOYEE SATISFACTION AND ATTITUDE CAUSES ENHANCED PRODUCTIVITY – AN EMPIRICAL STUDY

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INTRODUCTION

Every employee has a right to know from time to time, how well he is doing in his job, or if he is measuring up to expected standards and what he can do to improve the level of his performance. It is the duty of every superior to tell his employees if their performance is satisfactory. This performance evaluation is an integral part of the personnel development plan. Every leader should, therefore, develop competence to assess the quality of performance of his subordinates and through it help them to grow and develop in their jobs. This is also a measure of productivity of the employee.

The term “attitude” frequently is used in describing people and explaining their behavior. For example: “He has a poor attitude.” “I like her attitudes.” “Our workers turn out poor quality products because they have poor attitudes”. More precisely, an *attitude* can be defined as a persistent tendency to feel and behave in a particular way towards some object. For example, George does not like working the night shift. He has a negative attitude towards his work assignment.

SATISFACTION AND PRODUCTIVITY

Are satisfied workers more productive than their less satisfied counterparts? This “satisfaction performance controversy” has raged over the years. Although most people assume a positive relationship, the preponderance of research evidence indicates that there is no strong linkage between satisfaction and productivity. For example, a comprehensive meta- analysis of the research literature found only a .17 average correlation between job satisfaction and productivity. Satisfied workers will not necessarily be the highest producers. There are many possible mediating variables, the most important of which seems to be rewards. If people receive rewards they feel are equitable, they will be satisfied and this is likely to result in greater performance effort. Also, recent research evidence indicates that satisfaction may not necessarily lead to individual performance improvement, but does lead to organizational- level improvement. Finally, there is still considerable debate whether satisfaction leads to performance or performance leads to satisfaction.

PRODUCTIVITY

Productivity may be defined as follows: “Productivity is the ratio between output and input. This definition applies in an enterprise, an industry or an economy as a whole.

Put in simpler terms, productivity, in the sense in which the work is used here, is nothing more than the arithmetical ratio between the amount produced and the amount of any resources used in the course of production.

These resources may be:

- Land
- Materials
- Plant, Machines and Tools
- The service of men

Or, as is generally the case, a combination of all four.

We may find that the productivity of labour, land, materials or machines in any establishment, industry or country has increased but the bare fact does not in itself tell us anything about the reasons why it has increased. An increase in the productivity of labour, for example, may be due to better planning of the work on the part of the management or to the installation of new machinery. An increase in the productivity of materials may be due to greater skill on the part of workers, to improved designs and so on.



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Russel W.Fenske defined productivity in five ways:

They are:

1. Productivity is a form of efficiency.
2. Productivity is the utilization of resources or effectiveness of utilization of resources.
3. Productivity is a ratio.
4. Productivity is a measure of some kind; and
5. Productivity is a rate of return (primarily in monetary terms)(Fenske, 1970, P.224).

According to J.M.S Risk, “ Productivity is a physical ratio; it relates to the quality of goods produced or services given in comparison with the quantity of resources consumed” (Risk, 1970, P. 269).

The meaning of productivity as enunciated by ILO is generally accepted. According to it, ‘ the ratio between output and one of the factors of input is generally known as the productivity of the factor considered.’ Thus, productivity means the ratio between output and any of the factors of production, land, labour, capital, organization. Generally, interests centers on the relationship of production and labour; the word productivity is referred to as output in relation to labour. Hence the ILO has defined productivity of labour as ‘the ratio of output to the corresponding input of Labour’.

Traditionally, Productivity has been narrowly defined as an “efficiency factor” and its focus was largely confirmed to manufacturing operations. However, the needs to integrate productivity and effectiveness give equal emphasis to both internal efficiency and external effectiveness, and are being increasingly realized for an integrated approach to productivity growth. Productivity should be related to “doing things right”, or the extent to which output of an activity or programme meet the intended objective.

Productivity is an attitude of mind. It is a mentality of progress, of the constant improvement of that which exists. It is the will to improve on the present situation no matter how good it may seem, no matter how good it may really be. It is the constant adaption of economic and social life to changing conditions. It is the continual effort to apply new techniques and new methods, it is the faith in human progress.

As is well known, the productivity concept was that of relation between input and output. In other words, this concept highlighted, only the technical side. When we view it merely as the ratio, our interest may be oriented only to increasing the output, and we may tend to overlook its distribution. Considering the fundamental question of “for what purpose was the improvement of productivity needed?” the answer may be that “improved productivity was necessary for emphasis again that the concept of input as output is a means and not an objective.

Productivity is a function of both labour and Management and Productivity improvements therefore require the right orientation and motivation at all levels. The responsibility for ensuring participation at different levels lies squarely with the Management as the management is better trained, better qualified and comparatively better placed.

In the past in our country productivity improvements have always been associated with that of increasing labour productivity, at best, efforts were directed towards improving machine utilization and material usage. All other innovations and improvisations invariably, got associated with R & D effort, which in our industrial pattern is an alien function. Further, what is our share of spending in R & D efforts? When technologies are imported, it is expected that the capability to understand and improve upon it has to develop in our country, and if it is not done, then repetitively we would be importing technology from outside which will not be useful. If our technology is not updated from time to time, it will mean either that the product we produce is costlier or that it is less efficient or both.

The concern for improvement in productivity has always seized the minds of economists and thinkers. Adam Smith regarded improvement in productivity as a precondition for increase in the wealth of nations. According to



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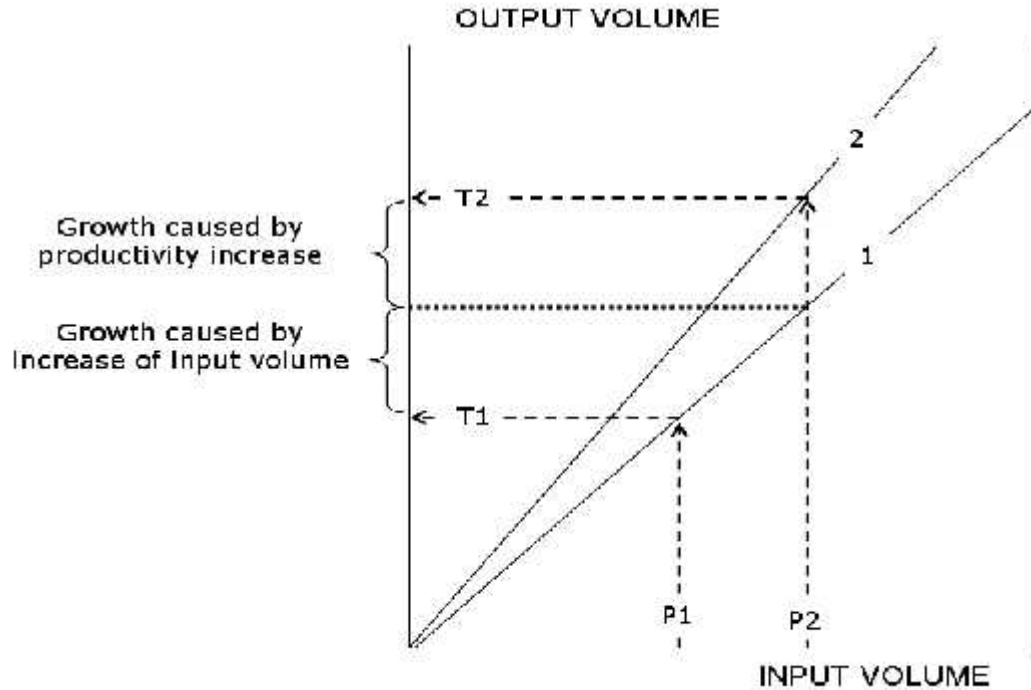
him, this could be possible on account for greater degree of division of labour, as it leads to increase in the volume of output, increase dexterity of workman and leads to invention of a great number of machines. Profit motive has been the driving force behind investment and production in a free- enterprise economy and marginal productivity theory has been the guiding principle for remunerating the factors. A producer, guided by profit considerations, is always showing concern for raising productivity reducing per unit cost through the use of improved methods and machines. Marx linked this concern of capitalist producer to his lust for making more profits. According to him producer tries to increase his rate of surplus value either through prolongation of working hours or through reduction in the necessary labour time for producing subsistence wages. He succeeds in doing so by the use of machines and improved techniques and ultimately in generation of more relative surplus value. To quote Marx, 'The value of commodities is in inverse ratio to the productiveness of labour... Relative surplus value is, on the contrary, directly proportional to that productiveness. It rises with rising and falls with falling productiveness' (Marx, Capital, pp. 308-9). No doubt, capitalist producer is more concerned in productivity because of overriding profit considerations. But in the large interests of society and furthering its growth at a rapid pace with reduced cost we have to make sincere efforts for raising our productivity levels. Economists like Harrod have also quite appropriately expressed the opinion that there is no short cut to economic growth except raising the productivity ratio.

Today, our balance of payments is a little tricky and this can be overcome only when our exports are more than our imports. Quality can be achieved in two ways, one by having a lot of quality control and by building quality into the product that we produce. More than that, it is important to have a certain sense of quality in the organization, especially in Top Management. If the top management do not have the sense of quality or quality consciousness, in all activities, there is no way that quality can be brought into the product, quality does not just mean that the finish of the product, looks nice Quality will come when there is an atmosphere in the Company that quality matters. This will go right from cleanliness in the offices, work place, and environment because that is one which also goes into the work and product. If there is mess all round, how can worker be inculcated with quality consciousness. Same things apply to productivity awareness and consciousness. If workmen see various resources (Material, men and money and time) being wasted on unproductive things due to bad planning employment of wrong methods and tools, ineffective systems and procedures, it is unfair to expect a worker alone to contribute towards productivity enhancement with commitment and involvement. Any number of supervisor/Quality Control inspectors cannot change this situation, but their presence; in fact develops a total sense of non-commitment and indifference in the worker's mind. No amount of lecturing and pressurizing the workmen with incentives or disincentives are going to produce correct quality product at desired cost. that sense of commitment starting from top, percolating throughout the length and breadth of the our endeavor should be to build when the worker develops a deep sense of dedication, commitment and involvement in the total process/system, and he has pride in his work, only when the real quality product will come out of that. Organization Productivity therefore, has to be assured through effective employment.

PRODUCTION GROWTH AND PERFORMANCE

Economic growth is defined as a production growth of an output of a production process. It is usually expressed as a growth percentage depicting growth of the real production output. The real output is the real value of products produced in a production process and when we subtract the real input from the real output we get the real income. The real output and the real income are generated by the real process of production from the real inputs.

The real process can be described by means of the production function. The production function is a graphical or mathematical expression showing the relationship between the inputs used in production and the output achieved. Both graphical and mathematical expressions are presented and demonstrated. The production function is a simple description of the mechanism of production growth. Real production growth consists of two components. These components are a change in production input and a change in productivity.



Components of production growth

The figure illustrates a production growth process (exaggerated for clarity). The Value T2 (value at time 2) represents the growth in output from Value T1 (value at time 1). Each time of measurement has its own graph of the production function for that time (the straight lines). The output measured at time 2 is greater than the output measured at time one for both of the components of growth: an increase of inputs and an increase of productivity. The portion of growth caused by the increase in inputs is shown on line 1 and does not change the relation between inputs and outputs. The portion of growth caused by an increase in productivity is shown on line 2 with a steeper slope. So increased productivity represents greater output per unit of input.

Production growth measures the growth of production output and, therefore, it is only a rough indicator of economic welfare. It does not reveal anything about the performance of the production process. The performance of production measures production's ability to generate income. Because the income from production is generated in the real process, we call it the real income. Similarly, as the production function is an expression of the real process, we could also call it "income generated by the production function".

TOP MANAGEMENT ROLE

Top management should provide sincere commitment to increase productivity, by positive action and setting examples. If top management are not willing to make this commitment and lead the employees by increasing their productivity and effectiveness rather than their efficiency. To include and closely involve Top management, productivity enhancement should be made a corporate objective, pooling all efforts and all acts together to develop a strong sense of obligation to one organization. There is a need to prepare a balance sheet of productivity indicating gains and losses every year so as to pinpoint the areas where major thrust is needed. To begin with the management must set some productivity norms standards and measure the actual gains or losses considering the standards as a base. This standard need not be the ideal, and scientifically established, but an accepted base level is correct or not. Just like the financial position of the company is analysed and taken note of at the end of every year, it is necessary to assess productivity, position of the company in terms of labour capital, material, machine and above all the total productivity, for identifying priorities and course of action for productivity enhancement.



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The productivity must be embedded in the cost and profitability structures. The appropriateness of a particular measure reflects the objectives and managerial goals of the unit concerned, which in turn are derived from those of the firm. As is widely recognized, the hierarchy of objectives in the firm produces an organizational structure to pursue them, first by a planning process that specifies an array of activities to be undertaken and allocates resources to them, and secondly by executing the details of the plans. The control function is responsible for monitoring progress, comparing it with targets specified by the plans, taking corrective action when serious discrepancies are revealed and finally undertaking to evaluate the whole planning and execution process when the operations are complete. The purpose of this evaluation is to learn from experience and to show where the process can be improved in future, and an essential part of this learning exercise is to construct a series of measures of performance to guide the analysis, including measures of productivity.

It must therefore be emphasized that guidelines as to how to measure productivity may be gained from an analysis of why we should wish to measure it. The reasons are four fold.

1. For strategic purpose, in order to compare the performance of the firm with that of its competitors or related firms, both in terms of aggregate results and in terms of major components of performance.
2. For practical purpose, to enable management to control the performance of the firm by identifying the comparative performance of individual sectors of the firm, either by function or by product.
3. For planning purposes, to compare the relative benefits accruing from the use of different inputs, as the basis for considering alternative adjustments over future periods; and
4. For other management purpose, such as collective bargaining with trade unions, assessing the effects of prospective governmental restrictions, etc.

That productivity measures can be used to fulfill so many functions suggests that several types of measures may be appropriate according to the function to be pursued. Thus, when productivity is defined as “a ratio of a measure of output to a measure of some or all of the resources used to produce this output”, an expansion of such statements is clearly necessary. The phrase “some or all of the resources” introduces an area of confusion into the definition corresponding to the multiplicity of types of inputs. Materials, labour, capital funds, machinery and managerial as well as technical personnel all contribute to the overall output of the firm and hence to changes in input-output relationships. Thus an attempt to measure overall productivity immediately faces the problem of inputs which are heterogeneous and often difficult to measure. In practice, this problem is reflected in the time consuming efforts which have been devoted to negotiating the division of returns from increases in overall productivity among all of the inputs which have contributed to that increase (or whose non-co-operation could prevent its realization).

The study proposes to examine the various aspects of productivity and the influence of some background variables like age, education, experience etc. The study is an attempt to find out the job satisfaction of workers, attitude towards supervisors, attitude towards peers and subordinates, and productivity under various service conditions. In essence, this study is an attempt to unfold the relationship between employee's service conditions and their productivity.

If the service conditions under which the workers are working are satisfactory their attitude towards supervisors and co-workers will become good and the workers derive job satisfaction in his work place and thus they will be motivated to perform better. Naturally, their productivity will be high. Hence it is hypothesized that *productivity of workers depends on their attitude towards supervisors, co workers / their job satisfaction*

Regarding productivity and performance, it is often used interchangeably. But in this study, they are taken as two separate variables. The total output in terms of quality as quantity is taken to measure the variable productivity. Performance include obedience and behavior of workers towards their superiors, cooperativeness with fellow workers and initiative in addition to productivity (quality and quantity)



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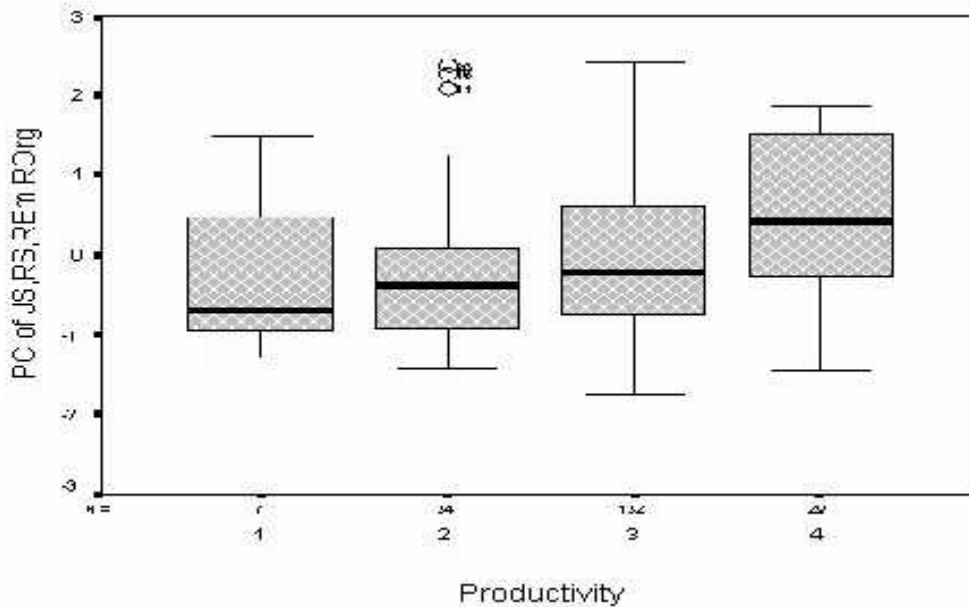
A set of questionnaires were selected and adapted to measure the service conditions of Mission hospitals in Kerala, Job satisfaction of workers, attitude of the workers towards their supervisors, peers, subordinates and their productivity and performance. All the scales were already constructed and were pre-tested in the organizations where data were to be finally collected. Pilot study was conducted and items were edited and modified on the basis of item analysis and the insight from the pilot study.

PRODUCTIVITY AND PERFORMANCE QUESTIONNAIRE

Employee productivity and performance refers to an act of fulfilment of the requirements of a given job i.e., manner in which employee carries out his job, efficiency at work or accomplishment on discharge of duty. Evaluation of such a behaviour is not an easy task, because what criteria to follow for productivity and performance evaluation depends on the whole work situation. Moreover, who should be the judge? What should he evaluate? What technique should he use? All these are important questions in employee productivity and performance measurement.

Many measures were used by industrial psychologists for measurement of productivity and performance. One might, logically expect production data to be the most frequently used criterion in the industrial setting. Interestingly enough, this does not appear to be the case. Schulz and Siegel (1960) have pointed out that production records have been less extensively than one would expect. Often it is easier to acquire information about a person’s job behaviour that is not in terms of production figure but the personal data like number of times he is late, accidents, grievances, the quality of his work and his relationship with superiors and fellow workers. Many researchers reported that there is a frequent use of judgemental criteria in industry for the measurement of productivity and performance.

Based on these valid points, it was decided to take ratings from immediate superiors and managers. This also helped in establishing an estimate of reliability and validity of the ratings. For this purpose, the rating form prepared by Anuradha Sharma (1986) was used. It includes 5 variables in order of preference as Productivity (quality), Productivity (quantity), Co- operativeness /Attitude to co-worker, Attitude to organization, Attitude to work, Initiative, and Punctuality. It has got 5 point format which showed degrees such as very good, good, average, poor and very poor. The scores are 2 for very good, 1 for good, 0 for average –1 for poor and –2 for very poor. The item analysis was done for all items by using box plot method as shown below.





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From the box plot, it is seen that as per the attitude levels' and job satisfaction levels' increase, the productivity level is also in the increasing tendency and which made us to accept the hypothesis which stated that there is relationship between attitude and job satisfaction of employees towards enhancing the productivity.

CONCLUSION

Employees having right and good attitude towards the organization, Superiors and peers are more productive ones. Hence for aiming enhanced productivity from employees, there is high need for activities for creating right attitude which in turn produce satisfied and productive employees, resulting in organization growth. It is also observed that the growth happened due to productivity is much above than the growth happened by increased input.

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