A Review of Research on the Factors Affecting Job Satisfaction in Information Technology (IT) Companies

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ABSTRACT

Although many studies have been conducted on job satisfaction in various sectors, there is a lack of research investigating the factors affecting job satisfaction of employees working for Information Technology (IT) companies in India. The purpose of this study is to examine the influences affecting job satisfaction of employees working for IT companies in India. The significance of this study lies in the fact that the results can help HR managers, sourcing and recruitment managers, executive teams, and other managers in offshore IT companies to understand the factors that impact job satisfaction. Data was collected from a sample of IT professionals working for various offshore IT companies located in India. This study seeks to contribute to the existing literature about the factors affecting employee job satisfaction in IT companies. This study will add to the knowledge of HR management, job satisfaction in IT companies.

Keywords— Job Satisfaction Factors, HR Policies, Offshore IT Companies, Employee Benefits, Rewards and Recognition.

I. INTRODUCTION

This study aims to review the factors influencing job satisfaction of employees working for Information Technology (IT) companies in India. There are a wide variety of factors influencing an employee’s level of job satisfaction. Some of these factors include the salary, benefits like stock options and insurance, annual appraisal and promotion policies of a company, working conditions, flexible work hours, leadership and social relationships, job roles and responsibilities, employee retention strategies and annual bonus [1].

Employees change jobs if they are not satisfied with their salary, organizational policies. Filling a position in IT companies is expensive and takes time as it involves sourcing, recruiting and training of the new employee. The human resources department is under tremendous pressure to meet the employee expectations as well as the urgency of filling the vacant positions [5].

Job satisfaction is showed by positive attitude towards the job, whereas job dissatisfaction is signaled by negative attitudes [3]. Change in role expectations, an increase in duties and responsibilities, extended work hours, and an increased workload are all factors that affect job satisfaction [4].

Factors influencing job satisfaction can be classified into two categories: Controllable or internal factors & Non-controllable or external factors. Controllable factors are within the control of a company, and where as Non-controllable factors are outside the control of a company i.e. Government policies, income tax rules, technology changes.

II. METHODOLOGY

This research is based on Author’s experience working in various multinational software companies in India and USA along with the information available on public domains. Author has used Research Map tool/document to provide an overview of developments in job satisfaction. Two research maps are designed for this study. The first one, Chronological research map for job satisfaction is shown in Figure 1. The second one, research map for job satisfaction organized by title and authors is shown in Figure 2.

III. PRIOR RESEARCH

According to E.A. Locke, “Job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience.” According to Field man and Arnold, “Job satisfaction will be defined as the amount of overall positive affect or (feelings) that individuals have towards their jobs.”

There are three important dimensions to job satisfaction. (a) job satisfaction cannot be seen; it can only
be inferred (b) job satisfaction is often determined by how well outcome meet the expectations (c) job satisfaction and job attitudes are used interchangeably.

Hoppock defined job satisfaction as any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say I am satisfied with my job (Hoppock, 1935). That is job satisfaction presents a set of factors that cause a feeling of satisfaction [7].

Although job satisfaction and motivation are linked, they are not the same. Job satisfaction is an important factor that IT companies consider and measure on a regular basis for continuous improvement. Some of the factors that may impact job satisfaction are employee involvement, and organizational culture. Employee job satisfaction is the process in which employees enjoy their positions and feel rewarded for their effort [5].

Pay scale, goals, employee recognition, rewards and organization mission have a positive impact on employee retention [6]. Employees stay or leave an organization based on six key reasons, they were: financial rewards, job characteristics, career development, recognition, employee management and work-life balance [8].

IV. OUR APPROACH

Sweeny, Hohenshil, and Fortune (2002) indicated that change in role expectations, an increase in duties and responsibilities, extended work hours, and an increased workload are all factors that affect job satisfaction [9].

Luthans (1992) describes job satisfaction as an individual’s attitude towards his work. Employees with a high level of job satisfaction show a positive attitude towards his/her work, willing to work overtime to complete assigned tasks, helping other employees in the team [10].

Job satisfaction comprises many dimensions and some of them are salary, promotion, recognition, rewards, relationship with manager and team members. There are many benefits to the company which has employees satisfied with their job, like employee commitment, loyalty to the company, less turnover. Employees who have high job satisfaction will have a positive attitude towards the project and company. Employees with salaries below the median for their title, experience, occupation report lower job satisfaction and significant increase in the likelihood of leaving the company [2].

![Figure 1: Chronological Research map of Job Satisfaction](image1)

HR Managers and other managers in the organization need to realize and value the importance of their employees’ job satisfaction, as dissatisfied employees can perform poorly, leave the organization and spread negativity inside as well as outside the organization. Research from Alpander (1990), Poznanski (1997) showed that job satisfaction positively and significantly influences the organizational commitment. Employees who gain job satisfaction show support and loyalty towards the organization.

![Figure 2: Job Satisfaction Research Map organized by title and Authors](image2)

People managers play a pivotal role in motivating employees, therefore senior leadership team and HR managers should take this into consideration and train the people managers in that direction. There is a positive influence of job satisfaction on employee performance.
Some of these factors influencing job satisfaction are unique to IT sector. i.e. Travel opportunities to client locations in foreign countries, flexi-work hours, work from home option, team outings, hot skill bonus.

V. CONCLUSION AND FURTHER RESEARCH OPPORTUNITIES

Although many studies have been conducted on job satisfaction in different industries and sectors, but there aren’t many studies with a focus on offshore IT companies. Some of the main factors that impact job satisfaction in offshore IT companies are salary, annual increments, promotion, work culture, flexi-work hours, work from home option, rewards and recognition programs, hot skill bonus, team motivational activities like team events, team lunch, team outings, annual bonus, travel opportunities.

This study will particularly help HR managers, leadership and executive teams in IT companies in planning innovative HR policies, processes towards increasing employee job satisfaction. Further research opportunities exist to study if these factors (shown in Figure 3) have influence on IT project success.

REFERENCES


