

CHAPTER TWO

REVIEW OF LITERATURE

This chapter presents the research and literature relevant to the study. To study employee satisfaction towards company welfare and benefit, it is necessary to understand theories regarding human nature and motivation. The information in this chapter consists of:

- 2.1 Philosophies of Human Nature Theories
- 2.2 Motivation Theories
- 2.3 Related research

2.1 PHILOSOPHIES OF HUMAN NATURE THEORIES

Understanding the philosophies of human nature is the key for how to improve the employee satisfaction levels in an organization. The philosophies of human nature can be mainly divided into 3 theories: McGregor's Theory X and Theory Y, Argyris's Maturity theory, and the Self Fulfilling Prophecy Theory (Mondy, Sharphin, & Premeaux, 1990).

2.1.1 McGregor's Theory X and Theory Y

Douglas McGregor presented his Theory X and Theory Y in 1943. According to Mondy et al. (1990, p. 424), McGregor believed that managers try to motivate their employees by using two basic approaches. The first approach or Theory X is "the traditional view of management suggesting that managers are required to coerce, control, or threaten employees in order to motivate them." Meanwhile, the Theory Y is quite a contrast to the first theory maintaining that the managers give respect to employees' potentials to motivate them. In their point of view, employees are responsible and mature. McGregor believed "Theory Y is a more realistic assessment of people".

If we compare the two types of employees in each theory, the result can be shown in the following table (Mondy et al., 1990, p. 425):

A Comparison of McGregor's Theory X and Theory Y Assumption

<u>Theory X</u>	<u>Theory Y</u>
<ul style="list-style-type: none"> ▪ The average person inherently dislikes work and will avoid it if possible. 	<ul style="list-style-type: none"> ▪ The expenditure of physical and mental effort in work is natural.
<ul style="list-style-type: none"> ▪ Because of the dislike of work, most people must be coerced, controlled, directed, and threatened with punishment to get them to perform effectively. 	<ul style="list-style-type: none"> ▪ People will exercise self-direction and self-control in the service of objectives to which they are committed.
<ul style="list-style-type: none"> ▪ The average person lacks ambition, avoids responsibility, and seeks security and economic rewards above all else. 	<ul style="list-style-type: none"> ▪ Commitment to objectives is a function of the rewards associated with achievement.
<ul style="list-style-type: none"> ▪ Most people lack creative ability and are resistant to change. 	<ul style="list-style-type: none"> ▪ The average person learns, under proper conditions, not only to accept but to seek responsibility.
<ul style="list-style-type: none"> ▪ Since most people are self-centered, they are not concerned with the goals of the organization. 	<ul style="list-style-type: none"> ▪ The capability of imagination, ingenuity, and creativity as a solution to organizational problems is widely distributed in the population.

Note. From *Management and Organizational Behavior* (p. 425), by R.W. Mondy, A. Sharphin and R.S. Premeaux, 1990, Massachusetts: Allyn and Bacon.

According to the table above, Theory Y represents the manager's faith in the capability and potential of employees. It was assumed that if a manager believes in Theory Y, the practices such as the following will be considered: abandonment of time clocks, flexible work hours, job enrichment, management by objectives, and participative decision making. McGregor believed that this can provide a basis for improved management and organizational management (Mondy et al., 1990)

2.1.2 Argyris's Maturity

This is a philosophy about human nature presented by Chris Argyris in 1923 (Mondy et al., 1990, p. 426). This philosophy referred to the development of humans, and maintained that everyone develops continuously.

1. Development from Child to Adult

Everyone has to grow up become adults and learn by him/herself or learn from others.

2. Development from relying on the others to standing alone.

From this concept, humans have to learn from the others. Firstly, they have to observe the others behaviors and then they can copy or develop by themselves.

3. Development from having few abilities to a variety of abilities.

In this case, people can learn and develop from having a few skills to having many skills. For example in the past, if we could speak only mother language, we could study and learn more until we can speak many languages.

All cases specify that humans develop from immaturity to maturity and develop continuously. Some might be trained by others, while some can learn and develop by themselves.

2.1.3 The Self-Fulfilling Prophecy

The Self-fulfilling prophecy represents the thought that one's positive or negative attitude, opinion and expectation toward others will have important influences or impacts on their behavior, motivation and performance at work. According to this theory, the manager/employer or leader's expectations and the way that the manager treats their employees and subordinates will affect and lead their performance in a positive or negative way as would the manager's expectations. The manager communicates his/her expectations through verbal and non-verbal communication, facial expressions, eye contact, body posture and tone of voice. All of these factors can indicate approval or disapproval, or the manager's expectations.

The manager with high expectations will build and boost employees' self-confidence and thus develop performance capabilities. Meanwhile managers with low expectations tend to create a negative organization culture which directly affects motivation in working. (Mondy et al., 1990, p. 427) stated that "Managers in every organization interested in high productivity must meet the challenge of encouraging the development of subordinates in ways that contribute to their high performance, career development and personal satisfaction" (p. 427). Therefore, managers should consider carefully the self-fulfilling prophecy idea and apply this thought together with other human nature philosophies and motivation theories in order to create a well-functioning workplace that is conducive to job satisfaction.

2.2 MOTIVATION THEORIES

To discuss about motivation theories, there are 4 concepts to clarify in order to understand this theory which are

- 2.2.1 Needs Theory
- 2.2.2 Equity Theory
- 2.2.3 Reinforcement Theory
- 2.2.4 Expectancy Theory

2.2.1 Needs Theory

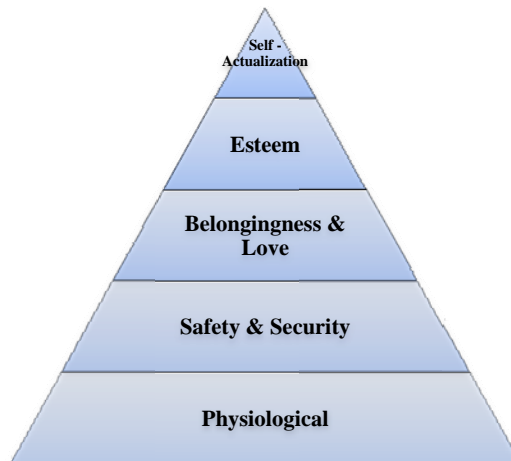
As proposed by Mondy et al, 1990, p. 428, there are many theories that try to explain motivation by using the concept of needs. The four most popular theories are as follows:

- 2.2.1.1 Maslow's Hierarchy of Needs theory
- 2.2.1.2 Alderfer's ERG theory
- 2.2.1.3 McClelland's Needs theory, and
- 2.2.1.4 Herzberg's Two-Factor theory

Maslow	Alderfer	McClelland	Herzberg
Physiological	Existence		Hygiene
Safety & Security			
Belongingness & Love	Relatedness	Need for affiliation	Motivators
Self-esteem	Growth	Need for achievement	
Self-actualization			Need for power

2.2.1.1 Maslow's Hierarchy of Needs theory

Abraham Maslow presented this theory in 1935. It is the first and the most popular motivation theory. He divided the basic needs of human into 5 items, which rank from the most basic level to the highest level.

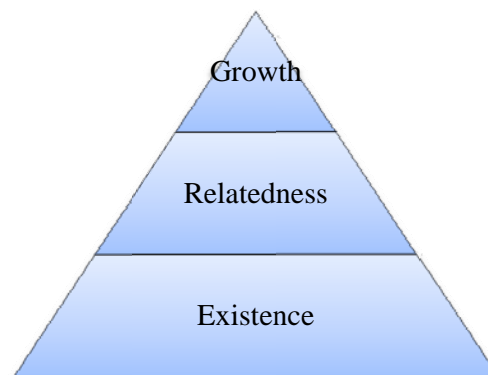


Self-Actualization	A challenging position, opportunities to advance in the organization
Esteem	Larger office, titles, recognition awards
Belongingness & Love	Coffee breaks, sports, team-building activities
Safety & Security	Guarantee of employment, pension benefits, physical safety in parking lots
Physiological	Subsidized lunch programs, housing loans, child-care facilities

Physiological needs are the basic needs that an individual requires, such as food, water, housing, etc. The upper level of need is safety and security whereby, people always need job protection both in the short-term and the long-term. The organization may provide guaranteed employment, pension benefits or physical security for employees. Moreover, people also need love and care. They want to be a part of a society and have social interactions, so employees would prefer recreational activities or even small chances to chit-chat with friends. Esteem and self-actualization are considered as a higher need. They reflect the individual's desires, for self-value, a good reputation, outstanding performance, or career advancement, for example. However, Maslow emphasized that "Lowest unsatisfied need becomes the most powerful and significant need" (Mondy et al., 1990).

2.2.1.2 Alderfer's ERG theory

Clayton Alderfer adapted the Maslow Theory of Need into three levels: existence, relatedness, and growth.



Existence includes both physiological and safety needs and, it is a lower-level. Relatedness consists of the love and belongingness need. Self-esteem and self-actualization are combined with growth, which is a higher need. Alderfer agreed with Maslow that people will satisfy their lower-level needs first, and then will follow that with higher ones. For example, if an employee earns a good salary, has a warm family, has many friends at work, he will want the further growth need, like a better job position, or a better reputation (Mondy et al., 1990).

2.2.1.3 McClelland's needs theory

David McClelland, in the 1950s, presented his theory which is also based on Maslow's theory. However, McClelland emphasized that there should be "a certain need that are learned and acquired as the individual interacts with their environment" (Mondy et al., 1990). He focused on how individual needs and environmental factors can form basic motivation for humans; which are the need for achievement, the need for power, and the need for affiliation.



1. Need for Achievement

- Need for personal responsibility in finding solutions
- Goal orientation
- Challenge seeking
- Desire for concrete feedback on performance

2. Need for Power

- Enjoyment of confrontation with others
- Enjoying having influence over others
- Enjoying competition with others in situations that allow him/her to be dominant

3. Need for Affiliation

- Seeking to establish and maintain friendships or close emotional relationships with others

- Need to be liked by others
- Enjoyment of parties and social activities

This theory is quite different from others. According to Mondy et al. (1990, p. 435), each of these motives evokes a different type of satisfied feeling. For example, the achievement motive tends to evoke a sense of accomplishment, whereas a manager may have a feeling of influencing others when the power motive is prevalent. In addition, this theory differs from others in that it is focusing on creating or developing needs rather than satisfying the existing ones.

2.2.1.4 Herzberg's Two-Factor theory

Frederick Herzberg presented the Two-Factor theory which consists of motivator factors and hygiene factors. A motivator is related to job content, and includes responsibilities, self-esteem, or the job itself, while hygiene factor is more interested in environment, like security, social needs, physical working condition, salary, company reputation, etc. According to Mondy et al. (1990, p. 438), hygiene factors do not motivate employees to work because they do not encourage individual to exert more effort, but they need to be first satisfied. For example, offering job responsibility while the working conditions are not yet satisfying will still result in dissatisfaction.

Motivator Factors



- Meaningful and challenging work
- Recognition of accomplishments
- Feeling of achievement
- Increasing responsibility
- Opportunities for growth and advancement
- Characteristics of job

2.2.3 Reinforcement Theory

This theory was presented by B.F. Skinner in 1969 which and stated that human behavior came from the previous outcome (Mondy et al., 1990, p. 443). It means that employees will repeat good performance because he or she gets a pleasant outcome. A pleasant outcome will support or reinforce the employee decision to do a better job. According to this theory, managers should praise their staff when they do well.

2.2.4 Expectancy Theory

This theory was presented by Victor Vroom in 1964. It is demonstrated using the Motivation Equation (Mondy et al., 1990, p. 450).

$$\text{Motivation} = E \times V \times I$$

E = Expectancy

A person's perception of probability is that effort will lead to performance.

V = Valence

A person's perception of value they expect of the projected outcome.

I = Instrumentality

A person's perception of probability that they can get a certain outcome.

2.3 RELATED RESEARCH

Supranee Ake-U (สุปราณี เอกอุ, 2550) studied employee satisfaction at Thonburi Hospital Public Company Limited and found that the factors affecting respondents' level of job satisfaction were company's reputation, characteristics of their work, work responsibilities, personal relationships, and company policies. Overall, the respondents had a moderate attitude towards the job benefits they were offered.

Jiraporn Paiboolwiput (2007) studied employee satisfaction in terms of social relations at Thai Unions Manufacturing Company Limited and found that respondents were satisfied in working with their colleagues and supervisors at a medium level.

Ranchana Kaewrithidej (2007) studied job satisfaction of auditors at Price WaterhouseCoopers ABAS Limited and found that the satisfaction of respondents was at a moderate level in reference to the pay system, promotion programs, interpersonal relationships, evaluation programs and work content. The outcome was that respondents desired the additional benefits from the company such as increasing bonuses and unlimited annual leave.

Nattakran Mheumvichain (ณัฐกรกานต์ หมั่นวิเชียร, 2549) studied the attitudes of staff at Nidek Shiba-ura Electronics Company Limited (Thailand) towards performance incentives and found that the factors which employees were concerned with at a high level were career advancement, safety, and their relationship with their supervisor and colleague.

Kanyakarn Muangmukpraphan (2006) studied the factors in job satisfaction contributing to lower staff turnover rates in the assurance division of Price WaterhouseCoopers ABAS Limited and found that salary, welfare and the nature of work were the main factors affecting employee job satisfaction.

Maythisa Kongtrakool (2005) studied job satisfaction amongst the Thai Cabin Crew of Japan Airlines and found that most of Thai cabin crew were satisfied with their job in terms of the nature of their job, their relationship with their colleagues, levels of supervision and the job in general.

Chanan Premplumjitt (ชันทน์ท์ เปรมปลุ่มจิตต์, 2549) studied the level of police officers' job satisfaction in terms of welfare benefits in the general staff division of the provincial police region 2 and found that respondents had a moderate level of satisfaction in regards to welfare.

Pathompong Kittisarn (ปฐมพงษ์ กิตติสาร, 2547) studied the differences in levels of job satisfaction in terms of fringe benefits between Mahidol University's officials and employees and found that the officials of the university had the higher satisfaction levels than those of employees.

Sirisak Tochai (ศิริศักดิ์ ไตชัย, 2547) studied the need for social welfare for patrol police in the special operation division 191 and found that welfare in medical care was the most important need for the patrol police.

Ladda Pinta (ลัดดา ปินตา, 2545) studied the need for employee welfare in Maejoe University and found that most of the respondents were not satisfied with the university's welfare provision and not comfortable utilizing university welfare.

Dowkarchai Tutasanun. (ดาวกระจาย ตูเทศานันท์, 2544) studied the personnel's opinions about welfare benefits at the office of the Permanent Secretary and found that the respondents were highly with satisfied the welfare benefits in terms of both cash and non-cash benefits.

Sanit Srirat (सानิต ศรีรัตต์, 2535) studied the levels of job satisfaction for pilots in Thai Airways Public Company Limited and found that respondents were satisfied with their jobs to a moderate degree but the satisfaction levels of the younger pilots were higher than those of the older pilots.