EMPLOYEE SATISFACTION AT INDIAN IT INDUSTRY WITH SPECIAL REFERENCE TO MASLOW'S NEED HIERARCHY THEORY

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ABSTRACT

Satisfaction of employees in an organization is critical in determining their motivation level, productivity and efficiency which further influences the profit of a firm. In the contemporary scenario where the IT Sector Employees' attrition rate is at an all-time high, testing the relevance of the widely considered motivation theory, i.e., Maslow's Need Hierarchy Theory seemed valuable. This paper contributes to the field of Human Resources and investigates the significance of various needs in determining the total satisfaction of employees in the Indian IT Sector. The respondents were 80 employees from various Indian IT Sector companies and the result was analyzed using Smart PLS Software. There was a statistically significant positive relationship between employee satisfaction and all criteria except social needs in India's IT sector.

Keywords: Total Satisfaction, Maslow's Need Hierarchy, Human Resource, Employee Satisfaction

INTRODUCTION

Maslow's Hierarchy of Needs Theory

U.S. psychologist Abraham Maslow published a paper titled "A Theory of Human Motivation" in 1943 in which he proposed a model of human needs consisting of five tiers. Most commonly, this is depicted as a pyramid, with the lowest tier corresponding to the most fundamental requirements. The various levels from bottom to top are as follows:

1) Physiological Needs - These needs are vital for human survival, and thus constitute biological requirements such as sleep, air, shelter, drink, clothing etc.

2) Safety Needs – After one's physiological needs get fulfilled then the next significant need is safety and security both physical and economic. For example, job security, insurance policies, a safe environment etc.

3) Love and Social Belongingness Needs – After the needs of the bottom two levels get fulfilled the third level involves interpersonal needs and includes the feeling of belongingness. According to Maslow, human beings possess an implicit need for social acceptance irrespective of whether the group is small or large. These needs include family, trust, affection, friendship etc.

4) Esteem Needs – The fourth level in the hierarchy can be divided into two categories, i.e., esteem for oneself and a desire for respect from others. For instance, dignity, status, prestige etc.

5) Self- Actualization Needs – The quote, "What a man can be, he must be", is the basis of this need and comes at the highest level in the hierarchy level. For example, a desire to be an ideal parent, succeed in sports etc.

Maslow, when developing his primary model, argued that people must tend to their most fundamental needs before moving on to those of a more complex nature. He continued to refine his theory multiple times over the decades (In 1962 and 1987). [1]

During various such revisions, He expanded the hierarchy of human needs to include transcendent, aesthetic, and cognitive requirements. In 1987, The hierarchy, he suggested, "is not nearly as rigid" as he might have implied in earlier suggestions.

Fig. (1) SIMPLIFIED FORM OF HIERARCHY OF NEEDS

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[1] **NOTE** – In this research we would focus only on the primary model of the hierarchy of needsproposed by Abraham Maslow in 1943, as shown in Fig. (1).

- **Employee Satisfaction**

Employee satisfaction and job satisfaction are terms that can be used interchangeably. In 1976 Locke defined job satisfaction as, "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences".

Another definition by Vroom (1982) said, "Job satisfaction focuses on the role of the employee in the workplace as effective orientations on the part of individuals toward work roles which they are presently occupying."

A simpler definition by Armstrong suggested, "Job satisfaction refers to the attitude and feelings people have about their work. Positive and favourable attitudes towards the job indicate job satisfaction. Negative and unfavourable attitudes towards the job indicate job dissatisfaction."

If to go word to word then according to Moyes, Shao & Newsome (2008) the employee satisfaction may be described as how pleased an employee is with his or her position of employment.

The purpose of this investigation is to determine if Maslow's Hierarchy on Needs theory still has any bearing on our modern society, specifically targeting the Information Technology (IT) sector. As, according to Times of India report in 2017, three out of five employees were unhappy with their jobs and 50% of the representatives from the IT and Telecom sector said they don't like their jobs. This project helps in highlighting the reason for job dissatisfaction in the IT sectorand taking corrective measures.

RATIONALE OF STUDY

This research helps to know the implication of Maslow's Hierarchy of Needs on employee satisfaction in the Indian IT sector. It helps in determining the cause(s) of dissatisfaction and low motivational level of employees and also in taking rational decisions and corrective measures to improve organizational culture to increase employees' job satisfaction.

REVIEW OF LITERATURE

1. **Jerome, N. (2013)** explored the relevance of Maslow's Hierarchy of Needs Theory on business organizations, human resource management, organizational culture and employee performance. It did not target employee satisfaction which would be taken care of in the research that would be conducted.

2. **More, B., & Padmanabhan, H. K. (2017)** studied employee satisfaction by comparing Maslow's Hierarchy Need and Herzberg's Two Factor Theory. Their primary focus was on the Manufacturing Industry. In this research project, the focus would be on the Indian IT Industry which would be associated with Maslow's Hierarchy of Needs Theory.

3. **Lumley, E. J., Coetzee, M., Tladinyane, R., & Ferreira, N. (2011)** conducted correlational and step-wise regression analyses to establish the relationship between two variables, i.e., job satisfaction and organizational commitment of employees in the Informational Technology environment. The study was conducted with a convenience sample of 86 employees at four IT companies in South Africa.

4. **Sonia, J. (2010)** measured job satisfaction level, determined job commitment and ranked motivating factors using Kovach's (1999) Ten Job-Related Factors of software professionals. The sample was 300 employees of the top 10 companies in the IT Industry strictly working in Bangalore city.

5. **Kaur, A. (2013)** explained the managerial application of Maslow's Need Hierarchy Theory in organizations, threw light on the criticisms faced by it and also attempted todefine the motivational theory of Maslow.

6. **García-Bernal, J., Gargallo-Castel, A., Marzo-Navarro, M., & Rivera-Torres, P.(2005)** identified, 'economic aspects', 'interpersonal relations', 'working conditions' and 'personal fulfilment' as the four prominent factors that determine the job satisfaction of employees. It is a Spain based research which found that different factors hold a distinct degree of importance based on gender.

7. **Gürbüz, A. (2007)** raised awareness of the link between employee happiness and educational attainment. The sample used was 600 workers from 30, four-star and five-star hotels in Turkey whereas this research would use an entirely different sample and target a different population.

8. **Klassen, R. M., & Chiu, M. M. (2010)** extends teacher motivation research as it shows how three domains of self-efficacy (classroom management, student engagement and instructional strategies) of teachers, gender and years of experience were related to job stress and job satisfaction on practising teachers. Years of experience showed non- linear relation between all three efficacy factors.

9. **Aziri, B. (2011)** did a literature review on job satisfaction. It presented various factorsaffecting job satisfaction, its importance, effects and ways of measuring it. The study found that employees' levels of job satisfaction have a substantial effect on their motivation and, in turn, their productivity, making it one of the most challenging areas for managers to address.

10. **Monica, K. (2019)** conveyed the idea of a multiplicity of factors that assess the factors that influence employee retention in India's IT, BPO, and ITES industries, such as education and certification programs, organizationalculture, commitment, monetary non-monetary benefit etc. and suggested its application in managerial processes to improve employee retention.

STATEMENT OF THE PROBLEM

There is an increase in the attrition rate in the IT sector from 10% in 2020 to 20% in the year 2021. Now it has become imperative to know the reason behind this increase. Also, over the years employee dissatisfaction and employee turnover have become common in the Indian IT Industry. Thus, ascertaining the genesis of this problem is crucial in the present scenario. Linking this problem with Maslow's Hierarchy of Needs Theory, which was proposed decades ago would help in drawing a comparison between the past and the present situation and determining similarities between them if any. This will help in directing the actions of decision- makers through lessons from the past and making better decisions in the future.

OBJECTIVES OF STUDY

- An examination of Maslow's Hierarchy of Needs and its applicability to the modern Indian IT sector.
- To recognize the factors determining employee satisfaction in an organization.
- To determine the various causes of employee dissatisfaction and reduce theirmotivation level.
- To identify the most important need in the Hierarchy of Needs from an IT employee's perspective.

CONCEPTUAL FRAMEWORK

The fundamental goal of this study is to determine if the five requirements proposed by Abraham Maslow (physiological needs, security needs, human benefits, esteem needs, and self-actualization needs) have any bearing on the level of satisfaction experienced by workers. The goal is to establish a link between Maslow's Hierarchy of Needs Theory with Employee Satisfaction in the Indian IT Industry, as well as to add to the field of Human Resources. Here the dependent variable is

Total Satisfaction (TS) and independent variables are Physiological Needs (PH), Safety Needs (SA), Social Needs (SO), Esteem Needs (ES) and Self Actualization Needs (SAC).
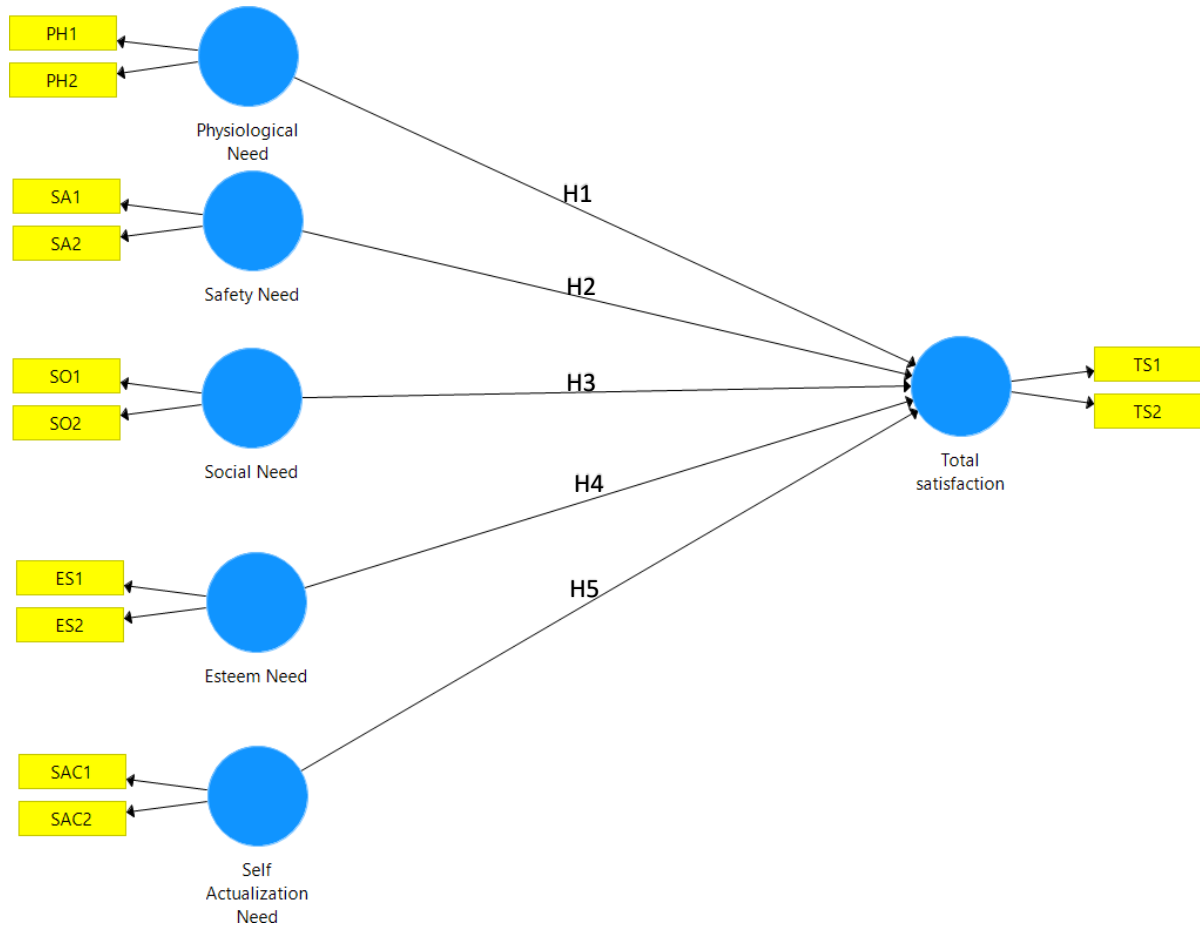
HYPOTHESIS (ES) OF THE STUDY

H_1: Physiological needs will have a significant positive effect on the total satisfaction ofemployees of the Indian IT Industry.

H_2: Safety needs will have a significant positive effect on the total satisfaction of employees of the Indian IT Industry.

H_3: Social needs will have a significant positive effect on the total satisfaction of employees ofthe Indian IT Industry.

H_4: Esteem needs will have a significant positive effect on the total satisfaction of employeesof the Indian IT Industry.

H$_5$: Self Actualization needs will have a significant positive effect on the total satisfaction ofemployees of the Indian IT Industry.

RESEARCH METHODOLOGY

Primary data was collected online. A questionnaire was prepared and circulated through Google forms amongst the IT employees group. The Snowball Sampling Method was applied here. Employees with in Indian IT Industry made up the study's population and a sample size of 80 employees were used who worked in different parts of India in various IT companies. The employees have worked in the companies for any duration after 2017. The collected data was analyzed using Smart PLS software to reach a proper conclusion in thestudy.

FINDINGS AND ANALYSIS

Demographic Profile
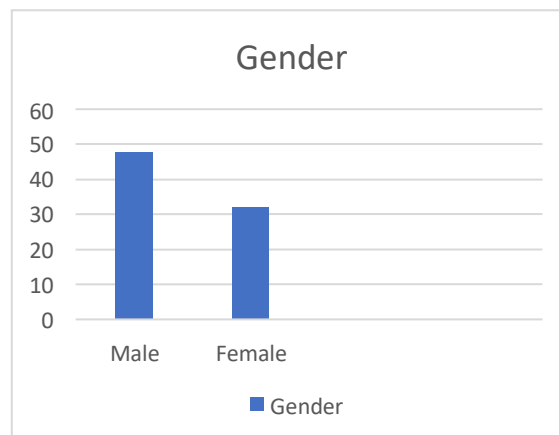
There are 32 females and 48 males in the sample, i.e., the study constitutes 40% female and 60% male. There were 61 people (76.25%) below the age of 30 years and 18 people (22.5%)

between the age of 30-40 and 1 person (1.25%) above 40 years of age. Also, 61.25% (49

people) were graduates, 31.25% (25 people) were postgraduates, 6.25% (5 people) held professional qualifications and 1.25% (1 person) held some other qualifications to get employed. 68.75% of respondents had less than five years' experience, while 31.25 % of respondents had more than five years' experience in the information technology industry.

Measurement Model

Cronbach's Alpha tells how closely related a set of items are in a group; if its value is greater than 0.6 it is acceptable. In this case, every value is above 0.6, thus acceptable. Rho A's acceptable value is more than 0.7. here, all the values are above it (except one), thus it is acceptable. In Composite Reliability, a value above 0.7 is acceptable. And Average VarianceExtracted (AVE) if crosses the threshold of 0.5 it is acceptable. Since, The Cronbach Alpha, Composite Quality, Rho A, & Average Variance Extracted criteria indicate that the questionnaire is reliable.

Composite Reliability

Average Variance Extracted (AVE)
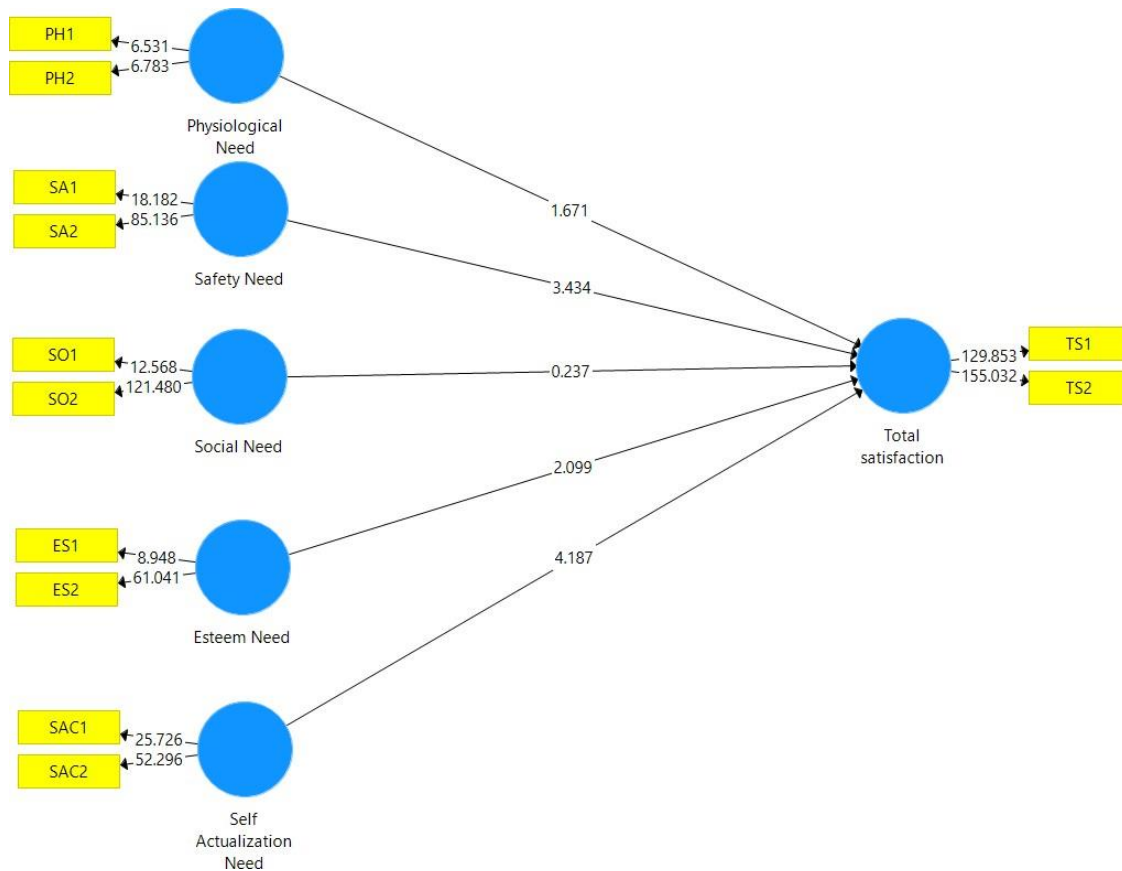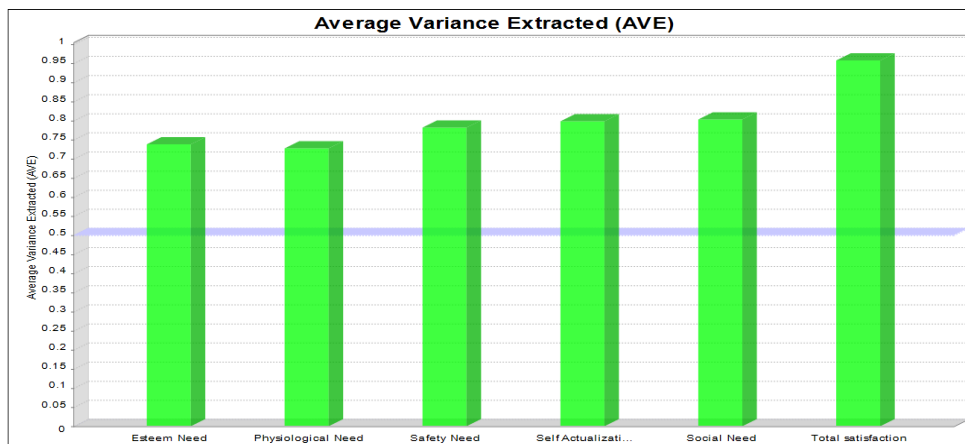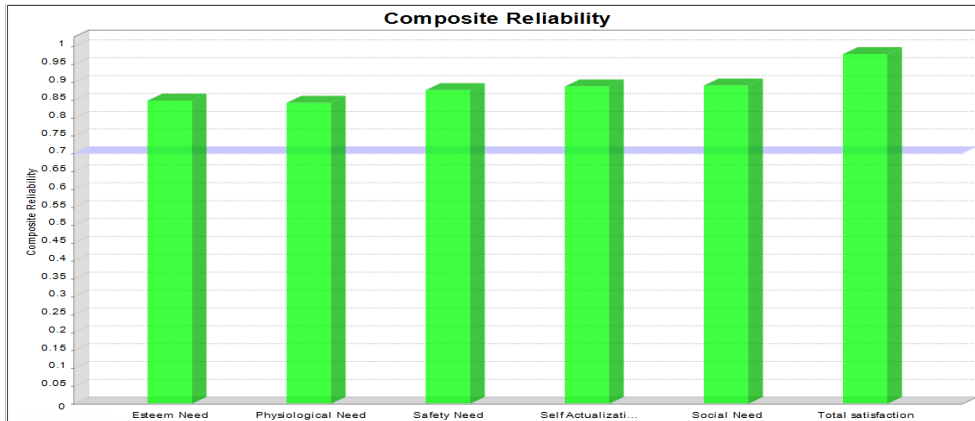
Discriminant Validity

	Esteem Need	Physiologic...	Safety Need	Self Actuali...	Social Need	Total satisfa...
Esteem Need	0.86					
Physiologic...	0.44	0.85				
Safety Need	0.78	0.46	0.88			
Self Actuali...	0.74	0.36	0.76	0.89		
Social Need	0.81	0.40	0.86	0.78	0.90	
Total satisfa...	0.75	0.31	0.79	0.80	0.76	0.98

Measures of discriminative validity in other words, it was utilised to dig further into the variables and figure out if they were actually separate, or if there was some misunderstanding amongst the researchers about how closely connected certain concepts or measurements should be. the correlations between each construct and the other

2738

constructs inside the model, as well as the sum of squares of average variance retrieved from each construct, a Fornell-Larcker Criterion (1981) ranks the significance of a given construct. It's purpose is to verify the ability to discriminate. The Fornell-Larcker criteria indicate that the study has discriminant validity here because the numerator of the average variance is larger than the cross-correlation components.

Model Fit

Standardized Root Root - mean - square Residue is an abbreviation for this statistic. A number of less than 0.10 indicates a satisfactory match (1999, Hu and Bentler). As the SRMR is just 0.09, this is a case where the model fits the data. Normed Fit Index (NFI) ranges from 0 to 1. The closer NFI is to 1, the better would be the fit. In this case, NFI is 0.69, i.e., it is closer to 1, indicating that the modelis fit.

Hypothesis Testing

	Original Sa…	Sample Me…	Standard D…	T Statistics (…	P Values
Esteem Nee…	0.22	0.23	0.10	2.14	0.02
Physiologic…	-0.09	-0.08	0.05	1.67	0.05
Safety Need…	0.38	0.37	0.11	3.43	0.00
Self Actuali…	0.42	0.42	0.10	4.24	0.00
Social Need…	-0.03	-0.04	0.14	0.24	0.41

There found a very significant positive effect of Esteem needs, Physiological need, The Indian IT industry's workforce are completely satisfied as a result of their demand for safety and their drive for self-actualization. But (H3) i.e., the social need will have a significant positive effect on the total satisfaction of employees of the Indian IT Industry found insignificant in this study.

H1: Physiological needs will have a significant positive effect on the total satisfaction of employees of the Indian IT Industry.

Here, physiological needs refer to the basic human needs such as food, water, shelter, clothesetc. which are directly dependent on the salary of an individual. Since without the fulfilment of these needs an individual cannot survive, meeting these needs becomes imperative, thus the hypothesis is retained.

H2: Safety needs will have a significant positive effect on the total satisfaction of employees of the Indian IT Industry.

Here, safety need refers to a safe and healthy work environment. An employee would not wish to work in an environment where there is a perceived threat or danger. Since safety needs will

have a significant positive effect on the total satisfaction of employees the hypothesis is retained.

H3: Social needs will have a significant positive effect on the total satisfaction of employees of the Indian IT Industry

Here, social needs refer to an employee's interpersonal relationship with coworkers. Fulfilment of one's social needs was found very insignificant in determining the total satisfaction of the employees. Thus, the hypothesis is rejected.

H4: Esteem needs will have a significant positive effect on the total satisfaction of employeesof the Indian IT Industry.

Here, esteem need refers to a feeling of respect with which one is looked upon. Every employee would like to work in an organization in which his work is respected and he is looked up to. This proved to be a significant need in the hierarchy of needs. Therefore, the hypothesis is retained.

H5: Self-actualization needs will have a significant positive effect on the total satisfaction of employees of the Indian IT Industry.

Here, self-actualization need refers to the employee's requirement to grow on the professionalfront. Since the growth in the professional front leads to an increase in his salary and improves his lifestyle and living conditions most importantly saving him during lay-offs and retrenchment, this need came out to be crucial in determining the total satisfaction of the employees in the Indian IT Industry, thus the hypothesis is retained.

DISCUSSION AND CONCLUSIONS

It was found that all the needs suggested by Abraham Maslow are relevant even in the present scenario. The degree of employee satisfaction with their jobs is one of the key determinants of a company's success.
Maslow's five wants (for physiological necessities, security, relationships, esteem, and self-actualization) all played a significant role in deciding employee happiness. Non-fulfilment of these needs would increase employee dissatisfaction and decrease their motivation level.

Results also suggest that fulfilment of one need may or may not lead to the other. The hierarchy given by Maslow doesn't follow a rigid pattern, that is, a person might fulfil a higher level ofneed in the hierarchy without the fulfilment of a lower-level need.

The most important need identified was self-actualization need and safety need. Whereas, though social need had a positive impact on the total satisfaction of Indian IT Sector employees it was found insignificant in this study. The majority of responders had experience of no more than five years. So, it is very evident that the present generation of IT Sector employees give more importance to job safety and optimizing one's potential than any other needs.

Since all the five levels of needs individually are important in determining whether an employee is happy with the organization, this escalates the importance of Maslow's Need Hierarchy Theory in the HR practices of the Indian IT Industry.

LIMITATIONS AND FURTHER STUDY

Since Maslow's Need Hierarchy is a psychological concept, the results can vary over time even if the same sample and research methodology are used repeatedly. Employee satisfaction is a qualitative concept, measuring it gets tricky and thus the accuracy of results would be debatable. Subjectivity and relativity of the data make it prone to cultural biases and personal issues. Since R^2 came out to be 74 it signifies that all the 5 needs (physiological needs, safety needs, social needs, esteem needs and self-actualization needs) explain only 74% of the total satisfaction of the Indian IT Industry employees. Thus, there is a scope for future researchers to work on identifying the rest of the factors that determine and influence Employee Satisfaction in this Industry

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