

THE IMPACT OF IMPROVING THE ENTERPRISE HUMAN RESOURCE MANAGEMENT SYSTEM ON EMPLOYEE SATISFACTION AT OXIRAN COMPANY, CHINA

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Abstract: Economic globalization and the spread of digitalization have made enterprises face greater uncertainty, and competition is ultimately the competition of talents, so human resources are the strategic resources and key factors for the development of enterprises. Employee satisfaction is the basis of human resource management, and improving satisfaction to attract and retain talents has become one of the important issues of enterprise management. OXIRAN company has problems in human resource management, which leads to an increase of employee turnover rate.

This study establishes the index system of employee satisfaction according to the actual situation of the company, and uses the simple random sampling method to conduct a comprehensive assessment and analysis of employees. 260 questionnaires were distributed and 207 were recovered, and it was found that the overall satisfaction of employees was average. The three indicators with the highest satisfaction are work environment, work itself and work group, and the lowest are work compensation, company management policy and personal development. Operational workers had the lowest level of satisfaction, signaling serious management problems in the company.

The study suggests that ways to improve satisfaction include improving the compensation system, developing effective incentives and making work challenging. The satisfaction index system combines the Hierarchy of Needs Theory and the Two-Factor Theory, which is both theoretically based and practical.

Keywords: Employee Satisfaction, Two-Factor Theory, Employee Motivation System, Maslow's Needs Theory

Introduction

With economic globalization, talent competition among countries and enterprises has intensified, with human resources outpacing material resources. Modern enterprise competition is essentially staff competition. High employee satisfaction leads to greater dedication. A Harvard Business Week survey shows that a 3% increase in employee satisfaction reduces turnover by 5%, cuts

operating costs by 10%, boosts productivity by 25%-65%, and improves corporate efficiency by 1%. Enhancing employee satisfaction also increases customer satisfaction, ensuring enterprises remain competitive. Human capital is now the key source of wealth and economic progress. The core role of human capital in social and economic life means future competition will focus on intellectual capital and knowledge management, with people as the active carriers. Therefore, human capital will be crucial in determining enterprise success, with talent competition leading to economic advantages. Entrepreneurs with advanced concepts and strategic planning recognize the importance of employee satisfaction. Enterprises should pursue both profit and employee satisfaction maximization to achieve profit-centered and people-oriented management with high satisfaction.

From the theoretical level, job satisfaction is crucial in enterprise human resource management, which directly affects management effectiveness and customer satisfaction. Improving employee satisfaction can enhance work efficiency and corporate effectiveness. Based on the two-factor theory, this study analyzes the influencing factors of employee satisfaction in OXIRAN Company to fill the research gap in the chemical industry. The study conducts comprehensive research from six dimensions: work compensation, environment, personal development, group, work itself and management policy, which supports the systematic study of satisfaction in the chemical industry and provides new perspectives for the development of theories.

On a practical level, this study has practical value and provides strategic suggestions for human resource management in the chemical industry. Through the field research data, the key factors affecting satisfaction are analyzed, and improvement plans are proposed. The study designs an employee satisfaction questionnaire applicable to OXIRAN, collects and analyzes data, identifies key factors, and develops improvement measures to enhance employee satisfaction.

Research Objective

- 1) To explore the effect of job compensation on employee satisfaction.
- 2) To explore the impact of management policies on employee satisfaction.
- 3) To explore the impact of work group on employee satisfaction.
- 4) To explore the impact of the job itself on employee satisfaction.
- 5) To explore the impact of personal development on employee satisfaction.
- 6) To explore the impact of work environment on employee satisfaction.

Literature Review

Employee Satisfaction

Western scholars have extensively defined and enriched the concept of employee satisfaction. Hoplock (1935) initially defined it, while Schaff (1953) emphasized the fulfillment of needs and expectations. Milbourn and Dunn (1976) described it as a subjective feeling involving judgments about

job content, pay, advancement, leadership, and coworkers. Porter (1956) suggested that the closer the actual value is to the expected value, the higher the satisfaction. Hoplock (1953) also noted that satisfaction stems from both psychological and physiological aspects and is influenced by external factors like job intensity, management style, and work environment. Locke (1986) defined employee satisfaction as the emotion and happiness employees feel at work. In summary, foreign scholars agree that job satisfaction is a key subjective feeling crucial to human resource management, warranting significant attention from enterprises.

Factors Influencing Employee Satisfaction

Employee satisfaction is influenced by both external and internal factors. Western scholars have categorized these factors over time. Smith (1969) noted a negative correlation between the difference in psychological expectations and actual compensation on satisfaction. Stefanie (2014) suggested that work engagement, quality of life, and job satisfaction are interrelated, with work moderating the relationship between management systems and satisfaction. Amanor (2016) found that the work environment affects satisfaction and highlighted the importance of material rewards. Tsikopoulos (2016) identified job and personal characteristics as key factors, including environmental safety, salary, and age. Culibrk et al. (2018) emphasized the moderating role of job engagement between satisfaction and organizational commitment. Mauno et al. (2019) highlighted salary, job challenges, coworker relationships, and working conditions as significant factors.

Related Theories

Research on employee satisfaction began in the early 1920s, with Hoplock (1935) introducing the concept in his monograph "Job Satisfaction." This concept is based on employees' psychological and physiological assessments of their work environment. Mayo suggested that improving job satisfaction through better work benefits, environment, and position upgrades can enhance employee efficiency.

In 1959, Frederick Herzberg developed the Motivational Health Care Theory, also known as the Two-Factor Theory, which identifies motivational and health care factors as key influencers of job satisfaction. Herzberg's research, involving engineers and accountants in Pittsburgh, highlighted specific factors related to motivation and health. This theory underscores the importance of satisfying employees' higher-level needs while maintaining basic work conditions. In recent years, it has been widely applied in compensation and welfare system management in Western countries.

In 1943, Maslow proposed the Hierarchy of Needs theory, which categorizes human needs into five levels: physiological, safety, belonging and love, esteem, and self-actualization. Physiological and safety needs are basic survival requirements, while higher-level needs involve social recognition, respect, and achieving one's potential.

For modern enterprises, effectively retaining and utilizing talent is crucial. Maslow's theory offers a motivational framework that benefits organizations by:

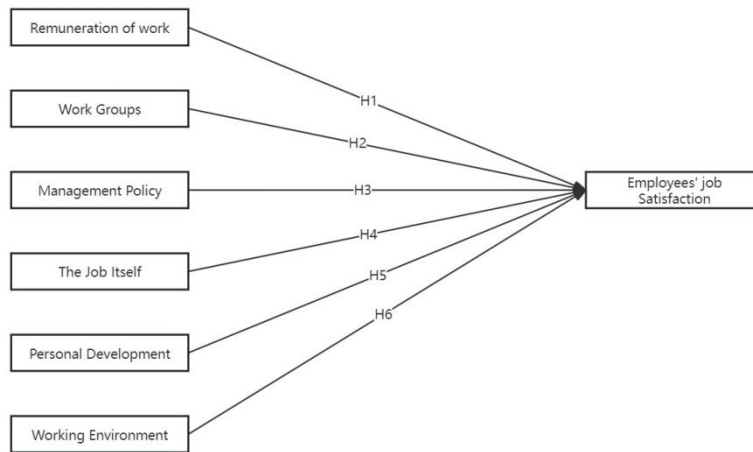
1) Enhancing employee initiative: Incentives boost motivation and initiative, increasing productivity (Wang, 2022).

2) Stabilizing the workforce: Meeting both material and psychological needs encourages employees to stay and grow with the company.

3) Improving operational quality and efficiency: Incentives unlock employee potential, enhancing business effectiveness.

In summary, Maslow's Hierarchy of Needs provides a valuable framework for improving employee satisfaction and productivity in competitive markets.

Conceptual Framework



Picture 1: Conceptual Framework

Hypotheses

- H1: There is a positive relationship between job compensation and employee job satisfaction.
- H2: There is a positive relationship between work group and employee job satisfaction.
- H3: There is a positive relationship between management policies and employee job satisfaction.
- H4: There is a positive relationship between the job itself and employee job satisfaction.
- H5: There is a positive relationship between personal development and employee job satisfaction.
- H6: There is a positive relationship between work environment and employee job satisfaction.

Research Methodology

This study utilized a quantitative research method, using a five-point Likert scale from 1 (strongly disagree) to 5 (strongly agree) to measure job satisfaction. Developed by Schreisheim & Tsui (1980), the scale includes six dimensions to assess comprehensive job satisfaction.

The study focused on OXIRAN Company employees, collecting data through a questionnaire with two parts: basic demographic information (gender, age, education, work experience, etc.) and

factors based on the two-factor theory (motivational factors: job achievement, promotion, work environment; and hygiene factors: salary, interpersonal relationships, management system).

A total of 260 questionnaires were distributed and 207 valid responses were received within 15 days. The data were analyzed using SPSS for reliability, statistical eigenfrequency, correlation, and regression.

Results

The statistics on the personal characteristics of the respondents to the questionnaire show that the sample of the study was selected taking into account the actual situation of the various categories of employees, which to some extent supports the present study. The details of demographic characteristics are shown in the Table 1 below:

Table 1: Basic Information of Employees

Differences	Group	Number	Percentage
	Male	106	51.2
	Female	101	48.8
Age	① Under 25 years old	4	1.9
	② 25-34	36	17.4
	③ 35-44	120	58
	④ 45 years old and above	47	22.7
Educational level	① High school and below	32	15.5
	② Tertiary	70	33.8
	③ Undergraduate	66	31.9
	④ Master	23	11.1
	Dr. ⑤	16	7.7
Work experiences	① Within 1 year	28	13.5
	② 1-2 years	19	9.2
	③ 3-5 years	56	27.1
	④ 6-10 years	78	37.7
	⑤ More than 10 years	26	12.6
Years of experiences	① Within 1 year	37	17.9
	② 1-2 years	39	18.8
	③ 3-5 years	81	39.1
	④ 6-8 years	38	18.4
	⑤ More than 8 years	12	5.8
Income level	① 1,000 or less	23	11.1
	② 1001-1500	38	18.4
	③ 1500-2000	56	27.1
	④ 2001-3000	61	29.5
	⑤ 3000 dollars or more	29	14

Descriptive statistical analysis is generally carried out to measure the indicator level of each variable through the mean and standard deviation. The higher the mean value indicates the higher the

average level of the sample for this indicator, and the discrete trend is used to describe the degree of dispersion of data in the distribution of data, such as the standard deviation indicates the size of the difference between different samples on the same indicator. This questionnaire observes the dimensions, the higher the score, the higher the level of agreement.

From Table 2, it can be seen that the scores of personal development management policies, and job compensation are low, indicating that the subjects' satisfaction with them is weak and still needs to be improved.

Table 2: Descriptive Statistics

Variables	Mean	SD
Job satisfaction	3.1594	1.21027
management policy	3.2210	0.64922
remuneration for work	3.1486	0.70278
work group	3.4461	0.72419
the work itself	3.5048	0.92234
Personal development	2.9195	0.89946
working environment	3.3752	1.00128

From the above analysis, it can be seen that job compensation has the highest correlation with job satisfaction (0.577**), followed by the job itself (0.427**) and management policy (0.395**). Overall, most of the factors are significantly correlated with each other, with some of them being significant at the 0.01 level and some at the 0.05 level.

Table 3: Relationship between variables

	Job satisfaction	management policy	remuneration for work	work group	the work itself	Personal development	working environment
Job satisfaction	1						
management policy	0.395**	1					
remuneration for work	0.577**	0.404**	1				
work group	0.339**	0.244**	0.384**	1			
the work itself	0.427**	0.224**	0.354**	0.136	1		
Personal development	0.351**	0.101	0.223**	0.047	0.037	1	
working environment	0.363**	0.161*	0.187**	0.043	0.138*	0.018	1

** Significant correlation at the 0.01 level (two-tailed).
* Significant correlation at the 0.05 level (two-tailed).

Table 4: Regression analysis of the model

Model	Unstandardized coefficient	Standardized coefficient	t	significance	covariance statistics
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	B	standard error	Beta			tolerances	VIF
1 (Constant)	-3.061	0.439		-6.970	0.000		
management policy	0.237	0.099	0.127	2.395	0.018	0.813	1.231
remuneration for work	0.490	0.102	0.284	4.793	0.000	0.650	1.537
work group	0.242	0.087	0.145	2.767	0.006	0.840	1.191
the work itself	0.308	0.068	0.234	4.544	0.000	0.861	1.162
Personal development	0.343	0.066	0.255	5.177	0.000	0.946	1.057
working environment	0.297	0.059	0.246	5.011	0.000	0.949	1.053

a. Dependent variable: job satisfaction

Table 5: Model Summary

Model	R	R-square	Adjusted R-square	Errors in standardized estimates
1	0.736a	0.542	0.528	0.83122

a. Predictor variables: (constants), work environment, personal development, work group, work itself, management policies, work remuneration

In summary, H1: positive relationship between salary level and employee job satisfaction is established; H2: positive relationship between interpersonal relationship and employee job satisfaction is established; H3: positive relationship between management system and employee job satisfaction is established; H4: positive relationship between work itself fulfillment and employee job satisfaction is established; H5: positive relationship between job promotion and employee job satisfaction is established; H6: positive relationship between work environment and employee job satisfaction is established. H5: Positive relationship between job promotion and employee job satisfaction is established; H6: Positive relationship between work environment and employee job satisfaction is established. It can be seen that in OXIRAN company, improving employees' salary and benefits, creating good interpersonal relationships, developing a fair management system, enhancing employees' sense of achievement at work, broadening employees' personal development channels, and providing a good working environment can effectively improve employees' satisfaction and enhance employees' work efficiency.

Discussion

This study analyzes the multifaceted influences on employee satisfaction, and the results show that employee satisfaction is affected by multiple factors such as the external environment, internal management, and differences in psychological expectations and actual compensation.

First, management policies and job compensation significantly affect satisfaction. Smith (1969) verified that the larger the gap between psychological expectations and actual compensation, the lower

the satisfaction. Enterprises should balance employees' expectations and actual compensation through a reasonable compensation and benefit system. Secondly, work environment and work content are equally important, Locke (1986) pointed out that job satisfaction is related to emotional experience. Research has found that a comfortable working environment and challenging job content can enhance satisfaction. Companies should improve the working environment, provide necessary facilities and design challenging tasks. In addition, personal development opportunities and relationships with supervisors affect satisfaction. Heimerl et al. (2020) found that personal development expectations and positive interactions with supervisors are key factors. Companies should provide training and career development opportunities and establish good communication channels.

To summarize, enterprises should enhance employee satisfaction in terms of compensation system, working environment, personal development and management style to reduce turnover, improve performance, and enhance competitiveness and sustainability. Future research can further explore the differences in satisfaction in different enterprise types and industry contexts, validate the effectiveness of the strategies, optimize the management measures, and achieve a win-win situation for both the organization and the employees.

Conclusions

Employee satisfaction is influenced by a variety of factors, including internal job challenges, salary, personal development opportunities and interpersonal relationships, and external work environment, management system and corporate culture. These factors work together to determine overall employee satisfaction. The difference between psychological expectations and actual gain significantly affects satisfaction, and companies should balance employee expectations and actual compensation through reasonable salary and benefit policies. Work engagement plays a key role in the relationship between satisfaction and organizational commitment, and companies should enhance employee engagement through incentives, training and career development opportunities. In addition, a positive work environment and fair management system can significantly increase satisfaction. Improving satisfaction can help reduce turnover and enhance business performance. Enterprises should take all factors into consideration to enhance satisfaction through scientific management and effective incentives to promote sustainable development and competitiveness.

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