



# INTERNATIONAL JOURNAL OF ADVANCE RESEARCH, IDEAS AND INNOVATIONS IN TECHNOLOGY

ISSN: 2454-132X

Impact factor: 4.295

(Volume3, Issue4)

Available online at [www.ijariit.com](http://www.ijariit.com)

## A Study on the impact of family's Socio Economic status on employee's level of satisfaction with organizations

**Shweta Tewari**

*S. P Jain School of Global Management*

*Doctorate of Business Administration*

[shweta.dbaff01031@spjain.org](mailto:shweta.dbaff01031@spjain.org)

---

**Abstract:** *Socioeconomic status (SES) is an economic and sociological combined total measure of a person's work experience and of an individual's or family's economic and social position in relation to others, based on income, education, and occupation. When viewed through a social class lens, privilege, power, and control are emphasized. Low SES and its correlates, such as lower education, poverty, and poor health, ultimately affect the society as a whole. Additionally, Mortality differences within society are greater than indicated by social class based on occupation alone. Irrespective of social class, men with greater material assets have lower rates of mortality from all causes than men less well endowed, independent of a wide range of lifestyle and biological factors. These findings suggest that mortality differences within our society are closely related to relative wealth. Inequities in wealth distribution, resource distribution, and quality of life are increasing globally. Each employee may differ at least with any one of socio economic variables related to them. Hence the differing employee satisfaction with organization among different employees is analyzed from point of view of their socioeconomic variable. In this study, the factors that influence the employee satisfaction with organization among the selected respondents has been studied in terms of the social status of employees.*

**Keywords:** *Socio Economic Status, Work Morale, Employee Satisfaction with Organization, Impact of Socio Economic Status on Employee Satisfaction.*

---

### THE PROBLEM STATEMENT

There are various measures of job satisfaction, out of which Employee's socio economic status is picked as one of the factors and further analysis has been done to see how it affects the employee satisfaction level with organization. Socioeconomic status of a person is not only related to the amount of money he earns from his job, but also to other factors in his life. For example, two people might earn the same amount of money, but they could have different expenses due to caregiving responsibilities and ensure poorer living conditions. Even individuals who take care of the same number of people might experience a different home situation if one owns his house and the other pays a monthly rent. Moreover, some employees might have additional incomes, such as rental incomes and land incomes that implement their salaries. To jobs. Based upon the above-mentioned examples, determining the socioeconomic status is quite a difficult and complex task. Therefore, it is important to note that the results of this study—a study that deals with the socio-economic status of the employees and how it affects employee satisfaction with organization—are limited to the findings of this particular study.

## MOTIVATION FOR UNDERTAKING THE RESEARCH

- Ideological Changes
- Egocentrism
- Problem-Solution relationship
- To study the Sociological perspective of Employee organization relationship
- Societal forces and external factors influencing organization- employee relationship

## RESEARCH PROBLEM

1. **Due to Egocentrism**-This situation brought the pressure of endless demands on limited products/production. In the new era, the notion that all people are equal in all fundamental rights and liberties was perceived as being equal even if they do not produce as much and led the idea of insisting on their demands.
2. **Ideological Changes** -Quality, proportion, and intensity of the demands changes depending on the job and according to the employee population. Therefore, there are always new conflicts, the reasons of which changed constantly, between the employers and employees.
3. **From the Sociological Perspective**-The business life of industrial society has many areas of conflict. Sociologists emphasized a set of business areas in order to narrow down these conflict areas.
4. **Industrial and societal problem solution relationship**
5. **Liberalist Transformation**-Environment gained importance in parallel with the liberalist transformation in societies after World War II (post-modernism) and this created egocentrism.

## OBJECTIVES OF THE STUDY

The objective of this research was to describe the relationship between employee's socioeconomic status, school organizational climate, employee work morale, and employee's job performance at a medium scale organization.

## LITERATURE REVIEW

According to Burden & Byrd (1999), socio-economic status (SES) as a measure of a family's relative position in a community, determined by a combination of parents' income, occupation, and level of education (p.165). Similarly, American Psychological Association (APA) stated, "Socioeconomic status (SES) is often measured as a combination of education, income, and occupation. It is commonly conceptualized as the social standing or class of an individual or group"

We take for instance the working population pertaining to the education sector - Teacher. Employees SES could directly affect their work morale. Nichols (2006) stated that "Teachers suffer from low morale due in part to the low-pay-high-cost-of-living gap". Low pay, mixed with increasing costs of living and the fear of losing their jobs, has been a significant factor in the overall decrease in teacher morale.

An employee is not only a member of a business group but also a member of vocational, familial, financial or political groups. In fact, human affairs, which are within the sociology of work, discuss employees in such a social environment. To understand this social environment, therefore, requires an understanding of the relationship between the employee and his employer, technology, and wages (Castaneda-Heredia, 1993: 14-17). The business life of industrial society has many areas of conflict. Sociologists emphasized a set of business areas in order to narrow down these conflict areas. Sociologists described commitment as "the feelings that an employee feels for his workplace." Although types of commitment vary according to the type of industry, these types generally focus on the following: a) Type of Emotional Dependence is the dependence element that attracts the greatest interest in organizational dependence literature. b) Dependence of Continuity is the state of continuation of being a member of the organization resulting from the fact that leaving the organization has a high-cost risk. c) Normative Dependence is the type of

dependence that relies on convincing the individual that he has responsibilities towards the organization and therefore, making him feel obliged to stay in the organization. The above-mentioned dependencies develop the employee's connection with his job and decrease the possibility of the employee leaving his job.

One of the most powerful factors related to employee performance is socioeconomic status (SES), the combination of income, occupation, and level of education that describes a family or individual. A family's SES provides a sense of their standing in a community; how much flexibility they have in where they live or what they buy, how much influence they have on political decision making, and the educational opportunities their children have. SES consistently predicts intelligence and achievement test scores, grades, truancy, and dropout and suspension rates.

Employees in high economic status are not only able to provide their family's basic needs but also to provide an adequate of learning facilities at home to developing his or her capabilities and their children's capability as well (Albatch, et al., 1982; Woolfolk, 1993 wrt to the working population of teachers in the education field). On the contrary, employees in low economic status are not only able to provide their family's basic needs but also are not able to provide time and facilities at home to develop their knowledge and skills needed to deal with today's challenges. Employees in low economic status sometimes even present in organizations as an exhausted person. His or her mind is chaotic due to the simple fact that they are not able yet to provide all the basic needs of the family. This fact is directly impacting teachers' work morale and the classroom performance (Sahertian, 2000).

So far there is no common agreement on the concept of employee satisfaction with organization. There are various factors and definitions which affect the complexity and multi- faceted nature of the concept. In this paper, we have assumed that job satisfaction as an important factor of organization satisfaction of employees along with various other influencers like, brand name of the organization in the market, the market value and performance of the organization, employee engagement, and product positioning and ethical factors linked to it along with competitive analysis of the organization. In the human resource aspect, we have various definitions of job satisfaction which, here, we consider to be a major contributor, amongst the other factors.

## **THEORY**

Supporters of Marxist theory, who belonged to one of the most influential ideologies of the era, looked at all events and facts from a socioeconomic basis, putting the working class at the center and foreseeing their governance of the country.

A better social environment brings more qualified socio-cultural demands. Comparison of wages and social rights in similar business lines, implemented or planned improvements, identification of vision and aims of business line and sharing these create a positive communication environment.

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).

Vroom in his definition of job satisfaction focuses on the role of the employee in the workplace. Thus, he defines job satisfaction as effective orientations on the part of individuals toward work roles which they are presently occupying (Vroom, 1964).

Christen, Iyer, and Soberman (2006) provide a model of job satisfaction in which the following elements are included. Please see Figure 1

- Job related factors
- Role perceptions
- Job performance

- Firm performance

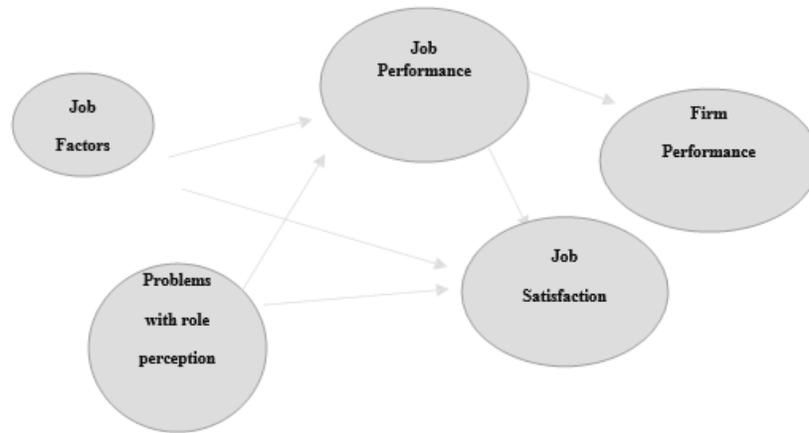


Figure 1: Christen, Lyer and Soberman Model of Job Satisfaction (Christen ET, 2006)

Locke and Latham (1990) provide a somewhat different model of job satisfaction. Please see Figure 2:

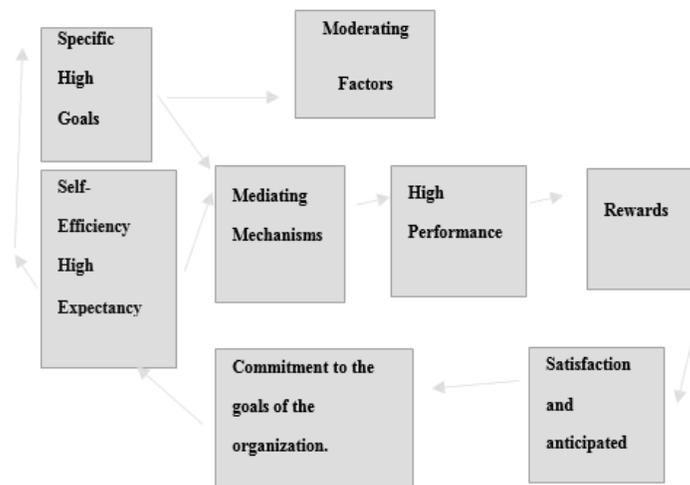


Figure 2 - Locke and Latham Model of Job Satisfaction (Locke And Latham, 1990)

## VARIABLES OR FACTORS

### Variables:

**Independent Variable:** Family's socio economic status

Under this, there are three levels

- Upper class (Denoted as 1)
  - Middle class (Denoted as 2)
- Lower class (Denoted as 3)

**Dependent Variable:** Level of satisfaction with the organization.

## **HYPOTHESIS**

H0: There is no significant difference in employee's level of satisfaction with organizations based on their family's socio economic status.

H1: There is a significant difference in employee's level of satisfaction with organizations based on their family's socio economic status.

## **DATA COLLECTION METHODS**

The studies conducted so far have used both primary and secondary data for analyzing various aspects that affect employee's satisfaction with organizations. In the present study, it is intended to use hypothetical data in a Mid-Sized Organization for analysis.

## **SAMPLING**

Stratified random sampling technique is used.

- Number of participants in the study – 439
- Basic Demographics –  
General Characteristics: Mid Aged Adults, Employees  
Gender-Male, Female  
Ethnicity -Indian  
Age – Between 20 Years -50 Years  
Income Level – INR 20000 – INR 100000 per month  
Relationship status-Married 300 participants and Unmarried 139 participants

## **STATISTICAL RESEARCH METHOD**

### **Participants**

Participants were 435 Employees of a medium sized organization.86 Male and349 Female. Because we are focused here on the socio-economic status and employee level of satisfaction with organization, we have divided the population into Low, Middle, and High.

### **Method**

A one-way analysis of variance (ANOVA) was conducted to evaluate the null hypothesis that there is no difference between employee's level of satisfaction with organization based on their family's socio economic status (N=435). Please see Table 1 .The independent variable, socio economic status, included three groups: Low (M=21.36, SD=4.55, n=135).

**TABLE 1-Descriptives**

Organization satisfaction								
	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Low	147	21.36	4.551	.375	20.62	22.10	7	30
Middle	153	22.10	4.147	.335	21.44	22.77	10	30
High	135	22.96	4.485	.386	22.19	23.72	8	30
Total	435	22.12	4.429	.212	21.70	22.53	7	30

The assumption of normality was evaluated using histograms, please see Figure 4, and found tenable for all groups. The assumption of homogeneity of variances was tested and found tenable using Levene’s Test,  $F(2,432) = .75, p = .48$ . The ANOVA was significant  $F(2,432) = 4.64, p = .01, \eta^2 = .02$ . Thus there is a significant evidence to reject the null hypothesis and conclude there is a significant difference in employees level of satisfaction with organization based on their family’s socio economic status.

However, the actual difference in the mean scores between groups is quite small based on Cohen’s (1988) conventions for interpreting effect size. Please refer to Figure 3 for mean plots.

**TABLE 2-Test of Homogeneity of Variances**

Organization satisfaction			
Levene Statistic	df1	df2	Sig.
.746	2	432	.475

**TABLE 3 -Robust Tests of Equality of Means**

Organization satisfaction				
	Statistic <sup>a</sup>	df1	df2	Sig.
Welch	4.380	2	284.508	.013
Brown-Forsythe	4.623	2	423.601	.010

a. Asymptotically F distributed.

Post hoc comparison to evaluate pairwise differences among group means were conducted using Tukey HSD Test since equal variances were tenable. Tests revealed significant pairwise differences between the mean scores of employees who come from families with low socio economic status and employees who come from high socio economic status,  $p < .05$ . Students who come from families with medium socio economic status do not significantly differ from the other two groups,  $p > .05$ . Please see Table 2, Table 3, Table 5 and table 5

**TABLE -4 Multiple Comparisons**

Dependent Variable: Organization satisfaction

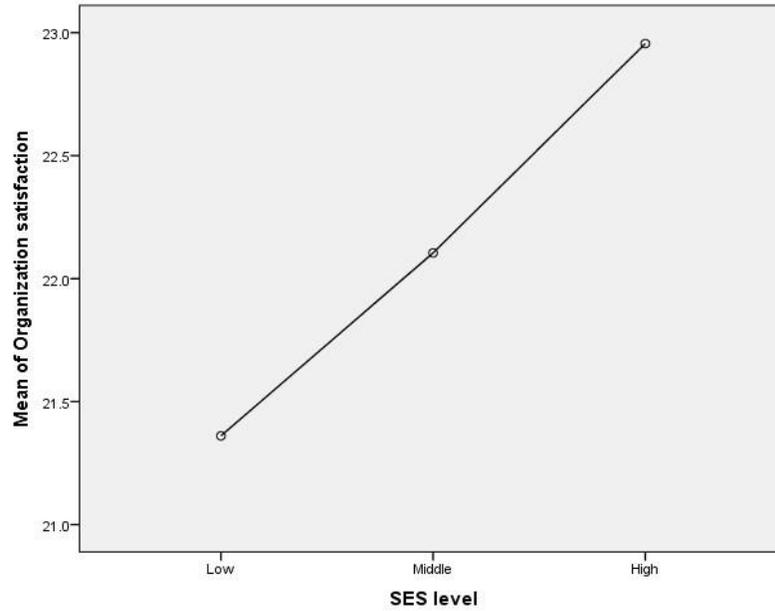
Tukey HSD

(I) SES level	(J) SES level	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Low	Middle	-.744	.507	.308	-1.94	.45
	High	-1.595*	.524	.007	-2.83	-.36
Middle	Low	.744	.507	.308	-.45	1.94
	High	-.851	.519	.230	-2.07	.37
High	Low	1.595*	.524	.007	.36	2.83
	Middle	.851	.519	.230	-.37	2.07

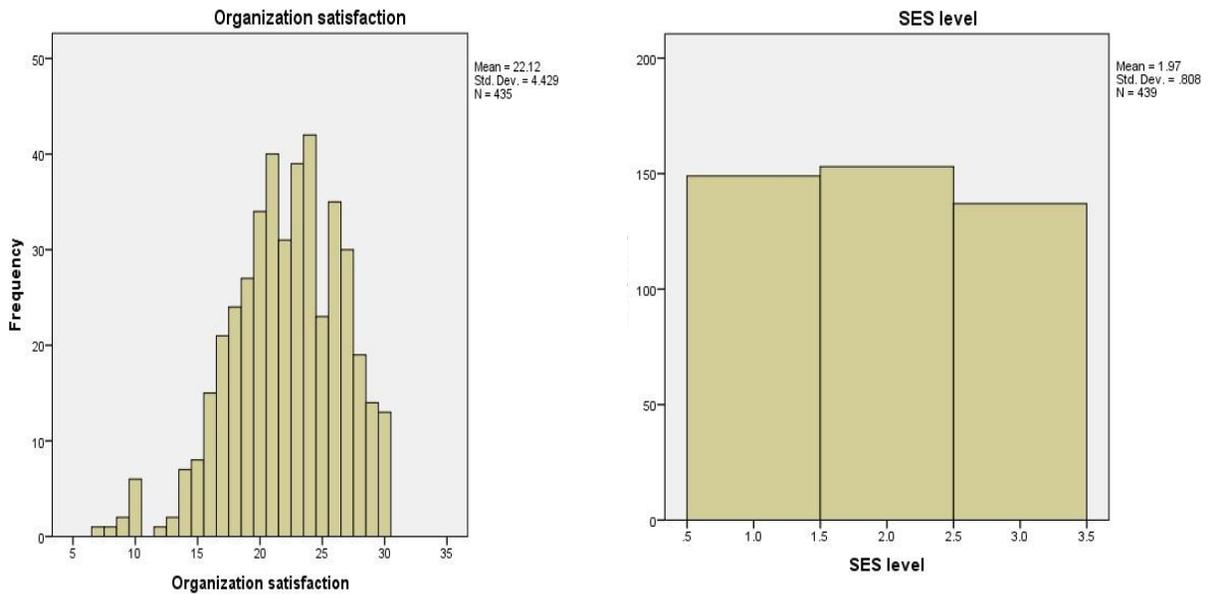
\*. The mean difference is significant at the 0.05 level.

Means for groups in homogeneous subsets are displayed.

- a. Uses Harmonic Mean Sample Size = 144.606.
- b. The group sizes are unequal. The harmonic mean of the group sizes is used. Type I error levels are not guaranteed.



**FIGURE 3: Mean Plots**



**FIGURE 4 –Histograms**

## REFERENCES

1. Socio-Economic Status, Job Satisfaction and Sector Visions of the Steelworkers: Karabuk Case Study- Sinan Yilmaz\*, Hür Mahmut Yücer\*\*, Yahya Fidan\*\*\* (Assessed on 20<sup>th</sup> April 2017)
2. Teachers socio economic status and Its Relationship with Teachers Work Morale and Teachers' Job Performance at State Senior High Schools in Merauke Regency
  - a. Indonesia- Basilius Redan Werang - Paper ID: 02015302 Volume 3 Issue 8, August 2014 (Assessed on 24<sup>th</sup> April 2017)
3. The Relationship between Employees' Income Level and Employee Job
  - i. Satisfaction: An Empirical Study- Prof. Dr. Ismail Bakan (Assessed on 24<sup>th</sup> April 2017)
  - ii. 2017)
4. Factors Affecting Employee Satisfaction of the Public and Private Sector Organizations of Pakistan-Ayesha Masood, Qurat ul ain Rabia Aslam (Assessed on 24<sup>th</sup> April 2017)
  - i. • Employee Satisfaction and work motivation -Anna Salanova Sanni Kirmanen- ijsr.net (Assessed April 24<sup>th</sup> 2017)
5. Erich Golden - Choosing a statistics test (Assessed on 26<sup>th</sup> April, 2017)
6. Socio-Economic Status, Job Satisfaction and Sector Visions of the Steelworkers: Karabuk Case Study (Assessed on April 20<sup>th</sup> 2017)
7. Paper on Socio economic status and satisfaction in public healthcare system in
  - i. Iran -[Najmeh Maharlouei, MD](#),<sup>1</sup> Mojtaba Akbari, Ph.D.,<sup>2</sup> [Maryam Akbari, MS](#),<sup>1</sup> and [Kamran B. Lankarani, MD](#)<sup>1</sup> (Assessed on 23<sup>rd</sup> April 2017)
  - ii. [Lankarani, MD](#)<sup>1</sup> (Assessed on 23<sup>rd</sup> April 2017)
8. The mediating effect of job satisfaction and organizational commitment on self- reported performance -Wouter Vandenebee (Assessed on 3<sup>rd</sup> May 2017)
9. The effects of employee job satisfaction, organizational citizenship behavior and turnover on organizational effectiveness: A unit level longitudinal study-Daniel J Koys (Assessed on 25<sup>th</sup> April 2017)