

Level of Satisfaction of Employees in Small and Medium-Sized Enterprises in Cabanatuan City: An Analysis

Rhea M. Villacorte

College of Management and Business Technology, Nueva Ecija University of Science and Technology, Nueva Ecija, Philippines
Email: rgmalaca03@yahoo.com

How to cite this paper: Villacorte, R. M. (2022). Level of Satisfaction of Employees in Small and Medium-Sized Enterprises in Cabanatuan City: An Analysis. *Open Journal of Social Sciences*, 10, 156-166. <https://doi.org/10.4236/jss.2022.1013013>

Received: November 21, 2022

Accepted: December 23, 2022

Published: December 26, 2022

Copyright © 2022 by author(s) and Scientific Research Publishing Inc.

This work is licensed under the Creative Commons Attribution International License (CC BY 4.0).

<http://creativecommons.org/licenses/by/4.0/>



Open Access

Abstract

This descriptive research in Cabanatuan City, Philippines analyzed the level of satisfaction of 134 employees in small and medium-sized enterprises (SMEs). The study's findings revealed that the respondents were very satisfied with their working environment and satisfied with their personal growth and job content but only slightly satisfied with their enterprise condition and job return. The top 3 problems encountered by the employees in their SMEs were an imbalance between work and life, a disconnection between policy formulation and implementation and there is no reasonable talent training plan. These findings have implications for future investigations along this line.

Keywords

Cabanatuan City, Enterprise, Job Content, Personal Growth, Philippines, Satisfaction, SMEs

1. Introduction

Small and medium-sized enterprises (SMEs) are businesses with revenues, assets, or a certain number of employees that fall below a certain threshold. Each country has its own definition of what it means to be a small or medium-sized business. Certain size criteria must be met, and the industry in which the company operates is occasionally considered (Liberto, 2022).

Small and medium-sized enterprises (SMEs) are vital to most economies, particularly those in developing countries. SMEs account for the vast majority of businesses worldwide, and they play an important role in job creation and global economic development. They account for roughly 90% of businesses and more than 50% of global employment. In emerging economies, formal SMEs contri-

bute up to 40% of national income (GDP). When informal SMEs are included, these figures skyrocket. According to our estimates, 600 million new jobs will be required by 2030 to accommodate the world's growing workforce, making SME development a top priority for many governments around the world ([The World Bank Group, 2022](#)).

Small and Medium-sized Enterprises (SMEs) play an important role in the national economy. In recent years, with the deepening of reform and opening up, scholars at home and abroad pay more and more attention to employees' satisfaction and motivation. Affected by the novel coronavirus pneumonia, SMEs have been affected, and the pressure has increased. With the gradual rise of the industrial revolution and technological revolution, SMEs have paid more and more attention to talent. Talents are the most valuable resources in all resources. The key to judging whether an enterprise has the advantage of human resources and the measurement standard of whether an enterprise has the prospect of sustainable development lies in the professional and technical ability and creativity of enterprise employees.

The pillars of the enterprise are also the employees. The relationship between employees and employers is not only the promotion of inner self-worth but also the satisfaction of external life needs. The key to stimulating the fighting spirit of organization members is to adopt effective and reasonable employee compensation to attract talent and form a perfect and scientific human resource management system for enterprises to attract, employ, cultivate and develop talent, especially in small and medium-sized enterprises. Unsatisfied employees will not only reduce the operational efficiency of enterprises but also cause a large loss of talent. The effective measure to realize the goal of every enterprise is to have a reasonable compensation scheme for employees. As a result, this paper selected employees from small and medium-sized businesses of Novo Ecijanos in Cabanatuan City, Nueva Ecija, Philippines ([Subia, Mangiduyos, & Turgano, 2020](#)) to assess their level of satisfaction. Although there have been several studies on employee satisfaction, this study is unique in that it specifically examined the level of employee satisfaction from the following aspects: personal growth; working environment; job return factor; job content factor; and enterprise condition factor, which were not covered by the other studies mentioned in the literature. Also, the problems encountered by employees in the incentive of small and medium-sized enterprises were described. The findings of this study could benefit the city's SMEs, as well as the employees and future researchers who will work in this field.

2. Literature Review

It has been said that human satisfaction is frequently motivated by a desire for reinforcement or benefits. No two people are the same; they may behave differently in the same situation depending on the incentives available to them at the time. During the 1940s and 1950s, incentive theory began to emerge, building on

earlier drive theories established by psychologists such as Clark Hull. The incentive theory, one of the motivation theories, states that people's actions are motivated by the desire to obtain rewards (Cherry, 2020). Money is an example of a reward that motivates and satisfies employees in a business.

There are several researchers who ventured on investigating employee satisfaction in SMEs and arrived at various findings.

Dyczkowska & Dyczkowski 2018 studied the link between democratic or autocratic leadership style to rewarding strategies and job satisfaction in SMEs and their research adds to the discussion of rewarding strategies by demonstrating that involving employees in managerial activities is a prerequisite for developing performance-based rewarding strategies and that such involvement increases employee satisfaction with their work.

Also, "an empirical study on the relationship between psychological contract and job satisfaction of the Cenozoic employees" of Ma, Shao & Li (2019) revealed a related finding. Job content satisfaction among Cenozoic employees is positively related to organizational developmental responsibility, normative responsibility, and employee developmental responsibility. The job relationship satisfaction of Cenozoic employees is positively correlated with the organization's interpersonal responsibility and the employee's developmental responsibility.

According to Bilal et al. (2021), "employee satisfaction is the key element for the success and failure of an organization" and they have found that "1) Mentorship 2) Apprenticeship and 3) Job rotation of duty positively influence the employee's satisfaction".

Also, a related study was conducted by Bedoya in 2021 and discovered that transformational leadership improved job satisfaction. Finally, in computer-mediated communication (CMC) environments, leadership has a positive impact on SMEs.

For Mapuranga et al. (2021), they discovered that "there is a significant relationship between workplace spirituality, procedural justice, and employee organizational commitment was positively influenced by work locus of control and employee job satisfaction".

Moreover, Wikhamn et al. (2022), researched employee participation and job satisfaction in SMEs and found the importance of firms' exploratory orientation as an internal boundary condition for the three participation-satisfaction relationships. Under high levels of exploration, the positive relationships between work roles and strategic participation forms and job satisfaction were stronger.

In the Philippines, Baltasar (2018) enumerated the common complaints of the employees in the country's SMEs that affected their job satisfaction. Among them are the following: "my salary is just too low for my job"; "I feel choked in my professional capacities", "I think my supervisor prefers a workmate over me", and "this company simply doesn't have enough resources". Lastly, also in the Philippines, Ang and Rabo's (2018) "study confirms that there is a statisti-

cally-significant relationship between employee engagement and job satisfaction”.

3. Methodology

This study utilized a descriptive research design with employees of the 6 selected Small and Medium-Sized Enterprises (SMEs) in Cabanatuan City who were purposively chosen (Subia, 2018) as respondents of the study. The six SMEs were chosen because they were centrally located and had been in business for more than a decade. This demonstrates that the SME respondents were stable and accessible. The 134 employees were picked as samples because of their knowledge of the issue that the researcher wants to analyze. This sample size is reasonable since most of the quantitative researchers' minimum sample size is 100 participants. Descriptive research design is a type of research design that seeks information in order to describe a phenomenon, situation, or population in a systematic manner. It specifically assists in answering the what, when, where, and how questions about the research problem (Voxco, 2021). The main instrument used in this study was a Likert scale instrument that was content validated by 5 experts in the field of business administration. Three were Doctor in Business Administration degree holders teaching marketing, business research and entrepreneurial courses while two were owners of SMEs with Masters in Business Administration. As stated by McLeod (2018), a questionnaire is a research instrument consisting of a series of questions for the purpose of gathering information from respondents.

The gathered data for the level of satisfaction of the employees were statistically treated using weighted mean with the following response mode as shown in Table 1.

The table depicts the rating from 1 to 5, with 1 being the lowest and 5 being the highest, that were used for each response, along with its corresponding verbal description and qualitative interpretation. The problems encountered by the respondents were analyzed using frequency, percentage and ranking.

4. Results and Discussion

4.1. Satisfaction Level of Employees

Table 2 shows how satisfied employees are with their personal growth with their

Table 1. Response mode of the respondents.

Rating	Verbal Description	Qualitative Interpretation
5	Strongly Agree	I am very satisfied
4	Agree	I am satisfied
3	Slightly Agree	I am slightly satisfied
2	Disagree	I am dissatisfied
1	Strongly Disagree	I am very Dissatisfied

Table 2. Personal growth.

Indicator (n = 134)	Weighted Mean	Verbal Interpretation
1) The content of my work is challenging for me.	4.00	Satisfied
2) The company will organize targeted vocational skills training that will help me.	2.38	Dissatisfied
3) My personal ability and specialty can be brought into play in the company.	4.12	Satisfied
Overall Weighted Mean	3.50	Satisfied

SMEs.

The table shows that the respondents are satisfied with their personal growth. Small and medium-sized enterprises pay attention to bringing up the personal ability and specialty of their employees (WM = 4.12) which can be brought into play in the company. The work content of employees is also challenging for employees (WM = 4.00) and gives them satisfaction. However, employees were dissatisfied with training particularly in enhancing their vocational skills (WM = 2.38). As a result, the personal growth dimension of job content, as well as the exertion of employees' personal ability and specialty is critical to employee satisfaction. But, training factor satisfaction is relatively low. SME executives are unaware of the value of training and place little emphasis on improving employees' skills and learning new technologies.

Table 3 depicts employee satisfaction with their working environment.

In terms of the working environment, the employees were very satisfied with their SMEs. The employees were provided by their companies with office supplies required for their work, and the hardware resources provided (such as equipment, facilities, etc.) can meet their work need (WM = 4.51).

They were also given opportunities to exchange opinions with their superiors and colleagues and can get work feedback in time (WM = 4.47) and their office environment makes them feel comfortable (WM = 4.60).

It is clear that the interpersonal relationships and teamwork of small and medium-sized businesses are excellent. Most of the time, employees can receive work feedback from their superiors and colleagues in a timely manner, allowing them to resolve contradictions, solve problems, and improve work efficiency. Thus, employee satisfaction in small and medium-sized businesses is relatively high.

Table 4 depicts employee satisfaction in terms of job return.

As to the job return of the employees, there are slightly satisfied (WM = 2.90). The employees were satisfied with their sense of achievement in their jobs (WM = 3.68) but completely dissatisfied with the recognition and reward provided by

Table 3. Working environment.

Indicator (n =134)	Weighted Mean	Verbal Interpretation
1) The interpersonal relationship within the company is relatively harmonious, and the superior and subordinate can feel respect and trust.	4.25	Very Satisfied
2) In my work, I have the opportunity to exchange opinions with my superiors and colleagues and can get work feedback in time.	4.47	Very Satisfied
3) I agree with the company's corporate culture	4.32	Very Satisfied
The office environment of the company is clean and tidy, which makes me feel comfortable.	4.60	Very Satisfied
4) The company has provided me with office supplies required for my work, and the hardware resources provided (such as equipment, facilities, etc.) can meet my work needs.	4.90	Very Satisfied
	Overall Weighted Mean	Very Satisfied

Table 4. Job return.

Indicator (n = 134)	Weighted Mean	Verbal Interpretation
The progress and achievements I have made in my work can be found, recognized and rewarded by my leaders	2.43	Dissatisfied
If I do a good job, I will have the opportunity for promotion and a salary increase	2.52	Dissatisfied
I can get a sense of achievement in my work	3.68	Satisfied
I am satisfied with my current salary	2.64	Slightly Satisfied
I am satisfied with the company's benefits	3.06	Slightly Satisfied
My salary is in direct proportion to my work input	3.12	Slightly Satisfied
I have a happy life and a high quality of life	2.88	Slightly Satisfied
	Overall Weighted Mean	Slightly Satisfied

their leaders (WM = 2.43). They are also dissatisfied with the lack of opportunities for promotion and monetary incentives (WM = 2.52) even if they do well in their jobs.

This means that, in terms of work return, employee satisfaction in small and medium-sized businesses is generally low, and salary and welfare benefits cannot reach the level of employee satisfaction. Even if employees made progress in their work but were not rewarded or praised on time.

Table 5 shows the satisfaction level of the employees in terms of job content.

In terms of job content, the respondents were satisfied with their respective company policies (WM = 3.58).

The employees were very satisfied with the power they enjoy corresponding to their jobs (WM = 4.48) but dissatisfied with the opportunity to attend some important meetings to express their opinions (WM = 2.20).

In terms of work content, employees' dissatisfaction is reflected in the right to participate in decision-making. Appropriately improving employees' right to participate in decision-making is conducive to improving employees' work enthusiasm. But in fact, in the surveyed enterprises, it is difficult for employees to participate in the company's decision-making.

Table 6 shows the satisfaction level of the employees in terms of enterprise conditions.

It can be seen in the table that the employees were slightly satisfied with their enterprise condition (WM = 3.23).

The employees are satisfied with their company's management system (WM = 4.17) and workstyle and management thought (WM = 4.00), however, they were dissatisfied with their rest and vacation time after work (WM = 1.80).

This means that, in terms of enterprise conditions, the implementation of the company's management system, as well as the rest and vacation system, are the two factors that contribute to low employee satisfaction. Employees of the company, particularly technical R & D personnel, work long hours to complete the

Table 5. Job content.

Indicator (n = 134)	Weighted Mean	Verbal Interpretation
1) I have the opportunity to attend important meetings and express my opinion in decision-making.	2.20	Dissatisfied
2) The content of my work is what I am interested in. I can experience fun in my work.	4.07	Satisfied
3) I enjoy the power corresponding to my work.	4.48	Very Satisfied
	Overall Weighted Mean	Satisfied
	3.58	

Table 6. Enterprise condition.

Indicator (n = 134)	Weighted Mean	Verbal Interpretation
1) I think the company has a good development prospect.	3.86	Satisfied
2) I agree with the work style and management thought of the company's management.	4.00	Satisfied
3) I think the company's management system is scientific and perfect.	4.17	Satisfied
4) The company's management system can be effectively implemented and implemented.	2.32	Dissatisfied
5) I can have enough rest and vacation time after work.	1.80	Dissatisfied
	Overall Weighted Mean	Slightly Satisfied
	3.23	

work, but there is insufficient compensatory leave and compensatory leave, resulting in physical and mental fatigue of the employees. Small and medium-sized businesses should pay attention to adjusting employees' rest time, reasonably arranging rest time, distinguishing work and lifetime, and allowing employees to have a good rest and enough sleep so that their talents can be better utilized.

4.2. Problems Encountered by Employees of Small and Medium-Sized Enterprises Incentive Mechanisms

Table 7 depicts the issues faced by employees of small and medium-sized businesses.

The imbalance between work and life is ranked first, with 91% of employees-respondents indicating that employees' satisfaction with having enough rest and vacation time after work is low. It is possible to conclude that there is an imbalance between work and life for employees in small and medium-sized businesses.

Disconnection between policy formulation and implementation is ranked second, with 83% of employee respondents expressing dissatisfaction with the effective implementation of the company's management system. Although small and medium-sized businesses have developed systems, they have not been strictly, fairly, and impartially implemented.

Ranked third is the lack of a reasonable talent training plan, with 74% of employee respondents indicating dissatisfaction with the company's targeted organization of vocational skill training. It is possible to conclude that small and

Table 7. Problems encountered by employees of small and medium-sized enterprises.

Problems (n = 134)	frequency (f)	Percentage (%)	Rank
Disconnection between policy formulation and Implementation	111	83%	2
There is no reasonable talent training plan	99	74%	3
An imbalance between work and life	122	91%	1
There is no perfect promotion mechanism	79	59%	4

*Multiple response items.

medium-sized businesses do not have an adequate talent training plan. Small and medium-sized businesses do not prioritize employee training and lack a functional training system. Relevant training is merely a format. The reason for the insufficient investment in training funds is that the enterprise's employee training is also an investment, but this investment carries a high level of risk. However, this should also be considered from the standpoint of the business.

5. Conclusion and Recommendations

The work content of employees was challenging for employees and gave them satisfaction. However, employees were dissatisfied with training particularly in enhancing their vocational skills.

In terms of the working environment, the employees were very satisfied with their SMEs. The employees were provided by their companies with office supplies required for their work, and the hardware resources provided (such as equipment, facilities, etc.) can meet their work needs. They were also given opportunities to exchange opinions with their superiors and colleagues and can get work feedback on time.

As to the job return of the employees, they were slightly satisfied. The employees were satisfied with their sense of achievement in their jobs but completely dissatisfied with the recognition and reward provided by their leaders. They were also dissatisfied with the lack of opportunities for promotion and monetary incentives even if they do well in their jobs.

In terms of job content, the respondents were satisfied with their respective company policies. The employees were very satisfied with the power they enjoy corresponding to their jobs but dissatisfied with the opportunity to attend some important meetings to express their opinions. The employees were satisfied with their company's management system and work style and management thought, however, they were dissatisfied with their rest and vacation time after work.

The top 3 problems encountered by the employees in their SMEs were an imbalance between work and life, a disconnection between policy formulation and implementation and there is no reasonable talent training plan.

It is recommended that owners and managers of SMEs should provide additional incentives and benefits for employees who have done their job well. This would make the employees be motivated to do their assigned tasks properly and be satisfied with their companies working environment. Furthermore, training on improving the talents of the employees and work-life balance should be considered by the companies.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

References

- Ang, M. & Rabo, J. (2018). *Employee Engagement and Job Satisfaction at Company A*. <https://www.dlsu.edu.ph/wp-content/uploads/pdf/conferences/research-congress-proceedings/2018/emb-10.pdf>
- Baltasar, B. (2018). *Common Employee Complaints in Philippine SMEs*. <https://sweldomo.ph/common-employee-complaints-in-philippine-sme/>
- Bedoya, E. (2021). Leadership Influence on Job Satisfaction and Communication Satisfaction in SMEs under Computer-Mediated-Communication Environments. *Revista Facultad de Ciencias Económicas*, 29, 115-126. <https://doi.org/10.18359/rfce.5298>
- Bilal, H., Ahmad, A., Bibi, P., & Ali, S. (2021). Evaluating On-the-Job Training Effect on Employees' Satisfaction the SMEs Sector of Malakand Division, Pakistan. *Review of Applied Management and Social Sciences*, 4, 145-156. <https://doi.org/10.47067/ramss.v4i1.107>
- Cherry, K. (2020). *The Incentive Theory of Motivation*. <https://www.verywellmind.com/the-incentive-theory-of-motivation-2795382>
- Dyczkowska, J., & Dyczkowski, T. (2018). Democratic or Autocratic Leadership Style? Participative Management and Its Links to Rewarding Strategies and Job Satisfaction in SMEs. *Athens Journal of Business & Economics*, 4, 193-218. <https://doi.org/10.30958/ajbe.4.2.5>
- Liberto, D. (2022). *Small and Mid-Size Enterprise (SME) Defined: Types around the World*. <https://www.investopedia.com/terms/s/smallandmidsizeenterprises.asp>
- Ma, L., Shao, Y., & Li, H. (2019) An Empirical Study on the Relationship between Psychological Contract and Job Satisfaction of the Cenozoic Employees. *Open Journal of Social Sciences*, 7, 105-120. <https://doi.org/10.4236/jss.2019.710010>
- Mapuranga, M., Maziriri, E. T., Rukuni, T. F., & Lose, T. (2021). Employee Organisational Commitment and the Mediating Role of Work Locus of Control and Employee Job Satisfaction: The Perspective of SME Workers. *Journal of Risk and Financial Management*, 14, Article No. 306. <https://doi.org/10.3390/jrfm14070306>
- McLeod, S. (2018). *Questionnaire: Definition, Examples, Design and Types*. <https://www.simplypsychology.org/questionnaires.html#:~:text=A%20questionnaire%20is%20a%20research,by%20telephone%2C%20computer%20or%20post>
- Subia, G. S. (2018). Comprehensible Technique in Solving Consecutive Number Problems in Algebra. *Journal of Applied Mathematics and Physics*, 6, 447-457. <https://doi.org/10.4236/jamp.2018.63041>
- Subia, G. S., Mangiduyos, G. P., & Turgano, J. B. D. (2020). Emergency Preparedness of

Novo Ecijanos. *Open Journal of Social Sciences*, 8, 17-23.

<https://doi.org/10.4236/jss.2020.83003>

The World Bank Group (2022). *Small and Medium Enterprises (SMEs) Finance*.

<https://www.worldbank.org/en/topic/smefinance>

Voxco (2021). *Descriptive Research Design*.

<https://www.voxco.com/blog/descriptive-research-design/#:~:text=Descriptive%20research%20design%20is%20a,problem%2C%20rather%20than%20the%20why>

Wikhamn, W., Wikhamn, B. R., & Fasth, J. (2022). Employee Participation and Job Satisfaction in SMEs: Investigating Strategic Exploitation and Exploration as Moderators. *International Journal of Human Resource Management*, 33, 3197-3223.

<https://doi.org/10.1080/09585192.2021.1910537>