Employee Satisfaction

ANALYSIS FOR VARKS.AM

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December 11, 2017

The following analysis on Employee Satisfaction at Varks.am, was done with the help of Varks.am HR management and all the employees' contribution, under the supervision of AUA Professor Hrant Davtyan and through the resistance, hard-work and efforts of 4 beautiful and smart ladies from AUA's MSSM program, within the framework of the Business Analytics course.

Executive Summary:

The analysis was conducted to understand the satisfaction level of employees at Varks.am, to get the vision of which reward system will be most applicable, as well as to get the perceptions and expectations of the employees from the company.

The data was collected through an anonymous survey, conducted by our group and shared by the HR manager of Varks.am. In the end, we got 120 responses.

Different techniques were implemented to get correct result for decision making (excel, python, statistical analysis, etc.). What was obvious from the responses is that employees at Varks.am are satisfied with their job. In case Varks.am eventually decides to incorporate reward system into their organizational culture, the non-monetary type of reward system will be more suitable for their type of business and based on their employees perceptions.

Data Interpretation:

Assuming the survey results were honest and fair (the graphical representation of the results are in the appendices), we can conclude, that employees like their relationship with their co-workers and supervisors, and the communication part is vital in the overall working structure. Most of them believe, that everyone is treated equally and that management staff cares about them. They know that Varks.am cares about the customers and is providing excellent service. Although the pay is fair for most of the employees, they do not really manage to have a good work-life balance. Overall, around 90% of the employees are satisfied with their current job, and the majority mentioned that they are not looking for another job right now and see themselves working at Varks.am in a year from now.

One of the question was connected with whether or not the employees see themselves working at Varks.am in a year. 87.5% said "yes!" and 96.2% said that they enjoy coming to work and they are satisfied with the conditions, pay, and most of them mentioned that they adore free communication with their colleagues and management staff. The rest, who did not see themselves at Varks.am said that they feel stressed at work. They mentioned that higher salary and promotion opportunities may encourage them to continue working there, however, it is worth mentioning that most of the dissatisfaction is caused because of the constant rotation and ambiguity in the next day.

Techniques Used:

Besides understanding the employee satisfaction level, we had another objective, which was identifying which reward system will be most applicable for Varks.am. In order to get unbiased and comparable results, we did an A/B testing, which was dividing the respondents into two equal groups, based on answers that they have provided. After that step, the NPS evaluation was implemented, again with the help of answering some specific questions that we have incorporated into the survey.

A/B testing (also known as split testing or bucket testing) is a method of comparing two alternatives against each other to determine which one is a better option. The tests are done for two different groups with the same characteristics.

Reward Systems:

Basically, what we did, was dividing the respondents into two groups based on the answer of the following question: "My current workplace is close to where I live." This question was not used in satisfaction analysis, rather for grouping the respondents. We got almost half of the respondents - 51.7% (62 respondents) answering the question: "If I get non-monetary rewards (such as insurance, training, "best employee of the month" reward), I will feel satisfied and will work harder." We got that 85.5% of the respondents agreed with the statement.

We had the section for "other responses" and if we summarize the responses, the general idea will be, that of course, everyone would like to receive monetary rewards, however, the fact and attitude that the company values its employees that will be much more motivating for the employees. The pie chart for this question is shown below:

If I get non-monetary rewards (such as insurance, training, "best employee of the month" reward), I will feel satisfied and will work harder.

62 responses

- Agree
- Strongly agree
- Disagree
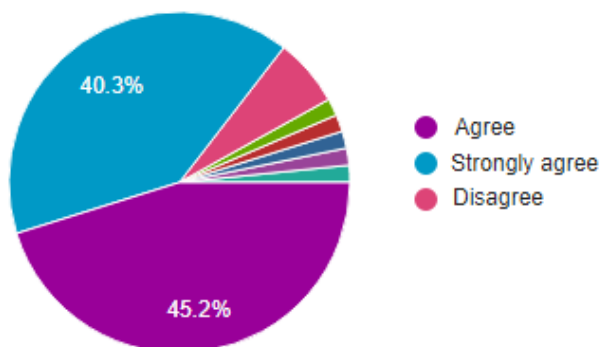
The next group got the question of "If I get monetary bonuses when I serve more customers, I will feel satisfied and work harder." and 77.6% agreed with the statement. However, for this case we got some complaining comments, because employees mentioned that this system will

not work because of the nature of the job, along with the location of the branch, as there are some active and passive branches. The pie chart for this question is shown below:

If I get monetary bonuses when I serve more customers, I will feel satisfied and work harder.

58 responses
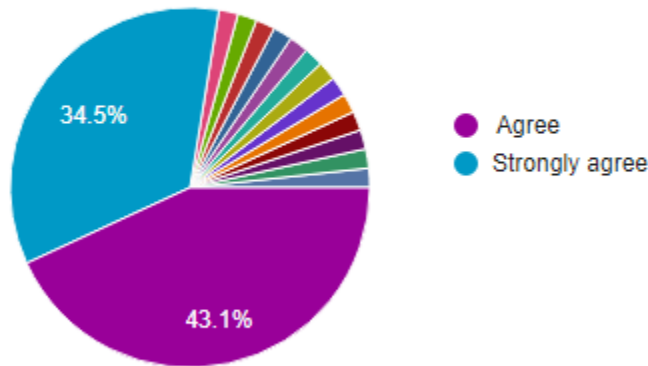
Based on the percentages and the comments, we can suggest that the first option is more preferable.

However, we weren't satisfied with this as the conclusion was not based on valid analysis. So, now we want to represent quantitative basis for the decision making. We implemented NPS method, based on the answers and evaluation that the employees provided. The idea of NPS is extracting the so called Passive results (7 and 8 out of 10), then calculating the percentages for the first 6 responses (Detractors), and then calculating the 9th and 10th responses' percentages for Promoters.

So, here are the results that we got:

|	NPS of suggesting friends to work at Varks.am	NPS of suggesting friends to use services of Varks.am if needed
Total number of respondents	53	53
Number of promoters(9,10)	35	19
Number of Detractors(1,2,3,4,5,6)	7	20
Percentages for Promoters	66.04%	35.85%
Percentages for Detractors	13.21%	37.74%
NPS of YES agree	52.83%	-1.89%

	NPS of suggesting friends to work at Varks.am	NPS of suggesting friends to use services of Varks.am if needed
Total number of respondents	45	45
Number of promoters(9,10)	17	9
Number of Detractors(1,2,3,4,5,6)	13	21
Percentages for Promoters	37.78%	20.00%
Percentages for Detractors	28.89%	46.67%
NPS of YES agree	8.89%	-26.67%

Therefore, among those, who agreed that the offer of getting non-monetary rewards will motivate them and increase the satisfaction, the NPS (52.83%) is higher than the NPS (8.89%) of the respondents that agreed that monetary rewards will motivate them. Even if we compare the NPS for the next indicator, here again we have higher NPS for non-monetary rewards.

Correlation among Employee Satisfaction and Other Variables:

Continuing our analysis, based on statistics, we got the following correlation for the employees of Varks.am (the darker the color, the stronger the correlation is):

As we can see from the graph, the darkest color, which is good treatment, (strongest correlation) has higher impact on employee satisfaction, which will be described in details further. Another obvious fact is that there is negative correlation between "new job" and satisfaction, meaning that employees looking for a new job outside Varks.am have lower level of satisfaction, and those seeing their future in the company have higher satisfaction level.
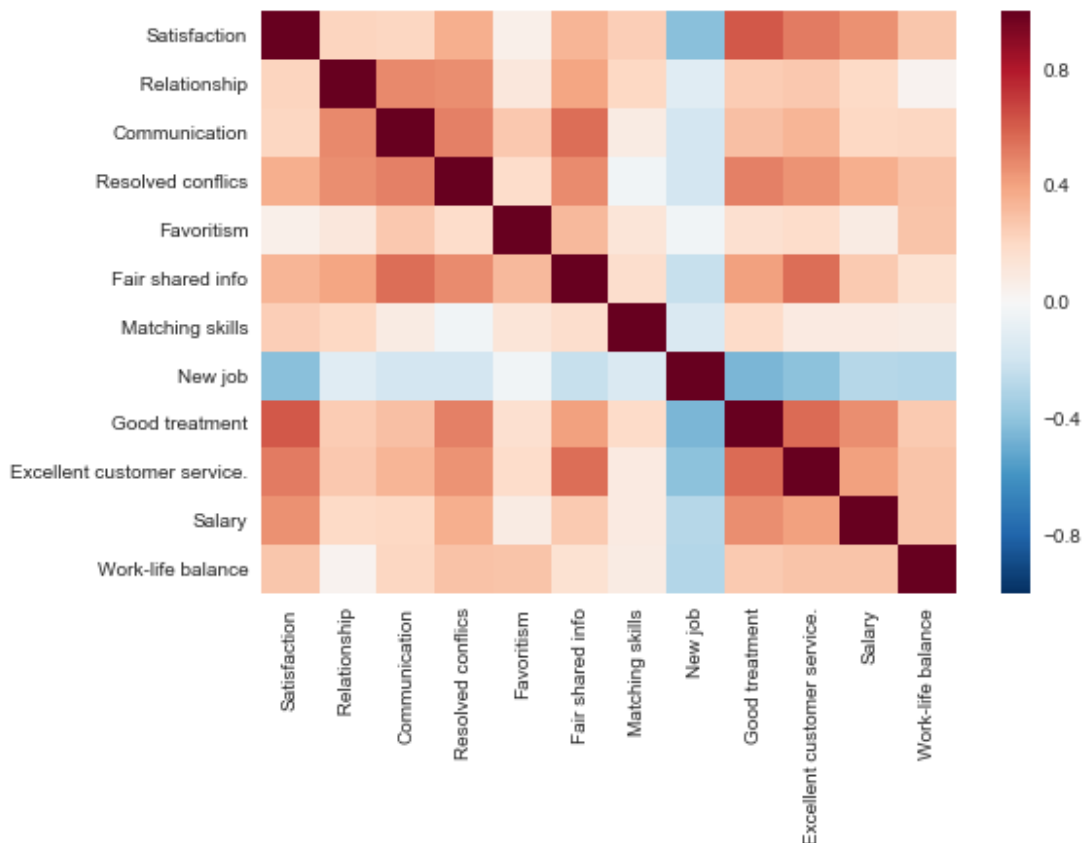
Good treatment	0.534621
Relationship	0.098511
Excellent customer service	0.092089
Work-life balance	0.075999
Matching skills	0.075485
Salary	0.047092
New job	0.043134
Communication	0.021567
Resolved conflicts	0.011503
Favoritism	0.000000
Fair shared info	0.000000

Another thing that we have observed is the correlation described in the table above. From this we can understand that sharing information and favoritism are not problems in the company and there is no need of change to existing policies. We can see that the strongest impact on satisfaction has the "good treatment" factor (0.53), which means that better treatment leads to higher satisfaction and its influence is incomparably significant than that of other factors. Same is for bad or worse treatment, which accordingly leads to less satisfaction for employees.

The following short versions of the variables were taken from the survey questions, just to make the correlation visible:

Satisfaction - Overall employee satisfaction from the job

Relationship - Relationship with coworkers

Communication - Communication between an employee and their supervisor

Resolved Conflicts - How positively and constructively the conflicts are resolved

Favoritism - There is no favoritism in the department

Fair Shared Info - Improvement of communications in all directions and sharing information equally among subordinates

Matching skills - Employee's skills and abilities match the job they do

Good Treatment - The management at Varks.am cares about employees

Excellent Customer Service - Varks.am focuses on providing excellent customer service

Salary - Competitive salary to that of similar organizations

Work-life balance - Flexible work arrangements to allow employees to balance their personal life with work

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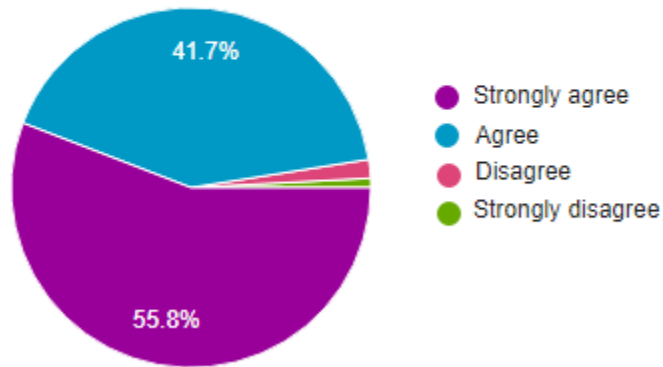
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Appendices:

I have good working relationships with my co-workers.

120 responses

Legend:
- Strongly agree
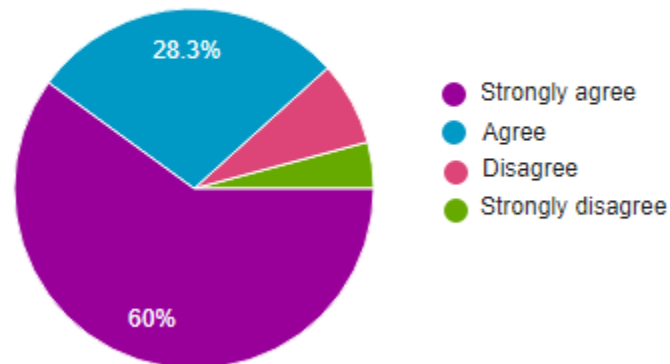- Agree
- Disagree
- Strongly disagree

41.7%
55.8%

There is good communication between me and my supervisor.

120 responses

Legend:
- Strongly agree
- Agree
- Disagree
- Strongly disagree

47.5%
49.2%
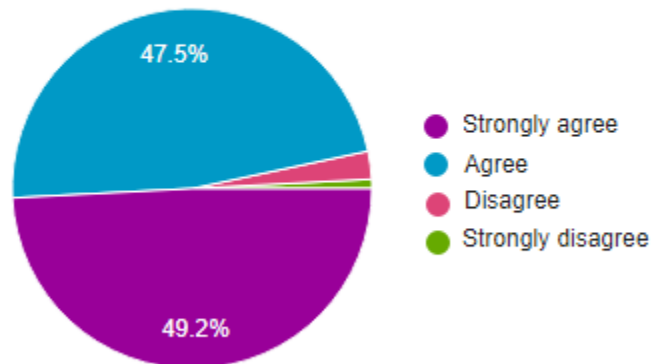
Conflicts are resolved in a positive and constructive manner.

120 responses

Legend:
- Strongly agree
- Agree
- Disagree
- Strongly disagree

28.3%
60%

My skills and abilities match the work I do.

120 responses

- Agree — 52.5%
- Strongly agree — 34.2%
- Disagree — 11.7%
- Strongly disagree

I look for another job outside the company.

120 responses

- Disagree — 55%
- Strongly disagree — 27.5%
- Agree — 13.3%
- Strongly agree
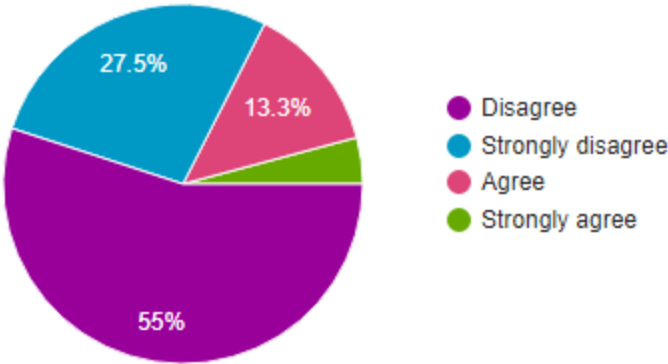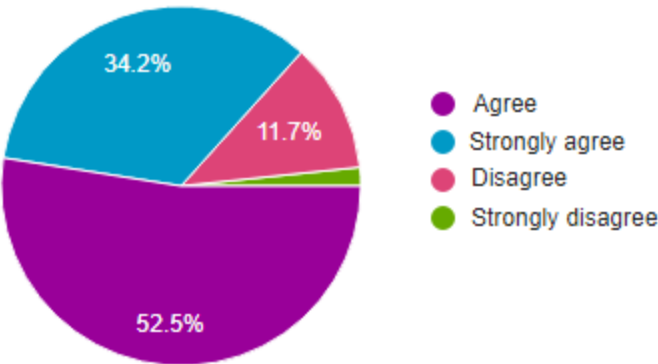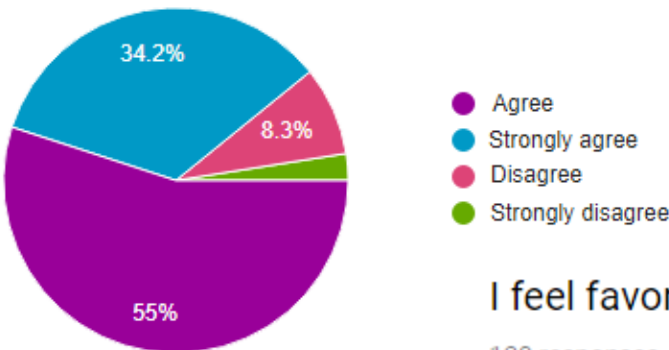
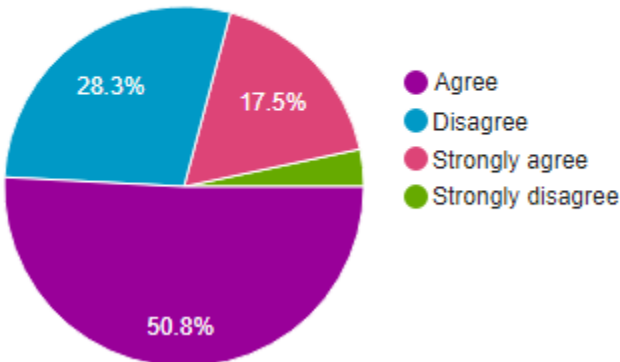## My Supervisor works to improve communications in all directions and does a good job of sharing information.

120 responses

- Agree — 55%
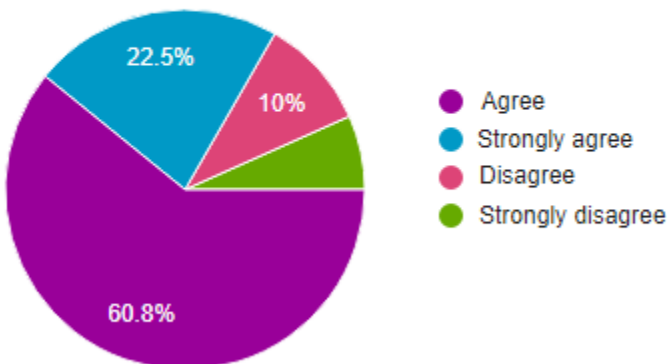- Strongly agree — 34.2%
- Disagree — 8.3%
- Strongly disagree

I feel favoritism is not a problem in my department.

120 responses

- Agree — 50.8%
- Disagree — 28.3%
- Strongly agree — 17.5%
- Strongly disagree

The management at Varks.am cares about employees.

120 responses

- Agree — 60.8%
- Strongly agree — 22.5%
- Disagree — 10%
- Strongly disagree

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Varks.am focuses on providing excellent customer service.

120 responses

Varks.am

Pie chart:
- Agree: 49.2%
- Strongly agree: 32.5%
- Disagree: 14.2%
- Strongly disagree

Legend:
- Agree
- Strongly agree
- Disagree
- Strongly disagree
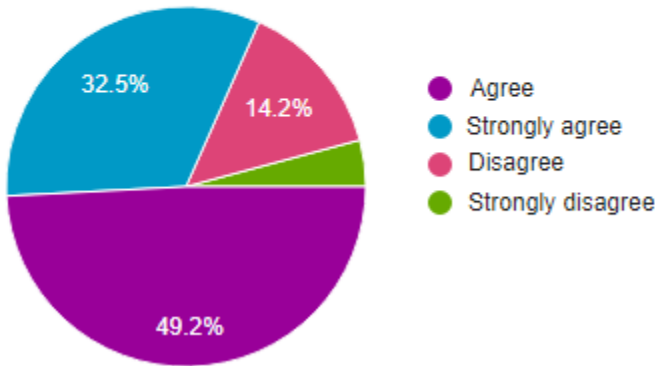
The pay at Varks.am is competitive to that of similar organizations.

120 responses

Pie chart:
- Agree: 68.3%
- Strongly agree: 15.8%
- Disagree: 13.3%
- Strongly disagree

Legend:
- Agree
- Strongly agree
- Disagree
- Strongly disagree
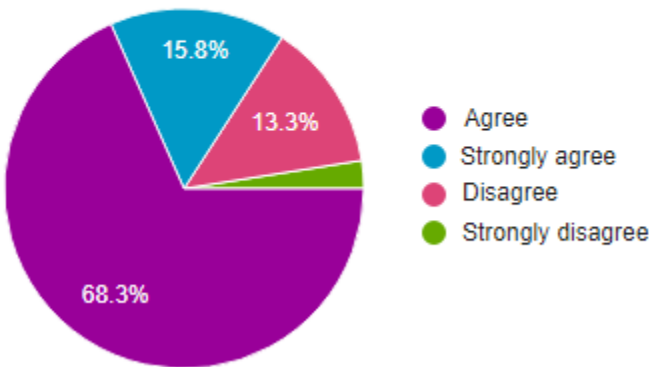
My work arrangements allow me to balance my personal life with my work.

120 responses

Pie chart:
- Agree: 65%
- Disagree: 22.5%
- Strongly agree
- Strongly disagree

Legend:
- Agree
- Disagree
- Strongly agree
- Strongly disagree
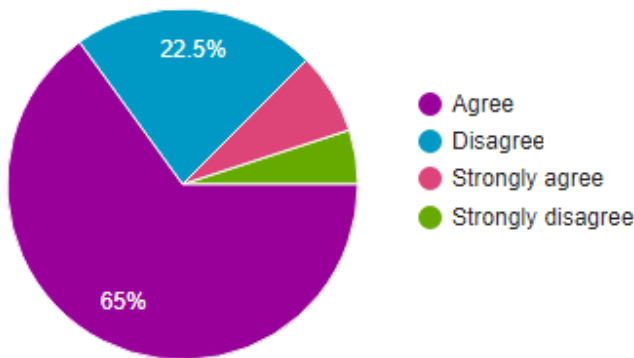
Overall, I am satisfied with my work.

120 responses

Pie chart:
- Agree: 63.3%
- Strongly agree: 25.8%
- Disagree: 9.2%
- Strongly disagree

Legend:
- Agree
- Strongly agree
- Disagree
- Strongly disagree
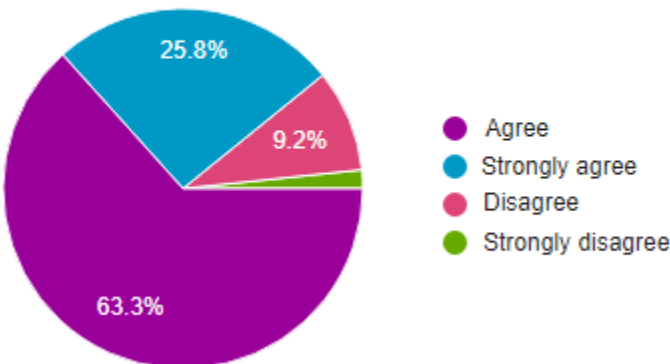
My current workplace is close to where I live.

120 responses

- Yes — 51.7%
- No — 48.3%
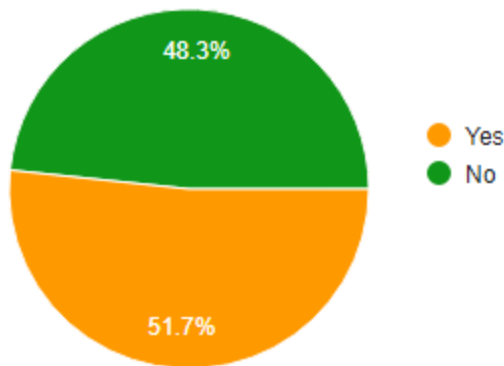
I enjoy coming to work.

105 responses

- Strongly disagree
- Disagree
- Agree — 70.5%
- Strongly agree — 25.7%
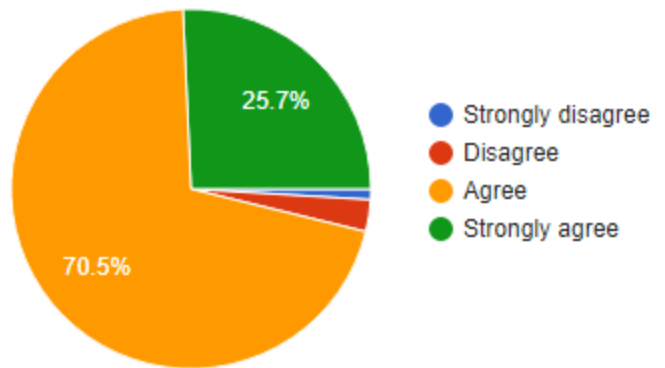
I foresee myself working here one year from now.

120 responses

- Yes — 87.5%
- No — 12.5%
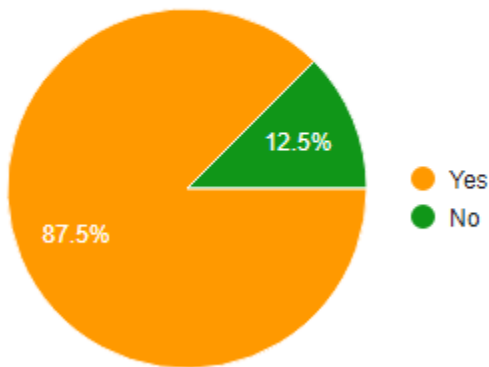
I feel stressed at work.

15 responses

- Agree — 46.7%
- Strongly agree — 33.3%
- Disagree — 20%
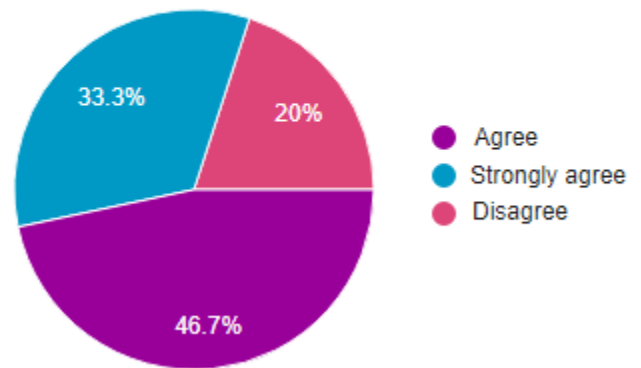
Things that will motivate me to stay

15 responses

Higher salary(...	12 (80%)
Promotion opp...	10 (66.7%)
Better Working...	8 (53.3%)
Fixed working...	8 (53.3%)
Existence of re...	7 (46.7%)
Better location...	4 (26.7%)
Better custome...	3 (20%)
հավատացեք`...	1 (6.7%)
Better commu...	1 (6.7%)
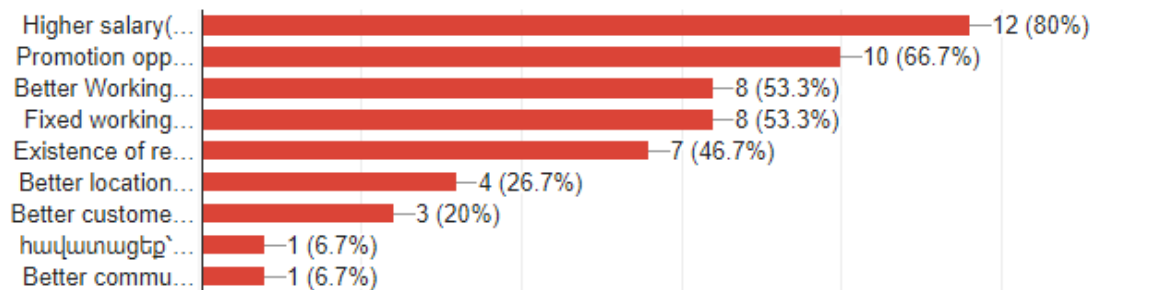
Reasons why I want to stay here.

105 responses

Good working...	77 (73.3%)
Promotion opp...	63 (60%)
Fair Pay(Արցn...	43 (41%)
Good commun...	41 (39%)
I love communi...	38 (36.2%)
Location of the...	29 (27.6%)
Flexible workin...	25 (23.8%)
I am just a fres...	17 (16.2%)
Reward syste...	5 (4.8%)
Ուսանող եմ, h...	1 (1%)
Շատ ուրախ է...	1 (1%)
Ինձ համար h...	1 (1%)
Աշխատակից...	1 (1%)
...	1 (1%)
4,5,6,8	1 (1%)

10