

## **A Study of Employee Satisfaction in Manufacturing Industries in the Royal Kingdom of Bhutan**

**Parimal Chandra Biswas, Dilip Kumar Chakraborty**  
*Ph.D., Professor, School of Management Adamas University, Kolkata, India*  
*Ph.D. Research Scholar Adamas University, Kolkata, India*

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**ABSTRACT:** Manufacturing Industries form the backbone of a developing economy like Bhutan. They are one of the most important factors of socio-economic development of the country and an important provider of employment. They contribute 42% of GDP (2017-2018 Annual Report of Royal Monetary Authority of Bhutan) with around 11 percent of Bhutan's workforce. Bhutan's overall development philosophy is based on the concept of Gross National Happiness (GNH), which challenges the conventional concept of GDP for measuring the progress of the country. Instead it considers the psychological and social wellbeing of the citizens and the need to balance between economic growth and social development.

Employee Satisfaction being simultaneously an important outcome and also a driving force of Industrial Relations in manufacturing industries directly contributes to development of GDP and GNH. However, the literature is silent on the study of Employee Satisfaction in the Bhutanese manufacturing industries. Thus, the researchers' interest is in taking up a study on this vital topic for the economy of Bhutan.

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### **I. INTRODUCTION**

We all are witnesses of social and industrial unrests in neighboring countries, like India, Bangladesh, Nepal and in other countries in South East Asia. But something holds together people of this small country and something drives them to be happy with life's minimum in Bhutan. We are familiar with the great teaching of Buddha on life that life is a series of sufferings and problems. Bhutan is a Buddhist country with rooted ancient culture but it has an optimistic outlook concerning life. The country ranks one of the highest peaceful and happiest countries in the world and boldly preaches Gross National Happiness to the world as a national goal. It is encouraging to learn how labour class copes with life challenges in order to keep and support harmony with one another and pursues happiness in life in this wonderful country.

#### **Bhutan Context**

The Royal Kingdom of Bhutan is a small country with monarchy ruling system, located between two large and powerful nations, China and India. Bhutan has a total land area of 38,394 square kilometres, roughly about the same size as Switzerland. It is a mountainous country, where only three per cent of the land is cultivatable, about four per cent of the land is pasture land, and 70 per cent is covered with forest. The total population of Bhutan is recorded 768577 in 2016. Population Density(Person per sq. km) is 20 as per office record in the year of 2016. Buddhism continues to play a central role in shaping social values and culture in Bhutan. The majority of the population are Buddhists whilst people in the southern part of Bhutan are mostly Hindus.

Bhutan is one of the few countries in Asia which was never colonised by the British Empire.

In terms of gender equality, in fact in terms of property rights women have more property rights in some parts of Bhutan than the men. For instance, in the western part of Bhutan, daughters inherit more land than sons. Bhutan is a high ranking peaceful and happy country in the world. Following tables show it.

**Table 1.** South Asia ranking of peaceful countries in the region

Country	World ranking	Regional ranking
Bhutan	15	1
Sri Lanka	72	2
Nepal	76	3
Bangladesh	101	4
Myanmar	125	5
India	141	6

Pakistan	153	7
Afghanistan	163	8

Source: Institute for Economics and Peace (2019)

**Table 2.** South Asia ranking of happy countries in the region

Country	World ranking	Regional ranking
Pakistan	75	1
Bhutan	95	2
Nepal	101	3
Bangladesh	115	4
Sri Lanka	116	5
Myanmar	130	6
India	133	7
Afghanistan	145	8

Source: World Happiness Report (2019)

One of the most differentiated characteristics of this tiny country is that Bhutan’s overall development philosophy is based on the concept of Gross National Happiness (GNH), which challenges the conventional concept of GDP for measuring the progress of the country. Instead it considers the psychological and social wellbeing of the citizens and the need to balance between economic growth and social development.

**Research Objectives**

The researchers have put following major objectives in the study, which contribute to development of GDP and GNH of Bhutan.

1. To study Employee Satisfaction (SE) in manufacturing industries in Bhutan.
2. To do comparative analysis of Employee Satisfaction (SE) in manufacturing industries of different ownership in Bhutan.

**Research design and findings**

The researchers have studied Employee Satisfaction (SE) in nine manufacturing industries of different ownerships in Bhutan using one set of questionnaires. Total respondents were 294 people including managers and employees. The questionnaires were framed and structured using 5 Point Likert Scale. For comparative analysis only three manufacturing industries of different ownership have been chosen for the study.

**Table 3.** Questionnaire for studying Employees’ Satisfaction (SE)

Attributes	Questions
SE1	You are satisfied with your fellow workers/peer group.
SE2	You are satisfied with the freedom to choose your own method of working.
SE3	You are satisfied with your immediate Boss.
SE4	You are satisfied with the amount of variety of work.
SE5	You are satisfied with the amount of responsibility of work.
SE6	You are satisfied with the hours of working.
SE7	You are satisfied with the opportunities to use your abilities.
SE8	You are satisfied with your physical working conditions.
SE9	You are satisfied with your job security.
SE10	You are satisfied with the attention paid to your suggestions.
SE11	You are satisfied with the way our organization being managed.
SE12	You are satisfied with the management and workers relation in the company.
SE13	You are satisfied with the recognition you get for good work.
SE14	You are satisfied with your chance of promotion.
SE15	You are satisfied with your rate of pay.
SE16	You are satisfied with your company employee’s welfare facilities.
SE17	You are satisfied with your morale in associating with your company
SE18	You are satisfied with less employee turnover of the company.
SE19	You are satisfied with less employment absenteeism in the company.
SE20	You are satisfied with gender discrimination policy in the company.
SE21	You are satisfied with company’s Corporate Social Responsibility initiative.

SE22	You are satisfied with company’s policy on preservation & protection of Bhutan’s culture and heritage.
SE23	You are satisfied with company’s awareness on eco-friendly environment.

For each of the above sections, the common 5 point rating scale goes like this:

- Strongly Disagree – indicated by 1
- Disagree - indicated by 2
- Neither Agree nor Disagree - indicated by 3
- Agree - indicated by 4
- Strongly Agree - indicated by 5

**Frequency distributions of Employee Satisfaction in manufacturing industries**

**Table 4.** Frequency distributions of Employee Satisfaction in Industries, (%)

Attributes	1	2	3	4	5
SE1	4	11	10	57	18
SE2	5	9	20	55	11
SE3	3	6	13	54	24
SE4	6	10	18	50	16
SE5	6	10	27	41	16
SE6	5	10	16	50	19
SE7	6	14	20	46	14
SE8	4	8	21	51	16
SE9	3	10	22	50	15
SE10	6	12	30	40	12
SE11	8	12	22	44	14
SE12	7	13	24	48	8
SE13	5	13	30	45	7
SE14	10	17	33	35	5
SE15	12	18	24	38	8
SE16	7	6	22	51	14
SE17	4	11	32	45	8
SE18	9	16	33	37	5
SE19	5	15	30	43	7
SE20	9	13	30	35	13
SE21	6	5	29	43	17
SE22	4	6	23	45	22
SE23	4	5	14	49	28

The maximum number of respondents agree that employees are more satisfied with fellow workers/peer group, which is supported by 57% respondents. The minimum number of respondents agree that they are less satisfied with their chance of promotion and also with gender discrimination policy in the company, both of these two parameters are supported by 35% respondents.

**Analysis of SE by main domains**

**Table 5.** Survey of Employee Satisfaction by main domains

Main Domains	Questions	Total Agree, %	Total Disagree, %	Neutral, %
Working Conditions	SE2 You are satisfied with the freedom to choose your own method of working.	66	14	20
	SE4 You are satisfied with the amount of variety of work.	66	16	18
	SE5 You are satisfied with the amount of responsibility of work.	57	16	27
	SE6 You are satisfied with the hours of working.	69	15	16
	SE7 You are satisfied with the	60	20	20

	opportunities to use your abilities.			
	SE8 You are satisfied with your physical working conditions.	67	12	21
	SE9 You are satisfied with your job security.	65	13	22
	SE10 You are satisfied with the attention paid to your suggestions.	52	18	30
Salary and Benefits	SE15 You are satisfied with your rate of pay.	47	29	24
	SE16 You are satisfied with your company employee's welfare facilities.	64	14	22
	SE17 You are satisfied with your morale in associating with your company.	53	15	32
Recognition and Promotion	SE13 You are satisfied with the recognition you get for good work.	52	18	30
	SE14 You are satisfied with your chance of promotion.	39	28	33
Human Relations	SE1 You are satisfied with your fellow workers/peer group.	75	14	11
	SE3 You are satisfied with your immediate Boss.	78	10	12
	SE12 You are satisfied with the management and workers relation in the company.	56	20	24
Policy of the Company	SE11 You are satisfied with the way our organization being managed.	58	20	22
	SE18 You are satisfied with less employee turnover of the company.	42	25	33
	SE19 You are satisfied with less employment absenteeism in the company.	50	20	30
	SE20 You are satisfied with gender discrimination policy in the company.	48	22	30
	SE21 You are satisfied with company's Corporate Social Responsibility initiative.	60	12	28
	SE22 You are satisfied with company's policy on preservation & protection of Bhutan's culture and heritage.	67	10	23
	SE23 You are satisfied with company's awareness on eco-friendly environment.	77	9	14

Employees are more satisfied with fellow employees (75% satisfied) and boss (78% satisfied) but not so much with overall management and employee relations (56% satisfied). It can be explained by comparatively low salary as only 42 % employees are satisfied with the rate of salary and only 39 % employees are satisfied with promotion. Employees are relatively satisfied with physical working conditions (65% satisfied) and job security (67% satisfied). Employees are more satisfied with company's policy on preservation & protection of Bhutan's culture and heritage (67% satisfied) but less satisfied with gender discrimination policy (48 % satisfied).

**Comparative analysis of SE in industries of different ownership**

**Table 6.** Survey of Employee Satisfaction in manufacturing industries of different ownership

Main Domains	Questions	Government Company BBPL			Private Company Lhaki Steel			Joint Venture BFAL		
		TA (%)	TD (%)	N (%)	TA (%)	TD (%)	N (%)	TA (%)	TD (%)	N (%)
Work- ing Condi-	SE 2	63	10	27	93	7	0	48	22	30
	SE 4	53	10	37	79	10	11	50	25	25

tions	SE 5	67	7	26	66	7	27	63	15	22
	SE 6	63	10	27	69	17	14	60	15	25
	SE 7	67	17	16	63	3	34	45	20	35
	SE 8	67	7	27	72	4	24	42	25	33
	SE 9	70	0	30	52	17	31	62	15	23
	SE 10	43	27	30	48	14	38	45	18	37
Salary & Benefits	SE 15	57	30	13	59	17	24	60	17	23
	SE 16	67	10	23	76	0	24	70	12	18
	SE 17	47	16	37	76	0	24	40	25	35
Recogniti on & Promotio n	SE 13	63	17	20	59	7	34	38	32	30
	SE 14	27	36	37	59	14	27	38	22	40
Human Relations	SE 1	90	7	3	86	7	7	45	37	18
	SE 3	77	10	13	90	0	10	80	7	13
	SE 12	47	23	30	90	0	10	45	35	20
Policy of the Company	SE 11	57	20	23	66	17	17	45	20	35
	SE 18	47	20	33	63	3	34	42	20	38
	SE 19	47	27	26	45	3	52	55	22	23
	SE 20	47	20	33	45	17	38	48	30	22
	SE 21	67	3	30	49	3	48	68	2	30
	SE 22	87	3	10	65	3	32	63	15	22
	SE 23	83	0	17	73	10	17	65	5	30

Note: BBPL : Bhutan Boards Products Limited, Govt Owned Company  
 Lhaki Steel Private Limited Company  
 BFAL : Bhutan Ferro Alloys Limited, Joint Venture Company  
 TA: Total Agreed , TD: Total Disagreed, N: Neutral

Employees are more satisfied with working conditions in the Private company Lhaki Steel than in the government owned company BBPL and in the joint venture BFAL as per answers of the respondents. 72 % respondents are satisfied with Physical working conditions (SE8) in Lhaki Steel, whereas 67% in BBPL and only 42 % in BFAL. 79% respondents are satisfied with the amount of variety of work (SE4) in Lhaki Steel, 53% respondents in BBPL and only 50% in BFAL.

Employees are more satisfied with human relations in the Private company Lhaki Steel than in the government owned company BBPL and in the joint venture BFAL as respondents answered. 90 % respondents are satisfied with immediate Boss (SE3) in Lhaki Steel, whereas 77% in BBPL and 80 % in BFAL. 90 % respondents are satisfied with the management and workers relation in the company (SE12) in Lhaki Steel, 47% respondents in BBPL and only 45% in BFAL.

Employees are not so much satisfied with the rate of pay in all industries. 59% respondents are satisfied with the rate of pay (SE15) in the Private company Lhaki Steel, 57 % the government owned company BBPL and 60% in the joint venture BFAL. But employees are more satisfied with employee's welfare facilities (SE16), i.e., 76% in Lhaki Steel, 67% respondents in BBPL and only 70% in BFAL.

Employees are less satisfied with policy of the company in Private company than in the government company. 49% respondents are satisfied with company's Corporate Social Responsibility initiative (SE21) in the Private company Lhaki Steel, 67 % respondents in the government owned company BBPL and 68% respondents in the joint venture BFAL. 65 % employees are satisfied with company's policy on preservation & protection of Bhutan's culture and heritage (SE22) in Lhaki Steel, 87 % respondents in BBPL and 63% in the joint venture BFAL.

## II. CONCLUSIONS

The study concludes that overall Employee Satisfaction in manufacturing industries are at high level. Due to good human relations among people, rooted in their national culture employees cope with life challenges more softly in order to keep and support harmony with one another and pursue happiness in life in this wonderful country. With minimum level of salaries, wages, moderate working conditions, less economic and

social benefits they are content with their jobs and management people. The research proves that Bhutan is a peace seeking country and it pursues successfully Gross National Happiness as their national goal.

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