

CREATING AN EMPLOYEE SATISFACTION SURVEY PROCESS

Case: CARGOTEC

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Abstract <p>The object of this study was to find out and create a suitable employee satisfaction survey process frame for a Finnish provider of cargo handling solutions, Cargotec. The company is now in a change process and wants to start a general employee survey for all their employees around the world.</p> <p>The research methodology used in this study was qualitative. 6 employees of Cargotec from four different units were interviewed to get views and opinions about the up-coming survey process.</p> <p>The research showed that the opinions of the employees fairly well matched with the original plan of Cargotec's HR team. Despite a few differing ideas, findings were that a general employee survey should be made for all employees every one and a half years, followed by clear action and follow-up plans. The process should also be supported with smaller pulse surveys when needed.</p> <p>Though the study is for Cargotec, it can be a guide and give ideas to other similar companies starting a new HR process.</p>		
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Tiivistelmä <p>Tämän tutkimuksen tavoitteena oli luoda sopiva prosessi työntekijätyytyväisyyden mittaamiseen suomalaiselle lastinkäsittelyratkaisujen toimittajalle, Cargotecille. Kyseinen yritys käy läpi suuria muutoksia ja haluaa tehdä yleisen tyytyväisyystutkimuksen kaikille työntekijöilleen ympäri maailmaa.</p> <p>Tutkimusmetodi tutkimuksessa oli kvalitatiivinen. Kuutta työntekijää Cargotecin neljästä eri yksiköstä haastateltiin, jotta saataisiin heidän ideoitaan ja mielipiteitään tulevasta tutkimusprosessista.</p> <p>Tutkimustulokset osoittivat, että haastateltujen työntekijöiden näkemykset vastasivat melko hyvin Cargotecin henkilöstöjohdon alkuperäistä suunnitelmaa. Muutamista eriävistä mielipiteistä huolimatta tuloksena oli, että yleinen tutkimus kaikille työntekijöille tulisi tehdä puolentoista vuoden välein, mitä seuraavat selkeät toiminta- ja seurantasuunnitelmat. Prosessia pitäisi myös tukea pienemmillä pulssitutkimuksilla tarvittaessa.</p> <p>Vaikka tämä tutkimus on tehty Cargotecille, se voi antaa ohjeita ja tarjota ideoita samankaltaisille yrityksille, jotka ovat aloittamassa uutta prosessia henkilöstöjohtamisen saralla.</p>		
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1 INTRODUCTION

1.1 The work environment of changes

During the last couple of years it has been inevitable to see articles and news in the media about company and organization layoffs, downsizing and even bankruptcies, due to the ongoing recession in most industrialized countries. As Banks and Coutu (2008) mentioned already in September 2008, downsizing became almost a routine. Finland is one of these countries where many, especially bigger global companies have been forced to make major changes in their personnel structure. All this extra weight and stress in numerous businesses has brought the satisfaction and well-being of employees back to the top of the agendas of human resource managers. Thus the concept of employee satisfaction (ES) is actually more topical than it may sound at first.

In fact, employee satisfaction surveys (ESS) have quite a long history and a great number of theories and studies connected to satisfaction have been made. Thus, it can be said that ES and related topics are one of the central areas in human resource management (HRM), arousing interest among different researchers. After all, most people spend around 40 hours per week at work; consequently it is worrying if they are not satisfied with their jobs. Having miserable workers can lead to e.g. unwanted company turnover and lower profitability, as this study will later on explain.

Satisfaction, especially employee satisfaction, is a very complex concept as individuals vary a lot in their preferences and opinions of what makes them feel satisfied. Even though money seems to rule in today's materialized world, most often it is not the first and most precious thing people mention, when they are asked what they value and what makes them motivated at work. Therefore, we can assume that it takes a lot more from companies than only salary raises to make their employees satisfied and motivated. Furthermore, due to the difficult financial situations, managers are actually often even forced to create other ways than money to motivate their workers.

In addition, according to Thompson (2004), the employees will take care of the customers if the employer takes care of the staff. This is quite a clear argument, though there is no official proof of it being true. However, with just using common sense we can see how important it is for a company that its workers feel good.

1.2 Background for the study

While studying in the International Business Program the author was most interested in management, especially HRM issues from the numerous fields of business. Thus, a discussion with Cargotec's HRM team about a potential study commissioned by the company was started. Later on, it led to the idea of making a background research for the company's global employee satisfaction survey process, which started with a pulse survey in the end of 2009. The need for this study originally came from Cargotec and the research problem and method was further discussed by the author and the company and assisted by lecturer Juha Saukkonen.

As mentioned earlier, the satisfaction and well-being of employees became a hot topic again due to difficulties in many companies, which was one of the reasons why the author found this issue very interesting. Furthermore, Cargotec has a colorful history of unifying separate companies, and they are now harmonizing the HRM functions in their firm. This is one of the factors which made it necessary for the company also to carry out a common global employee satisfaction survey process regarding all their employees around the world. This general employee survey will, again, get the company one step closer to the system of integrated HRM functions.

Cargotec has, in fact, already made a general plan for the employee survey process. They plan to make a proper ESS every one and a half years of all the employees. In addition, they intend to conduct smaller pulse surveys for targeted employee groups with specific themes when needed. Both of these are to be made via e-mail. The overall results will be communicated from the corporate level, though also detailed discussions within the different units will be organized. In addition, the human

resources (HR) specialists and managers running the discussions will have training in order to successfully run these feedback sessions. Finally, there will be corporate and unit-level development based on the results of the survey, and follow-ups of the plans as well.

Nevertheless, before starting the whole process of employee satisfaction, Cargotec wanted to conduct a background research to listen a few employees from different units of the company telling about their views of the process. Furthermore, they wanted to get an idea of what these employees expect from the process and even more so, how they suggest the results to be dealt with. The author's role in the research was not only to gather and analyze the data, but also to give new ideas and perspectives as an outside researcher. Therefore, this study is to present and explain general reasons for an employee satisfaction survey process and, more importantly, what should an employee satisfaction survey process in Cargotec consist of. Although the study was planned specifically for Cargotec, other firms of similar interests can use the study as a guide and get some new ideas for their own processes.

1.3 Research method and questions

The study was conducted as a qualitative research as it serves this case study better than a quantitative method. According to Blaxter, Hughes and Tight (2006, 64), qualitative research is the method to gather information mainly non-numeric. Furthermore, they propose that the qualitative method supposedly brings more in-depth information which makes it a proper method for a broad and complex subject like employee satisfaction. As the topic itself is not easy to explain, it requires to be viewed from different angles instead of measuring or calculating averages of opinions, which the qualitative method would bring. Furthermore, Kananen (2009, 25) suggests that a qualitative method is preferable when the research phenomenon is connected to structures and processes and we want to study and describe them. In addition, Yli-Luoma (2001, 35) showed that the qualitative method does not have hypothesis, but it actually generates them and brings out new aspects and points of

view. Accordingly, qualitative research was found to be more suitable for this Cargotec study.

Interview was chosen as a data gathering method to get more open and broader answers of the subject. In addition, in an interview there's the possibility for further questions, which is often necessary when talking about a subject like employee satisfaction survey. The chosen interview method was half-structured interviewing, meaning that there were ready-made open questions that all the respondents answered. The reason for choosing this method is, as Kananen (2009, 74) mentions, half-structured interviews are clear but give freedom to answer. Organizing open theme interviews probably would not have given opinions to the issues that the study was interested in, and on the other hand, multiple choice questions would not have given the respondents the freedom to tell their own ideas. Thus, the half-structured interviews suited well, as the respondents gave opinions about the wanted topics, yet they were able to do it openly. In addition, as Kananen (2009, 73) mentions, only presenting the research question won't produce a solution, which is why I formed a few sub-questions for my research and for the interview even a couple more (see 3.2.1).

The main research question is:

- How should the Employee satisfaction process in Cargotec be structured?

The sub questions for the research are:

- What issues should be taken into account during the process?
- How should the research and its results be communicated?
- What should happen after the research?
- What are the biggest challenges and on the other hand opportunities for the process?

In this survey, 6 employees from four different units and positions in Cargotec were interviewed, to get a picture of their feelings and ideas of what the process should be

like, what should be measured, what factors should be taken into account etc. In fact, two persons from Finland, two from the USA and two from China were interviewed. All the respondents had somewhat different backgrounds, though three of them were HR managers. The participants for the interview were chosen by Cargotec's HRM team, which might in some cases bring biased answers. However, the background of the respondents was carefully considered, as there were persons from different units and different positions. Therefore, we can assume that these interviews brought perspectives from diverse positions and the gathered data has enough variety.

1.4 CARGOTEC – keeps cargo on the move

Cargotec is a globally operating limited company offering solutions to ease cargo flow as well at sea as ashore. They are specialized in cargo handling systems and related services like load handling, container and heavy machinery handling and marine cargo flow solutions. Despite being a big global player, the roots and base of the firm are in Espoo, Finland. Currently the company has close to 11 000 employees operating in 120 countries. Cargotec's sales in 2008 were around 3,4 billion Euros, and the company still keeps on growing. (Cargotec Annual Report, 2008, 4-5.)

The company is actually a result of a demerger of Kone Corporation into two separate companies (Cargotec and New KONE) in 2005, when the load handling Hiab, container handling Kalmar and marine cargo handling MacGREGOR, all subsidiaries of KONE, formed Cargotec. Despite the fairly late foundation, these units within the company have their own long histories and experiences, which is one of the greatest reasons why Cargotec can be considered as a technology leader in its field. Basically, the customers of Cargotec include logistic companies, distribution centers, ship and port operators, truck owner-operators, ship owners, shipyards and the defence forces of various countries. Other main customers include municipalities, terminals and heavy industry companies. Internationally, Cargotec operates either through its

own sales companies or distributors in various countries. (Cargotec, About Cargotec & Investors 2009.)

The President and CEO of the company, Mikael Mäkinen, says that the year 2008 was “a year of challenges and adjustments”. In the beginning of the year, Cargotec launched a global change program called “On the Move” with three main objectives: to increase internal efficiency, enhance customer focus and facilitate growth. The program includes a lot of changes of which some have already been executed, e.g. the consolidation of IT, HR and communications to corporate level. In addition to the transformations done according to the change program, the company had to make unfortunate adjustments due to the global financial crisis in 2008. According to Mäkinen, the year began with a strong demand and the company also ended the year with an exceptionally long order book. However, the many successes during the year didn’t save the company from the layoffs as the lower demand and profitability hit Cargotec. (Cargotec Annual Report, 2008, 6-7.)

As mentioned earlier, the HRM department of Cargotec is now operating on a corporate level. In other words, the department is working with the new uniform operating model and global matrix organization instead of the older structure, when all of the three business units had their own HR organizations. Nevertheless, the HR department is divided so that the competence and support in key areas, and strategic planning are consolidated in centers of expertise while the operative HRM and local business support functions are organized regionally in order to serve to country organizations that are set up according to the On the Move-program. (Cargotec Annual report, 2008, 34-37.)

The company points out that they invest in the development of their employees to further improve employee satisfaction and to make the personnel committed to the completion of the company strategy. They aim to do this by concentrating on the support for employee and change management, the development of leadership skills and human resource competence and committing the best talents. In addition, they state that the key priorities in their people strategy are: attract and retain the best people, ensure that the essential people processes and tools are well embedded

globally, develop leadership and performance management, reward and recognize and enhance the winning spirit and corporate culture. (Cargotec Annual report, 2008, 34-35.)

Due to the previously mentioned restructure of the personnel in the beginning of the year, there are now approximately 11 000 people working for Cargotec worldwide. The personnel cuts were mainly conducted in Western Europe and North America. More specifically the highest cuts took place in Finland, Sweden, the Netherlands and USA. In the end of 2008, Cargotec employed 11 826 people, of which 15% were women and 85% men. (Cargotec Annual report, 2008, 35.) This is quite a logical division when taking the field of business into consideration. In addition according to the annual report, only three percent of all the employees were working part time with 97% of them having a fulltime job.

As the company is operating in many fields of business and is doing it globally, we can assume that the variety of its employees is vast. Thus, there are numerous different needs in the company, which makes it challenging for the HR department to try to keep all its employees happy around the world. This is also why creating a common ESS will be hard and gives yet another reason for this study.

2 THEORETICAL AND CONCEPTUAL FRAMEWORK

2.1 Role of human resource management in a company

Human resource management is, as the name refers, the part of management that focuses on managing the personnel of a firm. According to Beer (1984) it covers the following four main practices; employee influence, work systems, human resource flow and reward management (Boddy, 2008, 354). The main purpose of HRM is to make sure that the employees of a company are used in a way that the employer receives the greatest possible benefit from their skills and the employees obtain both

material and psychological compensation from their work. In addition, it is said that HRM is the function that links the personnel and other human resources management factors to the overall organizational planning and strategy formulation process. HRM has a long-term orientation and it tries to integrate all the human aspects of an organization into a functional whole. (Graham & Bennett, 1998, 3, 6.)

Furthermore, the concept of HRM has its roots in the emergence of industrial welfare work from the 1890s, when organizations due to different motives started to offer various benefits to employees such as medical care and housing. From personnel management the term HRM was first developed in the 1980s as the new concept of employment management. During these last decades managers and leaders in business have noticed that the people of the organization play a big role when creating a competitive advantage of a firm. In addition, the responsibilities of HRM have become more extensive and strategic during the years. (Redman & Wilkinson, 2009, 4-6.)

As mentioned earlier, the role of HRM is growing all the time, especially now when companies are about to face the problem of talent and labor shortage in addition to the economic difficulties due to the recession. Even though HRM can't be considered as a profit center of an organization, when working well, it can be a solution and a very helpful tool to make the other departments in a firm to make the best out of their selves. E.g. according to Graham and Bennett (1998, 7) now more than ever HRM is expected to contribute not only to productivity but also to quality improvement, stimulation of creative thinking, leadership and development of corporate skills. Furthermore, it has been said that through a research in a human capital management department they actually noticed that where there are excellent HR practices, there is higher shareholder value (Saukkonen, 2009).

It is also worth to mention that HRM like also the other functions of an organization are greatly influenced by external factors. The picture below describes well how the environment has an effect to HRM through labor unions, management practices, legislation and especially when talking about employee satisfaction the changing world of work. E.g. changes in legislations can have impact on employee safety and

health and changes in management practices can have an effect on the motivation and productivity of the employees.

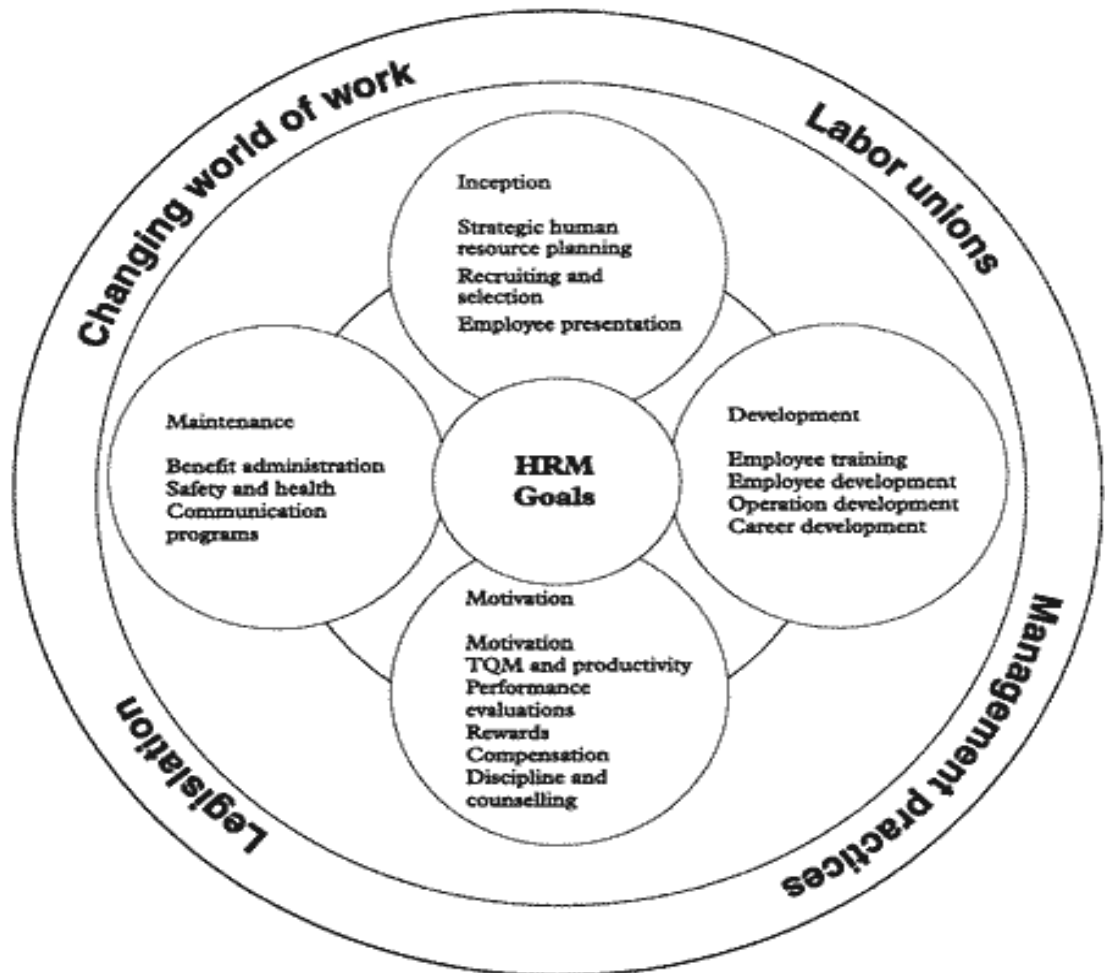


FIGURE 1. An illustration of the external influences on HRM. Now is the time to Challenge HRM Orthodoxy, 2009.

2.2 The concept of employee satisfaction

To better understand an ESS process and its importance, it is also central to study the concept of employee satisfaction. As suggested earlier, it is essential for the managers to remember that employees do not work only for the money nowadays. Work for many is more and more about accomplishing and developing oneself and

building relationships to others. Thus, feeling good and happy about the job is crucial. Employee satisfaction, according to Heathfield (2009), is the concept used to describe whether an employee is fulfilling his or her needs and wishes and feels happy and content at work. ES is an important issue for a company and is therefore often measured by the HR departments in most companies. However, the concept is also complex as it changes constantly, is affected by a huge amount of factors and varies greatly between individuals.

More often, there are specific theories and definitions about job satisfaction, even though the term employee satisfaction is more used in the daily life in organizations. For instance, McShane and Von Glinow (2008, 145) simplify job satisfaction as a person's evaluation of the job and its context. In other words, they say it is an appraisal of the identified job characteristics, work environment and the different emotional experiences at work. On the other hand, Juuti (1988, 47) goes more in-depth and defines job satisfaction as subjectively experienced state of adjustment to work, which reflects the correlation to the hopes and conditions and experiences set and felt by that person. Yet again, Chmiel (1998, 31) states that job satisfaction can be viewed as the overall approach to the job or the fusion of various attitudes towards the different parts of the job. However, in conclusion the concept means basically the content feeling that a person gets from his or her job and the context of the job.

When evaluating the concepts of employee and job satisfaction, one can see that there might be a small conflict between these two. One may say that ES is the broader concept which takes also other factors than only the job into consideration. Nevertheless, many of the definitions of job satisfaction, e.g. the ones stated above, also mention the job context as part of job satisfaction. Thus, in this study I will consider these two concepts, employee and job satisfaction, as equal to each other.

Many psychologists make the assumption that human behavior is goal-seeking, meaning that people aim to achieve goals, which when reached will satisfy their needs (Graham & Bennett 1998, 61). In other words, the various drives and needs that people have are behind the satisfaction that they seek. Naturally, these needs

and wants are linked to motivation of people. Consequently, satisfaction and motivation are also very closely linked to each other. In fact, the two are often even mixed with each other, though they are two totally different things. According to Ruohotie (1998, 46) satisfaction is a result of the rewarded work performance whereas motivation is influenced by e.g. the expectations of those rewards.

The Figure 2 demonstrates well the connection between these three concepts. The satisfaction process starts from the numerous needs that people have, which motivate them to satisfy these needs. As people don't work in isolation, the social context has an influence on people's behavior. The social context includes the job, organization and environment and can naturally partly be affected by management. Finally, the outcome whether these needs become satisfied or not, determines if people feel rewarded and feel the need to repeat the action. (Boddy, 2008, 488-489.)

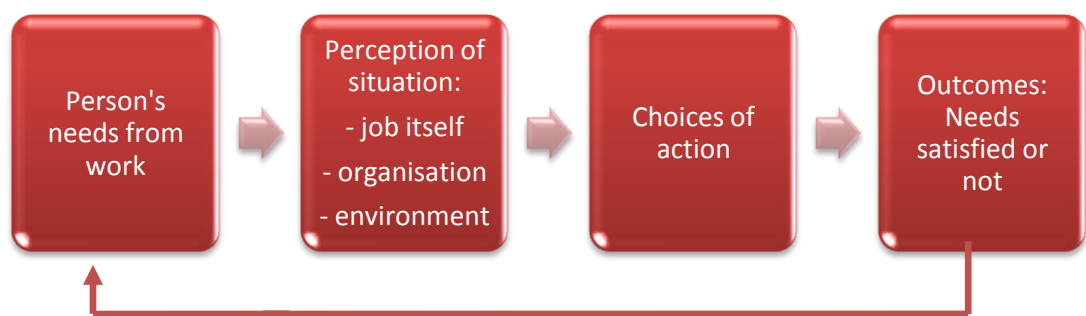


FIGURE 2. Social context of motivation. Boddy, 2005.

All these three concepts have various theories behind them and in the following part a few essential studies are presented to explain satisfaction, needs and motivation in order to better understand employee satisfaction survey process and the results for this Cargotec case study.

2.3 Herzberg – Two-factor theory

A theory called two-factor theory is one of the two most central theories regarding this ESS case study. An American psychologist Frederick Herzberg made this popular theory based on his own research. This theory of his is called two-factor or dual-factor theory and is basically about employee motivation and satisfaction. Graham and Bennett (1998, 69-70) say his theory presents, that the factors influencing satisfaction can be divided into two; the factors that satisfy employees and the factors that reduce satisfaction. They mention that Herzberg defined these two groups as motivators or satisfiers and hygiene factors or maintenance factors. Graham & Bennett (1998, 69) also state that he based his results on two basic questions:

1. What events at work have resulted in a marked increase in your job satisfaction?
2. What events at work have resulted in a marked reduction in your job satisfaction?

The results showed that, unlike could be expected, the factors that the respondents considered to be satisfying weren't the opposite of those that were unsatisfying. Thus, according to Boddy (2008, 494), Herzberg found that when describing unsatisfying things, the respondents mentioned issues surrounding the work (hygienes) as can be seen in the Table 1. Furthermore, he mentions that satisfying things (motivators) were normally closely related to their own work and tasks. Therefore, the analyzed replies according to Herzberg concluded that the factors could be divided as followed:

TABLE 1. Herzberg's analysis of the two-factor theory. Graham & Bennett, 1998.

Motivators/Satisfiers	Hygiene/Maintenance factors
<ul style="list-style-type: none">• Achievement• Recognition• Responsibility• Promotion• Work itself	<ul style="list-style-type: none">• Pay• Relation to others• Type of supervision• Company policy• Physical working conditions• Fringe benefits

Herzberg says that the hygiene factors are issues that tend to either maintain the persons at work or make them leave. E.g. a worker might leave a company due to an inadequate pension scheme, but would not be motivated to work more if the pension scheme was better. Thus, adding and improving too much of these hygiene factors, is not a very effective tool to make an employee satisfied as these factors satisfy the lower-level needs which are in fact easily satisfied. On the other hand, the satisfiers are the factors that most probably won't make a person leave the job, but make them motivated to work harder and better. Lack of responsibility for instance doesn't often make an employee to leave his or her job, but in case it was increased it often would make the employee more motivated. (Graham & Bennett, 1998, 69-70).

Consequently, according to Dessler (2005, 440), Herzberg suggests the employer to emphasize the motivator factors in order to create a self-motivated group of employees. In other words, he mentions that Herzberg advises managers to organize the jobs so that they are more challenging and that doing the job itself provides feedback and recognition. Thus, the job alone would create motivation and creating the motivation wouldn't rely too much on outward factors such as pay. Nevertheless, Herzberg found also that there were differences between individuals on how

important they considered the factors. E.g. he noticed that some seemed to seek the job content issues like achievement while others were especially looking for hygiene factors like pay (Graham & Bennet, 1998, 70).

Even though this dual-factor theory is famous and often used, it has some critical points that should be discussed. First of all, according to Bloisi, Cook and Hunsaker (2007, 204), House and Wigdor (1967) state that other studies using another methodology have failed to support Herzberg's findings despite the fact that the research has been redone and other studies using same methods have found supporting results. They think this is because the form of the study and the questions tend to produce results of certain type, so in other words the study is method-bound. People tend to relate the positive experiences, in this case for instance success and recognition, to themselves and the negative experiences like poor working conditions on issues beyond their own control (Graham & Bennett 1998, 70).

Furthermore, according to Bloisi et al. (2007, 204), House and Wigdor (1967) mention that the theory is said to generalize the complexity of satisfying and unsatisfying issues and the relationship between satisfaction and motivation as these are not the same for all individuals. In addition, the proposition that money is a hygiene factor has raised conversations among researchers. Graham and Bennett (1998, 71) again show, that some people suggest that money can be a dominant motivator as it for example offers people access to products and services which make people feel satisfaction. They say that others again propose that some do not consider good salary (which itself is subjective and hard to define) as important as the content of the job. However, they conclude that money is generally considered to be a functioning motivator, at least and especially in short-term. Despite these few arguments, the two-factor theory has been useful and can still be used as a guide when thinking about motivation or satisfaction issues at work.

2.4 The concept of motivation

Motivation is defined by Robbins and Coulter (2002, 424) as “the willingness to exert high levels of effort to reach organizational goals, conditioned by the effort’s ability to satisfy some individual need.” This is a definition that suits well for this case study as it specifies the goals as organizational goals and has its focus on behavior at work. In addition, it ties the concept of motivation to satisfaction with its statement that human motivation is behind the satisfaction of a need.

On the other hand, Bloisi et al. (2007, 196, 207) say that motives are learned from the various and different experiences that we have. They mention that some actually learn to be energized when they find situations that offer the opportunity to feel satisfied. According to them, e.g. need for achievement, power and competence are learned motives, which are greatly in connection with organizational behavior and satisfaction. In practice, this means that some people have learned to be more oriented to seek achievement or power than others, which naturally has an effect on what makes people satisfied or not.

The Figure 3 shows how motivation is very closely linked to other factors. The core idea of the cycle of motivation is that high motivation, contributes to good performance, which needs good feedback in order to result self-satisfaction. The satisfaction again builds up to high motivation and the cycle keeps on going around. In fact, the cycle can be seen to start from which ever point. This cycle illustrates well how motivation is linked not only to satisfaction and performance but also on the feedback that a person needs in order to be motivated. Giving feedback is often forgotten, even though it can be an effective tool to improve employees’ performance. Herzberg also mentioned that in order to create a motivated workforce providing feedback is crucial. In addition, Hinkin and Schriesheim (2009, 15) mention, that now that the financial situation in many companies is tough, manager’s feedback and compliments become a valuable and effective resource. They say that employees tend to do what brings praise and avoid what does not.

However, constructive and negative feedback should not be forgotten either, because it helps the employees to correct their mistakes and develop their skills.



FIGURE 3. Cycle of motivation. Saukkonen, 2008.

2.5 Alderfer – ERG theory

As stated above, the needs of people are in a crucial point when talking about satisfaction. Thus, the famous theory of Hierarchy of needs by psychologist Abraham Maslow and Alderfer's later adaptation of this theory should be mentioned and explained. Maslow's theory relies on the idea that people have different set of needs starting from the physiological needs all the way to self-actualization. He also states that a person should first satisfy the lower-level needs as they then affect less on the person's behavior and he or she is then ready to proceed to satisfy the higher-level needs. (Bloisi et al. 2007, 200-201.)

Despite the huge popularity of the study it has got some criticism among researchers. First of all, Maslow suggests that the lower-level needs have to be satisfied before a person starts to achieve higher-level ones. However, according to Graham and Bennett (1998, 63) some people have an urge to fulfill the higher-level needs before the lower-level ones have been satisfied. In addition, they mention that the order of the hierarchy has been questioned as there are individual differences in what needs people rank as important. E.g. culture, traditions, society and life-style can have a great effect on what people feel they need and in which order.

Due to these arguments, Clayton Alderfer proposed an ERG theory to develop and update Maslow's theory. He suggested, that instead of five states of needs there are only three: existence, relatedness and growth needs (Graham & Bennett, 1998, 63). In Figure 4 are presented both of these two theories to illustrate the differences. According to Alderfer the existence needs would be approximately identical to Maslow's physiological and security needs. Relatedness needs again are the social-emotional needs which drive people to seek things such as acceptance, caring and status. The growth needs again drive the person to develop him or herself and to get a sense of self-worth. Alderfer neglects Maslow's idea that the lower-level needs have to be satisfied first in order to achieve the higher-levels. This is because e.g. artists can often be so concentrated on their work that the existence needs become secondary. (Bloisi et al. 2007, 200).

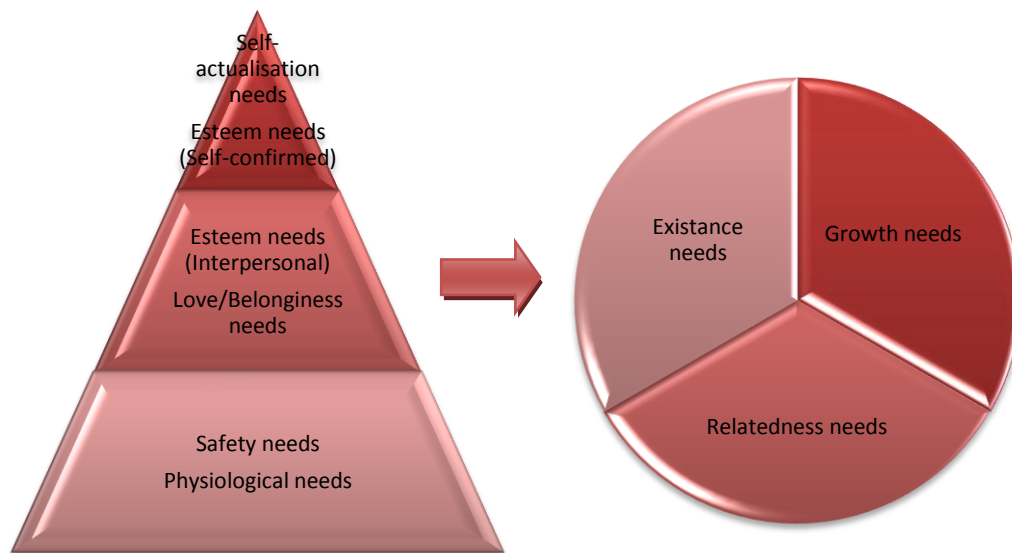


FIGURE 4. Comparison of Maslow's and Alderfer's theories, adapted from Boddy, 2008.

According to Bloisi et al. (2007, 200), Alderfer mentions that even though the hierarchy that Maslow created does not always apply, the longer the lower-level needs are unsatisfied the more they become wanted. In addition, they say that Alderfer suggested that as humans are elaborate, more than one need can be operating at the same time. Furthermore, Boddy (2008, 498) states that a later study of this theory showed that managers were primarily trying to achieve growth needs whereas frontline staff was motivated by existence and relatedness needs. He says that however, naturally frontline employees also become motivated if their growth needs become satisfied.

2.6 Creating a process and tools to measure ES

Creating a process

As this study is about forming a general process for a company, understanding some basics of process planning and creation is naturally absolute. Total quality management (TQM) is a strategy realizing all the policies, operational methods and

organizational structures of a firm, related to quality management and the improvement of the quality of the firm's output (Graham & Bennett, 1998, 107). According to Boddy (2008, 666), TQM is driven by the needs and expectations of customers and concentrates on continuously improving work processes. In fact, an American expert W. Edwards Deming, who is considered to be the father of TQM, has created simple and useful tools for creating processes.

To form a whole new process for a company is naturally a time-consuming and often also very challenging task. According to Averson (2009) in order to create a simplified process frame, the earlier mentioned expert Deming came up with a Deming cycle, also called as the Plan-Do-Check-Act cycle (PDCA-cycle). Averson (2009) also states that the concept is often called the Continuous improvement cycle as it is meant to generate continuous learning through the repetition of the four separate stages. These four steps can be seen in Figure 5. The concept of the Deming cycle can be considered to be the other most essential theory in this case study.

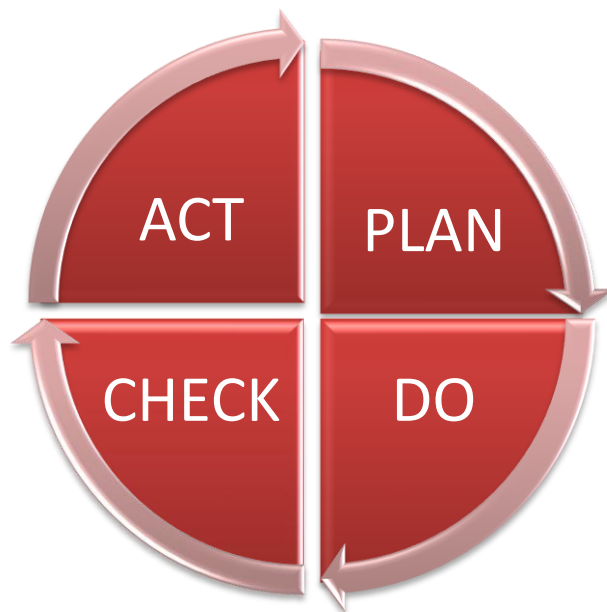


FIGURE 5. PDCA-cycle. Averson, 2009.

A website The Deming Cycle (2009) further defines that Deming's wheel includes four main steps:

- Plan – Identify a change, plan it ahead and predict the results.

- Do – Execute the plan by taking small steps in a controlled environment.
- Check – Study and check the results and possible mistakes.
- Act – Take action to improve the faults and further standardize the process.

The cycle can be used e.g. in problem-solving processes, project management or human resources development (The Deming Cycle, 2009). Naturally, the tool can be used in various other occasions and improvement situations as well. Thus, this theory can also be applied when creating an employee satisfaction survey process and was, in fact, used in the end of this study to structure the ESS process frame for Cargotec.

Tools to measure employee satisfaction

In smaller companies it is probably a daily method for managers to give oral feedback and discuss about the job satisfaction issues with their employees. However, in bigger companies this is often hard or even. In addition, even though the exchange of feedback would be possible this way, the amount and form of the informal data would be very hard to analyze. Thus, creating action plans based on this sort of data would also be difficult. This requires the managers to create different means to hear the feelings of employees. The main tool to measure the level of satisfaction of the workers is an employee satisfaction survey. This is a bigger questionnaire normally done to all the employees in the organization. Generally, the survey is made either once a year, once every one and a half years or every other year as it is a large and long process, especially in bigger companies. According to Baumgardner (2009) employee surveys are a very beneficial resource for getting information about the feelings and thoughts of the employees in crucial issues. In addition, she mentions that the principal issues in an employee survey are:

- Anonymity: people can answer without any concerns of retaliation
- Action: issues mentioned in the feedback from employees are actually recognized and improved
- Follow-up: employees should answer same questions again after the actions in order to see whether the company has resolved the problematic issues or not

Though employee surveys are the most common way to measure the level of satisfaction, there are also other variations of this bigger process. Another common method is a pulse survey, which is normally a smaller questionnaire made every four to six months about a specific topic (HR definitions: Pulse Surveys, 2009). Pulse survey can be done either to all the employees to measure for example a certain change in an organization or it can be made to a specific unit or targeted group of employees to measure their feelings about some exact topic, e.g. the climate or culture of the workplace. Pulse survey is actually a quicker method to get an insight of the employees concerns and thus a handy tool for issues that need to be measured and developed fast.

2.7 Employee satisfaction as an asset of a company

Now, with the basic concepts related to this study explained, a few essential reasons for the importance of employee satisfaction and measuring that satisfaction are given. It can be assumed that a satisfied worker is better for a company than an unsatisfied one. According to many experts, there are various links between satisfaction and the outcome of the work. E.g. Heathfield (2008) found that employee satisfaction is a great factor when talking about employee motivation, goal achievement and positive morale in the workplace. Furthermore, satisfied workers are more likely to stay in their jobs and care more about the quality of their work.

Often the satisfaction of an employee is expected to lead to productivity. Despite the logic of this argument, as Graham & Bennett (1998, 75) put it, there has been no actual correlation between productivity and satisfaction. They say this is due to a satisfied worker being less productive if he or she doesn't feel gratitude towards the employer. In addition, they state that as status and achievement (that are assumed to favor productivity) are needs that others do not consider themselves being obliged to satisfy, a satisfied worker might not be as productive as can be supposed. On the other hand, they mention that an unsatisfied worker can have high productivity as e.g. difficult and hard jobs might create dissatisfaction, but make

people work harder due to the higher salary or fear of getting fired. However, McShane and Von Glonow (2000, 207) showed that there is a moderate relation between employee satisfaction and performance as a satisfied worker is often more productive. This can be due to e.g. loyalty to the profession or the pleasure they get from working.

Furthermore McShane and Von Glonow (2000, 208) found that employee satisfaction is often believed to contribute to satisfied customers. Naturally, when employees feel good about their work, they will look after the customers and try to do their best. McEwen (2009) said that a satisfied worker is more likely to be innovative, creative, flexible and loyal, which in the end also affects the customers. Though none of these beliefs has been proven, it is logical and common that these elements are connected.

McEwen (2009) also stated that it is possible to reduce absenteeism, complaints, unpunctuality and termination through satisfaction. McShane and Von Glonow (2000, 209) actually said that job satisfaction is also an ethical issue affecting the reputation of the company. Thus, employee satisfaction can help the company to create a positive image of itself, which in turn can be a competitive advantage. Today, it is actually common for countries to rank and announce the best workplaces. In conclusion, employee satisfaction can either directly or indirectly give numerous benefits for a company and is therefore a true business asset.

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APPENDICES

Appendix 1. Interview introduction and questions in English

INTERVIEW

At the moment I'm working on my thesis about an employee satisfaction process in Cargotec. My work is researching the backgrounds for employee satisfaction and is trying to find out what would be the best possible research frame for Cargotec. The purpose of the interviews is to get opinions and views from few employees from different Cargotec units regarding this research chain and how the process should be structured.

Cargotec is actually planning a continuous global employee satisfaction survey process for all its employees around the world. At the moment the plan is to make a broader satisfaction survey every 1,5 years, which would be supported by sc. pulse surveys with specific themes to a targeted group of employees.

With the following questions I would like to know your opinions about the employee satisfaction survey process.

1. How should the Employee satisfaction survey process in Cargotec be structured?
2. What factors should be questioned or measured?
3. What kind of expectations do you have of the process?
4. What issues should be taken into account during the process?
5. How should the research and its results be communicated?
6. What happens after the research? What would you do to the results after the research?
7. What are the biggest challenges and risks for the process? What about opportunities?

Appendix 2. Interview introduction and questions in Finnish

HAASTATTELU

Teen parhaillaan opinnäytetyötä Cargotecin Työntekijättyytyväisyystutkimus-prosessista. Työni tutkii taustoja työntekijättyytyväisyydelle ja yrittää selvittää millainen olisi paras mahdollinen tutkimuskaava Cargotecille. Haastattelujen tarkoituksena on saada muutaman Cargotecin eri yksiköiden työntekijän näkemyksiä ja mielipiteitä kyseisestä tutkimusketjusta ja siitä miten prosessin tuli heidän mielestään rakentua.

Cargotec kaavailee siis jatkuvaa, globaalia henkilöstötutkimus-prosessia työntekijöilleen ympäri maailmaa. Suunnitteilla on kerran 1,5 vuodessa tehtävä koko henkilöstöä koskeva laajempi tyytyväisyystutkimus, jota tuettaisiin pienemmillä ns. pulssitutkimuksilla kohdennetuille työntekijäryhmille tarvittaessa.

Seuraavilla kysymyksillä kartoittaisin mielipiteitäsi tulevasta henkilöstötutkimusketjusta.

1. Kuinka Työntekijättyytyväisyystutkimus-prosessin Cargotec:llä tulisi rakentua?
2. Millaisia asioita tulisi kysyä/mitata?
3. Millaisia odotuksia sinulla on prosessista?
4. Mitä asioita tulisi ottaa huomioon prosessin aikana?
5. Miten tutkimuksesta ja sen tuloksista tuli tiedottaa?
6. Mitä pitäisi tapahtua tutkimuksen jälkeen? Mitä aiot tehdä tuloksille tutkimuksen jälkeen?
7. Mitkä ovat suurimmat haasteet/riskit prosessille Cargotec:ssä? Entä mahdollisuudet?