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Employee job satisfaction in 21\textsuperscript{st} Century organizations

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The objective of this study is to observe job satisfaction. The goal is to find out which factors affect employee job satisfaction and how they affect it. Another goal is to find out the level of job satisfaction in a case company and make recommendations to improve and maintain it. The theoretical framework consists of the concepts of motivation and satisfaction as well as aspects which have an impact on it such as leadership and organizational culture. Some of the most relevant theories are discussed.

The study was carried out by using a questionnaire which was given to all the employees of the organization. The main research categories were Leadership and management, X as a company, Personal well-being, Work characteristics and X as a place to work. Quantitative approach was used in conducting the survey because of the number of people working for the organization and because the company wanted to see how job satisfaction has changed over the years.

The results showed that job satisfaction in general is very high in the case organization. However, the results indicated difficult times for the organization because of the changes that are made currently and will be made in the future due to the massive growth the organization has been going through.

The company was pleased with the results and will continue working towards their number one goal which is employee satisfaction and well-being. (The empirical part has been removed from the public version as requested by the case company).

**Keywords**
job satisfaction, motivation, organizational culture, leadership
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1 Introduction

Job satisfaction as a concept is nothing new. People spend a considerable amount of time, up to one third of their adult lives, working so it makes only sense that people should be happy with what they do. The nature of working has changed due to economic changes, technology and globalisation among other things. People perceive work differently these days. This has made employee satisfaction a hot topic and organizations should think what they are offering to their employees. Satisfied employees are more productive and innovative, work more accurately, help deliver customer value and improve profits as well as care for the organization and develop the culture on their own initiative (Aleksynska, 2018). They are the competitive advantage of today. Losing good employees can be very costly to organizations.

However, satisfying employees has never been more difficult. Nowadays, workers expect a more mobile work environment with more participation in management decisions and opportunities for self-development (Buchanan & Huczynski, 2017). Workers are more sophisticated and more informed and nothing seems to be enough for them. The challenge of today for managers and organizations is to take action on three different levels: organizational level, team/department level and individual level (Bruce and Pepitone, 1999). The individual level alone is not enough anymore because work today is often team-based and social relationships at work are meaningful, linking directly to satisfaction.

Another problem is that each employee has a different view of employee satisfaction. In general, however, employees want to be part of decision-making, want to feel valued and appreciated and many would rather have a scheme with adequate pension, healthcare or possibility for extra holidays than to just have a high salary. Some people, especially with family, value shorter working hours, possibility to work from home and a convenient location for the office (Adair, 2006).

This study focuses on factors that cause satisfaction or dissatisfaction in 21st century organizations. The observations are made through a job satisfaction survey and the results recorded after which they are analysed with data from previous years in order to
see any patterns in employee satisfaction and give recommendations to the organization when needed.
2 Literature review

2.1 Motivation

People are motivated to do what is in their best interests (Bruce and Pepitone, 1999), that is, when they want something. For example, if an employee wants more free time, he or she will be more motivated to work hard in case the manager is then willing to reward him or her with some extra free days. Even though Maslow’s hierarchy (explored more in depth later) talks about needs (Maslow, 1954), it is not necessarily a need that motivates people. Motivation covers all the reasons which underlie the way in which a person acts (Adair, 2006), including wants and desires.

According to Deeprose (2006), motivation is inspiring individuals and teams to do the best possible job by creating an environment in which they want to perform to the best of their abilities. Employees are motivated to do a job well when it helps them meet one or several of their personal needs (Bruce and Pepitone, 1999). The challenge of implementing this way of thinking is that people have different needs and even on individual level the needs change in time and according to other circumstances. The extent to which different factors are important to different people, is also different and even differs across time (Cernas Ortiz and Davis, 2016).

Literature suggest that because motivation guides behaviour, managers can influence employees’ behaviour by understanding what it is that drives them (Adair, 2006). Robbins and Judge (2019) talk about attitudes rather than motives in guiding human behaviour. However, these two concepts are comparable if not completely the same when discussing the underlying reason that guide human behaviour. How much each attitude has an impact on our behaviour depends on the importance of the attitude among other things. Important attitudes reflect our fundamental values, self-interest and identity, thus having a profound impact on our behaviour.

Motivation can be defined as the processes that account for an individual’s intensity direction and persistence of effort toward attaining a goal (Robbins and Judge, 2019). Buchanan and Huczynski (2017) define motivation as the cognitive decision-making process through which a goal-directed behaviour is initiated, energized, directed and
maintained. To put it another way, motivation is what drives people to behave in a certain way when they are trying to reach their goals. Juuti (2006) defines motivation as the process, in its entirety, which emerges as a result of all the motives which affect him or her and which are in his or her mind.

There has been debate on whether motivation comes solely from the inside, or whether there is a combination of motivation, which partly comes from the inside and partly from the outside (Adair, 2006). At the end, it can be concluded that external factors do have an impact on the motivation of people because the environment in which people are raised and live affect their motives or attitudes about everything, including work. One of the reasons is that it is very important for example that these motives or attitudes are socially acceptable and this again depends on what kind of an environment one lives in. For example, in some societies the consumption of alcohol is prohibited whereas in others, alcoholic beverages are brought to others as a gift (Buchanan and Huczynski, 2017).

In organizational settings, motivation can be divided into intrinsic and extrinsic motivation. Intrinsic motivation consists of the factors that motivate people from within such as personal interest, desire and fulfilment, achievement, recognition, work itself, responsibility, achievement and advancement. On the other hand, extrinsic motivators are factors that influence people’s needs and wants as well as behaviour from the outside. These factors include rewards, promotions, supervision, company policy and administration as well as working conditions. Intrinsic and extrinsic motivation are not separate things but rather are linked as intrinsic motivation comes from within but is affected by external factors (Bruce and Pepitone, 1999). Both intrinsic and extrinsic factors seem to be the ones affecting people’s satisfaction or dissatisfaction at work which is why they are discussed in this paper. Satisfaction as a concept and further factors influencing it will be discussed in the next section.

2.2 Satisfaction

When people speak of employee attitudes, they usually mean job satisfaction. Robbins and Judge (2019) define job satisfaction as a positive feeling about one’s job resulting from an evaluation of its characteristics. Very closely related and often confusing to
people are the concepts of job involvement and organizational commitment. Job involvement is the degree to which a person identifies with a job, actively participates in it and the performance of which it considers important. Organizational commitment on the other hand refers to the degree to which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization (Robbins and Judge, 2019).

Employee engagement means an employee’s involvement with, satisfaction with and enthusiasm for the work he or she does. In order to evaluate engagement, one should focus on employees’ access to resources, opportunities to learn new skills and feelings toward the importance and meaningfulness of their work and interactions with co-workers and supervisors. Highly engaged employees have more satisfied customers, are more productive, bring in higher profits and experience lower levels of turnover and fewer accidents (Robbins and Judge, 2019).

The difficulty with these concepts is that they are very broad and closely related to one another. In fact, they are not exclusive at all but rather overlap a great deal. Furthermore, they mean different things on the individual level as well as on the organizational, industrial and cultural levels (Furnham et al, 2009). Thus, measuring employee engagement for example has been found to be very similar to measuring satisfaction, involvement or commitment. (Robbins and Judge, 2019). It is like a line drawn on water, as it should be because these concepts are not only subjective but also ever changing depending on the surroundings and the period of time in which they are measured. Regarding the discussion of how distinct these concepts are, the close relationship between them can be demonstrated by saying that when an employee is involved, they are likely to be satisfied too and if the organization is supportive, they will likely feel committed as well (Robbins and Judge, 2019). Juuti (2006) indicates that engagement is a concept consisting of motivation, satisfaction and commitment.

Robbins and Judge (2019) identify some major factors affecting job satisfaction, namely job conditions, personality, pay and corporate social responsibility. According to the authors, although all of these factors are important and account for the general job satisfaction, the nature of the work itself is the most important determinant. Interesting jobs that provide training, variety, independence and control satisfy most employees. Grouped with interdependence, feedback, social support and interactions with co-
workers act as important predictors of job satisfaction and employee well-being. In addition, managers have a big impact on employee job satisfaction (Robbins and Judge, 2019).

Different people have different attitudes and feel differently toward work. Therefore, personality inevitably has an effect on how satisfied people feel. People who believe in themselves, in their skills and competencies and their worth for the organization tend to be more satisfied than the ones who do not (Robbins and Judge, 2019). For example, corporate social responsibility (CSR) is important for many employees but if it is not one of the individual's priorities then it is unlikely to increase that person's satisfaction in the job. Thus, requiring employees to engage themselves in projects that do not correspond to their value set may lower their job satisfaction (Robbins and Judge, 2019).

Adair (2006) suggests that satisfaction can occur on a team level as well. Teams resemble individuals because they are always unique with their own group personality. There are certain needs that can be identified on a team level. Similarly to the individual level, teams have a need to accomplish common tasks and a need to be maintained as a cohesive social unity (Adair, 2006).

Job satisfaction refers to the sum of the factors that affect a person’s job attitudes. This means that job satisfaction is the emotional reaction in a person caused by the work (Juuti, 2006). Some literature suggests that motivation increases satisfaction whereas some scholars think that they are parallel, intertwined or are no different at all. Motivation when fulfilled leads to satisfaction but the concepts of motivation and satisfaction are so broad that they are often mixed. High motivation often leads to good performance, which again results to satisfaction and the circle of motivation starts again. However, it is true that what motivates us is not necessarily the same as what makes us happy (Robbins and Judge, 2019).

2.2.1 Factors and outcomes of job satisfaction and dissatisfaction

Robbins and Judge (2019) address some of the most important outcomes of job satisfaction. Job performance is one obvious outcome. As will be discussed later, happy workers are productive workers. Satisfied people also talk positively about their
organizations, help others and go beyond the normal expectations of their jobs. Satisfied managers and employees increase customer satisfaction and loyalty. Furthermore, overall life satisfaction strongly correlates with job satisfaction. Work is a big and important part of individuals’ life, especially in today’s technological world, where people are increasingly more connected, which leads to employees bringing their work home and home issues to work. Therefore, if one is happy in life, they are likely to be happy at work and vice versa (Robbins and Judge, 2019).

There are hundreds of factors that affect people’s level of satisfaction. There are passing factors that affect satisfaction such as whether the train was late this morning, whether the employee’s child was sick or they forgot their lunch home. However, these are usually small things and do not reflect anyone’s mind on their actual work life satisfaction. On the other hand, constant negative feedback from the manager, a new project team in which the employee does not fit, alongside bullying caused by envy or feelings of threat can have a significant impact on the job satisfaction over long term (Matzler and Renzl, 2006). Organizational changes, too demanding workload, lack of recognition from the management or unprofessional behaviour from colleagues are some of the most common reasons why people eventually become dissatisfied with their jobs (Andrade and Westover, 2018). However, as satisfaction in personal life and satisfaction in professional life have a strong link, major changes in personal life are likely to affect work satisfaction at least in the short term. Some of these might include a break-up, losing a relative or a close friend, a substantial decrease in the financial situation etc. At times like this, the organization or a part of it (for example the closest team in huge companies) can be there to support the member.

Indifferent or irresponsible behaviour is usually the first sign of lowered job satisfaction. It takes time to build satisfaction, yet it is easily distorted. Lack of recognition or appreciation and the stress and weight of the job may lead to harassment, threatening, discrimination, envy, keeping information to oneself, revenge and bullying, insecurity, disrespectful attitude and standing in the way of promotion opportunities. In addition, unfair pay and unfair distribution of work shifts or tasks are a good way to bring down employee morale (Tietjen and Myers, 1998). Potential outcomes of job dissatisfaction include reduced effort and increased error rate, lateness, absenteeism and prolonged breaks, undue socializing and gossiping with co-workers, performing one’s own private tasks on work time, challenging the organizational rules and bureaucracy, stealing at
work and even substance abuse. This all will eventually lead to high employee turnover, which is costly to organizations. Dissatisfied people become frustrated, lowering their own performance as a result (Luecke, 2002).

Personality also matters in how much frustration each individual is able and willing to tolerate. Sometimes it is difficult to notice that employees are dissatisfied because each one acts differently (Robbins and Judge, 2019). Dissatisfaction is extremely dangerous because it is contagious. The dissatisfied individuals might unwillingly contaminate the rest of the workforce. In addition, the decision to stay or leave depends to a great extent on external factors as well. If there are great work opportunities somewhere else, it is easier to leave in the hope of finding something better. Some factors such as good social relations at workplace might hinder the willingness to leave and thus turnover itself, except for when it increases the turnover; when a good friend of an employee leaves, the employee might want to leave as well (Robbins and Judge, 2019). Empathetic, sociable, cooperative, optimistic, trust-worthy, well self-controlled and organized personalities will obtain a higher level of job satisfaction (Mihalcea, 2013).

Negative feelings will reduce efficiency, punctuality, attention and caring for one’s tasks, distort the willingness to take responsibility and level of creative ideas as well as hinder the maintenance of organizational culture (Tietjén and Myers, 1998). At an early stage of dissatisfaction, the problem is easier and more effective to tackle for example by talking to the employee and trying to change some of the things that make their work life dissatisfying. Usually the things that employees desire are not too big. The problem often is that the organization does not recognise the dissatisfaction until it has already gone too far. However, not everyone can always be pleased and the organization should notice when someone does not fit in and should be let go organically. Sometimes replacing bad recruitment makes the organization more effective and healthier (Luecke, 2002).

Investing in employee satisfaction does pay off but it takes the market a long time to recognize its benefits. Thus, a CEO who is concerned with meeting quarterly earnings targets may choose not to invest in employee morale – and in so choosing, hurt her company’s long-term performance. Unfortunately, managers will only think long-term value when the directors and investors who evaluate them do so also (Edmans, 2016).
Frequent organizational changes are very common especially in the fields of technology while trying to keep up with innovation. This distorts people’s motivation often more than the organization realises and also affects profitability because the changes break down work processes and it takes time to learn new ones (Tolbert and Hall, 2009). Empirical research indicates that higher levels of autonomy in the decision-making process, higher levels of organizational identification and commitment and higher levels of work-family life balance lead to high levels of job satisfaction for employees. Thus, when employees share the organization's strategy and mission, have autonomy to structure and manage their work, and have the ability to balance their work with family or leisure, their job satisfaction will be high (Léon Mendoza and Ortega Maldona, 2014).

2.2.2 Importance of job satisfaction

Employee satisfaction is important for many reasons. Especially in today’s highly competitive work environment with technology and special areas of expertise, it is not enough to have assembly line workers lining up on the organization's door. The nature of work and the way work is conducted have changed. Creativity and innovation pose great opportunities for organizations but employees need encouragement and support to fully utilise their skills (Bruce and Pepitone, 1999).

One of the most pressing reasons is that satisfied employees are more productive and provide better service to customers. This phenomenon is called service-profit chain and it states that happy employees feel engaged, valued and enthusiastic about what they are doing, believing in themselves and believing in what they are offering, naturally bringing in happier customers as well. The model was empirically tested and found positive results in the book Service-Profit Chain by Heskett et al. (1997). Results implied a more satisfied workforce, lower employee turnover and higher employee loyalty which then again had a direct link to customer satisfaction and loyalty. Other research has supported these findings.

Moreover, ultimately the chain comes to the point where employee satisfaction has an impact on profitability (through customer satisfaction) which is perhaps not the primary reason why each and every company should be interested in their employees’ well-being but it certainly is a good one. In organizations where excellent performance is
recognized, results show better return on investment, return on assets and operating margin than in others (Deeprose, 2006).

The service-profit chain model is not the only model which has been noticed to work on employees as well. Kano’s model which is primarily a customer satisfaction model has been noticed to apply to employee satisfaction as well. According to this model, employees are internal customers and should be treated accordingly. In order to drive the performance of the organization and through it profitability, employees need to be continually satisfied (Matzler et al., 2004).

Related to this, if employees are to be treated as internal customers what happens when an internal customer has a differing opinion to that of the external customer? In various annual reports of different organizations, it is praised how the employees are the heart and soul of the organization and how they are the best asset, how the organization would not exist if it was not for the employees. However, it can be as much heard in the daily operations that the customer is the king, we are here for the customer, without the customer you do not have a job etc. Many organizations have embedded on their values that the customer is always right but the bravest leaders admit that this is not always the case (Adair, 2006). In case of a conflict, the employee might feel neglected by the organization if it positions itself behind the customer rather than the employee (given that the employee indeed is ‘right’). Most of the time, the employee thinks of the best of the organization and having been turned down by the manager is likely to dissatisfy the employee. Conflict situations are always tricky and the organization should aim at solving them in the most transparent way in order not to hurt either of the parties.

Therefore, one good way to keep skilled employees happy is not to let customers walk over them. It is okay to explain the customer that this is our custom, this is how we handle situations like this here, same rules apply for everyone and that this is how the employees was trained to go by in this situation. In general, the organization should stand behind its employees. In case something has not gone by the book, it should take responsibility in evaluating whether it was really the employee’s fault, whether the employee should have known how to handle the situation. If he or she should have, then the organization might want to rethink the sufficiency of its training practices (Heskett et al., 1997).
Last but not least, it is ethical to care about one’s employees, co-workers or supervisors alike. After all, many people, both scholars and ordinary people feel that companies do have a moral duty for aiming at making everyone feel comfortable. Studies also show that ethical organizational culture increases job satisfaction and innovation (Juuti, 2006).

In case an employee satisfaction issue is recognized, the management might want to pay attention because not long after (if not already) it will have an impact on the profitability. This is something that is equally understood by CEOs and CFOs in their attempts to drive better value for their shareholders (Rucci et al., 1998). Organizations should focus on integrating the fact that employee well-being and momentum leads to satisfaction in their core values.

2.2.3 Measuring satisfaction

Job satisfaction is difficult to measure because the concept is broad and intangible. Factors causing satisfaction are many and varied and the importance of those factors is different to each and every one. Job requires more than what one might initially think. It requires for example interacting with colleagues and superiors, following corporate rules and policies, determining the power structure, working in conditions that are not ideal and adapting to new technology among other things (Schein, 1999). Some people value more to have happy social ties at work whereas for someone it is more important that the work place is close and working is flexible to integrate it with family life.

One can try and measure job satisfaction by asking the employees how satisfied they are with their current job situation in general but it is highly unlikely to give anyone a good indication on why employees are satisfied or dissatisfied. Rather, as Drucker (1960) also says, it is better to observe the small components of job satisfaction discussed above (such as the type of work, skills needed, supervision, present pay, promotion opportunities, culture, relationships with co-workers etc.) and determine the overall satisfaction based on the sum of these factors. In case employees are satisfied overall but there is one aspect which is causing dissatisfaction, it is faster and easier to predict and deal with in case the different aspects are researched separately (Robbins and Judge, 2019). However, especially in larger organizations where it is not possible for one
entity to observe the satisfaction of all the employees, it is necessary to ask them how they feel about certain things. This refers to a job satisfaction survey.

Most organizations conduct a job satisfaction survey once a year. However, depending on the size of the company, the industry and other factors, the job satisfaction survey can be completed somewhere in the range of semi-annually to once every two years. Therefore, in case a large organizational change such as restructuring or a substantial turnover in employees occurs, the organization might want to have their employees’ opinions sooner than waiting for the annual job satisfaction survey. Therefore, one good additional way of getting staff opinions is to use pulse surveys. These surveys are smaller and concentrate on a given theme, for example company culture, workplace atmosphere etc. (Buchanan and Huczynski, 2017). In the case company, pulse surveys are not yet in use to a greater extent, rather they have been tested to give a quick opinion on contemporary matters a few times.

In small organizations, it is easy to give and receive real-time feedback, face to face. For larger organizations however, it becomes more complex. Because the modern work is often team based and involves many people or even departments, it is not easy to get everyone at the same place in a given time to discuss about important matters especially if the matters are urgent and should be dealt with as soon as possible. Reaching a conclusion in a group of tens of people, especially when there are differing opinions, often becomes a shouting competition.
3 Theory

There are a thousand models trying to explain human attitudes, motives, drives and behaviour. Many of these are closely related to psychology as motivation and satisfaction are concepts which are highly psychological, very subjective and in no ways tangible (Shafritz et al., 2005).

The study of attitudes began in the late nineteenth century, 1888 to be precise. The first employee satisfaction theories started to develop in the 1900s as a result to Taylorism which was severely focused on production. The systematic analysis of employee attitudes began in the early 1920s through empirical research at the Hawthorne factory by Elton Mayo and his research team. It was found that social relationships and group dynamic had significant impact on performance. Later over time, researchers of organizational behaviour shaped the concept of job satisfaction where they naturally concentrated on. This applied research on employee boredom, fatigue and customer satisfaction explains partly why job satisfaction became an indicator of organizational happiness (Wright, 2006).

The 1950s were a fruitful period in the development of motivation concepts. Three theories will be looked into more closely because they are still successful and widely recognized today. Even though the validity of these theories can be questioned these days, they have laid the foundation on which more contemporary theories are built and the terminology of these theories is still in use in practice today (Robbins and Judge, 2017). These theories are Maslow’s hierarchy of needs, Herzberg’s two-factor theory and McGregor’s Theory X and Theory Y. After looking more in depth into these theories, more contemporary theories of satisfaction and motivation will shortly be discussed.

It is worth mentioning that Maslow was the first one to see a multidimensional picture of a human being. In the theories discussed below, human is seen as a complex entity and one that needs to make choices throughout time and to the choices of whom several unconscious factors such as instincts and motives as well as conscious factors such as goals and desires affect (Hatch, 2006). This is why these theories are a good foundation for observation of human motivational behaviour and it is also easier to understand the more contemporary theories once one has knowledge of where the study of motivation and satisfaction begins.
3.1 Maslow’s Hierarchy of Needs

Abraham Maslow was an American psychologist who created a motivational model stating that people act according to basic needs. He arranged these needs into five levels and created a hierarchy where the lower-level needs were more important for everyday survival than the higher-level needs. The higher-level needs build on the lower-level needs and cannot be satisfied before the lower-level needs have been satisfied (Maslow, 1987). However, it has been argued that a human being can temporarily forget a lower-level need in his attempt to satisfy a higher-level need if he is sure to be able to satisfy the lower level soon after (Bruce and Pepitone, 1999). You want to finish your work even though might be hungry to feel that sense of achievement (fourth level) even though the need to eat (first level) is not satisfied at the moment. This is because a worker knows he or she can eat as soon as they have finished the work.

According to Maslow (1998), a need does not become a motivator in effect until those in the lower levels of the hierarchy are satisfied first. In addition, after a need is satisfied it no longer acts as a motivator. Maslow (1987) seemed to think that humans cannot always recognize the underlying motivation causing their behaviour. For example, a human might have a desire to eat but a need to satisfy safety rather than hunger. Many obesity studies prove this assumption where interviewees have told they have started eating compulsively after coming across abusive behaviour or harassment from others.

Figure 1 illustrates Maslow’s five levels.

Figure 1. Maslow’s Hierarchy of Needs
1 **Physiological needs** such as hunger, thirst, sleep, warmth, shelter, sexual and other needs of the body, for example the need to urinate (Maslow, 1987). Most of these needs are taken care of by the employees themselves but having rest breaks at work, healthcare provider and for example lunch coupons for food can make the workplace a more comfortable place for the employees. Sometimes employees are over enthusiastic about work and might actually require someone telling them to take a break because otherwise they would not do it.

2 **Safety needs** such as safe and secure surroundings, environment which is threat-free. Health and well-being can also be categorized here. A permanent job, good working conditions are the primary facts in an organizational setting.

3 **Social needs** (according to Maslow (1987), these were called belongingness and love needs) such as acceptance, friendship, love, caring and a feeling of belonging to a group, clan, culture, society etc. Social relationships, team spirit and a good relationship with superiors are important in organizational settings. These needs are also called affiliation needs by some (Buchanan and Huczynski, 2017).

4 **Esteem needs** are usually divided into two: self-esteem and the esteem built in us by others. Self-esteem is how we see ourselves and feel about ourselves. The esteem received by others can include recognition, status, achievements, attention, acceptance, prestige, independence and respect (Maslow, 1998). Praising employees and giving them feedback are ways to fulfil the esteem needs at work. If the affiliation and esteem needs are not satisfied, we feel inferior and helpless but if they are satisfied we feel self-confident (Buchanan & Huczynski, 2017).

5 **Self-actualization needs** are the needs that drive self-fulfilment, the meaningfulness of human existence and work in an organizational setting. These include achievements, development of skills and competencies as well as creativity. Feeling happy when being able to express themselves through work and managing one’s own responsibilities are factors that make employees fulfilled. According to Maslow’s theory (1987), self-actualisation is the ultimate goal. It is the desire for personal fulfilment, to develop one’s potential to become everything one is capable of becoming (Buchanan & Huczynski, 2017).
Maslow’s theory has been criticized mainly because of the order of the needs and insufficient empirical testing. Maslow’s theory has also been criticized for being vague and not readily predicting behaviour (Buchanan & Huczynski, 2017). In addition, Maslow (1987) had a strong progressive point of view with his hierarchy but other theories and literature says that needs from different levels can indeed exist similarly (Adair, 2006).

However, the theory is widely recognised and still has an impact on management practice even if it has not been created for organizational settings in the first place. It has influenced for example reward policy, management style and job design all around the world (Buchanan & Huczynski, 2017). In addition, Maslow’s theory is unique because it is universalist, meaning it applies to everyone.

Clayton Alderfer rearranged Maslow’s hierarchy arguing that it was more realistic to consider three basic categories of needs. He called these categories existence needs, relatedness needs and growth needs which has a direct link with the name of the theory, that is, ERG theory. Table 1 presents the link between Maslow’s hierarchy of needs and the ERG theory (Buchanan & Huczynski, 2004).

Table 1. The link between Alderfer’s and Maslow’s theories (Buchanan and Huczynski, 2004)

<table>
<thead>
<tr>
<th>Alderfer’s ERG theory</th>
<th>Maslow’s hierarchy of needs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existence needs</td>
<td>Physiological and safety needs</td>
</tr>
<tr>
<td>Relatedness needs</td>
<td>Affiliation and esteem needs</td>
</tr>
<tr>
<td>Growth needs</td>
<td>Self-actualisation</td>
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Alderfer claimed that all three categories can be present at any one time and contrary to Maslow, Alderfer implied that humans drop to a lower category whenever attempts to satisfy higher needs are frustrated. ERG theory is more applicable to organizational settings (Buchanan and Huczynski, 2004).
3.2 Herzberg’s two-factor theory

Frederick Herzberg was an American psychologist who created a two-factor theory (also called motivation-hygiene theory or dual-factor theory) in the 1950s. Herzberg with his colleagues researched job satisfaction based on which they created a model of two different set of factors. One set of factors, called the motivators, lead to satisfaction when increased. Another set of factors, called the hygiene factors, lead to dissatisfaction if not tended to (Buchanan and Huczynski, 2017).

Motivational factors include achieve, recognition, work itself, responsibility and advancement among others. Hygiene factors include for example interpersonal relations with superiors and peers, technical supervision, company policy and administration, working conditions and personal life (Herzberg, 1966). Neglecting motivational factors does not make employees unhappy but rather leaves workers indifferent toward their work. On the other hand, when hygiene factors are damaged or undermined, it increases dissatisfaction and there is no platform for motivation to grow.

According to Herzberg, motivators are factors that satisfy Maslow's higher-order needs and therefore lead to higher satisfaction (Herzberg, 2008). Hygiene factors satisfy lower-order needs and prevent job dissatisfaction. However, both are needed at the same time. Figure 2 demonstrates the contradiction between the traditional view and Herzberg’s view of satisfaction.

![Diagram of Traditional view and Herzberg's view of satisfaction](image-url)
Moreover, Herzberg’s theory links intrinsic factors mostly to job satisfaction and extrinsic factors mostly to job dissatisfaction (Adair, 2006). There are exceptions however. For example salary is categorized as a hygiene factor and is indeed an extrinsic factor but works almost as strongly as a motivator. Herzberg (1966) did recognise this issue and concluded that money is not a motivator in a way the other primary motivators are.

Money is not a sustaining motivator even though it might work in the short-term (Luecke, 2002). For the meaning of life is not getting as much money as possible. This is not enough to sustain the human spirit, we need more to thrive. There are other factors similar such as status and job security which Herzberg has categorized as hygiene factors but which do have an impact on motivation even though less than the traditional motivators (Furnham et al., 2009).

The theory has been criticised for not taking enough into consideration the individual differences (Buchanan and Huczynski, 2017). In addition, it has been criticised for having two different sets of either satisfiers or dissatisfiers and not taking into consideration that these are often not exclusive (Adair, 2006). It has also been said that the model is over simplifying the intrinsic-extrinsic factor division by saying that intrinsic factors are motivators and extrinsic factors are hygiene factors (Adair, 2006).

3.3 McGregor’s Theory X and Theory Y

Douglas McGregor was an American professor in the field of management. He came up with a model in the 1960s’ which describes two different ways how managers view their employees. There are two different types, called Theory X and Theory Y. McGregor (2006) justified this view by saying that because people are different, they also feel differently about work and working. Therefore, they should be managed differently.

Theory X managers assume that work is inherently distasteful, the average person is lazy and unambitious, people prefer close supervision, typical workers avoid responsibility, the principal worker incentive is money and workers must be coerced or bribed to achieve the organization’s goals. On the other hand whereas the Theory Y
managers assume that people enjoy work, work is as natural as play, recognition and self-fulfillment are as important as money, employees are committed to their work, employees exercise self-direction and seek responsibility and workers at all levels will exhibit creativity and ingenuity when given the chance (Adair, 2006).

Theory X and Theory Y can be seen as two extremes of a same continuum. There are hardly managers that are purely X or Y (McGregor, 2006). Most of the employees are also somewhere in between these two extremes, therefore corresponding to manager’s behavior according to how far away from each other the employee and the manager are on that line (Adair, 2006).

Maslow’s and Herzberg’s theories support each other as Herzberg’s hygiene factors can be seen as Maslow’s basic needs and motivator factors can be seen as higher order needs (Adair, 2006). It is no use trying to implement these models into organizational settings as they are but rather recognize the factors which help increasing employee satisfaction and solving issues related to them directly. On the other hand, McGregor’s Theory X and Theory Y indeed can be applied directly into organizational settings as McGregor himself was a professor of management and the model was created for organizational purposes to develop leadership and management practices in companies. However, McGregor’s theory is not perfect either and requires a certain organizational structure and setting to work (Drucker, 2007).

Maslow built on McGregor’s Theory X and Theory Y an additional theory which he called Theory Z. Theory Z suggests that after a certain level of economic rewards, extra reward does not make a difference anymore. Instead, people feel that they would rather do work which is fun and which they enjoy in order to pursue self-fulfillment. Maslow’s theory was way ahead of its time and was left unfinished due to Maslow’s death (Maslow, 1998).

Theory X and Y are not management styles but our assumptions which develop our management styles. Maslow (1998) criticizes McGregor’s theories X and Y as not holding any empirical evidence and having been built on Maslow’s own research. Maslow (1998) also suggests that it is easy to trust people in ideal settings but when things get complicated, one might suddenly change one’s mind about leadership.
McGregor’s work has been criticized as outdated for the assumptions that McGregor did about workers are not applicable anymore. In addition, his book is too focused on the internal supervisor-subordinate relationship and does not sufficiently take into account the external organizational context (Drucker, 2007). Theory Y supervisor needs Theory Y supervision itself, so in case the company is not led by Theory Y style it is hard to become the first one to do this.

These three theories continue to have a significant impact on management and on the development of motivation and job satisfaction schemes. Built on these, there are dozens of theories more, some of which will be looked into more in depth next.

3.4 More contemporary theories

More contemporary theories are often empirically more supported than older ones. There are dozens of models trying to explain human attitudes, motives and behaviour. Many of these are closely related to psychology as motivation and satisfaction are concepts which are highly psychological, very subjective and in no ways tangible. The theories are not in competition with one another and therefore, there is no one valid or invalid theory. On the contrary, the theories are often complementary, concentrating on a different approach to the questioned theme (Robbins and Judge, 2019).

Theories of how people can be motivated or left feeling more satisfied can be linked with equity, expectations or goals for example. Goal-setting theory explains and predicts work behaviour by claiming that challenging and specific goals lead to higher performance level and participation in goal-setting can improve performance through commitment. In addition, knowledge of results of the past performance, that is feedback, helps in achieving goals (Buchanan and Huczynski, 2017). Setting specific challenging goals is important for both job satisfaction and job performance, no matter whether they are self-set, set participatively or assigned. According to this theory, job satisfaction is the result of one’s performance against one’s goals (Locke, 2006). When an employee’s job performance helps reach the employee’s goals, satisfaction is high. The main problem of this theory is that it concentrates more on individual goals rather than teamwork which is a widely used tool nowadays. Nevertheless, goal-setting theory has been found to be
the most effective modern theory in organizational settings and is indeed more a motivational concept than a formal theory (Buchanan and Huczynski, 2017).

Job design, that is the way the elements in a job are organised, has an impact on individual’s motivation. Job characteristics model describes jobs in terms of five core factors: skill variety, task identity, task significance, autonomy and feedback. Evidence suggests that these five factors influence job satisfaction and organizational commitment strongly (Robbins and Judge, 2017). Job characteristics model is the most accurate and most empirically supported theory. Skill variety is the degree to which the job allows the worker to use different skills in performing the job. Task identity is the degree to which the employee has control over a specific job process. Task significance is the degree to which the work the employee does has an impact on the work and lives of others. This creates meaning to the work performed. Autonomy is the degree to which the job provides opportunities of individual decision-making and freedom in selecting the means to complete the job. Feedback refers to the information an employee receives from his or her performance and the strategy with which he or she selects to perform the work. Having these five elements of work itself functioning, increases an employee’s job satisfaction immensely (Buchanan and Huczynski, 2017).

Job characteristics model can be measured by how willing an individual is to welcome personal development through job enrichment. Employees for whom this is low it is no use offering enriched jobs because they will not be motivated by them (Buchanan & Huczynski, 2004). Sadly, work redesign methods and theories of satisfaction have seen little development since the 1980s. On the contrary, the organizational context to which these theories are still applied has changed dramatically.

3.5 Motivating others

Literature talks about how managers should focus on motivating their employees but according to Bruce and Pepitone (1999), one cannot motivate other people, one can only influence what they are motivated to do. However, they also suggest it is impossible not to affect this motivation. The question to ask really is how (positively or negatively) and how much are people influencing the motivation of others. This applies especially to the
individuals holding key positions in organizations such as management, team leaders, supervisors etc.

Adair (2006) suggests that Herzberg misevaluates the power of and the whole environment to demotivate and dissatisfy people but not to motivate people. He suggests that 50% of the motivation lies on the inside but 50% of it is caused by external factors. In addition to the individual needs, the group or organization around the people have at least some potential to motivate them. Adair (2006) criticizes the work of Maslow and Herzberg but thinks that when studying the internal needs and motivations of the individuals, these theories are very relevant.

Ways to affect other people’s motivation in organizations are many. The following are applications of the job characteristics model. Job rotation refers to the periodic shifting of an employee from one task to another with similar skill requirements at the same organizational level (Robbins and Judge, 2019). Job rotation fights against over-routinization and helps employees see the big picture of the whole organization thus increasing job satisfaction and organizational commitment. In addition, it reduces boredom, increases motivation and helps employees understand how their work contributes to the whole organization. However, cost of cross-training is high and learning a new task often reduces productivity, at least temporarily.

Job enrichment means that higher-level responsibilities are added to the existing work to increase a sense of purpose, direction, meaning and intrinsic motivation (Robbins and Judge, 2019) whereas job enlargement means adding more tasks and requirements to the existing work. According to Herzberg (2008), job enrichment creates an opportunity for employees’ psychological growth whereas job enlargement merely makes a job structurally bigger. Relational job design means constructing jobs in a way which allows employees to see the positive difference they make in the lives of others directly through their work. Hearing the stories of customers for example can significantly increase the meaningfulness of the job.

Job enrichment is based on Herzberg’s two-factor theory where motivational factors are integrated into the existing work to make it more meaningful (Robbins and Judge, 2019). Job enrichment can be an effective way to reduce employee turnover. One of the problems of job enrichment is that when attempting to enrich certain jobs, the result is
that employees cannot personally contribute to their job anymore. Job enrichment has now been brought to a new level in some organization, where it concerns not only individuals’ jobs but also teamwork and even the whole organizational culture (Buchanan & Huczynski, 2017). Job enrichment is not easy; employees will need time to adjust to new tasks and challenges while managers may feel that they are no longer needed once employees gain more responsibility. But managers can find value in this; they rediscover the purpose of managing which is developing the employees and supporting their work contributions (Herzberg, 2008). Job enrichment should not be and when done right is not a one-time thing but rather a continuous management function.

Alternative work arrangements are a good way to increase motivation. Flextime is short for flexible work time or flexible work arrangements and stands for flexible working hours. Flextime is an important work arrangement for many people and has become extremely popular. Flextime increases job satisfaction and reduces absenteeism. It also increases productivity because people can work when they are most productive (Robbins and Judge, 2019). However, flextime cannot be applied to every job in every industry. Job sharing allows two or more individuals to split a traditional full-time job. An organization may be able to use the talent of more than one individual for a given job but the difficulty is often finding compatible partners to do this. Telecommuting or distance working allows the employee to work where they want, when they want and dressed as they want through virtual devices which are linked to the employer’s office (Robbins and Judge, 2019). However, employees risk losing social contacts and forget the corporate culture if they work alone a lot or for long periods of time. Employees might be more productive alone but more innovative when in a group. It is easier to balance work-family life and it is environmentally friendly because staying home does not create emissions as opposed to when commuting to the physical work place.

Employee involvement and participation is a process that uses employees’ input to increase their commitment to organizational success. Granting employees a say in decision-making will make them more committed to these decisions and goals. This autonomy and control will make them more motivated, productive and satisfied. Examples of this technique include participative management and representative participation (Robbins and Judge, 2019).
Many people are unhappy if they are not successful. One major cause of dissatisfaction is the feeling that the employee is not competent enough to do his or her job. Emotional attachment and belief in the organization’s values may make the difference in deciding whether to leave or not as committed employees feel a sense of loyalty even when they are not satisfied or happy with their work (Robbins and Judge, 2019).

3.6 Leadership

Management often concentrates on the bottom line forgetting the people behind it. The goal of effective leadership is to create meaning to employees’ work and foster the well-being of the community (Juuti and Vuorela, 2006). Everyone is responsible for his or her own development, in the sense that no one can do the learning for them. However, an effective helping manager providing opportunity, encouragement and time will create a better environment for self-development (Mumford, 1993).

If employees do not feel that the supervisor trusts them to do their jobs correctly and well, they will be reluctant to do much without the supervisor’s approval. On the other hand, when they feel trusted and that the supervisor believes they will do the right things well the employees will naturally want to do things well and be deserving the supervisor’s trust (Adair, 2006). However, it is difficult to assess the problem of leadership as people would like to be led in different ways.

The behaviour of the leader logically has an impact on the followers. However, the way the followers act and respond to a leader’s action and behaviour also has an impact on the leader’s behaviour. Therefore, a leader adapts either consciously or subconsciously to the follower’s reactions. Thus the situation in which groups and organizations find themselves strongly influences the process through which someone is selected as a leader or ‘just becomes’ one naturally (Tolbert and Hall, 2009).

The limited number of women in high-level leadership positions in organizations strongly suggests that gender (among other things) has an impact on the ability to assume leadership roles. Social expectations make people view men as more leader like than women. There is also evidence based on previous international studies suggesting that
culture (learnt values and understandings) has an impact on which characteristics and behaviours are linked to leadership (Tolbert and Hall, 2009).

Leadership should be based on the human value. It is a prerequisite for success because supervisors influence employees’ job attitudes whether they want to or not and whether they realise it or not. Employee-supervisor relationship is one of the most key things affecting job satisfaction (Alegre et al., 2016). Supervisors should be able to support their team and to execute justice inside the team as well as make sure that everyone is delivering what is agreed on. Sometimes wrong people are selected to leadership positions which this creates major problems (Mathieu and Babiak, 2016). Unfortunately, management often fails to notice that a wrong person has been selected.

Organizations have changed because the society has changed. This puts pressure on leadership which should change accordingly. Leaders should acknowledge that employees’ know-how has become the strategic competitive advantage of today (Mihalcea, 2013) and act accordingly.

3.7 Organizational culture in growing organizations

Organizational culture is always initiated by someone. Usually this person or these people are the ones who found the organization and influence the people and the way things are done from the beginning. Therefore, the culture builds around these people and evolves step by step according to what works best in any given time. Often, especially with successful organizations, the founder or the founders leave the organization at some point and this is when the organization may lose its identity unless there are successful successors to keep the organizational culture alive (Schein, 1999). The culture cannot survive if there is no one to carry it on.

On the other hand, with large organization especially where there is more diverse work force, subcultures inevitably emerge. Subcultures are formed by no one, they form themselves. Subcultures can form around anything that unites and often identifies any given group of people inside the organization. These identifiers can include age groups, occupational groups, cultural groups, groups based on level of experience or some specific skills etc. (Locke, 2004). Employees who belong to a group get a sense of
belongingness which often increases satisfaction. The degree to which these subcultures are aligned with each other is a major determinant of how well the organization as a whole functions (Schein, 1999).

Changing the organizational culture takes a lot of time. People first need to unlearn from the old culture to be able to relearn into the new culture. Therefore, changing organizational culture just for the sake of change is not wise (Locke, 2004). When small organization go through a rapid growth period, the organizational culture changes inevitably. This is when the organization often becomes less flexible, more structured and more hierarchical. In small organizations, people often make the organization who it is and give it its identity. Therefore, growing as an organization often leaves people less satisfied, feeling threatened by loss of identity. Again, communicating about this rests on the shoulders of management and the more attention and focus they put to it, the easier and more effective the transition will be (Schein, 1999).
4 Empirical part (Excluded from the public version)

5 Conclusion

Even though job satisfaction is difficult to measure, it is important to each and every organization as the employees indeed are the best assets of companies nowadays. The theoretical part shed a light on where employee job satisfaction started as a phenomenon and how it has changed over time. In addition, some important aspects of job satisfaction have been looked into to emphasize their importance in the 21st century. These include leadership and organizational culture, especially in growing organizations.

Empirical research was conducted to support any findings and based on the results, the factors that affect job satisfaction the most in today’s society were identified. These factors were very consistent with literature. Indeed, it can easily be seen how the importance of certain factors have changed in relation to satisfaction, either positively or negatively. The means of conducting the study was a simple job satisfaction survey, created in cooperation with the organization to tailor it to the organization’s needs. The organization was very happy with it and intends to use the model twice a year from now on.
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