

**EMPLOYEE SATISFACTION:
NOT FORTUNE, BUT APPROACH**

DEVELOPMENT OF THEORETICAL FRAMEWORK

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Dependencies and relevant factors of employee satisfaction and dissatisfaction





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“Well-being at work: a cross- national analysis of the levels and determinants of job satisfaction”

by Sousa-Poza Alfonso and Sousa-Poza Andres A.

The main results were:

- Workers in all countries are quite satisfied.
- Denmark was the country with the highest job satisfaction level. The USA was ranked seventh, Germany thirteenth, Great Britain fifteenth, Japan nineteenth and Russia twentieth.
- A comparison with the 1989 ISSP (International Social Survey Program) data set reveals that job satisfaction has declined in Germany and the USA in the 1990s.
- Countries with high work-role outputs, in general had a high job-satisfaction ranking, and vice versa.
- Having an interesting job and having good relations with the management are the two most important work-role input and having an exhausting job is the most important work-role output
- Workers in Eastern European countries tend to value high income.

“Does Performance Pay Increase Job Satisfaction?” by Colin Green and John S. Heywood from the Lancaster University and University of Wisconsin – Milwaukee and University of Birmingham

- The use of performance pay schemes by employers has been shown to increase workers’ productivity, effort and earnings .
- Performance-related pay schemes appear negatively related to satisfaction with the work itself.
- Performance-related pay increases satisfaction with both pay and job security.
- A concern with performance-related pay is that it can lead to work intensification and this in turn may lead to dissatisfaction with hours worked.
- In this study they found no evidence of performance-related pay adversely affecting satisfaction with hours worked, even for low skilled workers .



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“The Role of Firm Size and Performance Pay in Determining Employee Job Satisfaction” by Benjamin Artz from the Department of Economics, University of Wisconsin, Milwaukee

- Performance pay remains popular and widely used to increase worker productivity and more generally align the objectives of workers and firms.
- Certainly workers’ job satisfaction will increase as a result of increased earnings.
- Employees may feel that performance pay creates a workplace that rewards hard work and effort thus increasing job satisfaction.
- Another positive effect is that workers may also find confidence, esteem, and self-worth in high-performance work organizations.

**There are also studies which show that performance pay
can also decrease job satisfaction**

- Performance pay increases not only earnings but also effort and the associated disutility. The greater stress that comes from performance pay and the associated monitoring can also lower satisfaction.
- Performance pay generates greater earnings risk.
- Performance pay leads to a wider distribution of earnings among employees which may lead to discontentment and an overall reduction in worker morale
- Performance pay may be viewed as an element of control rather than support.



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**“Participation in continuous, on-the-job training and the impact on job satisfaction: longitudinal evidence from the German labour market” by
Yannis Georgellis, Brunel Business School, Brunel University and
Thomas Lange, AUTUniversity, Faculty of Business**

- German firms committed to providing funded training opportunities for employees may encounter rather different results for different target groups.
- The participation of German workers in further training has an impact on job satisfaction
- Participation in training depends heavily on individual labour market characteristics, such as age, gender, previous qualifications, marital status, and nationality of the individual and the size of the firm in which the employee operates.

**“Training, Job Satisfaction, and Workplace Performance in Britain” by
Melanie K. Jones, Richard J. Jones, Paul L. Latreille and Peter J. Sloane School
of Business and Economics, Richard Price Building, Swansea University**

- Their paper analyses the relationship between training, job satisfaction, and workplace performance using the British 2004 Workplace Employee Relations Survey (WERS).
- There is clear evidence that training is positively and significantly associated with job satisfaction and that job satisfaction is also positively and significantly associated with the workplace performance on most measures of performance.



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“Participative Management and Job Satisfaction: Lessons for Management Leadership” by Soonhee Kim from the University of Nevada, Las Vegas

This study examined the positive relationship between participative management and job satisfaction.

Conclusion and managerial implications:

- The study gives evidence that there are different possibilities for influencing employee or staff satisfaction.
- The study points out the positive relationship between a participative strategic management process and job satisfaction.
- The study emphasizes effective supervisory communications as a factor affecting employee satisfaction.



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Managerial implications:

- The leadership style and the influence on job satisfaction is evident.
- Managers should have a strategy how to organize their workplace environment and which leadership style fits best.
- Very important for managers is the sight on different countries and cultures to adopt the management and leadership style. With the increased importance of multinational companies, it is mandatory for managers that they know how job satisfaction can be influenced in different cultures and how to deal with it.
- This research shows also evidence that employee satisfaction may lead to better company performance, therefore managers have to give their employees a workplace environment which leads to staff satisfaction.
- Investigations about other HR practices like recruitment/ selection/ training and other reward systems should be done



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Thank you very much for your attention!