CONSTITUTIONS OF CONDITIONS AFFECTING EMPLOYEE JOB SATISFACTION IN SMALL AND MEDIUM POLISH ENTERPRISES. A QUALITATIVE COMPARATIVE ANALYSIS

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Abstract: Nowadays, SMEs operate in an increasingly competitive environment, full of threats from competing companies. One of the big challenges facing small and medium enterprises is human resource management. People spend most of their hours at work, and job satisfaction plays a vital role in an efficient work environment. Employee job satisfaction is a very complex construct, and is considered a critical factor in the organization's success. The purpose of this article is to examine how various, selected factors, such as: identification with the strategy, leadership style, job security and awards, simultaneously affect employee job satisfaction in Polish small and medium-sized enterprises. The sample of the study includes employees of Polish small and medium enterprises. Based on data from 274 surveys with Polish small and medium sized enterprises’ employees, fuzzy-set Qualitative Comparative Analysis was used to investigate several combination of conditions affecting job satisfaction. The results presented in the article confirm that a high level of job satisfaction can be achieved through many constellations of conditions. Small and medium-sized enterprises can adopt in practice these specific factors in several constellations to obtain a higher level of employee job satisfaction.

Keywords: employee job satisfaction, SMEs, fuzzy – set qualitative comparative analysis.

1. Introduction

Satisfaction in everyday work is important in the life of every person, because we spend most of our time working and engaging in some business to make a living. Job satisfaction is one of the most complex areas that managers face when managing their employees. The satisfaction of employees with their work is also one of the main goals of both large, and small and medium-sized enterprises, because it translates into the broadly understood success of the company.

Studies on job satisfaction are numerous because initial research into the context of attitudes related to work began before World War I and was developed in Great Britain, Europe and America. The first mentions and definitions of job satisfaction date back to the 1930s.
According to Fisher and Hana (1931), job satisfaction is an internal factor, and can be considered as an emotional adaptation to working and employment conditions. So, if the work is fun for employees and makes them happy, they will be satisfied with their work. According to Hoppock (1935), job satisfaction is a complex and multidimensional concept, related to psychological, physical and social factors, that makes a person state: "I am satisfied with my work". There are various definitions of job satisfaction. First of all, it can be defined as concerning one’s feeling or state of mind related with the work (Chughati, and Perveen, 2013), and “an employee’s positive attitude towards the company, co-workers and, finally, the job” (Sypniewska, 2014).

The employees' attitude and opinion can be positive or negative towards work. Job satisfaction is a general expression of workers’ positive attitudes built up towards their jobs, because when workers are satisfied with their jobs, they form positive and pleasant attitudes towards them. On the other hand, if employees are dissatisfied with their jobs, they form negative and unpleasant attitudes towards them (Armstrong, 2003). Job satisfaction is an attitude which is related to attitudes towards life and service quality (Illes et al., 2009). Locke (1969) defined job satisfaction as a positive emotional feeling, the result of a person’s evaluation of his or her job experience by comparing what he or she expects from his or her job and what he or she actually gets from it. Employees’ opinions and attitudes about the organizations they work for are very important, and their performance depends on their satisfaction at work. If the economic benefits, the job’s own specific characteristics, the social status, and the job expectation employees hoped for are appropriate to employees’ desires, job satisfaction is achieved. The positive attitudes of employees towards the whole business environment as a result of their experiences of the work-environment are called job satisfaction. Satisfaction of employees (Job satisfaction-JS) is an emotional condition of the individual about his/her position at work (Warr, and Inceoglu, 2012). The final effect of his/her work depends on his/her satisfaction, which is expressed in the profit that the employee creates. According to Moyes et al. (2008), employee satisfaction may be described as how pleased an employee is with his or her position of employment.

Job satisfaction is very complex phenomenon which is influenced by numerous factors and has been widely studied in the literature. Previous researches were usually focused on the relationship between a single factor or determinant and job satisfaction, and resulted in partial views on job satisfaction, i.e. single variables which affect job satisfaction, without taking a global view to indicate how different factors simultaneously affect job satisfaction.

The aim of this paper is to investigate and indicate the constellation of different conditions which lead to employee job satisfaction in Polish SMEs. Accordingly, this empirical study adopts a Qualitative Comparative Analysis using fuzzy sets (fs/QCA) to explore the connections between employee job satisfaction and chosen conditions, such as: integration with the strategy, leadership style, job security and awards. These factors were selected based on a critical literature analysis. First, briefly reviewing the literature on a set of conditions, namely
the variables influencing employee job satisfaction, is done. Then the methodology of research (fuzzy set Qualitative Comparative Analysis) is presented. The results of the analysis and the conclusion are discussed in the last section. These empirical studies are part of a research area whose results related to other factors and their relationship with employee job satisfaction are presented in publications (Gębczyńska, and Kwiotkowska, 2018a, 2018b, 2019).

2. Theoretical background

There are many factors that contribute to the fact that employees are satisfied or dissatisfied with their work. These factors are divided into two groups: those relating to the organization and those relating to the personal characteristics of the employees. In the article, based on a critical review and analysis of the literature, from the group of factors related to the organization, the following were selected: identification with the strategy, leadership style, job security and awards. These factors will be discussed below.

In an increasingly competitive world, employees’ organizational commitment and job satisfaction have become important components of human resource management. Organizational commitment is a psychological link between employees and their organizations, which makes it less likely for employees to voluntarily leave the organization (Allen, Meyer, 1996). Organizations must clearly define their goals to support the involvement of their employees and their identification with strategy and organizational goals (Patterson et al., 2005). Bart, Bontis and Taggar (2001) link employee job satisfaction to the organizational mission and strategy. Therefore, on the basis of literature analysis, one of the factors was defined as "identification with the strategy" (also called clarity of organizational goals). Clarity of organizational goals – a concern with clearly defining the goals of the organization (Locke, 1991). The management and applied psychology literatures generally define goal clarity as “the extent to which the outcome goals and objectives of the job are clearly stated and well defined” (Sawyer, 1992). According to goal setting theory, an employee performs better if the goals that guide work are clear, specific, and challenging rather than vague, ambiguous, and unchallenging (Latham et al., 2008; Rainey, & Jung, 2015). So if you know better what is expected of you, the course of action that you should take to achieve the goal becomes clearer and more likely to reach the goal, which translates into greater satisfaction with the tasks performed and job satisfaction. Both identification with the strategy and job satisfaction are highly related to the development of an organization. So the improvement of employees’ identification with the strategy and goals related to realizing the enterprise's strategy is always a priority for organizations.

Leadership is a social influence process in which the leader seeks the voluntary participation of subordinates in an effort to reach organizational goals, a process whereby one person exerts
social influence over other members of the group, a process of influencing the activities of an individual or a group of individuals in an effort towards goal achievement in given situations, and a relational concept involving both the influencing agent and the person being influenced (Bhatti et al., 2012). The success of organizations depends on the involvement, efforts, and commitment of their workforce. One of the factors for organizational success is the manager’s leadership style. At the present time organizations are more concerned about developing, understanding and modifying their leadership style in line with the firm’s strategy, structure and system. Leadership style has deep relevance and influence on the human resources of a firm in terms of attracting people to achieve the goals of organizations (Skansi, 2000).

The employee satisfaction level on the job can be determined by the leadership style. The attitude of the manager and how he or she approaches his staff affects the team. The leadership style always directly or indirectly affects the job satisfaction of the employees in their organization. Research indicates that transactional leadership style and transformational leadership style have a positive relationship with employee job satisfaction in small and medium enterprises (Sakiru et al., 2013). Transactional leadership is dependent on leader-follower exchanges. Followers execute based on the drive and trend from the leaders, and leaders absolutely reward the efforts. The standard is an outcome which may be undesirable, like disciplinary action if followers neglect to adhere to instructions, or it may be encouraging, like commendation and acknowledgment if aides adhere to the committed path established by the leader and achieve the given objectives (Sakiru et al., 2013).

A transformational leader encourages his/her subordinates to achieve organizational goals and objectives, and to reach their potential by providing the mandatory resources (Ansari, and Arastoo, 2008). Transformational leadership style positively effects employees’ job satisfaction (Asghar, and Oino, 2018). In addition, transformational leaders motivate and encourage their subordinates to enhance their learning in terms of skills set and knowledge. They also act as role models and provide an encouraging work environment for their subordinates (Hassan et al., 2013).

Employees are a real treasure and the most valuable resource for any organization, and each organization wants to get the maximum benefit from its resources. Employees can only perform well if they are satisfied with the organization, and this happens if there is job security. One of the most consistent findings in the job satisfaction literature is that the effect of job security on job satisfaction is large and significant (Kraimer et al., 2005). Job satisfaction comes from different factors, some of which include a pleasant work environment, friendly management, a good salary package, job security, organizational justice and career opportunities (Aquino, et al., 1999). Researches have shown that job security induces the organizational commitment of workers, which refers to the degree to which a worker identifies with his/her work or organization and its goals, and willingness to maintain membership in the organization (Apkan, 2013). Researches on job security also show that it relates with job satisfaction while job insecurity relates with job dissatisfaction (Ashford et al.,
1989) and negative physical health (Roskies, and Louis-Guerin, 1990). When the employee is not satisfied with his or her job, he or she starts looking for a new one and becomes less involved in performing his or her duties. Job satisfaction arising from job security is a major factor affecting the quality of the employer-employee relationship (Nikolaou et al., 2005). Job security is an employee's assurance or confidence that they will keep their current job. Silla et al. (2009), in their research among 639 workers from six organizations, found that high perception of job security will also result in higher job satisfaction. Research by Wolff (2008) reported that job insecurity showed a strong relationship with negative physical health such as fatigue, insomnia, and pain in the body. Employees with a high level of job security have a low probability of losing their job in the near future (Sageer et al., 2012).

There are different factors that are used to motivate employees, and one of these is to recognize their work by saying thank you. Reward is a broad construct that has been said to represent anything that an employee may value that an employer is willing to offer in exchange for his or her contributions (Chiang, and Birch, 2008). The reward is also defined as all cash, non-monetary and psychological payments that the organization provides to its employees (Bartol, and Locke, 2000). Rewards are divided into two groups: intrinsic and extrinsic. There are a wide variety of intrinsic rewards available which increase the satisfaction and overall job-related productivity of employees. Researchers who work on different intrinsic factors suggest that these factors have a significant impact on the job satisfaction of employees. Some of these rewards come in the form of job involvement, participate in decision making, job autonomy, task significance and recognition. These rewards have their merits in creating a highly satisfied workforce. Extrinsic rewards are the social and organizational rewards. Social rewards refer those that can be derived from interaction with others on the job. Organizational rewards are tangible rewards like pay, promotions, and other job related benefits. Researchers’ findings show that extrinsic rewards are significantly more correlated with job satisfaction as compared to intrinsic rewards. Rehman et al. (2010) found that extrinsic rewards have a strong relationship with job satisfaction as compared to intrinsic rewards. Flynn (1998) argued that rewards and recognition programmes maintain high spirits among employees, boosts their morale, and create a linkage between the performance and motivation of the employees. Research results also indicate that the system of organizational awards plays a key role in increasing employee satisfaction. Organizations focus on financial rewards, and non-financial rewards are increasingly overlooked (Chiang, and Birch, 2008). Gerald and Dorothee (2004) indicate that rewards for work are a strong indicator of job satisfaction, and rewards are largely related to professionalism and job satisfaction, and job satisfaction depends both on financial and non-financial rewards, so organizational reward systems should include both of them.
3. Methodology of research

A methodology for obtaining summarizations from data that are associated with cases, developed by the social scientist Charles Ragin, is the fs/QCA (Ragin, 2000). In recent years, the use of the fuzzy set Qualitative Comparative Analysis (fs/QCA) in business and management research has increased (Ozdem, and Sezer, 2019; Berger, 2016; Fiss, 2011; Kwiotkowska, 2015, 2017; Ma et al., 2019). It is a more recent and extended version of the QCA that may be used for contextual analysis, which investigates how causal relationships are dependent on contextual conditions, and is furthermore much closer to statistical approaches (Stokke, 2007; Denk, and Lehtinen, 2014; Mas-Verdú et al. 2015). The Fs/QCA is a diversity-oriented approach which proposes different alternative paths to understand the construct of an outcome, and is furthermore well suited for observing complex phenomena (Kent, 2005; Shipley et al. 2013; Henik, 2015).

This study employs fuzzy sets (fs/QCA) to explore the connections between employee job satisfaction and selected conditions, such as: integration with the strategy, leadership style, job security, and awards. Unlike reliance on symmetrical (correlation – based) methods, fuzzy set QCA uses Boolean algebra to specify and test causal recipes (Fiss, 2007; Ragin, 2008a; Woodside, 2015). The process of QCA starts with defining the property space which comprises all configurations of conditions leading to an outcome. Given that the property space delimits potential explanations of the outcome, the conditions should be chosen carefully and anchored in extant theoretical knowledge (Ordanini et al. 2014). Next, the Quine-McCluskey algorithm provides a logical reduction of statements (Ragin, and Fiss, 2008). In this study, all four conditions are assumed, on the basis of a comprehensive review of the literature, to contribute to employee job satisfaction. Scholars have called for using the fs/QCA to supplement regression analysis when the relationships between the dependent and independent variables are not symmetrical but asymmetrical (Kent, 2005; Ragin, 2008; Woodside, 2013). Unlike more quantitative methods which are based on correlation, the fs/QCA seeks to establish logical connections between the combinations of causal conditions (conjunctural causation) and an outcome, which results in rules that summarize the sufficiency between subsets of all the possible combinations based on their causal conditions (or their complement) and the outcome (Mendel, and Korjani, 2013). When causality in the research phenomenon is both multiple – when an outcome has more than one cause – and conjunctive – when these causes work together to produce the outcome, the fs/QCA represents an appropriate method. The fs/QCA aims to show conditions that are sufficient but not necessary to cause an outcome (Woodside, 2013). Thus, rather than estimating some net effects of independent variables, the fs/QCA employs Boolean algebra logic to examine the relationships between an outcome and all binary combinations of the independent conditions. This methodological approach provides the opportunity to detect relevant configurations that guarantee a high performance in the outcome conditions (Fiss, 2011; Henik, 2015). In this study, computer program fs/QCA version 2.5 by Ragin and Deavey was used (Ragin, and Deavey, 2009).
The sample of the study includes employees of Polish SMEs, and the fieldwork contains information from 363 surveys (November 2016 – February 2017). After the exclusion of incomplete questionnaires, data for the analysis comprise 274 valid surveys (a response rate of 75.48%). The survey includes four scales (integration with the strategy, leadership style, job security, and awards) in the form of statements to which respondents indicate their level of agreement/disagreement on a five-point Likert scale. All item loadings are higher than 0.7. An extensive review of the relevant literature supports the validity of the scales (see Table 1).

Table 1. Scales measurements

<table>
<thead>
<tr>
<th>Construct</th>
<th>Adapted from</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integration with strategy (clarity of organizational goals)</td>
<td>Construct was measured by 5 items from Patterson et al. (2005)</td>
<td>0.87</td>
</tr>
<tr>
<td>Leadership style</td>
<td>Construct was measured by a 20-item Leadership Style Questionnaire, developed by Northouse P.G. (1997)</td>
<td>0.92</td>
</tr>
<tr>
<td>Job security</td>
<td>Construct was measured using 11 items from Kraimer, Wayne, Liden, Sparrowe (2005) and Clark (2005)</td>
<td>0.93</td>
</tr>
<tr>
<td>Awards</td>
<td>Awards practices were measured using 6 items (Tessema, Soeters, 2006)</td>
<td>0.82</td>
</tr>
</tbody>
</table>

Source: author’s own study.

From a psychometric perspective, one single-item overall measure capturing job satisfaction was used. The use of single-item measures to operationalize this construct (Cronbach Alpha = 0.929) compares favourably with the use of multiple-item measures (Dolbier et al., 2005). The research model is presented in Figure 1, and it is verified in the process of scientific research.

Figure 1. Conceptual model. Source: author’s own study.
4. Results

The results are presented in Table 2. In this table each column represents a constellation of causal conditions with their corresponding raw coverage, unique coverage and solution consistency. The numbers at the bottom of the table represent the coverage and consistency of the solution as a whole. The parsimonious and intermediate solutions were presented and analyzed (Ragin, and Fiss, 2008). Full circles (●) indicate the presence of a condition, while barred circles (□) indicate a condition’s absence. Furthermore, core and complementary conditions are distinguished by the symbols’ size: larger circles indicate core conditions that are part of parsimonious solutions. Smaller circles indicate complementary conditions that only occur in intermediate solutions. Each panel represents the alternative causal combinations or recipes for the outcome (Ragin, 2008b). These are consecutively numbered C1 and C2.

Table 2.
Constellation of conditions leading to job satisfaction

<table>
<thead>
<tr>
<th>Condition (factors)</th>
<th>Constellations</th>
<th></th>
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<tbody>
<tr>
<td></td>
<td></td>
<td>C1</td>
<td>C2</td>
</tr>
<tr>
<td>Integration with</td>
<td></td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>strategy (clarity</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of organizational</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>goals)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership style</td>
<td></td>
<td></td>
<td>●</td>
</tr>
<tr>
<td>Job security</td>
<td></td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Awards</td>
<td></td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Consistency</td>
<td>0.88</td>
<td>0.90</td>
<td></td>
</tr>
<tr>
<td>Raw coverage</td>
<td>0.31</td>
<td>0.34</td>
<td></td>
</tr>
<tr>
<td>Unique coverage</td>
<td>0.04</td>
<td>0.05</td>
<td></td>
</tr>
<tr>
<td>Solution consistency</td>
<td></td>
<td>0.89</td>
<td>0.57</td>
</tr>
<tr>
<td>Solution coverage</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Source: author’s own study.

In brief, consistency measures the degree to which cases sharing a given condition agree in displaying an outcome. Raw coverage measures the overall coverage of a combination that may overlap with other combinations. Unique coverage refers to coverage uniquely due to a combination. Solution consistency measures the degree to which membership in the solution (the set of solution terms) is a subset of membership in the outcome. Lastly, solution coverage refers to the combined coverage of all combinations leading to the outcome (Ragin, 2008a).

According to the results of the analysis, the solution yields coverage close to 57% and consistency of 89%. The first constellation of the conditions C1 combines integration with strategy, job security and awards. Table 2 indicates that there is one core condition associated with job satisfaction, namely integration with strategy, which is complemented by peripheral conditions associated with job satisfaction – job security and awards. This constellation indicates that clearly stated and well defined outcome goals and objectives of an organization, with an employee's assurance or confidence that they will keep their current job and all the cash,
non-monetary and psychological payments that the organization provides to its employees, lead to job satisfaction.

The second constellation of conditions C2 combines identification with strategy, leadership style and job security with absence of rewards. Interestingly, as in the previous solution, the results show that there is one core condition associated with job satisfaction, namely identification with strategy. In terms of peripheral conditions associated with job satisfaction, the QCA suggests that the core condition, absence of awards, must be complemented by leadership style and job security. This constellation indicates that an individual employee's identification with the well-defined outcome goals and objectives of the organization, and involvement in a particular organization, with the attitude of the manager and how he or she approaches his staff, and with a high level of job security, and with low probability of losing their job in the near future, lead to job satisfaction, even if achieving financial or non-financial awards is difficult. Results indicate that if the leadership style is present, there are no rewards, and the presence of rewards is associated with the occurrence of job security. This arrangement of conditions in different constellations may suggest that the presence of leadership style compensates for the absence of rewards, while the total absence of leadership style is compensated by the presence of rewards and job security.

5. Conclusion

Examining the factors and determinants that create paths to explain and understand the job satisfaction phenomenon is important from the organizational point of view, because it can indicate the future directions of strategic activities that can help achieve a higher level of job satisfaction. Use of the fs/QCA is an original contribution to the wide range of research on job satisfaction, by studying the effect of all of the selected conditions simultaneously.

It is worth noting that in these two constellations the identification with strategy is an important and core factor by which employees achieve a high level of job satisfaction, so an individual employee's identification with the well defined outcome goals and objectives of the organization, and his/her involvement in a particular organization, affect employee job satisfaction. Thus, the identification with strategy is a necessary (but insufficient) condition for a high level of job satisfaction. A high level of job satisfaction requires the peripheral conditions associated with job satisfaction, namely job security and awards, or leadership style and job security without awards.

Employee job satisfaction is highly related to the performance and development of an organization, so the improvement of employee job satisfaction is always a priority for organizations. The results of research have practical implications for managers of SMEs, because they may provide them with a more holistic understanding of the factors that lead to
job satisfaction, by investigating simultaneously the influence of chosen factors. Use of the fs/QCA in this research provides managers with two constellations of conditions affecting employee job satisfaction. Small and medium-sized enterprises can adopt in practice these specific factors in two constellations to obtain a higher level of employee job satisfaction.

The results of this research should be considered in light of limitations, the most critical of which relates to the data source. The data in this study come from a limited research sample – Polish SMEs. Future research could replicate this study in other companies and countries or regions. Second, this study considered and examined a few factors of job satisfaction selected based on critical analysis of the literature. In future, light should be shed on other variables (e.g. age, gender, education) for further understanding of job satisfaction.

References


