

## Employee Engagement and Job Satisfaction



### Management

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### ABSTRACT

*Employee engagement is a key business driver for organizational success. High levels of engagement in domestic and global firms promote retention of talent, foster customer loyalty and improve organizational performance and stakeholder value. A complex concept, engagement is influenced by many factors—from workplace culture, organizational communication and managerial styles to trust and respect, leadership and company reputation. For today's different generations, access to training and career opportunities, work/life balance and empowerment to make decisions are important. Thus, to foster a culture of engagement, HR leads the way to design, measure and evaluate proactive workplace policies and practices that help attract and retain talent with skills and competencies necessary for growth and sustainability. This paper focuses a review on employee engagement and job satisfaction.*

### JOB SATISFACTION DEFINITION

Job satisfaction is an attitude that is simply how content an individual is with his or her job; whether he or she likes the job or not. It is assessed at both the global level (whether or not the individual is satisfied with the job overall), or at the facet level (whether or not the individual is satisfied with different aspects of the job). Specter lists 14 common facets: Appreciation, Communication, Coworkers, Fringe benefits, Job conditions, Nature of the work, Organization, Personal growth, Policies and procedures, Promotion opportunities, Recognition, Security, and Supervision). Job satisfaction scales vary in the extent to which they assess the affective feelings about the job or the cognitive assessment of the job. Affective job satisfaction is a subjective construct representing an emotional feeling individuals have about their job. Hence, affective job satisfaction for individuals reflects the degree of pleasure or happiness their job in general induces. Cognitive job satisfaction is a more objective and logical evaluation of various facets of a job. Cognitive job satisfaction can be one-dimensional if it comprises evaluation of just one facet of a job, such as pay or maternity leave, or multidimensional if two or more facets of a job are simultaneously evaluated. Cognitive job satisfaction does not assess the degree of pleasure or happiness that arises from specific job facets, but rather gauges the extent to which those job facets are judged by the job holder to be satisfactory in comparison with objectives they themselves set or with other jobs. While cognitive job satisfaction might help to bring about affective job satisfaction, the two constructs are distinct, not necessarily directly related, and have different antecedents and consequences.

Job satisfaction can also be seen within the broader context of the range of issues which affect an individual's experience of work, or their quality of working life. Job satisfaction can be understood in terms of its relationships with other key factors, such as general well-being, stress at work, control at work, home-work interface, and working conditions.

### MODELS OF JOB SATISFACTION

#### 1. AFFECT THEORY

Edwin A. Locke's Range of Affect Theory (1976) is arguably the most famous job satisfaction model. The main premise of this theory is that satisfaction is determined by a discrepancy between what one wants in a job and what one has in a job. Further, the theory states that how much one values a given facet of work (e.g. the degree of autonomy in a position) moderates how satisfied/dissatisfied one becomes when expectations are/aren't met. When a person values a particular facet of a job, his satisfaction is more greatly impacted both positively (when expectations are met) and negatively (when expectations are not met), compared to one who doesn't value that facet. To illustrate, if Employee A values autonomy in the workplace and

Employee B is indifferent about autonomy, then Employee A would be more satisfied in a position that offers a high degree of autonomy and less satisfied in a position with little or no autonomy compared to Employee B. This theory also states that too much of a particular facet will produce stronger feelings of dissatisfaction the more a worker values that facet.

#### 2. DISPOSITIONAL APPROACH

The dispositional approach suggests that individuals vary in their tendency to be satisfied with their jobs, in other words, job satisfaction is to some extent an individual trait. This approach became a notable explanation of job satisfaction in light of evidence that job satisfaction tends to be stable over time and across careers and jobs. Research also indicates that identical twins raised apart have similar levels of job satisfaction.

A significant model that narrowed the scope of the dispositional approach was the Core Self-evaluations Model, proposed by Timothy A. Judge, Edwin A. Locke, and Cathy C. Durham in 1997. Judge et al. argued that there are four Core Self-evaluations that determine one's disposition towards job satisfaction: self-esteem, general self-efficacy, locus of control, and neuroticism. This model states that higher levels of self-esteem (the value one places on his/her self) and general self-efficacy (the belief in one's own competence) lead to higher work satisfaction. Having an internal locus of control (believing one has control over her/his own life, as opposed to outside forces having control) leads to higher job satisfaction. Finally, lower levels of neuroticism lead to higher job satisfaction.

#### 3. EQUITY THEORY

Equity Theory shows how a person views fairness in regard to social relationships such as with an employer. A person identifies the amount of input (things gained) from a relationship compared to the output (things given) to produce an input/output ratio. They then compare this ratio to the ratio of other people in deciding whether or not they have an equitable relationship. Equity Theory suggests that if an individual thinks there is an inequality between two social groups or individuals, the person is likely to be distressed because the ratio between the input and the output are not equal.

For example, consider two employees who work the same job and receive the same pay and benefits. If one individual gets a pay raise for doing the same work than the other, then the less benefited individual will become distressed in his workplace. If, on the other hand, one individual gets a pay raise and new responsibilities, then the feeling of equity will be maintained.

Other psychologists have extended the equity theory, suggesting three behavioral response patterns to situations of perceived equity or inequity (Huseman, Hatfield, & Mile, 1987; O'Neil &

Mone 1998). These three types are benevolent, equity sensitive, and entitled. The level by each type affects motivation, job satisfaction, and job performance.

1. Benevolent-Satisfied when they are under-rewarded compared with co-workers.
2. Equity sensitive-Believe everyone should be fairly rewarded.
3. Entitled-People believe that everything they receive is their just due.

#### 4. DISCREPANCY THEORY

The concept of discrepancy theory explains the ultimate source of anxiety and dejection. An individual, who has not fulfilled his responsibility feels the sense of anxiety and regret for not performing well, they will also feel dejection due to not being able to achieve their hopes and aspirations. According to this theory, all individuals will learn what their obligations and responsibilities for a particular function, over a time period, and if they fail to fulfill those obligations then they are punished. Over time, these duties and obligations consolidate to form an abstracted set of principles, designated as a self-guide. Agitation and anxiety are the main responses when an individual fails to achieve the obligation or responsibility. This theory also explains that if achievement of the obligations is obtained then the reward can be praise, approval, or love. These achievements and aspirations also form an abstracted set of principles, referred to as the ideal self guide. When the individual fails to obtain these rewards, they begin to have feelings of dejection, disappointment, or even depression.

#### 5. TWO FACTOR THEORY

Two-factor theory (also known as motivator-hygiene theory) attempts to explain satisfaction and motivation in the workplace. This theory states that satisfaction and dissatisfaction are driven by different factors – motivation and hygiene factors, respectively. An employee's motivation to work is continually related to job satisfaction of a subordinate. Motivation can be seen as an inner force that drives individuals to attain personal and organizational goals (Hoskinson, Porter, & Wrench, p. 133). Motivating factors are those aspects of the job that make people want to perform, and provide people with satisfaction, for example achievement in work, recognition, promotion opportunities. These motivating factors are considered to be intrinsic to the job, or the work carried out. Hygiene factors include aspects of the working environment such as pay, company policies, supervisory practices, and other working conditions.

While Herzberg's model has stimulated much research, researchers have been unable to reliably empirically prove the model, with Hackman & Oldham suggesting that Herzberg's original formulation of the model may have been a methodological artifact. Furthermore, the theory does not consider individual differences, conversely predicting all employees will react in an identical manner to changes in motivating/hygiene factors. Finally, the model has been criticised in that it does not specify how motivating/hygiene factors are to be measured.

#### 6. JOB CHARACTERISTICS MODEL

Hackman & Oldham proposed the job characteristics model, which is widely used as a framework to study how particular job characteristics impact on job outcomes, including job satisfaction. The model states that there are five core job characteristics (skill variety, task identity, task significance, autonomy, and feedback) which impact three critical psychological states (experienced meaningfulness, experienced responsibility for outcomes, and knowledge of the actual results), in turn influencing work outcomes (job satisfaction, absenteeism, work motivation, and performance). The five core job characteristics can be combined to form a motivating potential score (MPS) for a job, which can be used as an index of how likely a job is to affect an employee's attitudes and behaviors. Not everyone is equally affected by the MPS of a job. People who are high in growth need strength (the desire for autonomy, challenge and development of new skills on the job) are particularly affected by job characteristics. A meta-analysis of studies that assess the framework of the model provides some support for the validity of the JCM.

#### CONCLUSION

Job satisfaction represents one of the most complex areas facing today's managers when it comes to managing their employees. Although thousands of papers and research have been conducted on job satisfaction all over the world, in the Republic of Macedonia this is one of the least studied research fields. Many studies have demonstrated an unusually large impact on the job satisfaction on the motivation of workers, while the level of motivation has an impact on productivity, and hence also on performance of business organizations. There is a considerable impact of the employee's perceptions for the nature of his work and the level of overall job satisfaction. Financial compensation has a great impact on the overall job satisfaction of employees.

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