

THE CONSEQUENCES OF EMPLOYEE SATISFACTION IN THE FURNITURE INDUSTRY

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Abstract

Nowadays, business leaders have recognized that the performance of an organization should be determined not only by market share or profit size, but also by the human dimension, so it is worth taking care of employee satisfaction as well. Besides the moral factors, this is also dictated by the employer's self-interest. Employees' behaviour determines decisively the quality and quantity of work and thus on the company's ability to win, retain and develop candidates with the right skills. In addition, employee satisfaction concerns may endanger the workings and long-term goals of the workforce, which can cause significant problems such as employee performance, loyalty, commitment, and deterioration in the company's performance, absenteeism and fluctuation.

1. Introduction

Before presenting some of the consequences of employee satisfaction, we find it important to briefly illustrate the ways in which employees most often express their dissatisfaction. Rusbult et al. (1988) responded to employee dissatisfaction in four groups. Exit is an active and destructive response, which refers to leaving the organization, resigning, including thinking in resigning and resigning itself. Protest is an active, but constructive response that makes working efforts to improve your current situation, discussing issues with your supervisor and colleagues, trade union leaders, or even seeking external help. Loyalty is a passive and constructive employee response that is based on anticipating the improvement of circumstances. Denial is a passive and destructive response in which the worker's interest and effort diminish. According to the results of Rusbult and his colleagues, senior employee satisfaction has consistently made constructive responses.

Thomas and Au (2002) researched how cultural differences affect the responses of dissatisfied workers. According to the results, passive responses, collectivist cultures, and denial are common. Individualist national cultures that are in keeping with individual interests are giving active response, namely the protest. The inverse relationship between employee satisfaction and exit in individualist cultures is stronger. High satisfaction and favourable employment opportunities in the collectivist states have strengthened employee loyalty, while in individualist countries it has been reduced.

It is also important for the individual, the organization, and even the society that the employees perform their work professionally and with the expected performance. One of the most important and most controversial implications of employee satisfaction is personal performance, over which time several perspectives have emerged over time. Before describing different views, we would point out that examining the relationship between satisfaction and individual performance is a very complex task, since not all attitudes lead to the desired behaviour. Employees' performance is influenced by their own motivation and satisfaction, as well as their individual and organizational factors, such as the ability of employees, their abilities, their knowledge or the resources provided by the organization, the quality of management, and so on.

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According to a traditional approach, satisfied workers are efficient and deliver outstanding performance, so satisfaction is the cause of performance. Over the past decades, the relationship between performance and employee satisfaction has been studied by several comprehensive analyses, however, which have not fully demonstrated this view.

The low correlation between employee satisfaction and performance is due to the fact that many jobs do not have the potential to change performance, as it depends not only on workers' intent but on many objective factors: the pace of the production process, the quality of the available tools and materials, etc. According to Levy (2003), the relationship between satisfaction and individual performance is closer going up to the echelon of furniture manufacturing companies.

On the other viewpoint that is based on Vroom's objective theory, employee satisfaction is not a reason but an effect of performance. According to Lawler and Porter (1978), the rewards of employee satisfaction play a key role in the development of employee satisfaction: individuals are so content with their work as much as they can get the things that attract them. This model differentiates between two types of rewards. External bonuses include bonuses from the organization such as pay, promotion, or job status that can meet the lower needs of workers. Performance and rewards often do not have a significant relationship, as they are not easy to connect to. Internal rewards are given to the individual as there is a sense of value or other internal rewards associated with self-realization that are less exposed to deflection forces and are more directly linked to good performance. The model mentioned above also illustrates well that internal and external rewards are not directly related to employee satisfaction. The presumed justice and legitimacy of rewards determine the relationship between them.

2. Method

In the review of the literature, we looked at different groups of methods of employee satisfaction measurement. Héthy and Makó (1981) listed these procedures in two groups: subjective and direct, and objective and indirect measurement techniques. The subjective and the direct techniques, such as the questionnaire, measure how workers evaluate different aspects of their work. In this case, the researcher is not interested in objective reality, but interested in the worker's insights. Objective, indirect tools serve to explore the actual situation. This is mainly the workplace observation and the furniture manufacturing company data and documents overview. We have examined the satisfaction of the employees by means of a questionnaire and evaluation scales, so it is relatively quick and inexpensive to be acquainted with several different opinions and behaviours of different professional profiles in different organizations. The use of the questionnaire method has several advantages, as it is cheap, fast, and provides anonymity for respondents. The results can be quantified, normalized and compared with the existing satisfaction data, and we can collect data from the past, present and future.

For our present research, I asked about 100 employees working in the furniture industry at work satisfaction. The questionnaires were completely anonymous. In the questionnaire I worked with the likert scale. We had to give a response on a scale from 1 to 5, depending on the degree to which each statement is typical.

Questions about employee satisfaction:

- I've been considering leaving the company
- I think I have a good commitment to the company
- In my opinion, I behave properly in my workplace
- In my opinion, customers are satisfied with our furniture
- I can keep up with my expected performance

The questionnaire contains only closed questions, which makes it easier to process data, but the disadvantage is that it does not provide an opportunity to express the individual's insights. During our next survey, we will also use questions that give employees in furniture manufacturing companies more opportunities to express their opinions. The questions could be formulated as follows:

- Say three things you're most satisfied with at work.

- Name the three things you are most dissatisfied with at work.

3. Results

The main consequences of employee satisfaction can be attributed to individual and organizational implications. Individuals' performance and physical and mental well-being belong to a group of individual consequences, and the organizational consequences include delays, absenteeism, fluctuation and individual or collective protests of employees, as well as organizational engagement, organizational behaviour, consumer behaviour satisfaction and organizational performance. If, based on the data obtained, the employees have a high level of satisfaction and motivation for high-quality work, but benchmarking data does not show that, HRM professionals can still draw important conclusions. In such a case, low individual performance is likely to be due to inadequate employee skills, knowledge, or inappropriate organizational resources, working conditions. However, these problems can be remedied relatively easily, and after proper HRM and work organization steps, high-level individual performance and indirectly higher satisfaction levels are expected, improving organizational performance.

It is also necessary to form the subject of reflection on issues related to the physical and mental well-being of workers. Based on the results obtained, human resource management professionals can work out the steps to sustain the well-being of workers, prevent health complaints and address workers' problems of this nature.

The outcomes associated with the exit level at the organizational level include employee delays, absences and fluctuations. Even if a number of objective factors influences the appearance of these behaviours, workers' exit aspiration plays at least as important an important role. However, to develop fluctuating actions, it would be useful to know how workers think about delays and absenteeism.

Individual or collective protests are extreme expressions of dissatisfaction. For adequate handling of thieving and verbal aggression, understanding the improvement between dissatisfaction and these behaviours is a useful information. To do this, it is also necessary to activate such issues, especially in organizations where the destructive behaviour of workers is worrying. There is a clear positive relationship between organizational commitment and employee satisfaction. It can be assumed that satisfied workers feel a commitment to their employer and identify with their goals.

The issue of consumer satisfaction is related to satisfaction surveys that the employee's satisfaction with direct contact with consumers also affects consumer satisfaction and loyalty. However, data relevant to the satisfaction of consumers can only be obtained through their direct inquiry, and in the employee satisfaction surveys we can only ask the workers for this perception. In our view, questions related to consumer satisfaction and behaviour are only desirable for employees who have direct contact with consumers. In the future, it is worth paying attention to the fact that these issues are filled in by the customer care staff, and after receiving consumer satisfaction surveys, we will also have to receive feedback on the results.

- **Human factor:**

59% of the participants said that their employer provided him with the opportunity for professional development. 37% of respondents indicated that their organization could retain talented employees with its personnel policy. In one third of the interviewed organizations, the superiors play an active role in their career planning.

- **Work and management processes:**

Most of the respondents are satisfied with their working conditions, but only half of the respondents think that their employer has enough staff to do the job. 60% of employees agree on the assumption that they can maintain a healthy balance between their work and their personal life. Only one third of respondents indicated that the organization employing them supports the possibility of flexible work. According to 79% of respondents, there is good cooperation between the working groups. 84% of the questionnaire represents that the organization's pursuit of quality is paramount.

- **Organizational management**

59% of employees think that the whole organization is well managed, although there is a positive opinion about driving their class as well. The interviewees less appreciate the jobseekers' relations between superiors and subordinates. The clear majority of respondents said that remuneration was not in line with performance, and only 50% of employees were rated in official performance appraisal during the previous year.

- **Information and knowledge:**

According to 69% of respondents, their immediate superior puts enough effort to get to know the opinions and thinking of their employees. However, corporate strategy is not well-known to employees, only 43% receive adequate information. Although nearly half of the respondents' state that they can express their views openly within the organization, only 40% of the respondents feel that their position is considered before taking a decision.

- **Decision-making:**

Seven out of ten employees believe that seven will believe in the company's future success. Three quarters of respondents clearly state that they are treated fairly by their workplace. Most of the workers (78%) feel that they are making interesting, challenging jobs, 82% of them are able to apply their skills well during their work.

- **Compensation:**

One third of respondents are dissatisfied with the internal justice of the compensation system. 39% of the respondents feel that they are getting the right salary for their performance. More than half of the employees are satisfied with the benefits they receive, but only 40% said they would fully satisfy their needs. Less than half of the companies participating in the survey give their employees a pension fund contribution. 69% of employees claim to be proud of working at the organization. 70% of respondents are satisfied with the company, while 79% are satisfied with their work. Seven of ten employees are committed to their employer. Most of the employees are confident that they can plan their work in the long run, but only 33% of them believe that they can implement their long-term career ideas at the employer.

4. Conclusions

Based on studying the development of employee satisfaction, we conclude that the attitudes of employees regarding work are based on individual, work-related, organizational and external environmental factors. Its degree influences individual, organizational, and social well-being through individual and organizational implications. Measuring employee satisfaction is a complex task since satisfaction is a latent construct from a science-methodological point of view, which is only indirectly defined by studying other phenomena. The measurement of employees' global and partial satisfaction is mostly done using a questionnaire-based approach, using attitudinal scales.

The overwhelming majority of employees are satisfied with their working environment and working conditions, do not feel any conflict between their work and their family, and the surroundings of their work and the safety of their work are acceptable. More than half of the employees are satisfied with their direct superior's leadership style and relationship with their colleagues, as well as with the ability and recognition of group work.

However, the overwhelming majority of the employees are dissatisfied with the flexibility of work provided by the organization, the amount of pay, the fairness of the remuneration system and the supply of overtime and the organizational communication practice. The employer satisfies less than half of the employees with the performance appraisal system with career development opportunities, as well as general management practices in the organization.

Because of the employees' satisfaction data, we conclude that the satisfaction of the workers in the furniture manufacturing companies is also due to the duality of the humanized and the livelihood expectations associated with the employer. For example, for a management style, it is equally

important for employees to manage the whole organization so that their workplace and compensation can be assured, and that managers are properly treated with their employees and ensure their professional development. The precondition for employee satisfaction is the optimal rate and proportion of the humanized and existential expectations. The responsibility of HRM professionals is to develop system-level HRM solutions that take into account the needs of employees and prepare line leaders to develop a leadership style that takes into account the needs of their employees. To ensure satisfaction and efficiency at the same time, human resource managers must become a strategic partner of leadership. This is the only way to develop a management strategy and goal system that takes into account the organization's workforce potential, and to develop a HRM strategy that enhances the organization's performance and employee satisfaction while providing operational management.

5. Suggestions

To adapt to the problematic HRM areas for the satisfaction of employees in the furniture manufacturing companies in Hungary and to find a favourable situation in terms of employee satisfaction, the following human resource management steps are needed:

- Human resource development is a key area for employee satisfaction. Staff training and career management are equally important HRM tasks. To be able to keep your most talented staff, you must improve your skills and knowledge in all aspects and enable your long-term career goals to be realized. Leadership training is a particularly important task for HRM professionals. Senior executives should be helped to develop general management practices so that employees are convinced while the whole organization is well managed and that leaders understand the concerns of their employees and ensure their well-being. With lower level managers, they need to familiarize themselves with work-centred management techniques and leadership style, which also ensures the proper performance of their organizational unit. The task of HRM professionals is to draw the leaders' attention to the importance of fair treatment of employees, to provide regular formal and informal feedback, to assign assignments to enable staff development and to support their participation in further training. Inadequate behaviour of a direct employee of a worker can destroy the beneficial effect of an organization-level, positive general driving practice.
- Greater emphasis should be placed on the selection of appropriate candidates in the provision of human resources. It is very important for workers that their work is in line with their abilities and interest. The selection of drivers can be crucial to the level of satisfaction of the subordinates, as direct leadership's behaviour and driving style have a significant impact on it. Consequently, in selecting managers, in addition to multi-stage interviews and tests, an evaluation centre (assessment centre) is also recommended to assess as far as possible the candidate's ability to perform that leadership stake, and its management principles are consistent with organizational values.
- When designing a human resource, it is important to plan for enough people to work with the workflows, with overloading to significantly reduce individual and organizational performance as well as employee satisfaction.
- During job planning, the identification of jobs, efforts should be made to make interesting and challenging work as individually as possible. In addition, efforts should be made to introduce alternative working time systems, to introduce home-based work and flexible working hours to ensure settlement of work and family life obligations. Ensuring teamwork is an important but not enough condition for employee satisfaction. Employees who are effectively involved in group work should be known and rewarded.
- In human resources, more emphasis should be placed on choosing the right candidates. It is very important for workers that their work is in line with their abilities and interest. The selection of drivers can be crucial to the level of satisfaction of the subordinates, as direct leadership's behaviour and driving style have a significant impact on it. Therefore, in selecting managers, in addition to multi-stage interviews and tests, an evaluation centre (assessment

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- For benchmarking, while providing an objective assessment of the working outcomes, feedback is key. It is important to provide benchmarking results and feedback to help workers achieve better results in the future.
- Within the compensation system, the satisfaction of employees is most often influenced by the fairness of compensation. It is therefore desirable to develop a system that is based on benchmarking and enables performance-based pay. It is also important for employees to know how to get their salary, to get a pleasing answer to their salary issues. The introduction of the incentive payroll system is expected not only to increase staff performance, but also to increase satisfaction. It is important to encourage employees to reach performance goals at individual, group, and organizational level. Among the over-compensation benefits, the flexible benefits (cafeteria model) and the introduction of benefits for workers for retirement years are recommended.
- The establishment of appropriate organizational communication within the system of labour relations is the most important. Employee satisfaction is largely related to their belief that leaders are openly communicating with them, adequately informing them about important issues and trying to get their opinions heard. Participation is closely related to important areas of workforce, such as communication, leadership style and self-employment. It is important, therefore, where workflows allow, leaders endeavour for participatory leadership, to involve their employees as much as possible in making important decisions. The above mentioned HRM steps are expected not only employee satisfaction, but through their individual performance, commitment, organizational citizen behaviour and their exit behaviour as well as their individual and collective protest behaviour patterns, and thus indirectly improves the overall performance of the organization as well.

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