

Tuning Organizational Values on Job Satisfaction: The Case of International Manufacturing Corporation¹

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Abstract

The aim of the article is to find how perception of values is related to job satisfaction on an example of international manufacturing service corporation providing provides manufacturing services for the global customers. The study was carried out in 2009 and 1180 employees from seven factories located in six countries participated in the survey that focused on different aspects of job satisfaction and perceived organizational values. Results imply that job satisfaction of employees from different factories varies to a great extent, but values are perceived in rather similar manner and are generally congruent with declared values of the organization. Survey results show that those respondents who report perceived values coherent to the declared values of the company have significantly higher job satisfaction than those who did not reported particular or any value. It is discussed how and why the perception of shared values influences job satisfaction and its variations.

Keywords: *organizational values, job satisfaction, values congruence, international manufacturing company*

JEL classification: M14, M12

Introduction

To achieve sharing of the organizational values is one of the most challenging tasks of a rapidly developing international corporation which originally started its operations through acquisitions in different countries. Organizational values show what is considered to be important in particular organization and give directions for work behavior, decision-making and priorities

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for activities. Organizational values help to facilitate alignment of organizational practices in different cultural contexts. Due to differences of local practices and peculiarities there is a certain challenge for an international corporation to communicate and implement values in the way that those are understood in coherent manner.

As organizational values serve a mean for organizational members' behavior evaluation against to set standards and norms, the employees' job satisfaction is the reflection of perceived outputs of managerial and operational practices. It could be argued that common understanding of organizational values and congruence of those with declared values give employees higher satisfaction, because it reduces work-related uncertainty.

1. Theoretical background

Values are beliefs held by individuals or groups about what and how should be achieved and help to choose the preferable actions (Enz, 1988). Values are presumed to encapsulate the aspiration of individuals and societies: they pertain to what is desirable, to deeply engrained standards that determine future directions and justify past actions (Braithwaite, Scott, 1991). One more function of values is that they provide a standard against which actions are evaluated (Sullivan *et al.* 2001). Thus values serve several important functions and meanings that are crucial in behavior in an organizational context.

Argyris and Schön (1978) distinguish between values "in use" from "espoused" values, which are the values that are not really part of an organizational member's repertoire (Meglino, Ravlin, 1998). Espoused values are the same as Anthony (1994) calls "inspirational views" of organizational culture and do not govern necessarily the behavior of organizational members. The congruence of the values derived on one hand from the employees and on the other hand from the management is important, because if this is not the case, the organization has two "parallel systems" of values: "formal" or official" values (written down in official documents, posters or homepage) *versus* the values which are really hold and shared by organizational members (values that guide the behavior in organization) (Padaki, 2000). If there is a significant discrepancy between the values "in use" and those expressed publicly, a "dysfunctional organization" (Kets de Vries, Miller, 1986) may emerge. This eventually manifests in confusion and dissatisfaction of employees whose decision making about suitable behavior in organization is biased. For example, if it is "written" that customer is value, but organizational members consider customer as an "enemy who needs to be defeated", then there might be serious conflict for those who wish both - to behave according to the declared value and same time be part of the collective and follow informal norms. By disregarding values in long run the dissatisfaction with management practices may arise; by disregarding colleagues the dissatisfaction with relationships may occur.

Job satisfaction refers to the attitudes and feelings people have about their work (positive and favorable attitudes toward the job indicate job satisfaction; negative and unfavorable – job dissatisfaction (Armstrong, 2007). There are many aspects of job satisfaction emphasized by different authors. Cooper *et al* (1989) bring out such aspects as rate of pay, responsibility given, freedom to choose working method, variety in job, opportunity to use one's ability, hours of work, recognition for good work, colleagues and fellow workers and physical working conditions. Oshagbemi (1999) brings out pay, nature of work, promotions, supervision, co-workers' behavior and physical conditions. Sousa-Poza and Sousa-Poza (2000) consider work compensation, interesting job, independent work, advancement opportunities, good relationship with management and colleagues, and job security as the aspects of job satisfaction. Job satisfaction thus is composed of the level employee relates in positive or negative way with received compensation, job itself and environment which consist of e.g. relationships, management, physical conditions etc.

There is not so many surveys done in the field of relationships between job satisfaction and organizational values, but still some of those show particular patterns. Findings by Elizur and Koslowsky (2001) demonstrate that work values are positively related to the job commitment which refers to the emotional or functional attachment to the work place. Another study found that women indicating the organizational values to be more supportive of work-life balance also reported greater joy in work, less job stress, greater satisfaction with their jobs, careers and family, less intent to quit, fewer psychosomatic symptoms and higher levels of emotional well-being (Burke, 2001). Research conducted by Hassan (2007) revealed that some human resource development practices (e.g. potential appraisal and promotion, learning/training, performance guidance and development) were positively related to organizational values of collaboration, creativity, quality, delegation, and humane treatment. However, performance appraisal system, career planning, and contextual analysis variables were negatively associated with values such as trust and creativity (*Ibid*). Bellou (2010) studied the relationships between organizational culture and job satisfaction. Her findings suggest that job satisfaction is enhanced if in organization such values as fairness, opportunities for personal growth, enthusiasm for the job and good reputation are regarded; and aggressiveness, seems to confine job satisfaction. It could be argued that there is some evidence of the relationships between organizational values and job satisfaction, but certainly this is an understudied topic; moreover we could not find any studies concerning the coherency between perceived and declared values and its impact on job satisfaction.

Figure 1 presents conceptual connections between notions elaborated in theoretical overview. We argue that if there is congruence between declared and perceived organizational values this may be the precondition for job satisfaction. And in other way around – if there is incongruence between declared and perceived values it might be a precondition for dissatisfaction with job. Still in this general frame final conclusions cannot be derived, because human behavior is

indeed complex and it cannot be stated without empirical research that for example incongruence between declared and perceived values definitely cannot create job satisfaction.

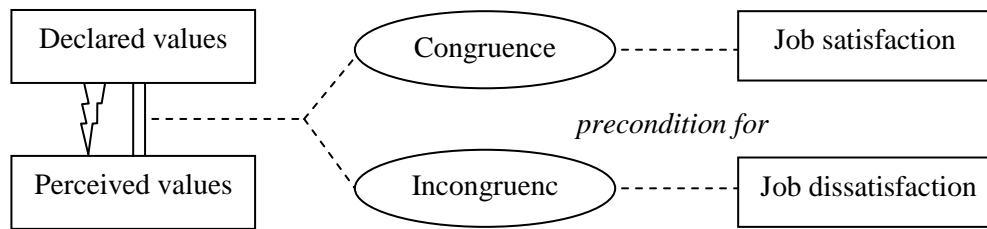


Figure 1 Conceptual connections between values and job satisfaction (authors' figure)

2. Sample and methodology description

The survey took place in June 2009 in all factories of the corporation at the same time. Number of the respondents who filled in the questionnaire is 1180 – 319 (27.0% of the sample) from China, 172 (14.6%) from Estonia, 94 (8.0%) from Finland, 115 (9.7%) from Slovakia, 333 (28.2%) from Sweden, 122 (10.3%) from Switzerland and 25 (2.1%) from corporate employees working in different mentioned locations. Average overall response rate is ca 50% of all employees. The study was conducted during challenging times where cost reductions, lay offs and reorganizations took place in all studied factories.

Employee's satisfaction was measured by seven main sections in the questionnaire: my job, my compensation, my work conditions, my development, my direct manager, factory management, cooperation in factory, cooperation in factory's department, corporate brand. 6-point Likert type scale was used for measurement of job satisfaction ("1" means total disagreement and "6" total agreement with the statement). The sections of the questionnaire, keywords that open the content measured, number of statements in each section and reliability measure are presented in appendix 1. The questionnaire included an open question in which respondents were asked to name three keywords that they consider to be important in the company. The responses reflect perception of company's values in practice and we will compare those with declared values of the company. Perceived values were grouped according to keywords and then reduced to declared values according to subjective opinion of authors and then the distribution of values and job satisfaction estimations according to factory locations were found. The job satisfaction of employees according to perceived values was calculated by comparing two groups of respondents: those who reported the values which are in accordance with the declared values of the company and those who did not report same values as declared ones (but reported some other value) plus those who did not report any value at all. In order to analyze the statistical differences of job satisfaction estimations according to perceived values ANOVA-analysis was implemented.

3. Results of the study

Declared values of the corporation are *customer, innovation, success, responsibility* and *respect*. The keywords answered by respondents, i.e. perceived values were grouped in following: *quality, respect, teamwork, development, customer, remuneration, efficiency, communication, responsibility, delivery, focus, stability, work environment, employee, result, relationships, competencies, flexibility, discipline, spirit*. Not all respondents reported perceived values, but still those are included in analysis. Table 1 summarizes values perceived by employees; keywords that have been included into the value categories are presented in the second column. Perceived values have been matched with declared values based on the subjective opinion of the authors. In sum the value of *customer* was reported 321 times, *success* 204 times, *respect* – 158, *responsibility* – 150 and *innovation* – 126 times. Such a set of perceived values as remuneration, stability, work environment, employee and spirit (could be named as value *people*) did not match with declared values and in total those values were reported 331 times.

Congruence with declared and perceived values

Table 1

Perceived values	Keywords	Declared values*	No of resp.
Quality	Quality	Customer	242
Respect	Trust, honesty, equality	Respect	108
Teamwork	Teamwork, cooperation, unity	Responsibility	98
Development	Innovation, prosperity	Innovation	93
Customer	Customer focus, orientation, importance	Customer	91
Remuneration	Salary, pay and benefits	-	77
Efficiency	Efficiency, productivity	Success	71
Communication	Communication, openness, information sharing	Respect	69
Responsibility	Responsibility, reliability	Responsibility	68
Delivery	On time delivery	Customer	64
Focus	Business focus, strategy, goals, vision, values	Success	63
Stability	Stability	-	62
Work environment	Working environment, conditions	-	61
Employee	Employees, people, loyalty, motivation	-	57
Result	Success, achievement, profit, performance, cost efficiency	Success	55
Relationships	Relationships with colleagues, friendliness, harmony	-	47
Competencies	Abilities, professionalism, knowledge, experience	Success	36
Flexibility	Flexibility, speed	Innovation	35
Discipline	Accuracy, order, diligence	Customer	27
Spirit	Atmosphere, climate	-	27

Note: *congruence is derived from description of the declared values.

From the figure 2 it is possible to see how the perceived values (reported by the employees) differ in various locations where the company operates. *Customer* is the most reported value in Estonia, Sweden, China and Switzerland. *Responsibility* is the most mentioned value in Slovakia; *success* is mentioned the most by corporate employees; *innovation* – in Finland.

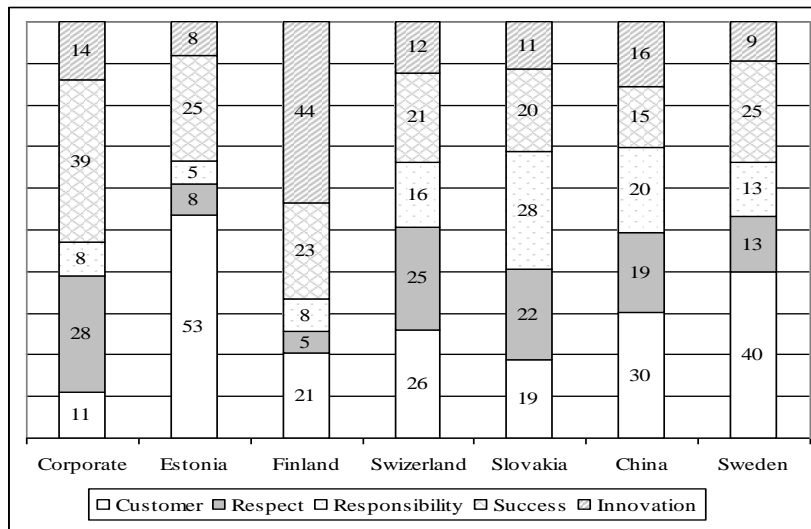


Figure 2: Distribution (%) of perceived values according to location of the factories

The ANOVA-analysis shows a considerable deviation in job satisfaction estimations in different countries where corporation operates (see table 2).

Differences of job satisfaction estimations according to location of the factories

Table 2

Satisfaction section/ location	Corporate	EST	FIN	SWZ	SLO	CH	SWE	ANOVA
My job	5.06	4.81	4.34	5.06	4.71	4.36	4.67	F(6,870)=18.15 p=.000
My compensation	4.35	4.11	3.78	4.53	3.70	3.64	3.43	F(6,894)=19.68 p=.000
My work conditions	5.06	4.47	4.06	4.94	4.31	3.84	4.15	F(6,869)=24.53 p=.000
My development	4.19	4.02	3.34	4.56	4.08	3.61	3.51	F(6,836)=19.85 p=.000
My direct manager	5.03	4.52	3.91	5.08	4.51	4.13	4.51	F(6,867)=14.35 p=.000
Factory management	4.91	4.24	3.86	4.92	4.35	4.06	4.22	F(6,493)=3.08 p=.006
Cooperation in factory	4.62	4.26	3.68	4.59	4.26	4.08	4.25	F(6,443)=3.48 p=.002

Satisfaction section/ location	Corporate	EST	FIN	SWZ	SLO	CH	SWE	ANOVA
Cooperation in factories' department	-	4.50	4.10	4.90	4.37	4.11	4.36	F(6,746)=11.51 p=.000
Corporate brand	4.84	4.59	3.40	4.89	4.68	4.16	4.36	F(6,752)=22.54 p=.000

Notes: EST – Estonia; FIN – Finland; SWZ – Switzerland; SLO – Slovakia; CH – China; SWE – Sweden. “1” means that employee absolutely disagrees with the statement and “6” means total agreement with the statement.

In order to find what is the difference in job satisfaction estimations according to perceived values variance analysis was implemented. The results are presented in table 3 show that there are significant differences in job satisfaction estimations between those respondents who reported the values which are in accordance with the declared values of the company and those respondents who did not report the same values as declared ones (but reported some other value) or who did not report any value at all.

The differences among job satisfaction estimations according to reported/not reported perceived values

Table 3

Job satisfaction m(SD), Anova statistics	V values									
	Customer		Respect		Responsibility		Success		Innovation	
	r*	N/r*	r	N/r	R	N/r	r	N/r	r	N/r
My job	4.77 (62)	4.58 (79)	4.73 (77)	4.62 (75)	4.77 (59)	4.61 (77)	4.82 (59)	4.59 (78)	4.77 (65)	4.62 (76)
	F(1,875)=10.53 p=.001		N/S*		F(1,875)=4.49 p=.034		F(1,875)=12.42 p=.000		N/S	
My compensation	3.98 (95)	3.75 (1.06)	3.88 (1.03)	3.80 (1.03)	3.89 (1.05)	3.80 (1.03)	4.15 (93)	3.78 (1.04)	3.93 (88)	3.80 (1.05)
	F(1,899)=9.48 p=.002		N/S		N/S		F(1,899)=22.77 p=.000		N/S	
My work conditions	4.40 (73)	4.14 (93)	4.38 (94)	4.19 (91)	4.34 (84)	4.19 (92)	4.55 (79)	4.15 (92)	4.37 (79)	4.19 (93)
	F(1,874)=14.09 p=.000		F(1,874)=4.49 p=.034		N/S		F(1,874)=24.84 p=.000		N/S	
My development	3.95 (94)	3.73 (1.09)	3.97 (1.08)	3.76 (1.04)	3.94 (93)	3.77 (1.07)	4.09 (1.01)	3.73 (1.05)	3.97 (98)	3.77 (1.06)
	F(1,841)=7.58 p=.006		F(1,841)=4.07 p=.044		N/S		F(1,841)=14.91 p=.000		N/S	
My direct manager	4.75 (90)	4.37 (1.10)	4.59 (1.02)	4.45 (1.07)	4.78 (83)	4.42 (1.08)	4.75 (83)	4.41 (1.10)	4.62 (90)	4.45 (1.08)
	F(1,872)=22.91 p=.000		N/S		F(1,872)=11.70 p=.001		F(1,872)=13.51 p=.000		N/S	
Factory management	4.40 (82)	4.07 (99)	4.36 (95)	4.14 (95)	4.43 (78)	4.13 (98)	4.56 (85)	4.08 (96)	4.45 (92)	4.13 (95)
	F(1,498)=13.57 p=.000		N/S		F(1,498)=6.62 p=.010		F(1,498)=20.19 p=.000		F(1,498)=6.01 p=.015	
Cooperation in factory	4.43 (68)	4.10 (98)	4.47 (82)	4.14 (92)	4.43 (79)	4.15 (93)	4.50 (75)	4.12 (93)	4.50 (78)	4.16 (92)
	F(1,448)=12.65 p=.000		F(1,448)=8.06 p=.005		F(1,448)=5.74 p=.017		F(1,448)=12.94 p=.000		F(1,448)=6.45 p=.011	
Cooperation in factories' department	4.52 (80)	4.31 (93)	4.43 (88)	4.37 (91)	4.66 (71)	4.33 (92)	4.68 (70)	4.31 (93)	4.56 (77)	4.35 (91)
	F(1,750)=8.40 p=.004		N/S		F(1,750)=11.90 p=.001		F(1,750)=19.12 p=.000		N/S	
Corporate brand	4.58 (75)	4.27 (1.05)	4.57 (88)	4.33 (99)	4.64 (98)	4.31 (1.00)	4.63 (79)	4.30 (1.01)	4.53 (81)	4.34 (1.00)
	F(1,757)=16.18 p=.000		F(1,757)=5.71 p=.017		F(1,757)=10.60 p=.001		F(1,757)=13.35 p=.000		N/S	

Note: * r – reported perceived value similar to the declared value; N/r – did not report same value as is declared officially (but reported some other value) or did not report any value at all; N/S – not significant differences; job satisfaction estimations are given on the scale where “1” means that employee absolutely disagrees with statement and “6” means total agreement with the statement.

The analysis brought out that the job satisfaction estimations of those employees who perceived organizational values in same manner as they are declared officially are significantly higher in many respects compared to those employees whose perception of values diverges from official values.

4. Discussion

There is a considerable congruence between perceived and reported values in the corporation which implies that management by values has been implemented in a successful way. All declared values had a reflection in reported perceived values, but there was one set of keywords (labelled as *people* by us) which was reported by employees, but this is not a declared value by the company. It could be proposed to add one more value to declared values or incorporate *people* value into the description of existing values, because employees feel that people are important. This is somehow opposite situation compared what usually is expressed in literature (that there are some values that are “espoused”, but not “in use”) – in current case there is a value which is followed, but not declared by organization. This certain lack of congruence between perceived and declared values could cause confusion especially in such dimension what relates to people. Too business-driven value setup could raise the question of the importance of human factor in achieving results of the corporation.

The variance in job satisfaction estimates according to reported values have significant differences, but certain pattern could be followed – those respondents who reported some specific value have higher job satisfaction estimations than those who did not report any specific value. This means that by strengthening the practice of managing-by-values it is possible to increase the employees’ satisfaction.

In table 4 study results are summarized. *Customer* and *success* are most represented values. As previous results showed values of respect, responsibility and innovation has been mentioned less. In order to show that value *respect* is important in corporation it is necessary to improve work conditions, put more emphasis on developing employees, enhance cooperation within the factory and continuously work on corporate branding. For increasing the importance of value *responsibility* job related issues has to be regarded, managerial practices and cooperation improved and corporate brand developed. In order to present the importance of value *innovation* the management and cooperation in factory should be improved. Still there is another possibility to interpret the results – by strengthening management-by-value practices it is possible to increase job satisfaction level of employees. Finally it depends on what is taken as target variable and influencing variable.

There is a large variation of job satisfaction estimations in different locations of factories. Job satisfaction is forming human behavior in organization and is the result of operational and managerial practices. The perception of values in different locations seems to be different as well. Still it should be mentioned that all declared values have been reported by the respondents in entire sample, but the emphasis or importance of those values is different. The highest unity is followed in value of *customer* which has been mentioned as the most reported value in four out of seven locations. Based on the analysis done it is difficult to conclude whether the variation in emphasis is stemming from business practices or from

national cultural background. Literature shows that organizational values have greater impact on human behavior in organization (while giving base for behavior patterns) than national cultural values have. Hofstede (2001) states that at the national level cultural differences reside mostly in values and less in practices; and at the organizational level, cultural differences reside mostly in practices and less in values. In international corporations it might be proposed that organizational values, which are shared among parts of corporation situated in different countries, have greater effect on employees' behavior and thus on job satisfaction than national cultural context.

**Connections between job satisfaction and perceived values
in studied corporation**

Table 4

Satisfaction section/perceived values	Customer	Respect	Responsibility	Success	Innovation
My job	+		+	+	
My compensation	+			+	
My work conditions	+	+		+	
My development	+	+		+	
My direct manager	+		+	+	
Factory management	+		+	+	+
Cooperation in factory	+	+	+	+	+
Cooperation in factory's department	+		+	+	
Corporate brand	+	+	+	+	

Note: "+" means that there are significant differences in job satisfaction estimations – those who reported marked value have higher satisfaction than those who did not mark particular or any value; blank cell means no significant differences.

There are certain limitations of the study. First of all, two sets of respondents whose differences in job satisfaction estimations were analyzed are composed from those who reported declared value and those who did not report any certain value plus those who did not report any value at all. No analysis or discussion has been made in order to find what is the level of satisfaction of those who did not mark any value (compared to those who did) and what are the reasons why employees did not report any value. Secondly, national cultural impact on organizational values and job satisfaction was not analyzed in profound way. Finally, no individual characteristics (such as length of employment relationship, position in organization, function) have been incorporated into results studies. While human behavior is complex phenomena then by adding individual variables richer background and result explanation might be expected.

Stemming from limitations more profound analysis on theoretical and empirical levels are needed in order to find what is the impact of national culture of certain countries on corporate values and then what has biggest impact on job satisfaction – national cultural background of respondents or corporate values. Still the presented piece of study gives general clues how it is possible to tune organizational values on job satisfaction.

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APPENDIX 1

Job satisfaction section's descriptions and reliabilities

Job satisfaction sections	Description of the statements	No of statements	Cronbach Alpha
My job	Measures employee's perception of awareness of tasks, responsibilities, performance, expectations, target achievement, feedback and information sharing.	11	0.89
My compensation	Measures employee's perception of awareness of salary formation principles and benefits, equity compared to similar job in other companies, expectations of salary and responsibility balance, impact of bonus on motivation.	5	0.78
My work conditions	Measures employee's satisfaction with existence of proper tools and equipment, general working conditions and social facilities, dynamics of working condition improvements, work-safety conditions, working climate.	9	0.88
My development	Measures employee's perception of career and training opportunities, knowledge about training principles, existence of feedback on development and instructions for doing job.	8	0.91
My direct manager	Measures employee's satisfaction with direct management. Direct management includes statements about attributes and attitudes of manager (feedback, recognition, listening, respect, problem solving, information sharing, development, support).	11	0.96
Factory management	Measures employee's satisfaction with factory management. Includes statements about achievement of results, change management, problem solving and situation analysis, development, customer orientation and management team behavior (according to values, respectful, teamwork).	12	0.96
Cooperation in factory	Measures employee's satisfaction with cooperation on factory and department levels. Cooperation section includes statements about cooperation between and within factories/departments/group functions, teamwork, working climate, communication, openness.	9	0.95
Cooperation in factories' department		10	0.94
Corporate brand	Measures employee's perception about company's imago (caring, stable, successful, strong, good employer) and loyalty (proud to work at the company and recommend as employer to others).	8	0.95