

JOB SATISFACTION AND RETAIL LEADERSHIP

By

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Introduction

According to Hammer (1996), over the last two decades, employment trends have changed from a lifetime career with a single employer to multiple career changes with several employers in a lifetime. Job satisfaction is a crucial element that has determined whether an employee will stay with an employer who benefits from it (Chowdhury, 2000). This research discusses what the leading theories on job satisfaction are and what employers are doing to create and maintain job satisfaction for employees and costs associated with maintaining job satisfaction, versus the associated costs of employee turnover.

Surprisingly, money was not the main reason people are dissatisfied with their jobs. The body of Peer Reviewed Literature shows that the number one reason people are dissatisfied with their jobs is dissatisfaction with their managers or managers' actions. In fact, Job satisfaction is shown to be derived best through nurturing and supportive organizational cultures with policies that promote meaningful work.

One study shows a direct correlation between level of employee satisfaction and customer loyalty. This sixth paper basically discusses how expensive it is to have dissatisfied workers as compared to creating a work environment that promotes job satisfaction. Also, this paper discusses ways of creating an organization of job satisfaction.

Job satisfaction was defined in my paper as a pleasurable feeling that results from the perception that one's job fulfills or allows for the fulfillment of one's important job values or a positive attitude people have about their jobs.

This research shows that job satisfaction can be derived through five core characteristics: **Task variety, task identity, task significance, autonomy and feedback** (page 181). People want to have more control and meaning in their work-lives, and not just perks and benefits.

Theories found in the literature which pertain to job satisfaction include: **Equity Theory, two-factor theory of job satisfaction, value theory, social information-processing model** and the **dispositional model**.

The **Equity theory** (Adams) basically states that people will be more motivated and satisfied with their jobs if they feel they are being treated fairly in their work relationships. When workers are given what they feel is equitable for what they will be motivated. When they feel they are not being treated fairly and they will do whatever it takes to balance the scale. People do this constantly when it comes to comparing input output levels with others.

The **Two-Factor Theory of Job Satisfaction** (Herzberg) suggests that dissatisfaction is a result of the conditions of work and satisfaction comes from intrinsic and extrinsic motivators. Basically satisfaction is a result of the work itself or outcomes from the work, such as achievement, responsibility, recognition, or promotion opportunities.

Value Theory, a very recent theory (1997) suggests that overall job satisfaction is created in the everyday accumulation of positive memories on the job. If a person values opportunity for achievement and the job provides it, employees are more likely to experience job satisfaction. If an employee finds concerns that go against what he or she values, dissatisfaction may result.

Social Information Procession Model suggests that coworkers' attitudes have a major effect on peoples' perception and over job satisfaction. When surrounded by positive people who exude a positive attitude that promotes job security individuals will more likely find job satisfaction. The opposite is also true.

My favorite job satisfaction model is the **dispositional model of job satisfaction**. This theory suggests that people have a disposition to like or dislike their jobs. Essentially some people will just like whatever job they are doing, while others will simply never find job satisfaction in most jobs they take.

Keys to retention include: effective employee training, positive relationships between supervisors and employers, strong leadership, knowledge of employee dissatisfaction and turnover decisions.

This sixth paper highlighted a **list of qualities employees do not like of a supervisor**: non-existing leadership, moodiness, negative control, being treated as if one can be easily replaced, lack of listening, lack of feeling of importance within the organization, threats of being eliminated, being treated as criminals. Also, there cannot be too many people to report to.

Managers should: give easily understood expectations, which are realistic, with two-way communication, quantifiable and frequently communicated, while allowing employees to do what they do best. Recognition should be given frequently (every seven days) for specific accomplishments. Giving trust is essential to for managers, especially when it comes to allowing employees to participate in decision-making processes. Several other areas are covered in this sixth paper to show how managers can assist in creating an environment that promotes job satisfaction.

The bottom line is that effectiveness and success of organizations can be evaluated through how satisfied their employees are and by looking at the levels of employee turnover. When turnover is low and overall job satisfaction is high among employees, it is evident that the organization's leadership is strong and success-oriented.

According to Chowdhury (2000), successful 21st century organizations should constantly recruit talented employees and try to keep them. Based on a study conducted by Kay and Jordan-Evans (1999), 89% of managers believe people stay in an organization because of money. However, other studies that have asked employees why they quit during exit interviews show that this is not necessarily always true (Barney, 2002; Reingold, 1999; Taylor, 2004). Results indicate that, primarily, they resign because of dissatisfaction with their managers' actions or inactions (Barney, 2002; Olesen, 1999). Therefore, successful organizations should understand the costs associated with losing employees and show this awareness by training managers to treat employees as they would treat their customers. Likewise, organizational leaders should not take their valuable employees for granted and treat each one as if the success of their organizations depends on it (Chowdhury, 2000; Duboff, 1999; Olesen, 1999). In fact, recent studies show that the best organizations for employees are characterized by having nurturing and supportive organizational cultures, combined with policies that promote meaningful work (Chalofsky, 2003; Syptak, Marsland, & Ulmer, 1999).

There are many benefits to creating an organization where employees are happy and satisfied. These benefits include fewer absences from work, fewer grievances filed, and more efficient completion of work assignments (Balzer et al., 1997; Every Manager's, 2002; Olesen, 1999; Reingold, 1999). Likewise, happy employees are more likely to produce higher quality work, finding ways on their own to improve their effectiveness and sharing enthusiasm with coworkers. More importantly, happy employees are more likely to stay with their organization; therefore, satisfied workers

reduce costs associated with recruiting and training new employees and continue building on success for their organizations (Butler, 1990; Greenberg, 2002; Reingold, 1999).

A workplace that keeps its employees happy not only leads to employee retention; it makes good business sense. Blanchard and Bowles (1993) show how essential it is to keep employees happy because satisfied employees will help build business by delivering exceptional customer service. Happy employees seem to understand how delivering exceptional customer service is directly related to an organization's success. It is important to note that in their interactions with employees of a business, customers do not distinguish between employees and the organization itself. To the customer, each employee *is* the company (Zemke, 2003).

Specifically, satisfied employees help create an atmosphere of satisfaction, such that satisfied customers will build a business's success when they return and tell others about their positive experiences in doing business with that company (Syptak et al., 1999). Likewise, the profitability of a company is often reflected in the direct correlation between level of employee satisfaction and customer loyalty (Syptak et al., 1999). Therefore, organizational leaders can benefit from knowing that organizations with low customer loyalty usually have the highest levels of staff with elevated job dissatisfaction and employee turnover (Balzer et al., 1997; Olesen, 1999; Sargeant & West, 2001; Syptak et al., 1999). With this in mind, organizations should invest time and resources in evaluating their employees' levels of job satisfaction.

This paper examines various issues associated with employees' job satisfaction. First, this paper explicates the concept of job satisfaction, presenting prominent theories on its core components. Next, this paper draws connections to turnover and retention, an

issue of primary importance for 21st century workers who face downsizing and are less likely to stay with one employer throughout their careers. This paper then presents the key ingredients to retaining employees and the costs of losing talented workers, followed by a discussion of the role of managerial style and other essential ingredients to employee job satisfaction. Then, this paper offers several examples of organizations that have had to contend with turnover and have worked to build employee satisfaction as a method for reducing it.

Defining Job Satisfaction: Definitions and Central Theories

Balzer and colleagues (1997) described job satisfaction as “...feelings a worker has about his or her job or job experiences in relation to previous experiences, current expectations, or available alternatives” (p. 10). Job satisfaction can also be defined as “a pleasurable feeling that results from the perception that one’s job fulfills or allows for the fulfillment of one’s important job values” (Locke, 1976, p. 901). More simply, Chelladurai (1999) defined job satisfaction as “an attitude people have about their jobs” (p. 230).

Butler (1990) presented an expanded definition by showing that employees are most satisfied in business when their jobs include five core characteristics: (a) task variety, (b) task identity, (c) task significance, (d) autonomy, and (e) feedback (Hackman & Oldman, 1980). Task variety keeps employees from becoming bored with their jobs, while task identity helps them define their job functions and helps alleviate unneeded and unwanted confusion over what is expected of them (Reingold, 1999; Sweeney, 2000). Granting employees autonomy shows them that they are trusted in accomplishing their job functions and empowers them to make the best decisions possible for the benefit of

the organization. In fact, recent studies on job satisfaction have shown people want to have more control and meaning in their work-lives, beyond perks and benefits. In addition, meaningful work can be described as the result of an individual finding equilibrium in self, work, and balance (Chalofsky, 2003). Finally, the benefit of giving feedback to autonomous employees helps provide job satisfaction because it clarifies their successes and shortcomings (Butler, 1990; Reingold, 1999). When feedback is given properly, employees might be motivated to increase production and find new ways of doing things to benefit the organization.

According to Greenberg (2002), there are four primary theories and approaches to understanding job satisfaction. These are: (a) the two-factor theory of job satisfaction, (b) value theory, (c) the social information-processing model, and (d) the dispositional model. In addition, Syptak and colleagues (1999) used Herzberg's (1959) theory of motivation to analyze methods for creating job satisfaction. Equity theory was not discussed by Greenberg (2002) or Syptak and colleagues (1999) as a theory that pertains to job satisfaction; however, it is useful to explain how to keep employees satisfied with their jobs and helps prevent valuable employees from finding reasons to leave. Aspects of each of these should be considered in order to create an environment where employees will remain loyal to the organization and satisfied with their jobs.

Equity Theory

According to Adams (1963), people will be more motivated and satisfied with their jobs if they feel they are being treated fairly in their work relationships. This theory is commonly known as the equity theory. A simple, old-fashioned scale that balances inputs and outputs can illustrate the equity theory. This scale can be imagined to look like

the one that is often used in courts and law offices to depict justice being weighed fairly. On one side of the scale are the inputs, with the outputs on the other side. Inputs are represented by what the worker puts into the job, such as time, levels of effort, ability, loyalty, tolerance, flexibility, integrity, commitment, reliability, and personal sacrifice. On the output side of the scale, the worker evaluates the benefits he or she reaps from the inputs. Importantly, the outputs must equal what is put into the job. Examples of such outputs might be pay, bonuses, benefits, security, recognition, interests, development, reputation, praise, responsibility, and enjoyment.

Essentially, according to Adams's (1963) equity theory, people will reduce their input, seek change, or become unsatisfied with their jobs if they do not believe what they are putting into their job is fairly rewarded in the form of the outputs. Therefore, it is imperative that organizational leaders be cognizant of how they treat their employees with regard to work expectations, as well as how they reward them (Bragg, 2000).

Organizational leaders should also be aware that studies on equity theory point out that people naturally compare their own input-output levels to those of others. When their comparisons correspond to others' levels of input and output, they determine that there is equity and they are being treated fairly. However, when people gauge disequilibrium, dissatisfaction will be the result.

Organizational leaders should take time to analyze their employees' degree of satisfaction by watching levels of productivity and attitudes toward equity when employees compare their lots with colleagues. When employee attitudes seem negative or productivity seems to be slowed, managers should seek reasons in order to evaluate

whether individual employees are feeling they are being treated fairly and given equitable rewards.

Managers should realize that they have the power to motivate employees by helping them develop a sense of competence, accomplishment, and personal worth. They can do this by giving recognition, status, helping employees feel like they belong through signs of appreciation, and by creating a working environment where positive relationships and friendship can be cultivated (Bragg, 2000; Huseman & Hatfield, 1990).

Two-Factor Theory of Job Satisfaction

Herzberg (1966) developed the two-factor theory of job satisfaction through studies involving groups of accountants and engineers. During these studies, participants were asked to recall specific instances of feeling either particularly satisfied or especially dissatisfied with their jobs. The researcher was surprised to discover that different factors were attributed to satisfaction and dissatisfaction, which was opposite of the intuitive belief that certain variables would need to be absent in order to cause dissatisfaction. In fact, the study showed that dissatisfaction is a result of conditions, and satisfaction comes from intrinsic and extrinsic motivators.

Satisfaction was found to be a result of the work itself or outcomes resulting from the work. Therefore, motivation and job satisfaction can be derived from work-related factors such as achievement, responsibility, recognition, promotion opportunities, and opportunities for personal growth (Herzberg, 1966). Sweeney (2000) concurred with Herzberg, writing that keeping employees happy demands keeping them constantly motivated. This can be done with the help of performance reviews (Graham, 2004; Martin, 2004; Szarka, Grant, & Flannery, 2004). During performance reviews, the

supervisor should actively ask questions of each employee to find ideas and ways that will keep employees challenged. If the performance review is used and seen as a tool to promote from within, employees will be more motivated to perform better, knowing that the reward might take the form of added responsibilities, better pay, and/or social respect.

In looking for ways to stimulate motivation, employers might create work environments that set more realistic benchmarks and recognize achievement for hitting these benchmarks, as well as recognizing other employee successes, to promote greater overall job satisfaction (Barney, 2002). Likewise, employers might cultivate more job satisfaction when they invest in their employees through educational opportunities and tuition reimbursement programs. Effective managers should also offer educational opportunities in order to keep employees' interests sharp, while helping them bring fresh ideas that will benefit the organization (Carter, 2004; Greenberg, 2002; Leibowitz, et al, 1992; Olesen, 1999). Of course, as is discussed later in this paper, regularly promoting employees from within the company and creating opportunities to be mentored into positions of more responsibility will also enhance job satisfaction.

On the other hand, dissatisfaction from the job might originate in factors associated with the conditions under which employees work, such hygiene factors as, pay, company policies, physical working conditions, quality of supervision, and relations with others (Herzberg, 1966). Managers might not be aware of how powerful of an influence these features have on employees' satisfaction. Moody supervisors, who shift from being happy to unhappy and satisfied to unsatisfied, can be viewed by subordinates as unstable and difficult. If employees are treated exceptionally well on some days and poorly or unfairly on others, they are likely to feel dissatisfied with both their jobs and

bosses. As with dissatisfaction with the treatment they receive from supervisors, if employees do not like their coworkers, job dissatisfaction is likely to occur.

In addition to satisfaction with bosses and colleagues, employees must have adequate equipment, working conditions, and supplies to be completely satisfied with their jobs (Buckingham & Coffman, 1999; Sweeney, 2000). Combined with poor company policies and pay that is considered unfair, the absence of these conditions will compound feelings of job dissatisfaction.

Value Theory

George and Jones (1997) found that people's attitudes and overall job satisfaction is created in the everyday accumulation of positive memories on the job. According to their study, the values of each employee might be the largest determinate of job satisfaction. If a person values opportunity for achievement and the job provides it, the employee is more likely to experience job satisfaction. Alternatively, if an employee who is also a manager values concern for others' feelings but is forced by the company to lay off or demote someone (due to restructuring or other company decisions), this manager might become unhappy with the job.

Congruent with the prior work of George and Jones (1997), Greenberg (2002) developed value theory as one approach to explaining job satisfaction. This theory contends that anything can work as a source to give employees job satisfaction. Simply put, employees are satisfied when their jobs take their values into consideration. Likewise, dissatisfaction will occur when there is less of something that an employee likes; quantities of valued objects must be in accordance with the individual's expectations. If the quantity is less than what is desired or expected, the level of job

satisfaction lowers. Basically, the “value theory focuses on discrepancies between what people have and what they want: The greater those discrepancies, the more dissatisfied they will be” (Greenberg, 2002, p. 125).

Things that might have particular value to the employee can range from pay to educational benefits to a sense of responsibility. Employers might benefit from having satisfied employees when they take the time to find out what employees value, recognizing that employees’ likes and dislikes change with time. Therefore, regular assessments are necessary to make sure employees’ needs are being met. For example, FedEx has every employee complete an online survey to identify sources of dissatisfaction and areas of opportunity to keep them satisfied (Greenberg, 2002).

Therefore, organizational leaders should take the time to get to know what their subordinates value. Knowing what each employee values will help create opportunities to create more overall job satisfaction on an individual basis. Managers can better prevent situations that compromise individual employees’ values once they are known and can distribute conflicting functions to others who have values that are more closely aligned with the task or job.

Social Information Processing Model

The social information-processing model argues for the power of coworkers’ attitudes on individual perception and overall job satisfaction (Salancik & Pfeffer, 1978). This can be illustrated by a newly hired employee who finds excitement in starting a new job and really likes both the job and his or her boss. After some time getting to know other employees and interacting with them, this new employee finds that everybody else actually does not like this boss, and they all share dissatisfaction with their jobs. This

employee then reevaluates his or her attitude about the new job and comes to agree with the others. Where he or she once felt excited about the new job once, the attitude is then changed to one of dissatisfaction due to the influence of coworkers (Greenberg, 2002).

Essentially, individuals' attitudes are influenced by and adopted from coworkers and comments heard from people within their social circle. Therefore, organizational leaders might find it helpful to keep their ears open to negative talk in the workplace. Likewise, they should be aware of how their communications might help enhance a negative work environment.

Dispositional Model of Job Satisfaction

Another theory of job satisfaction is based on the premise that people have a disposition to like or dislike their jobs. According to this model, people will essentially like whatever job they are doing, even if they have different jobs over time. According to research that supports this model of job satisfaction; people surveyed about their jobs in the last 10 years have consistently either liked or disliked their various jobs (Judge, 1994).

In this case, employers cannot seem to do much with employees who are dissatisfied with their jobs. However, they might be able to appease these employees by identifying their values and placing them in other jobs that match their values. Alternatively, they might have to carefully hire employees who will seem to find satisfaction in doing the job and work hard to retain those employees who show satisfaction with their work.

Knowledge of Reasons for Employee Departure

Managers with proper knowledge of why employees leave can tackle keeping valuable employees in today's labor market. Benjamin (2003) contended that the four primary reasons employees leave their organization are as follows:

- 1) Failure to make the talent supply a long-term priority;
- 2) failure to make turnover costs clear;
- 3) failure to recognize that an employee's first loyalty is to himself or herself;
- 4) too much reliance on compensation is being used as a retention tool. (p. 44)

Importantly, Contino (2002) stressed that there is no quick fix to reduce turnover. However, leaders, trainers, and managers must create an organizational culture where employees can gain a clear understanding of expectations. Therefore, managers must really listen to their workers. This two-way communication can be established in everyday work situations.

Examples of Promoting Employee Satisfaction

The previous sections examined principles for fostering employee job satisfaction. Here, I illustrate these principles with several examples from actual business models and practices. Trilogy Software Company CEO, Joe Liemandt believes in treating all employees as if they are managers, partners, and shareholders (Chowdhury, 2000). This philosophy has led to company practices that have helped the company become successful. However, Trilogy's biggest worry is holding on to talented people. Therefore, their primary task has become recruiting talented people and helping them grow in the organization.

Similarly, the Intuit Corporation's Barb Karlin believes that "if you lose great people, you lose success. It's that simple" (Chowdhury, 2000, p. 12). Therefore, it is

important for organizations to create an atmosphere that makes talented employees want to stay. One way of helping employees want to stay is to give them a feeling of job security. According to Bolman and Deal (1997), Lincoln Electric, a large manufacturer of welding equipment, has a company policy that ensures employees know they have job security. Since 1914, Lincoln Electric has honored its company policy that no employee will be laid off. In the 1980s, Lincoln Electric found that their products were not selling as well as in the past. For most companies, this would call for drastic layoffs. However, Lincoln Electric honored their tradition and converted workers to salespeople instead. As a result, Lincoln Electric penetrated new markets and increased sales (Pfeffer, 1994).

Similarly, Mazda, the Japanese manufacturer, once experienced a drastic slump in sales. They decided not to lay off their production workers, who had not been working because of decreased production needs, and instead reassigned these workers to jobs in sales. At the end of the fiscal year, Mazda granted their top 10 salespeople with awards of recognition; these top sales performers were all gratefully employed production workers (Pfeffer, 1994).

Job Satisfaction and Turnover: Key Ingredients of Retention

There are several key factors in retaining employees, which is often a result of worker satisfaction. These include: (a) effective employee training, (b) positive relationships between supervisors and employees, (c) strong leadership, and (d) knowledge of employee dissatisfaction and turnover decisions. Each of these ingredients is examined in depth below.

Training

The quality of leadership as demonstrated by employee training programs can contribute to the application of the core characteristics of job satisfaction. Effective leaders make sure that their employees have adequate resources and equipment to perform their jobs efficiently (Buckingham & Coffman, 1999), and Taylor's (2004) research showed just how important it is for organizational leaders to embrace measures that support job satisfaction and job security in training models. At the center of well-designed and truly effective training models are educated leaders who have an understanding of what employees need. Specifically, Olesen (1999) found that if workers in an organization receive the training they want, only 12% will leave their current companies, while 41% will leave if they do not receive adequate training, costing an organization with 1000 employees over \$14.5 million annually in associated costs (Olesen, 1999).

Well-led training as an ingredient of job satisfaction are critical because, according to Taylor (2004), the leading reason employees leave a job is an unsatisfactory relationship with their supervisors. Prudent managers and organizational leaders should know this and understand how expensive it is to recruit and train talented employees (Contino, 2002). In fact, Taylor (2004) documented a "war for talent" (p. 43). If employees leave an organization, their employers risk the employees taking their knowledge and experience to competitors. This is a real danger because for all jobs available, organizations face the challenge of finding employees with adequate experience and knowledge. Employers must be diligent in recruiting the most talented people available and then make every effort to keep them from leaving. Failure to make

employee retention a priority is an expense that all employers should address and from which they could benefit.

Strong Relationships

Congruent with Taylor's (2004) argument for training as a means to productive relationships between supervisors and employees and decreased turnover, Buckingham and Coffman (1999) asserted that once a manager successfully recruits talented employees, specialized attention should be given to each of them. This requires that managers get to know employees on a more personal basis. Good managers should identify each employee's strengths, weaknesses, goals, and dreams through informal conversations. This process of getting to know each employee can take months, or even years, of observation and conversation. While employees must know that their managers know them for who they are and what they can do, they also must be assured that they will be treated individually as exceptional (Buckingham & Coffman, 1999). This means that employees will likely expect personal treatment and have their individual expectations met by their managers.

Strong Leadership

In addition to training and individual relationships, how can organizational leaders increase employee retention? Independent research group TalentKeepers created a top-10 list. From questionnaires that surveyed more than 40,000 workers and 350 organizations, the results of the research, as reported by Taylor (2004), might prove beneficial for organizational leaders who wish to retain more satisfied employees. The key to retention might be to exercise strong leadership by developing people with the following competencies:

1) Trust builder—they build a sense of trust and concern with team members; 2) Esteem builder—if encouraged, can assist in development by giving team members responsibility, freedom to act, and feel good about themselves, 3) Communication experts—to facilitate the importance of retention to team members and others effectively; 4) Climate builders—to develop ways to make work and the workplace enjoyable and fulfilling; 5) Flexibility experts—recognizes, understands, and adapts to individual needs and views; 6) Talent developers—coaches and develops team members to help them grow, which results in greater commitment and loyalty to the organization; 7) High-performance builders—create conditions that reinforce high levels of team member performance, particularly critical for retaining the most talented people; 8) Retention experts—develops retention knowledge and an understanding of the supporting values central to initiating effective retention-focused actions; 9) Retention monitors—demonstrate ability to measure and identify potential retention problems and take preemptive action; 10) talent finders—who within the scope of his or her role, actively seeks to source and select qualified people effectively. (Taylor, 2004, p. 44)

These 10 retention talents can also carry several official organizational responsibilities and titles, other than what is described above, and managers can exhibit several of the roles mentioned. In addition, these leaders can range from assistant managers to department managers, work as members of the human resource team, and hold as few as one of the roles or as many as all 10 of the roles. Whatever the case may be, organizational leaders in today's competitive environment should maintain systems

and training programs that sustain employee satisfaction in order to reinforce a positive attitude that both customers and employees can enjoy (Benjamin, 2003; Reingold, 1999).

TalentKeepers (Taylor, 2004) also developed a list of characteristics employees do not want in their managers. Taylor (2004) expressed these dislikes to be: (a) non-existing leadership, (b) negative control, (c) being treated as if one can be easily replaced, (d) lack of listening, (e) lack of feeling of importance within the organization, (f) threats of elimination, and (g) being treated as criminals. Essentially, it is important for organizational leaders to build trust and positive relationships with all employees within the organization. By doing so, they are empowering employees to make decisions on their own to benefit the organization for any situation that arises. At the same time, these leaders create a working environment that meets valuable employees' needs and diminishes costs associated with employee turnover. For example, the primary policy at the department store Nordstrom's grants employees near total autonomy to do whatever they feel is reasonable to take care of the customer (Collins & Porras, 1997). This type of empowerment builds a positive organizational reputation, while at the same time showing trust and value for the employee. In turn, this helps reduce employee turnover through enhanced job satisfaction (Collins & Porras, 1997; Olesen, 1999).

Costs of Employee Dissatisfaction and Turnover

As noted in the introduction to this paper, costs associated with employee dissatisfaction and turnover affect customer perceptions when familiar and favorite faces come and go. Contino (2002) illustrated the expense of employee turnover and how important it is for leaders to make employee retention a priority in reducing costs. Specifically, Contino (2002) expounded on the benefits of enhancing productivity and

maintaining satisfied customers by presenting an equation for determining the cost of turnover. The cost of employee turnover can be calculated by estimating the wage costs associated with the employee who fills the vacant position, including overtime. In addition, the cost of losses in productivity is usually estimated at 50% of the employee's compensation if the position is filled temporarily and at 100% if it remains vacant.

Computed costs of the exit interview, including lost knowledge and all human resources costs to terminate the employee must also be considered. In particular, the cost of lost knowledge can be estimated at 50% of the person's annual salary for one year of service, with an added 10% for each additional year. Other losses that must be calculated are expenses associated with time used for reviewing resumes, as well as conducting interviews and reference checks. This time loss can usually be estimated at 20 to 120 hours, depending on the position. Also, costs should be calculated for time and expenses of conducting pre-employment physicals, drug screens, and other similar expenses (Contino, 2002).

Other expenses that should be considered pertain to hiring (as opposed to employee loss) and include any sign-on bonuses and moving expenses, if applicable. Costs of orientation, instruction, and classroom expenses and materials also need to be calculated as an employee turnover expense—as does the new employee's salary. Likewise, costs associated with experienced versus inexperienced workers should be computed, and one should consider expenses associated with a decrease in productivity and the new employee's learning curve in the case of a worker without prior experience (Contino, 2002).

Organizational retraining programs created with this knowledge could be very profitable for companies in the long run. Such programs will benefit by researching ways to keep employees motivated, which will assist in giving employees incentives to perform well, while maintaining their overall job satisfaction. In turn, this will reduce expenses associated with employee turnover (Reingold, 1999; Olesen, 1999).

It is therefore reasonable to assume that retail organizational leaders must consider both the costs of keeping employees happy and the costs of turnover as a result of their dissatisfaction. Methods of creating employee satisfaction must be instituted within training programs and integrated within organization policies, systems, and culture. In the following section, managerial is discussed, which is a central factor in employee job satisfaction.

A Central Ingredient of Job Satisfaction: Managerial Style

Employees most often become dissatisfied with their jobs due to their supervisors, either in terms of how they are treated by a supervisor or because of something a supervisor failed to do (Barney, 2002). A first organizational step to creating an environment that supports employee job satisfaction should be to analyze the chain of command. Too many bosses cause employees to become confused and frustrated with their jobs (Greenberg, 2002). Therefore, managers must always consider how subordinates will perceive their actions and interactions.

Their subordinates should consider effective managers fair. They should set realistic goals, have a sense of humor, and avoid being moody (Barney, 2002; Byham, 1989; George & Jones, 1997; Greenberg, 2002). Expectations should be easy to understand, quantifiable, well balanced, easy to track, and frequently communicated

(Every Manager's, 2002). Importantly, managers should avoid using yearly evaluations as the only tool to communicate expectations. Rather, evaluation should be used to reward and recognize good work performance, while also assessing employees' interests (Bolman & Deal, 1997; Every Manager's, 2002; Graham, 2004).

Instead of focusing on evaluation, the work of Byham (1989) suggests that managers will be more effective in supporting employee job satisfaction when they focus on maintaining employees' self-esteem, listen and respond with empathy to employees, and ask them for help to solve problems. Likewise, managers should provide necessary resources and support, while always being ready to offer help without micro-managing or taking away their responsibilities when providing assistance. Most importantly, effective managers should always position employees for success and help them avoid failure.

Buckingham and Coffman (1999) seem to concur with Byham (1989). However, they also suggest that great managers take the art of management to new levels. Great managers allow employees to do what they do best and make it a point to give recognition to each subordinate every seven days. Likewise, great managers encourage development and show that every opinion counts. Great managers perform all of these practices while creating an environment that supports the company purpose and mission and provides an environment for learning and growth.

Principles for Managing Employee Job Satisfaction

According to Huseman and Hatfield (1990), there are 11 necessities that managers must accomplish in order to keep employees feeling satisfied with their jobs. These 11 managerial strategies include: (a) positive expectations; (b) goal setting; (c) positive feedback; (d) availability; (e) trust communication; (f) negative feedback; (g)

information; (h) participation; (i) novel ways of rewarding employees; (j) two-way communication, and (k) feedback.

The first strategy to keep employees satisfied requires that managers set positive expectations in a positive climate that establishes a tone for positive outcomes and work performance. This can be done by treating employees in ways they feel they should be treated. Secondly, managers should set goals that are specific and realistic. When managers set clear and realistic goals, employees will know what is expected of them and can do their jobs with less frustration because they can clearly understand their goals and how to accomplish them (Carter, 2004). Third, managers should try to catch their employees in the act of accomplishing their goals. At these times, they can then give positive feedback for doing a job right and build a habit through positive reinforcement. Importantly, positive reinforcement not only builds good habits in employees but also helps them feel a sense of accomplishment and increased job satisfaction (Greenberg, 2002).

A fourth principle, employees will also gain more job satisfaction when managers make themselves available. Effective managers communicate that they always have an open ear to the needs of their employees and that they are always willing to spend time with each one in order to familiarize themselves with workers' needs and abilities. Doing this helps build trust communication (Carter, 2004), which is the fifth managerial strategy discussed by Huseman and Hatfield (1990). This managerial act of communication involves helping employees see and feel that they are valued and trusted by their manager and other organizational leaders.

Employees should be shown trust and given the power to make decisions. By decentralizing organizational power, people will be allowed to participate more freely in decision-making processes. This in turn will enhance feelings of satisfaction, because organizational members will believe that they directly contribute to the success of the organization. Likewise, managers of all levels of the organization need to show their employees that they can be trusted.

On the other hand, the sixth managerial strategy involves giving negative reinforcement, which is a part of operant conditioning that helps employees learn through rewards and punishment. Rewards, as mentioned, help reinforce positive behavior, while punishment (e.g., giving negative feedback) helps to inhibit future occurrences of undesired work behavior (Bragg, 2000; Nye, 1992). It is essential for managers to practice the difficult task of pointing out areas where employees need improvement and where they have failed to accomplish what is expected of them (Huseman & Hatfield, 1990).

At the same time, employees must also have access to important information as a means for helping them gain stronger feelings of job satisfaction. Managers should provide employees with information about what is occurring within the organization, such as current events and future plans for the company or specific information that might impact individual workers and their work group. A side benefit of providing employees with important information about what is going on within the organization is that they might be able to provide further information and ideas to organizational leaders to help implement changes more efficiently and effectively. Likewise, employees can

prepare themselves and their coworkers to make necessary adaptations and preparations that are essential to maintaining organizational functions (Carter, 2004).

Sharing information is closely linked to the eighth and ninth managerial strategies—participation and two-way communication. Participation helps increase employee job satisfaction because it asks that managers actively seek input from employees before important decisions are made. When organizational leaders seek information from their employees, workers gain a sense of value and trust, resulting in greater levels of job satisfaction (Carter, 2004). When decision-making power is centralized, employees will feel powerless and ineffective, which will contribute to employee job dissatisfaction.

Huseman and Hatfield's (1990) final three managerial strategies (i.e., novel ways of rewarding employees, two-way communication, and criticism) are addressed in other sections of this paper. Essentially, managers should practice the spontaneous habit of rewarding employees in creative ways, while at the same time keeping channels of communication open so that employees will always feel free to share ideas that might help the organization. Criticism should not be encouraged in two-way communication because it builds barriers and employees will be less likely to share ideas. Employees might become defensive, devalue their relationships with the organization, and show poorer outcomes in terms of satisfaction or productivity.

Additional Key Ingredients of Job Satisfaction

In addition to managerial style, several other key ingredients of job satisfaction are also crucial. These include: (a) promotions from within, (b) finding the right employee, (c) rewards, fair compensation, and flexibility, (d) employee creativity, (e)

counteracting the mundane; and (f) respectful communication. Each is explored sequentially below.

Promotions from Within

Job satisfaction can be bolstered exponentially by rewarding employees with promotions. Bolman and Deal (1997) suggested that promotions from within an organization would give employees a feeling of job security because they encourage employees to stay with the organization and gain more skills. Promoting from within shows employees that they are trusted and helps build organizational loyalty, while also working as a powerful performance incentive. It also helps organizations capitalize on skills and knowledge that organizational members already have, while reducing errors that will naturally occur when people hired from outside the organization have to learn the culture and processes of the organization.

Congruent with Bolman and Deal (1997), Collins and Porras (1997) showed that highly successful organizations practice hiring from within, and less effective companies regularly hire from the outside. On the other hand, Buckingham and Coffman (1999) suggested “One rung doesn’t necessarily lead to another” (p. 183), indicating that promoting from within must be done with careful consideration. Not every employee will have the necessary knowledge and skills to be the best candidate for a job. This makes succession planning in organizations an essential method to identify critical skills and employees’ state of readiness. Employers are not doing their organization or employees any favors or justice when an employee is promoted into a position that he or she does not have the talent or abilities to manage well. Promoting the wrong employee for a position within the organization might, in fact, result in losing talented and valuable

employees who leave because of frustration with not being as successful as they were in previous positions. In short, a strategy aimed toward increasing job satisfaction might inadvertently contribute to increased stress and dissatisfaction. Employees might not necessarily be looking for promotions within the company as much as they are seeking security in their current positions.

Finding the Right Employee

As implied above, the consequence of putting the wrong person in a position is that the employee might not be properly prepared for their responsibilities and will feel withdrawn, unsatisfied, or inadequate (Greenberg, 2002). Eventually, the employee might be frequently absent from work and eventually quit. Thus, one crucial factor in working for job satisfaction is to find the right employee for the job (Collins & Porras, 1994).

Barney (2002) warned that although it is challenging to find qualified people to do a job, organizational leaders should not lower their standards. Aggressive recruitment efforts must be taken to find a well-qualified candidate. People skills, initiative, and values must be carefully assessed to ensure that an applicant will fit into the culture of the organization and stay for the long run (Greenberg, 2002, Every Manager's, 2002). Likewise, interests of the company should be aligned with those of the employees (Greenberg, 2002).

Once an employee is matched with the necessary job skills, initiative, and personal values, it is essential that the employee be made to feel genuinely welcomed and supported. A mentor might train the employee to become most effective and can answer questions to help the employee assimilate to the job and the company culture (Teicher, 2004).

Rewards, Fair Compensation, and Flexibility

According to Dorothy Sweeney (2000) job satisfaction can also be enhanced through providing employees with fair compensation packages and salaries. Resources such as the local chamber of commerce and state labor department can help employers identify competitive and fair compensation. Pay is an essential part of reward, and it must be perceived as competitive and fair to the employee. However, according to Bragg (2000), “money rarely spurs people to peak performance for a long period of time” (p. 39). Therefore, providing benefits (e.g., medical and dental insurance) will also help enhance employees’ feelings that they are valued, and, as a side effect, will help reduce sick time and enhance productivity.

One type of promising benefit is providing employees with more flexibility in their schedules. Employers should be aware that allowing some flexibility to employees results in workers who are happier with their jobs and relieved of some of the pressures that relate to time (Sweeney, 2000). Examples of flexibility include working at home, part-time work, and flexible scheduling. Employees might feel more valued if they know that the employer values them enough to make necessary arrangements for where and when job tasks are performed, as well as by giving more autonomy to meet company goals.

Job satisfaction can be further enhanced by the use of rewards, which assist in positively shaping organizational culture, especially when linked with benchmark achievement and training. Terry Bragg (2000) suggested that, “If you want to change

employee's behavior and motivate them to improve their performance, you must influence their perception of how you reward them for their behavior and performance" (p. 38). Common rewards include: achievement awards, manager "spotlights," cash awards or bonuses, additional training and development budgets, discretionary funds, and additional development for managers (Leibowitz, Shore, & Schuman, 1992, p. 54). Rewards convey to employees that their managers want to recognize them for their accomplishments (Every Manager's, 2002).

Effective rewards should always be given with honest, sincere appreciation. There are six principles that will prove helpful for organizational leaders in giving effective rewards. Rewards must support organizational goals, and they must also be fair. It is also important that rewards promote cooperation and have a positive impact on performance. They must also be effective in both good and bad times at an organization. Finally, rewards must focus performance on serving the customer (Bragg, 2000). Organizational leaders should remember that rewards and recognition reinforce the importance of good performance, especially when they can be used to celebrate accomplishing meeting goals as effective team members (Graham, 2004).

Employee Creativity

Likewise, employees might feel more secure in their jobs when they are able to use their talents and creativity. This in turn can help employees find more satisfaction within their jobs and naturally lends itself to enhancing the organization's success. Carter (2004) suggests several methods for cultivating and harnessing employee creativity. This is done through the following six steps:

1. Eliminate mysteries, by defining expected outcomes so that employees will know where to direct their efforts.
2. Discover how individuals express creativity.
3. Define challenges specifically.
4. Minimize fear of failure.
5. Take personal responsibility.
6. Encourage communication.

Carter (2004) recommended that employers should find ways to discover how each individual expresses his or her creativity. Once it is discovered, organizational leaders can glean new ideas that, in turn, will help the organization move forward.

At the same time that creativity and experimentation should be encouraged, it is important to remember that employees must not be severely reprimanded for making mistakes. Effective organizational cultures should view mistakes as “learning opportunities,” while encouraging risk-taking for the good of the organization (Carter, 2004, p. 3).

Finally, an organizational climate that encourages open communication and fosters innovation should be created and tied to rewards in order to harness employee creativity. By doing so, an environment of employees who are satisfied with their jobs and aspiring to make a positive difference will reward the company. Similarly, these same organizations will find that being proactive in fostering innovation and freely giving signs of job security will result in an abundance of highly productive employees who freely share ideas that benefit their organization’s success (Carter, 2004).

Counteracting the Mundane

Employers might also try to boost morale and minimize job dissatisfaction by keeping work life from becoming too mundane. Lewis (1999) suggested that managers use interesting and lively memos and create an area for employees to post humorous pictures of themselves having fun on the job. Other ideas include holding meetings outside the office, perhaps in a coffee shop, local restaurant, or even outdoors. Encouraging training managers to wear genuine smiles to work and having an “ugly tie day and contest” might be what is needed to transform a workplace of dissatisfaction to an organization where employees love to work and are generally more satisfied.

Respectful Communication

Managers should always be respectful to their employees in their actions and words, while also always giving clearly defined job information with explicit explanations of their expectations (Buckingham & Coffman, 1999; Sweeney, 2000). A central component of job satisfaction, respect for employees can be demonstrated by helping employees better understand their job duties, reviewing and adjusting expectations as needed. Respect is best shown through effective communication, not only about expectations but also by trying to understand problems through regular meetings with employees. Having an open-door policy and an open line for two-way communication is crucial (Carter, 2004; Sweeney, 2000).

Effective communication needs to be incorporated into training as well because first impressions are created in these contexts. All organizational members who will deal with new employees should be encouraged to provide support, encouragement, and to help make communication and training as productive and positive as possible. Likewise, cross-training employees might also enhance the work environment. Sweeney (2000)

suggested that cross-training programs should be explained in writing so that staff members will have a better understanding of how the program works and why it will benefit the organization and the employee.

Conclusion

The days when the majority of workers stay employed with one organization for the entire span of a career are over, and today, employers are struggling to recruit talented workers and retain them (Chowdhury, 2000; Greenberg, 2002; Hesselbein, 1996). Moreover, today's workforce is generally less loyal to their employers than previously, as depicted in a report showing that 25% of respondents admitted that they would leave their jobs if offered a mere 10% salary increase. Furthermore, a 20% raise would persuade half of these respondents to change jobs (Reingold, 1999). Therefore, it is imperative that organizational leaders focus on methods of maintaining employee job satisfaction.

Job satisfaction can be derived through numerous methods and models. Today's organizations must mold their companies' business models around the values of their workforce. Creating an environment of job satisfaction begins with aggressive recruitment, high standards, and effective matching of skills, knowledge, and values to the organizational culture and each job. At the same time, giving adequate information and specific, measurable expectations to each worker is essential (Buckingham & Coffman, 1999). Employees must be paid competitively, given benefits such as health care and retirement packages, and be treated with respect and given a sense of job security (Bolman & Deal, 1997). They must be shown trust and given autonomy to make

decisions on their own. Employees must be given opportunities to grow in knowledge and through training and job advancement. They must also be given variety in their jobs so they will not get bored (Every Manager's, 2002). Today's employee must be shown rewards and appreciation, and often.

Effective leadership and training is the key to creating an environment where employees maximize productivity and show loyalty by not leaving their employers to work for competitors. Smart employers know that the costs of efficient recruitment, interviewing, and training are high, making turnover an expensive liability.

An effective organizational leader knows each of his or her direct subordinates personally and is empathic to their needs (Byham, 1999). Great managers provide employees with adequate resources to do their jobs and offer support without taking credit away from their workers. They also create environments for employees that inspire people to be loyal and do their best as individuals and in teams. Today's organizational leader knows the costs of losing a valuable employee and realizes that it is management's responsibility to be loyal to the worker in their actions and words (Chalofsky, 2003; Chowdhury, 2000; Duboff, 1999; Olesen, 1999). When employees feel that their bosses give them what they need to succeed, they find more value and satisfaction in their work (Balzer et al., 1997; Buckingham & Coffman, 1999; Chalofsky 2003; Olesen, 1999; Syptak et al, 1999). Hence, employees remaining loyal to their organizations are a sign that effective leadership is alive and well. Although, employees rarely stay with one employer for their entire career anymore, organizational leaders can at least set up systems to get the most from their employees while they do stay (Barney, 2002; Chowdhury, 2000; Duboff, 1999; Olesen, 1999; Reingold 1999). Likewise, recruitment

and retention programs should always be an organizational priority for finding ways to obtain and maintain talent. Understanding organizational theory behind job satisfaction is the first step.

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