IDENTIFYING COMPANY VALUES AND EMPLOYEE SATISFACTION IN MODERN ORGANIZATIONS – A CASE STUDY ON THE METHODS USED TO DIAGNOSE EMPLOYEE SATISFACTION AND RECOGNIZE COMPANY VALUES

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Abstract: Values are key principles in defining an organizations identity, organizational culture, climate, employee commitment and satisfaction. One of the key aspects in obtaining organizational performance is defining culture and expressing the particular principles that make an organization function at its best. Through direct observation of an organization activating in the manufacturing industry and through the application of an employee satisfaction survey, this paper aims at emphasizing what are the basic principles that make an organization obtain performance in its activities. The study’s focus is on identifying specific elements recognized as values and the way in which they can actively determine personnel to adhere to the culture promoted within the company. The paper also focuses on determining what are the aspects recognized as strengths from the personnel’s perspective and the needs of development in order to improve working conditions and establish a sense of organizational commitment.

Keywords: employee satisfaction, organizational analysis, organizational culture

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Introduction
Organizational culture is rooted in concepts such as group norms and organizational climate (Vlasceanu, 2002) and is the main factor used in promoting change and development in modern companies. According to Schein, organizational culture is “a model of basal assumptions invented, discovered or created by a particular group that learns to cope with its problems of external adaptation and internal integration, a model that has worked well enough to be considered valid, and therefore be taught to new members as the correct way to perceive, think and act within a workplace “(Vlasceanu, 2002). Schein also notes that in order to form an organizational culture, it is necessary that the group of individuals who define the culture have a common past that involves a degree of understanding between members, so common values can be promoted and established as rules. An informal rule imposed in the organization will last as long as it will not create disturbances between group members. Aspects of organizational culture may differ from one department to another within a company. This aspect forms subcultures that can be assigned to groups, depending on the commonalities of individuals who adhere to that subculture. (Prietula, 2008).The main features of an organizational culture or subculture is represented by the values that it promotes; values can be displayed or hidden - displayed (or expressed) values are the specific behaviours that a group or a subgroup express in order to define a particular way of threating a situation, of acting through a predetermined model. Hidden values are norms, ideologies, beliefs that a certain way of acting is promoted from within the organization. This paper focuses on highlighting the hidden and displayed values from an organization that activates in the production industry- a company with a total personnel capital of 400 employees and 10 years seniority on the Romanian market. Hidden values where revealed through active, participant observation and expressed values where treated from employee perspective, by analysing their personal perception regarding specific aspects of the company through a quantitative survey.
Values, ethics and ideology in modern organizations - Alignment to company values

Ethical behaviour of employees within an organization is consistent with the ethical standards promoted by the company, its values and norms. Lack of ethics in employee behaviour is largely composed by deviant acts that oppose the rules of the organization (Griffin and Stacey, 2008). Ideology is the basis on which people explain their actions, desires and choices; ideology is also the constraint of universal values which employees may have, in order for them to adhere to and reflect the beliefs of the organization in which they work (Griffin and Stacey, 2008).

Ideological core of a company defines its durability over time; in other words, the ideological core of a company is represented by its consistency factor, that transcends market variations or social change, and sustains the vision and identity of the organization (Collins and Porras, 1996). Along with the company’s development and interference change factors, the organization retains its identity to the employees and customers through ideological core and core values. An organizations core values are represented by a reduced set of ethical principles by which the organization is guided in its activities. A modern company must have as a core value the interest in customer orientation, the attention to quality of service or market focus. Companies may have made marketing strategies based on these principles without putting them in their own culture; in fact, the main idea that propagates Collins theory is that a company must not acquire certain values to be part of its core, but simply to have such values, and guide the organizations by them (Collins and Porras, 1996).

Transforming an organization requires a shift in its values; reported in terms of values, positive changes are the result of alignment principles, norms, standards and values of the organization to which it relates. Development relies on addressing new management strategies, and implementing them at a cultural level (Johnson and Phillips, 2003). Transformation does not necessarily require large core modification but can in some cases be done only by increasing employee commitment or by identifying the general aspects that drive workers to obtain performances.

According to Ken Blanchard, in order to align employees to company values a certain process must be developed for employees to accept and identify with company core values (Blanchard, 2003). Blanchard’s model involves five general steps with a high degree of applicability in organizations, aimed at identifying personal values from which tensioned situations may derive and on outlining the general satisfaction indicators within organizations.

The first phase implies a process of identification of specific actions (through observation of the entire organization) in order to highlight a common path between employees personal values and general core principles promoted by the company. The second phase consists of identifying problems that may arise from discrepancies between some employee perceptions on the way things are handled within the organization. Phase three establishes general satisfaction indicators for employees. In phase four the main objective being the identification of the level of satisfaction in the company and the way in which it can be used to enhance the company’s results. Phase five is focused on the implementing development programs in order to strengthen employee commitment to the company.

Employee satisfaction - the relation between job satisfaction and organizational culture

The generally accepted definition of the concept of satisfaction is given by Locke: "perception of the relationship between what we want to achieve from work and what is perceived to be received." (Shah, 2007). Employers which create work environments that can attract individuals who can make significant contributions to the company are positively perceived and thought as capable to sustain a company’s processes.
People are constantly surrounded by various types of culture. An organization can have multiple cultures or subcultures; they depend on the size and heterogeneity that the company has. The acknowledgement of factors that unite the company’s values is crucial in understanding the role that organizational culture has in obtaining employee satisfaction. A survey developed by Shah has shown that factory workers will have increased productivity if they will be paid according the number of units which they develop instead of the time they have worked. An efficient management system functions on principles that reward employees for their efforts to achieve the objectives that we’re given to them.

**Methodological Framework**
Through direct observation and by deploying a satisfaction survey, this paper tries to establish a set of general principles that can be used in developing organizational culture, and diagnosing the level of employee satisfaction from a manufacturing company in the manufacturing industry.

The company’s processes, procedures and workflow were directly observed for a period of two weeks in order to establish a general view on the values and habits that are circulated within the internal structure. Through this, the specific cultural elements can be seen, analysed, and discussed in order for the company to improve and achieve higher performance.

Regarding the employee satisfaction survey, it has the aim of highlighting key issues that employees have and offer insights in how to increase the level of commitment towards the company. The survey was deployed for a company in the manufacturing industry with a total of 413 employees. (questionnaire completion rate 89.5% from the total employee number). The measurement employee satisfaction is given by two main categories: "hygiene" and motivation; "hygiene" does not motivate employees but if it’s not fulfilled it becomes a factor of discontent. The hygiene factors are related to company policies, environment and working conditions and working procedures of formal relations departments, salary and direct supervision.

Motivating factors create employee satisfaction through recognition, achievement, responsibility, advancement and the work itself. The dimensions that where analysed ( each comprising a variable number of interns) are: The general view that employees have of the company; Environment and working conditions; Direct management; Middle and Top management; Training and career development; Retention and commitment towards the company; Working atmosphere. The questionnaire totals a number of 67 items. The formula for calculating employee satisfaction is:

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((\text{Sum of response values} - \text{Total number of responses})/ \text{sum of the difference between the maximum and the minimum value of the scale})\times 100
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**Organizational culture analysis through direct observation of the company**
The studied company is an organization defined by doing things well and proper, for staying reliable and for building trust. The company has a strong focus on satisfying the requirements (from the internal stakeholders and from the external clients) leading to great focus on results, customer priority and flexibility. The company is also defined by a sense of achievement, adaptability and independence. This can be explained by the nature of the company – a joint venture of two different organizations and cultures, mixed with the local habits. This is a challenging situation, not very comfortable for the local organization. However, it led to developing valuable skills in solution-finding, versatility and resourcefulness, customer care, quick response, decision-making and autonomous thinking. It may also have imprinted ambiguity, lack of transparency and feedback, predilection for ad-hoc solutions and for shorter-time thinking. As local employees naturally value stability and predictability, there may be a general
preference not to take too much initiative or personal responsibility, and rather to just to
their job in accordance to their job description since they do not have a clear future
direction. There is a noticeable difference between ages within the company. Younger
employees, many of whom have joined the company more recently, have a higher need
and availability for personal initiative, systematization, and meritocracy, as well as for
feeling that they have a purpose in the organization.
As shown by the deployed satisfaction survey, people’s satisfaction level is good given the
not so comfortable context. A good part of that is due to first line management team –
especially department managers, who have led people through the changes and who
display a set of values and behaviours that encourage performance. The most visible
common traits of the management team and company values are as follows:
Achievement – employees manifests a strong sense of achievement and focus on
accomplishing the objectives. This comes on the one hand from their ability to respond
well to the ever growing requests and to deal with change. It also comes from the
managing director’s strong drive and high expectations in terms of achievement. At the
managerial team level, there is a strong sense of pride regarding the results of the
company.
Customer-orientation – employees and implicitly the company place a high importance on
satisfying the clients’ needs. The focus is on building and maintaining strong relationships,
and on responding very well to client requests. This is done however in a professional and
systematized manner, combining fast response with process efficiency and cost
effectiveness. The focus seems to have shifted in the recent years from good customer
relations to effective customer relations that ensure more reliance and profit.
Commercial understanding – an important focus is placed on the commercial side of the
activity. Business development and sales are core activities and acknowledged as such by
the entire organization. This also comes from the larger organizational values from each of
the two joint ventures, and is significantly encouraged by the general manager’s own
business and sales focus and skill. The customers and the profit made are placed in the
center, all activities converging and being systematized and organized as to support
those.
Adaptability & flexibility – employees display a good capability to adapt to changing
requests and fast technological developments. There appears to be good skill in problem-
solving and in solution-finding, as well as high responsiveness. They have a good capacity
to deal effectively with problems, even with complex and atypical ones. Also, the
managers display good versatility and understanding of different perspectives and needs.
Responsibility & commitment – managers identify themselves with the company. They feel
that they have allocated along time a great amount of effort and dedication to support the
company’s growth. Many of them have grown and acquired their most valuable skills and
professional maturity here. This consolidates their commitment to the company and their
will to remain here for a long time and to dedicate their know-how and energy to it.
At management level, there is a good level of knowledge, skill, and drive for excellence.
There is also a significant gap between the managerial and the execution level in terms of
technical competence, drive and broadness of vision. Much control and ownership is kept
by managers, while their teams are less encouraged to take up initiative and
responsibility. A higher focus on people development and a higher tolerance to error
would be recommendable, as to ensure a future generation of experts and managers.
Managers are versatile and adaptable but they also have a good filter, passing on to their
team clear instructions and information even in contexts of ambiguity. This is excellent in
terms of clarity, but not sharing the relevant aspects and not asking people for input leads
to them developing an execution mind set and limiting their performance. Managers may
also become overloaded with operational aspects while they could dedicate their skill to
more strategic and global matters as management team.
Increasing people’s exposure, encouraging initiative and responsibility would be recommendable. More feedback and more listening to people’s views would be a first step. More manager-employee interaction could also be a good basis for developing career paths within the organization – even if the structure is flat, good performers can be rewarded in many ways once you know what motivates them. Acknowledging openly the already existing roles such as mentor for the newcomers, or senior expert, or project leader etc. and rewarding them would solve many issues related to career development within the company. It would also reinforce the message that performance and dedication are key criteria for professional success in the company. This would provide people with significance, encouraging performance and commitment on the long term.

At management team level there is cohesion but it still needs to develop. Managers seem to be competent, committed action people. Many of them have learned management by doing, and some have a natural predilection for it while others have higher predilection for expert roles. As such, they are still growing as managers of their own departments, in a learning process of how to manage people and how to systematize work.

**Employee satisfaction survey results**

Employees from the company have a medium to high level of satisfaction with work, with the company and other aspects of professional life that were studied. The indicator is 73.9 general employee satisfaction level on a scale of 0 to 100.

The level of employee satisfaction is given mainly from issues such as direct supervision, environment and working conditions, working atmosphere and collaboration in the company. Employee dissatisfaction relates to retention and engagement and the general view on the company and the perception employees have on top management. Employee satisfaction comes primarily from local relations and working conditions – direct manager/supervisor, environment and working atmosphere. Complaints derive from employee relationship with the company, retention, salary and benefits.

Analysing the dimensions of the satisfaction survey it can be observed that the items are segmented into three categories: the first category includes dimensions with values higher than average of the satisfaction indicator, the second is around the average and a third category with dimensions that are below average satisfaction indicator. Items with higher values relate to the direct manager/supervisor (9 of the 10 items). Items related with the company, career benefits (transport, bonuses), and linking wages with input and retention have low values. These results indicate a possible distancing from company and a low sense of belonging from most respondents.

The general satisfaction indicator has the value 73.9 and the analysed dimensions have a satisfaction indicator with values between 86.8 and 63.6 (23.2 point difference); the items have values of the satisfaction indicator between 95.4 and 44.1 (a big difference of 51.3 points).

**Conclusions on the studied dimensions:**

Direct manager/supervisor- supervision corresponds with the highest scores for the satisfaction indicator proving that employees feel good about the style and effectiveness of the direct managers. They are trusted by the employees and believe in fairness in managing people.

Middle management- managers treat employees with respect, but do not consider their needs. However, they are trusted personnel and considered as good examples to follow.

The working atmosphere and cooperation- there is a unity between all personnel, and a strong cohesion to the local team. Employees work, endeavour and find solutions together.

Training and professional career: employees receive local support for integration, start and conduct of their activities. But the company does not provide enough opportunities for professional development.
Retention and engagement - generally, employees are seen working in the company for one year, but not more. The perception is that employees are not properly appreciated and evaluated in the company, although at a local level they feel well informed, treated and evaluated.

General view on the company - there is a lower sense belonging to the company, in terms of pride, and perception of the company as being a second family for the employees. Employees do not consider that lately there have been changes for the better.

Source: Author’s Research Data

In conclusion
This paper was focused on highlighting the main methods used in diagnosing employee satisfaction and identifying company values for an organization in the manufacturing industry. The purpose for identifying these aspects, as stated before, is to optimize and improve organizational effectiveness through specific development programs. The analysis of a company’s values and employee satisfaction can be validated empirically for by adapting to each organization’s particular elements. A cultural analysis (in the field of organizational study) can reveal specific insights useful in obtaining engagement from employees and their willingness to submit extra effort in order to increase organizational performance. By analysing employee satisfaction specific elements we’re revealed that can make the subject of a detailed qualitative study. This stage of diagnosis provides the frame of reference for setting key elements for an even more detailed analysis. In this regard, quantitative analysis of employee satisfaction and direct observation of organizational activity are the main methods used in preliminary diagnosis of an organizations current situation.
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