

Employee Treatment and the Impact on Employee Satisfaction

An Exploratory Study at Communications Technology Organization

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Abstract

In the area of corporate social responsibility (CSR) and stakeholder theory an area that is not widely understood is the relationship between Human Resources practices, policies and procedures and how this impacts employee satisfaction and performance. This study explores these relationships through employee interviews at a leading telecommunications U.S. company.

Introduction

This exploratory study examines the mediating role of Human Resources (HR) practices, policies and programs (what constitutes employee treatment) and the impact upon employees' satisfaction and performance. Combs et al (2006) as referenced by Sattar, Ahmad and Hassan (2015) posits that "training, empowerment and reward are three important HR practices which largely contribute towards quality performance and high levels of productivity in organizations"(Sattar, Ahmad, & Hassan, 2015). Considering the importance of HR practices, more research is needed to uncover the perceptions of employees themselves on how effective these policies and processes are in actual practice. This study specifically contributes to this area of research by providing firsthand responses. The study collected data from 200 employee interviews conducted over the summer and fall of 2015 at one of the largest communication technology companies in the world (known here as ABC Corporation) headquartered in the United States. Prior consent of the respective employees was attained before data collection. This paper describes the initial results of the study based on the answers provided by employees who participated in a nine question one hour survey focus groups. The longer term analysis will include coding and quantitative analysis of the employee responses to draw more conclusive findings and recommendations.

This research contributes to the collective knowledge on the human capital organizational performance link with a specific focus on how employee treatment, an area of corporate social responsibility (CSR), contributes to employee satisfaction. This area of social responsibility, while very important is often overlooked within the study of sustainability, because what usually has direct quantifiable impact on the bottom line shareholder value are the areas of waste reduction, production and quality improvements. However stakeholder theory, "suggests that the

duties of corporations extend to all stakeholders, not just shareholders” (Peters & Golden, 2013, p. 64) and therefore understanding the impact that employee treatment has on employee satisfaction is equally as important to organizational success and competitive advantage. Ultimately employees are a lynchpin and significant contributors to organizational success because “much of an organization’s knowledge resides in its human capital. Thus firms create value through their selection, development, and use of human capital” (Hitt, Bierman, Shimizu, & Kochhar, 2001). This study therefore contributes specifically to the areas of organizational behavior, human resources, social responsibility, and sustainability with particular emphasis on the importance of employee treatment because it is these intangible resources which “...are more likely than tangible resource to produce a competitive advantage” (Hitt et al., 2001).

The paper proceeds as follows: Methods and Materials, Results and Discussion, Conclusion and Recommendations and Limitations of the Study.

Methods and Materials

The data collected was gathered from 200 interviews conducted at one of the largest U.S. communication technology companies between the summer and fall of 2015. A nine question survey instrument was administered by trained researchers to focus groups consisting of 2 to 10 employee groups. These employees were widely dispersed throughout the United States and were comprised of men and women from various organizational functions like IT, customer service, management, finance, and employee training etc. and ranging in tenure of employment from one year to thirty-five years. In some cases these were phone focus groups versus in-person focus groups. The focus groups met for a period of forty five minutes to one hour within their workday. Prior consent was obtained as employees had to sign up electronically to volunteer to participate in the focus groups and then a paper consent form was provided detailing the study on the date of the interview. The survey questions were framed using Appreciate Inquiry methodology posited by David Cooperrider in the 1980’s. Appreciate inquiry seeks to understand and focus on what is working in order to work from there to help organizations transfer that knowledge throughout the organization. “Every organization has something that works right—things that give life when it is most alive, effective, successful, and connected in healthy ways to its stakeholders and communities” (Cooperrider, Whitney, & Stavros, 2005, p. xvii). Rather than framing questions in a negative light, i.e. “what is not working”, the questions sought to help employees focus on what brought them satisfaction. The respondents consented to their responses being audio recorded in order to ensure accuracy in transcription. In every instance two concurrent recording devices were used one as a backup for the other. The interview were transcribed by one researcher and reviewed by a second researcher for accuracy. In the final transcription names were removed and numerically coded to ensure participant anonymity.

Results and Discussion

The following comprises the questions and excerpted responses from the survey instrument with a discussion about these responses.

1. Would you say you enjoy working at ABC Corporation? Why or why not? How do you genuinely feel about your place of work?

The general responses given were:

1. Opportunities
2. Challenging work environment
3. Evolving technology
4. Diversity
5. Training programs
6. Preference for team environment
7. Development programs
8. Job security
9. Compensation
10. 401K package
11. Constant change.

Between participants in the same sessions there was disagreement about ABC Corporation's concern for its employees, some expressed concern for the lack of personal connection, whereas others would disagree and say that their ideas are valued and implemented. This disparity in responses can be attributed to their respective functions within this organization, for example those who worked at the corporate headquarters versus those who worked at "store" locations. An area of commonality is within the topic of compensation/benefits and in particular tuition reimbursement. Participants by and large are in agreement that this is great benefit and one that many of these participants have benefitted from. Despite a few negative responses, most ABC Corporation employees seem to enjoy their place of work since the positives responses outweighed the negative responses.

2. Do you intend to stay? Why or why not? For how long? For what reasons? How does your manager influence your decision?"

Participants that have been with the company for 1-5 years are more prone to leave and this has been correlated with their age. This seems to support that Millennials as a generational cohort are thought to be short-term employees that value their employment satisfaction more than their other factors. Empirical research in this area conducted by researchers seems to indicate that "Millennials exhibit a higher voluntary turnover rate than Gen Xers and Boomers but lower turnover intentions, and Millennials and Gen Xers reported higher turnover intention than Boomers" (Kowske, Rasch & Wiley, 2010, p.5). The Millennial participants indicated that they will remain because they enjoy the consistent change of projects and team/group involvement, and often to develop their careers further. On the other hand, those individuals that have worked for ABC Corporation for 10 years or more have chosen to stay until they retire, in their own

words, “until they have me or fire me”. While the reasons for staying vary, what is clear is that many intend to stay.

3. Would you recommend ABC Corporation as a place to work for a friend or to launch a career?

The responses for this question correlate with the responses to the first question. For example, those who enjoy working at ABC Corporation are more likely to recommend the company to their family members and peers. For those who recommended the company and coach their friends through the interview process some are disappointed to find out that they do not want to work for ABC Corporation after all. For example one participant stated that this occurs, because most of the people the participant recommended were looking for short-term jobs where they can make a significant amount of money in a short span of time and this is not the culture at ABC Corporation. Thus, most participants recognized that knowing the potential employee’s financial needs is crucial when recommending them for a position. Therefore most participants said that they would recommend others to work for ABC Corporation, as long as they understood of their plans for the future.

4. Part 1 How committed do you think ABC Corporation is to your professional success?

This question solicited differing responses with the majority of the employees stating that ABC Corporation is committed to their professional success, however, some stated that ABC Corporation is not committed at all and some stated that ABC Corporation is committed but only because it is profitable to do so, here it appears that job function within the organization impacts perception; for example those are working in call centers face greater daily stress and scrutiny.

ABC Corporation committed to the employee's success:

“I’d say probably with a little exception ... it seems ABC Corporation has been very much invested in our creative development.”

There were some respondents who demonstrated internal locus of control believing that their success was attributed “...at the end of the day on oneself” and “...I think its twofold the organization can provide the tools, but again if you're not invested it won't do you any good”

4. Part 2 Do you intend to stay and if so, how long do you see yourself at ABC Corporation and why?

Responses to this question elicited positive responses which varied in terms of the reason they are selecting to stay, but not whether they would stay. Below are a few excerpted responses from respondents:

“I’m definitely planning on staying and it is due to development; it is a big part of why I joined ABC Corporation, right now I’m going for my MBA and ABC Corporation paid for it and as long as the company keeps up with the benefits for development I’m definitely staying.”

“I am happy with the company, the benefits and the industry, the education and if the support structure stay in place or increases then ABC Corporation has my attention.

“I do intend to stay with ABC Corporation. I intended it to be my long term career as long as ... I continue to have the opportunity to grow because I don't particularly enjoy staying in one place, so as long as I have the opportunity to progress.”

“...I've already been here for 13 years so I'm a lifer, .. I'm pretty sure I'm going to retire for ABC Corporation.”

“To be honest, when I first started here I would have definitely thought it would be temporary, but there are so many benefits that I think I would be here for the long haul as well.”

5. Part 1 Would you recommend ABC Corporation as a place to work to a friend? To launch a career?

Respondents in almost every instance gave a positive response to this question citing challenging work environment, career advancement and the corporation's strength of positioning in the industry.

5. Part 2 Can you tell me your top two reasons for staying at ABC Corporation?

The majority of the ABC Corporation responses were within these specific categories/themes (in no order of importance):

- Opportunities
- Benefits
- Being around people they are comfortable with
- Learning new skills
- Growth in profession
- Money/salary
- Stability of the job

When asked a follow-up question about their managers and how these have influenced their perception, the responses most often cited were the following (in no order of importance):

- Managers engage employees
- Guide employees
- Don't micromanage everything
- Able to communicate with employees well
- Lead through example
- Managers care about the employees

To understand employees' perception of their professional progression the following question was asked:

6. Since coming to ABC Corporation, have you improved in anyway? Have you developed any new skills? Or just reinforce the skills that you already had?

All employees agree that ABC Corporation helped them improve. For instance, ABC Corporation assisted multiple employees in finishing their master's degree, training them in areas where they gained different skills.

In the preceding meetings with the human resources department (they sanctioned this study), they were interested in understanding how these employees had been recruited in order to understand the most effective way of recruiting talent. The responses were as follows:

- Acquired in a merger
- Recruited in College/Career Fair
- Friend Referral
- Online Application directly on ABC Corporation's website
- Online Application on Monster.com
- Saw on the news ABC Corporation was hiring and applied via the ABC Corporation Website
- Interned at ABC Corporation
- Family works for ABC Corporation
- Was a customer and thought company had great potential
- Recommended by a current employee
- Started off as a temporary employee (from temp agency) and then encourage to apply for permanent position.
- Was unemployed and wanted to work for ABC Corporation; kept checking website for openings

8. How do you view change at ABC Corporation?

Almost all participants asked this question stated that change at ABC Corporation is constant, expected as a result of the inherent nature of the industry they are in and is mostly viewed as positive.

9. What would make this an even better place to work?

ABC Corporation employees demonstrated great insight and feedback for this question. The majority of the responses were within the specific categories/themes of:

Supportive Work Environment
 Transparency/Communication
 Empowerment
 Work Life Balance
 Workload
 Challenging Work Environment
 Organizational Changes
 ABC Corporation's Culture

Conclusion and Recommendations

While some organizations want to keep employees satisfied not all understand the reciprocity that this engenders and how these perceptions have a far and wide impact on organizational success. ABC Corporation understands this relationship; “acknowledging and respecting employee interests will not improve the bottom line without some reciprocal response on the part of these employees” (Marens, Wicks, & Huber, 1999). Therefore providing programs like vertical and horizontal career advancement, leadership mentorship, tuition reimbursement, mentoring of freshman employees and various skills and training certifications shows their commitment to employees which is ingrained in the culture of the organization.

Areas of improvements appear to be in these following areas:

- consistent communication of messages/policies/training
- a culture that consistently encourages work/life balance
- consistent policy around telecommuting
- opportunities for employees to offer feedback.

For example in many of these focus group sessions participants were grateful for ABC Corporation’s interest in soliciting this type of detailed feedback rather than just sending out a survey. Detailed suggestions were offered by participants within question nine of the interview, which specifically asked “*what would make ABC Corporation an even better place to work?*” and what was clearly observed by the researcher and her team is that the respondents were not fearful of sharing their insight freely.

To ABC Corporation’s credit, being open to this level of open feedback is not always welcomed by organizations, but ABC Corporation appears to be in the forefront of truly wanting to understand employee perception (they survey employees often) with the sole interest of gaining knowledge to help them continue to make improvements to policies, procedures and practices and it can be hypothesized that this probably has a direct impact on their long standing leadership position within the communications technology industry.

Ultimately this organization seems to clearly understand that there employees development fosters a reciprocal relationship which overtime has enabled employees to remain committed to long term employment.

Limitation of the Study

Within the limitations of this study was the inability to interview the unionize workers at ABC Corporation since they were undergoing a contract negotiation. Given the union’s role as a

mediator between the employee and the corporation surveying this part of the workforce could show some variability in perceptions and satisfaction. Although unionized labor accounts for only about five percent of the total labor force understanding their perception of their work environment can provide insight to the mitigating effect of a union. Future research in this area should incorporate their feedback.

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