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## **Employee Satisfaction and Employee Productivity: Finding the Link**

Diane Slyman

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MASTER OF ARTS IN LEADERSHIP  
AUGSBURG COLLEGE  
MINNEAPOLIS, MINNESOTA

CERTIFICATE OF APPROVAL

This is to certify that the Master's Non-thesis Project of

Diane Slyman

has been approved by the Review Committee for the Non-thesis Project requirement for the Master of Arts in Leadership degree

Date Non-thesis Completed: August 2013

Committee: Norma B. Noonan  
Adviser Dr. Norma Noonan  
Keith M. Jackson  
Reader Keith Jackson

Employee Satisfaction and Employee Productivity:

Finding the Link

Diane Slyman

Submitted in partial fulfillment of the  
Requirement for the degree of  
Master of Arts in Leadership

AUGSBURG COLLEGE  
MINNEAPOLIS, MINNESOTA

2013

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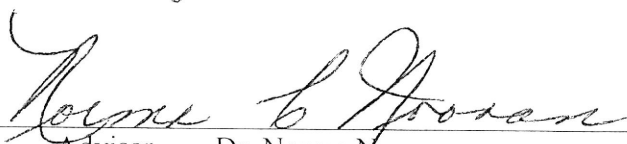
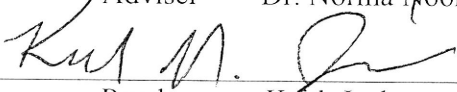
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## DEDICATION

This thesis project is dedicated to my mother, who has been a great source of motivation and encouragement throughout my educational journey. Also, I dedicate this thesis to my husband and children who have been supportive and understanding of the necessary time spent to further my education.

## ACKNOWLEDGEMENTS

I wish to express my gratitude to my teacher and advisor, Dr. Norma Noonan, who was extremely helpful and offered invaluable assistance, support, and guidance throughout this thesis project. I also acknowledge the expertise of my reader for this project, Keith Jackson, whose knowledge and assistance is very much appreciated.

## ABSTRACT

Employee Satisfaction and Employee Productivity:

Finding the Link

Diane Slyman

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In this era of economic challenges corporate leadership struggles to do more with less, while maintaining the delicate balance between employee productivity and employee satisfaction. The focus of this research paper is to determine the degree to which employee job satisfaction truly impacts employee productivity. Can it really be as simple as to increase employee satisfaction in order to get them to produce more? The study further examines satisfaction and productivity measurements for a department within a healthcare administration department. While a limited sample size, the department's survey results are compared to the literature review relative to top satisfaction drivers of good communication and rewarding work. Recommendations are then identified to improve employee satisfaction and productivity which could be appropriate for any industry.

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## Employee Satisfaction and Employee Productivity:

### Finding the Link

Logically, everyone can understand the benefit of having a happy workplace, and the idea that job satisfaction and a happy workplace are good things that make obvious sense. Marilyn Carlson Nelson, former CEO of Carlson Companies, understands the importance of a positive work environment and the effect it has on employee's work. Carlson aspires to have the number one hospitality company by 2015. She acknowledges that this will not be possible without creating a great place for people to work (Brown, 2013). Job satisfaction implies doing a job one enjoys, doing it well, and being suitably rewarded for one's efforts. Job satisfaction further implies enthusiasm and happiness with one's work. Indeed, many CEO's believe that one of the most crucial elements to a productive and profitable business is creating a company culture of employee satisfaction.

In a recent period of slow economic growth, in addition to employee satisfaction, organizations have given new importance to productivity measures. Over the last few decades, productivity interest has taken various forms. At the macro level, productivity has been a guide for policy makers in determining things such as wage policies. At the corporate level, productivity has been used as a measure of employee performance. Technology has also played an important role in increasing productivity. Productivity is relevant to any kind of organization. The most successful companies not only measure productivity, but they manage it by understanding and managing change and by having the ability to adapt quickly to the constantly

changing environment. The principle resource in improving productivity is employees.

Motivation is basic to all human behavior, thus the degree to which employees are motivated will impact their overall productivity and this “will to do” is affected by job satisfaction (Prokopenko, 1987).

In today’s competitive corporate environment companies must maximize their human resources, yet find the delicate balance between productivity and employee satisfaction in an effort to retain their best employees. The focus of this research paper is to determine the degree to which employee job satisfaction truly impacts employee productivity. Can it really be as simple as to increase employee satisfaction in order to get them to produce more? While this seems an intuitive concept, if it was this simple, all companies would be successful. Through literature review and a survey conducted to a department of workers at an insurance company, this research attempts to determine whether job satisfaction leads to maximum productivity levels.

### **Definitions**

Experts define employee satisfaction in differing ways. Authors Milo and Sindell (2009) describe workplace satisfaction as “a place where you gain a sense of achievement and alignment between who you are and what you do” (p.vii). Similarly, T. Stanley (2013) asserts that job satisfaction is a person’s attitude toward their job. The author contends that employees with high levels of job satisfaction are positive about their workplace. He believes high job satisfaction leads to high productivity, low absenteeism, low turnover, and low rates of major employee health setbacks like heart disease and strokes. In addition, employees who are happy with their jobs contribute in a more positive way toward society.

Weiss (2002) describes satisfaction as a pleasurable emotional state resulting from the appraisal of one's job, affective reaction to one's job, and an attitude towards one's job.

Like the many definitions of employee satisfaction, there are differing opinions of what attributes contribute to employee satisfaction. Buchelle's (2011) model describes what a great place to work looks like. He identified five dimensions believed to contribute to ensuring employees are satisfied: credibility, respect, fairness, pride, and camaraderie. It is these dimensions, the authors believe, that place companies on the esteemed *Fortune's* 100 Best Companies to Work For list.

When organizations get employees involved in the decision-making process this also can promote a happier and more productive employee. In addition, the value and significance of employee recognition has a positive impact on employee satisfaction while being inexpensive to implement (Weiss, 2006).

The role of productivity in an organization's performance is of fundamental importance to the US economy. Similar to the myriad of definitions of employee satisfaction, there are many definitions of productivity. Cobert & Wilson (2002) coauthored an article comparing 50 years of labor productivity in U.S. and foreign manufacturing. Productivity was defined as "the value of real manufacturing output produced per hour of labor input" (p.51). The All Business Dictionary defines productivity as a measured relationship of the quantity and quality of units produced and the labor per unit of time (2013). For example, an increase in productivity is achieved through an increase in production per unit of labor over time. For the purpose of this research, I will focus on individual employee productivity. On an individual scale, physical productivity depends on

the difficulty of the task, the skills of the worker, and the learning curve (the number of times he/she already performed the task and how he/she was guided by good teachers). For example, think of an unskilled individual assembling an IKEA piece of furniture for the first time. He or she will be looking to avoid mistakes more than optimizing the time to work. If he/she purchased a second piece, he/she will be much more productive (i.e. will need less time to assemble it). After a few pieces assembled, the productivity will level off with no further significant improvement.

As the definitions of employee satisfaction and productivity indicate, organizations realize the importance of both to the corporation's bottom line. Seemingly, the link between the two concepts is obvious....make employees happy so they produce more. The answer seems obvious, yet organizations continue to struggle with creating a working environment that maximizes productivity. Secondly, if productivity increases when employee satisfaction increases, is the reverse true? In other words, if an employee is unhappy, do they stop producing? If this were true, there perhaps would be many employees in discipline or terminated due to performance issues. This study attempts to determine whether employee satisfaction actually drives productivity. The answer to this question not only will assist organizations in development of employee productivity measures, but will also assist in overall management decisions such as allowing flexible work schedules, communication strategies, and other matters that impact employee satisfaction.

## Literature Review

In response to the pressure of increasingly competitive markets, many organizations are actively seeking ways to do more with less. To accomplish this, organizations tend to focus on optimizing service, but tend to ignore the impact of employee attitudes, such as job satisfaction. If truly employee attitudes regarding job satisfaction have a positive impact on operational performance, why aren't more corporations focusing their attention on this important aspect of employee engagement?

To explore the question of whether employee satisfaction drives productivity, the focus of the literature will be two-fold. First, I will look to the literature to determine whether there are specific satisfaction drivers that influence employee attitudes regarding their work and that are indicators for employee productivity. Second, in addition to the literature review, I will look to explore models that are psychological in nature to help understand whether individual personality make up, including things such as personality traits, can predict worker productivity.

### **Psychological models and measurements as an indicator of employee satisfaction**

To help understand what satisfaction drivers may impact productivity, Goffee (2013) describes the most successful organization as one that operates at its fullest potential by allowing people to do their best work. In order for an organization to create the most productive work environment, the authors describe a company in which employee differences are nurtured, information is not suppressed or spun by leadership, the organization stands for something meaningful, the work is rewarding, and there are no "stupid" rules. The article further indicates that employees who feel welcome to express their authentic selves at work exhibit higher levels

of organizational commitment, individual performance, and propensity to help others. The article indicates specific rules to assist organizational leaders to carefully balance competing interests and to rethink how they allocate their time and attention. The leaders who can best follow these principles, will have a more productive and successful organization.

The Department of Logistics from the Hong Kong Polytechnic University published a study in 2006 in which the impact of employee satisfaction on operational performance in high contact service industries was analyzed. The study identified small service shops found in twelve main shopping areas in Hong Kong. Survey packets were developed; one packet for shop owners, and one packet for the service employees. To improve the response rate, surveys were hand delivered and were picked up by a person from the survey team. A total of 651 questionnaires from 223 shops were obtained from the study. Respondents were asked to rate each item on a seven point Likert scaled using “1” as totally disagree and “7” as totally agree. The results indicated that satisfaction is an important consideration for operation managers to boost productivity. The study found that employee attitudes such as satisfaction, loyalty, and organizational commitment have a positive impact on overall corporate success (Yee, 2006).

Understanding what drives employee satisfaction was a question FoodBrand LLC’s CEO grappled with in 2005. The California based food court management company completed a study in an attempt to keep seasoned workers. The results of the study showed that happy employees were also the most productive employees. The organization determined that they needed to create a work environment that promoted employee satisfaction, which in turn would produce more productive workers, happier customers, and increase profits. In addition, the survey

concluded that employee pride was a stronger factor than wages when it came to job satisfaction. Other factors that ranked high in the survey for satisfaction were positive working relationships with coworkers, enjoying the work that they do, and ability to participate in the decision making process (Berta, 2005).

Additional satisfaction initiatives can be implemented in an effort to reduce turnover and increase satisfaction. Atchison (2003) believes that it is employee pride that drives these factors. He writes that there are three myths that organizations tend to believe that need to be dispelled. The first myth is that people are motivated by money. The assumption is that if you pay higher salaries, employee morale is high. A study conducted by Hay & Associates in 1999 researched 500,000 employees in 300 locations and discovered the 10 reasons people stay with an employer. Pay and benefits ranked number 10. Money only masks an organization's real issues in the work environment. The second myth is that a one-size-fits-all reward and recognition program motivates staff. The organization must ward against "entitlement" compensation, but rather, pay for exceeding expectations. Organizations must also create ways to assess workplace issues that foster pride, loyalty, and respect, and those issues that are barriers to them. The third myth is that there is only one kind of employee satisfaction called egocentric satisfaction. This satisfaction measurement only measures results when individuals receive a positive consequence that they think they deserved. This satisfaction is short-lived because the individuals think they were owed the consequence. Rather the author contends that "other-centered" satisfaction should be promoted in the workplace. This satisfaction results from the sense of achievement, prideful work, and a feeling that he or she has earned the consequence. Examples of "other-centered"

satisfaction include management addressing staff concerns, being visible and approachable to staff, and supporting growth and development for staff.

The previous studies indicate that there is a correlation between employee satisfaction and employee productivity. But what drives employee satisfaction? Researchers have long been trying to answer this question. There are models and theories of a psychological nature common in the review of literature related to employee satisfaction. Psychologists Howard Weiss and Russell Cropanzano (1996) developed the Affective Events model identifying the link between employees' internal influences, such as emotions, and job satisfaction. The theory proposes that positive and negative emotional incidents at work have a significant psychological impact on workers' job performance and overall satisfaction.

Other psychologists tried to identify what effect various traits in personality had on satisfaction in the workplace. Digman (1990) enhanced previous studies, and developed to a higher level, the Five Factor Model. This model indicates that there are five facets of personality, that when measured, can indicate the outcome of experiences at work. These five factors are conscientiousness, agreeableness, neuroticism, openness to experience, and extraversion. This model also indicates the employees' mood and emotions influence job performance and job satisfaction. Negative events at work tend to cause a negative mood in employees, resulting in negative work behaviors such as low productivity and absenteeism. Employee emotions, particularly against poor coworker performance, have a strong influence on employee behavior.

Another well-known job satisfaction theory is the Dispositional Theory. Dispositional Theory believes that healthy people are consciously motivated, maintain healthy relationships,



and relate realistically to their environment. Allport, a leading theorist in the development of the Dispositional Theory, describes personality traits or dispositions, as the fundamental structure of individual personality. Allport considers insight and humor inherent in human nature. He holds an optimistic view of human nature and believes destiny and personality traits are determined by the choices we continue to make. The theory suggests that people have an intrinsic nature that causes them to have tendencies toward a certain level of satisfaction, regardless of one's job. This approach became a notable explanation of job satisfaction in light of evidence that job satisfaction tends to be stable over time and across careers and jobs (Allport, 1921).

A theorist who tried to determine what motivated individual behavior was Abraham Maslow. He began his studies over seventy years ago, yet his hierarchy of needs model is still studied today. His early model identified five motivational needs starting with basic needs. Basic needs include items such as food, air, and water. The next level of need is related to safety. These needs include items such as security, laws, and protection of the elements. Social needs are the next level up the pyramid and include items such as family and affection. Esteem needs are the next highest level and include self-esteem, prestige, and independence. Finally, at the top of the pyramid is self-actualization. In the final level one realizes self-fulfillment and personal potential. Maslow concluded that behavior is always motivated, and it is typically biologically, culturally, or situationally motivated (Maslow, 1943).

McLeod, cited Maslow's early works in explaining Maslow's addition of cognitive and aesthetic needs to the pyramid before self-actualization can be achieved. Some of the behaviors of the "self-actualized" individual are behaviors important to the workplace. For

example, taking responsibility, honesty, and not being afraid to try new things are all traits of Maslow's self-actualized individual that are traits that would achieve job satisfaction (McLeod, 2007).

In the 1950's Frederick Herzberg developed a motivational theory that is still relevant today. His theory contends that there are two dimensions to job satisfaction: motivation and hygiene. Hygiene issues cannot motivate employees but can minimize dissatisfaction unless they are missing or mishandled. Hygiene topics, Herzberg contended, are things such as company policies, supervision, salary, interpersonal relations, and working conditions. Motivators, on the other hand, create satisfaction by meeting individuals' needs for meaning and personal growth. They are issues such as achievement, recognition, the work itself, and responsibility and advancement. The Herzberg model starts first to insure that the hygiene items are met by creating an environment, including company policies, salary structure, and working conditions, which insures ultimate success for employees. Herzberg developed a series of questions and an organization self-assessment to evaluate an organization's performance in the area of job satisfaction and identify where additional attention is needed to create job satisfaction for employees (Herzberg, 1993).

### **Employee Satisfaction as an Indicator of Productivity Measurements**

While employee satisfaction drivers are difficult to measure without actual input from employees, productivity measurements are another matter. They require organizations to set goals which are measured based on a set of predetermined standards. The most successful businesses provide written guidelines to their employees, both an employee's individual goals

and also division, regional, or corporate goals. These are typically very specific input/output measures. It increases productivity if the employees have a voice in determining the standards, and buy in to the measurement process. To increase employee productivity, the employee must also have sufficient tools to do the job. Finally, a good communication strategy is necessary for the employee to understand the goals, measurements, changes to process, and how the individual and department measures against stated goals (Weiss, 2006).

As an example of an organization's attempt to increase productivity, a case study was conducted by Rodbec (2003), a copper rod manufacturing company with offices in Canada and France. From 1997 through 2000 the organization had invested over \$15 million to expand the capacity in the Canadian plant, and invested an addition investment to retrain rod mill operators. Yet, with all of the investments, production rates remained at 74.2%, the same as rates prior to the significant investments. (Productivity is defined by Rodbec as the ratio of productive hours over available hours of production. Industry average =80%). The company's France operation had no additional investments, yet consistently performed at over the industry average; so the corporation set out to find out why. In an effort to understand the productivity differences, a survey was conducted to measure employee satisfaction and to determine the correlation between employee satisfaction and productivity. First, an analysis was completed regarding the demographics and working environments of the two locations. From the analysis, the following hypothesis were created as follows, 1) Low productivity is a direct result of low job satisfaction and low motivation, 2) Low productivity is a direct result of poor communication between management, supervisory, and employee levels, 3) Low productivity is a direct result of poor

corporate citizenship and low attachment to the organization, and 4) Low productivity is a direct result of undefined new corporate culture and isolation of the Canadian plant from the French head office.

To test the hypothesis the organization conducted a survey consisting of 63 questions that correlated back to the four hypotheses. Each question had 5 responses from very positive to very negative. A mix of production workers and supervisors were selected for a total of 19 employees and 16 supervisors responding to the survey. Comments were also recorded. Based on the survey results, it was concluded that the employees had high job satisfaction not because of the job per se, but because of flexible work days/hours, and a good salary. It was determined that the productivity of the workers could be improved by increasing job satisfactions. In contrast, this was not the case at the supervisory and management levels. The management employees valued the work itself because of the autonomy and challenge the job offered, yet they felt under compensated for their efforts. Information sharing/communication by the workers was the lowest score, indicating that employees attributed communication in their overall job satisfaction criteria. The study found a direct correlation between average job satisfaction and low productivity. There was also a direct correlation between low productivity and poor communication between management and staff. These findings matched hypothesis number two, so the organization concluded that to improve productivity they needed to increase employee involvement and communication.

Like most companies in the healthcare industry, Johnson & Johnson Pharmaceutical Research & Development, L.L.C. (J&JPRD) faces the commensurate challenges of growing its

business in a competitive industry. The organization determined that even in prosperous times, meeting production demands in a competitive industry can challenge any well-managed organization. To address their concerns, J&JPRD's Global Organizational Development team reviewed the annual employee surveys conducted in years 2005-2007 and determined a decrease in rating for 3 critical categories; job satisfaction, valuing people, and collaboration and trust. From this information, the organization conducted additional internal research and concluded that employee engagement was necessary to achieve business results related to productivity and new product development. The survey conducted by J&JPRD included 50,000 employees in 27 countries. This survey concluded that employee engagement was the #1 employee issue. With this knowledge a business strategy was created to assist company supervisors and managers how to better engage the workforce. The survey definition of employee engagement was "the degree to which employees are satisfied with their jobs, feel valued and experience collaboration and trust" (Cattew, et al., p.153). The study concluded that engaged employees stay with the company longer, and continually find smarter, more effective ways to add value to the organizations. From these findings the organization developed and implemented a global employee engagement model and strategy. The model incorporated the roles of managers in order to boost employee engagement by doing the following: 1) connecting employees with the organization by providing information about the company direction and how the employee's effort contributes to the success of the organization, and 2) guiding employee's work and performance by providing fair and accurate feedback and help employees find solutions to job

challenges. The overall strategy focuses on creating a culture that motivates employees wanting to do their best work, and leaders making a two-way connection with direct reports on a daily basis (Catteuw et al., 2007).

Another study addressing productivity was conducted in Finland. This study combined the data from the European Community Household Panel (ECHP), composed of a separate personnel file and a separate household file, with the register-based employer-employee data maintained by Statistics Finland. This combination made it possible to calculate productivity for companies who participated in surveys from both the ECHP and Statistics Finland. Models for productivity were then estimated using the measure of average job satisfaction in the company as the main explaining variable. The data used spanned a period of 1996-2001. A standardized questionnaire was developed that contains annual interviews of a representative panel of households and individuals in each European Union country. Answers to questions on job satisfaction were measured on an ordinal 6 point Likert scale from 'not satisfied' to 'fully satisfied'. A higher value on this scale means that a person currently feels more satisfied. The ECHP was used to calculate the average job satisfaction level for each establishment. The ECHP data was matched to Finnish Longitudinal Employer-Employee data. This was possible because all data sets used contained the same unique identifiers for persons and establishments. Finally, three different measures of productivity were used as the dependent variables in the study. The primary productivity measure is value added per hours worked in the plant. To calculate total factor productivity for the plants, industry level information was used. The correlation coefficient between total factor productivity and value added per hours worked is .47 in manufacturing. Turnover per employee was also measured. This measure was taken from the

Business Register of Statistics Finland. The correlation coefficient between turnover per employee and value added per hours worked was .58 in the manufacturing sector. The study revealed that a one point increase in the average level of job satisfaction in the plant increases the level of value added per hours worked by approximately 5% in the manufacturing sector, other things being equal. This is a moderate effect, and arguably indicates how challenging it is for a manufacturing plant to increase the “average” level of employee job satisfaction by one point (say from 4 to 5) on a 1-6 scale because there is a rather strong concentration toward the higher end of the satisfaction scale. Overall the study revealed that job satisfaction is statistically significant in determining total productivity in the manufacturing sector (Bockerman, 2010).

The research reviewed spans various industries. Yet taken collectively, whether measuring productivity or employee satisfaction or both, the majority of the research indicates that employee satisfaction has a positive relationship on employee productivity. Many of the surveys indicate specific attributes, such as positive working relationships, as drivers of satisfaction and productivity. In combining the literature specific to satisfaction and productivity, the results can be summarized into two common attributes of satisfaction that drive productivity; good communication and rewarding work.

Additional analysis was conducted around these two attributes. Three specific articles cited in the literature review indicated that good communication was essential to increase productivity. Good communication was named in the Goffee (2013) article. The article indicated that it is important that information is not suppressed or spun by management, and that employees are free to express themselves authentically. Similarly Johnson & Johnson (2007) also named communication as an important aspect of employee satisfaction that can drive

productivity. Significant research was conducted that involved 50,000 employees in 57 countries. The study concluded that engaged, satisfied employees stay with the company longer, and communication was a driver to overall employee satisfaction. As a result of the study, Johnson & Johnson found that these satisfied employees continually found ways to add value to the organization during the course of their employment. The final study citing good communication as a necessary strategy was an article by Weiss (1996) stating ways to increase productivity. This indicates that good communication is as important to employee satisfaction as it is to productivity.

Rewarding work is the second of the common attributes of satisfaction that drive productivity. The Rodbec (2005) article cited that the individuals perform best when doing work that they enjoy. This seems an intuitive concept, yet many employees are performing jobs that they do not enjoy and would be more productive if performing a function closer aligned to their preferences. The literature also indicated that the management responses in the Robec case study indicated that this group valued the work itself because it offered autonomy and they found the work challenging. Similarly FoodBrand (2005) also came to the conclusion, after an employee survey, that employees ranked very high the importance of enjoying the work that they do when describing worker satisfaction.

A good salary is one attribute that the literature found inconclusive relative to its importance and impact on satisfaction and productivity. Herzberg (1993) classifies salary as a hygiene dimension in his analysis of job satisfaction. He contends that the items such as salary, company policies, and working conditions cannot motivate employees, but can be dissatisfiers if handled inappropriately. Similarly the study conducted by Hay and Associates (2003) concluded



that pay and benefits ranked at the bottom of the satisfaction indicator ranking. This study contends that money only masks an organization's real issues in the work environments.

The Robec study contradicts Herzberg and the Hay and Associates study. The Robec study indicated that salary was important to hourly workers, but not listed for salaried workers. This could mean that for individual employees making less than management salary, find salary a more effective satisfaction indicator. Even if this was true, however, the conclusion as to whether salary is a satisfaction indicator that drives productivity is inconclusive.

### **My Research**

I am currently employed at a health and dental subsidiary of one of the largest insurance organizations in the nation. I manage a staff of thirteen employees who are responsible for credentialing and recredentialing dentists throughout the nation. I have held my current position for 12 years. Over the course of the 12 years I have had employees who struggle with performance issues. A common difficulty for employees is to find the balance between quantity of work and their work quality. My area is considered a "production" area. Thus the productivity expectation is to complete files within a 5 day timeframe unless there are extenuating circumstances, and to maintain a minimum of a 90% accuracy score. To meet position requirements a credentialing employee reporting to me should complete 80-100 files per week or approximately 5,000 annually.

To further my research and to test whether the employees reporting to me would have satisfaction and productivity results similar to those in the literature review, I created a survey that included satisfaction questions (Appendix 1). The survey also asked participants to indicate

their productivity score from their 2012 performance review. The survey uses a Likert scale ranging from Strongly Disagree to Strongly Agree and each of these categories was given ranking numbers from 1-5. A (1) was assigned to “strongly disagree”, a (2) to “disagree”, and so on. Productivity scores in the employee reviews also were rated on a (1-5) scale with a (1) indicating “needs improvement”, (2) indicating “mixed results” meaning that some performance meets expectations and some needs improvement, (3) indicating “meeting expectations”, (4) indicating “exceeds expectations” and a score of (5) indicating that performance element is “among the best”. To complete the survey, my thirteen direct reports were sent an email with the survey attached along with instructions to return anonymously in a confidential envelope through the company mail. Employees were instructed that the surveys were not mandatory, and that participation was strictly voluntary. Participants were given one week to complete the surveys.

Of the thirteen surveys submitted, eleven were returned (Appendix 1) or 85%. Of the 11 returned, one survey was not counted, as a productivity score was not given. A total of ten returned surveys were used in the analysis for this study, or 77% of the original sample. Consistent with employee review measurements for productivity, returned surveys with a productivity score of less than 3 were unsatisfactory or not productive. A score of 3 represents acceptable standard work production. Any score above a 3 represents above standard production.

Satisfaction scores were determined for each survey by the score indicated (1-5) for each question. Upon review of the answers to the questions it became apparent that question number 22 was written in the negative, meaning a low score would be expected, while all other questions were written in the positive. Thus, question number 22 was eliminated from the scoring on all of the surveys. Therefore, to derive an average, the total scores were divided by 23, the total

number of questions used for the survey. Similar to the productivity scores, an average satisfaction score of less than 3.0 indicates low satisfaction, an average score of 3 indicates acceptable satisfaction, and an average score higher than 3 was determined to be highly satisfied.

### **Survey Results**

Of the ten surveys, seven surveys had both satisfaction scores of 3 or higher along with productivity scores of 3 or higher. This indicates that 70% of the survey group was satisfied to highly satisfied, while having a production score of successful to highly successful.

Three of the surveys had a productivity score of less than 3. Of the three, one had a unique circumstance in that it had a 2.85 productivity score but a 3.96 satisfaction score, which indicates a satisfied worker with low productivity. The remaining two indicated both low productivity and low satisfaction scores.

A closer analysis was completed for the seven surveys with satisfaction and productivity scores of 3 or higher. This group's scores indicate that job satisfaction and productivity are correlated. Of the satisfied and productive employees, analysis was done to determine if there was a common indicator among the most satisfied and productive employees. To conduct this analysis, the two surveys having the highest productivity and highest satisfaction scores were reviewed to determine if there were similarities in satisfaction scores by reviewing each question. Common high marks were found in the areas of personal job satisfaction, and having a positive relationship with the supervisor. Supervisor satisfaction survey questions included those related to performance feedback, job flexibility, and being treated with respect within the organization.

Of the remaining three, two had productivity scores and satisfaction scores of under "3". This would indicate that the individuals are both low producers and unhappy. The final

survey is a unique circumstance in that the survey indicated a low productivity score (2.85) but a high (3.95) satisfaction score.

Consistent with the literature review, additional analysis was completed using the employee surveys using the two common satisfaction drivers in the literature review; good communication and rewarding work. The first satisfaction driver, good communication, relates to questions 4, 9, and 15 respectively in the survey. Survey results for these questions indicate a score average of 3.2, 3.5, and 3.4 respectively. The second satisfaction driver analyzed was related to the employees finding their work rewarding. This concept correlates to questions 3 and 7 respectively on the employee survey. The average score for question 3 was a 3.8 indicating that almost all respondents agree that they find their work rewarding.

Overall, the research shows a distinct correlation between high satisfaction and employee productivity. Looking at the group as a whole, the satisfaction average is 3.32 and the productivity score average is 3.31 which indicates that over all employees are slightly above average in meeting productivity measurement and marginally happy. However, one area that should perhaps have been considered in the survey questions was to determine the length of time an employee had been in their position at the time of the survey. This could perhaps be the circumstance with one survey that indicated a low productivity score (2.85) but a high (3.96) satisfaction score. These scores may indicate that the employee was still learning the job functions, but was overall satisfied in their position and the company.

Common high marks were found in the surveys related to personal job satisfaction, which included questions related to performance feedback, job flexibility, and being treated with

respect within the organization. These attributes are similar and consistent with research such as Herzberg' research previously cited in which he determined that things such as company policies, salary structure, and working conditions should be adequate to insure ultimate success for employees.

### **Applying the Research: Short Term Goals**

When setting out on this research, the goal was to gain insights to better manage my staff. As the manager of this group, I have the opportunity to increase the satisfaction driver related to communication. First, while a semi-annual and annual review is given to each employee, the survey results indicate that more communication is needed related to individual performance. To address this I will be offering to meet quarterly with the individuals to discuss and give performance feedback. To better communicate to direct reports on overall corporate communication, I will add an agenda item of "corporate communication" to the staff meeting held weekly. During this time I will review any new corporate information, new projects, etc. as I have it.

The second satisfaction driver analyzed was related to the employees finding their work rewarding. From a management perspective this number should be higher. Consistent with the literature review regarding the importance of good communication, the score indicates that I need to do a better job of communicating back to the group the significance of their accomplishments to the success of the organization. To do this, I will bring to the staff meetings any new information I receive on the status of projects the group is working on, and the status of overall corporate projects to both keep the group informed and to identify how the department's

work has impact on an overall corporate project. I will also offer one-on-one job coaching to anyone who would like it in an effort to help individuals find their work more rewarding.

Salary was the only satisfaction driver that the literature review found inconclusive. The question of salary is question number 20 in the employee survey. The surveys indicated an average score of 3.4. Again, from a manager perspective this score should be higher. While the literature is inconclusive as to whether salary is truly a satisfaction driver, I will be taking a deeper look at the salaries for my direct reports. I will be looking at tenure in the job, but also where the salary grading fits in the overall corporate structure. It may be necessary to upgrade the job descriptions and grade levels for the positions reporting to me if there is a gap in job descriptions relative to the actual job the staff is performing.

Overall, as the manager of the area, the surveys have indicated data that is consistent with the literature reviews related to satisfaction and performance. The surveys indicate that I have some work to do in an effort to increase the satisfaction scores which will ultimately improve the productivity scores. I am disappointed that none of the survey respondents gave a score of 5 (strongly agree) for any of the satisfaction questions, or received a 5 (exceeds position expectations) as productivity score. This study was small and reflected only one group, under one supervisor in one company, yet it reflected that the survey participant's answers are consistent with the literature review in that satisfaction and productivity have a direct correlation.

### **Applying the Research: Long Term Goals**

While several action items can be put in place relatively simply and immediately, the needs and dynamics of my department are ever changing. Efforts will need to be in place long term to address the issues of employee satisfaction and productivity. One initiative that I will

implement as a part of year end performance reviews is to ask employees to come to their review prepared to discuss the following questions:

- 1) What is the number one thing that your manager can do to increase your overall productivity?
- 2) What is the number one thing your manager can do to increase your overall satisfaction with your work and the organization?

Answers to these two questions will be categorized and prioritized based on the number of like replies. Prioritized replies will be analyzed at a staff meeting to put a remedy in place. Continued follow up on selected items will be conducted as I meet with the staff throughout following the year, one employee at a time. New hires will be asked these questions after six months on the job to include fresh, new ideas. Taking these measures will assure that employee needs are addressed timely and action taken in an effort to increase productivity.

In addition to the meetings with staff throughout the year, I will ask the staff to take the survey I created for this research on an annual basis. The same questions will be asked with the exception of question 22 that will be changed to be written in the positive to easily include it in the analysis. In addition, I will add a question regarding how long the individual has been working in the department. Similar to the process for this study, the survey will be administered anonymously. The new survey results will be compared to the one from the previous year. The expectation would be that improvements will be seen in the overall survey results, especially since I will be conducting meetings with staff periodically throughout the year.

In reviewing the returned surveys, question number 8 asks whether the physical conditions of the respondents work space allow the respondent to do their job. The majority of

the respondents answered 3. Since the literature suggests that the work environment has the ability to impact satisfaction I will be completing a workspace assessment to review things such as access to printers, individual workspace assessments to assess ergonomic issues and desk set up, glare screens for computer monitors, etc., and access to electronic systems to insure all staff have the most efficient workspace that the company has to offer. By bringing the tools and resources to the employee the employee will in turn be more productive just because the tools will be at their fingertips or a short walk away. I would expect that these actions would move the responses to the survey in a positive direction.

Related to the physical conditions of the workplace are the manual and paper workflows and processes that my staff undertakes each day in performing all aspects of their position. In an effort to improve the manual processes, senior management has purchased a document storage system that includes a workflow management system. This new system has yet to save us time, as all aspects are not yet implemented. A goal for next year will be to have this system completely up and running which will improve workflows including turn-around times for staff. It will need to be noted that increased productivity will not be solely due to new initiatives taken relative to this project, but also from automating systems within the department.

By initiating these short and long term goals within my department, my staff will have constant input and feedback to the workflows and processes within the unit. This will assist in the constant prioritization of satisfaction and productivity initiatives. In addition, the fact that the staff has input to these important matters should also increase satisfactions levels per employee.



## Conclusions

In this highly competitive world, employees are an organization's greatest assets. While the literature and psychological models may vary in exactly which attributes actually drive productivity, the literature and my research indicate that there is truth to the hypothesis that satisfied employees are more productive. Many of the satisfaction drivers found through the literature and my research such as having a positive relationship with a supervisor does not cost anything to deliver. As Digman's Five Factor model indicates, managers should be proactive in avoiding negative work events that impact low performance and absenteeism. Similarly, Maslow's self-actualizing theory agrees that personal needs are important to be met before one can be self-actualized. The self-actualized employee would include traits important to the workplace such as taking responsibility and willingness to try new things. Herzberg also developed a proven theory of motivators that increase employee productivity. He found things such as recognition, and the actual work completed are important in overall employee effectiveness include productivity.

In addition to models, numerous studies were reviewed that were conducted by reputable companies in an effort to determine the satisfaction drivers that increase productivity. Common attributes among the various studies included good communication and rewarding work that were found to be indicators to increase productivity. But while the literature may be compelling, I conducted a survey of my own staff to determine whether satisfaction and productivity are correlated. And if so, what satisfaction drivers did my staff consider important. I found that indeed satisfaction and productivity scores had a positive relationship. In addition, consistent with the literature, I found after additional research looking at specific questions, that there were

two common satisfaction drivers that lead the satisfaction continuum – good communication and rewarding work.

From the research I was able to identify both short term and long term actions for me to implement within my department that utilize my new found knowledge. I will be meeting with staff more often to keep the lines of communication open, as this was identified as a key aspect of improving productivity. I will also be conducting another questionnaire as part of their performance reviews to determine what specific things I can implement to increase individual productivity and job satisfaction. Finally, I will be making some changes to workspace layout and logistics to optimize the workspace and make it more user friendly. It is anticipated that this will also increase productivity.

Over the past few years it has become increasingly more important for organizations to analyze their finances in an effort to stay competitive in a struggling economy. To that end, company's' management across the nation struggles to do more with less, including fewer employees. This fact makes it all the more important to hire and retain the best workforce possible. Employees are an organization's competitive edge. It is important for employers' to understand that whether or not an employee produce up to potential depends in large part on the way that the worker feels about the organization, the job, the communication, the supervisor, etc. Companies that seek to have an edge over their competitors should consider evaluating the degree to which their employees are satisfied as an answer to increase their edge in the future. Through a combination of surveys and personal discussions with employees, employers can determine the most effective means to address employee satisfaction. Zig Ziegler, motivational and world renowned speaker, as quoted by Forbes (2012) summed it up best, "workers have three prime

needs: Interesting work, recognition for doing a good job, and being let in on things that are going on in the company”.

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## Appendix I – Survey

For each question below, circle the number that best describes your opinion on the issue using the following answer key:

1=Strongly disagree 2=Disagree 3=Neutral 4=Agree 5=Strongly Agree

1. I am given opportunities to improve my skills in my current position.	1	2	3	4	5
2. I am given opportunities to come up with better ways of doing things.	1	2	3	4	5
3. I enjoy the work I do.	1	2	3	4	5
4. I am clear on the expectations of my position.	1	2	3	4	5
5. I am willing to put in overtime when asked to get the job done.	1	2	3	4	5
6. My workload is manageable, and I can easily meet department productivity standards.	1	2	3	4	5
7. I know that the work that I do is important to the organization.	1	2	3	4	5
8. The physical conditions of my workspace allow me to do my job.	1	2	3	4	5
9. My performance appraisal is an accurate representation of my work.	1	2	3	4	5
10. In my department, steps are taken to deal with poor performers.	1	2	3	4	5
11. Employees are empowered in my department with respect to work process.	1	2	3	4	5
12. Pay increases and corporate bonuses are awarded based on how well employees do their jobs.	1	2	3	4	5
13. I recommend the organization to others as a good place to work.	1	2	3	4	5
14. My supervisor is flexible at approving paid time off.	1	2	3	4	5
15. My supervisor provides constructive feedback to help my job performance.	1	2	3	4	5
16. I am treated with respect by the organization's leadership.	1	2	3	4	5
17. I understand how my job fits with the goals and priorities of the organization.	1	2	3	4	5
18. Considering everything, I am extremely satisfied in organization in which I work.	1	2	3	4	5
19. My company promotes opportunity for advancement.	1	2	3	4	5
20. My pay is fair and competitive relative to similar positions in other healthcare organizations.	1	2	3	4	5
21. My ideas related to increase productivity output are taken seriously by my management.	1	2	3	4	5
22. I complain about my job to coworkers.	1	2	3	4	5
23. My team members are pleasant to work with.	1	2	3	4	5
24. I like my job.	1	2	3	4	5
25. I received a productivity score of _____ on my 2012 review.					

Appendix I cont – Survey Grid

Survey #	1	2	3	4	5	6	7	8	9	10	11
Satisfaction	3.48	3.52	3.26	3.74	3.43	3.39	3.43	3.96	2.39	2.61	N/A
Productivity	3.85	4.10	3.00	4.30	3.50	3.20	3.00	2.85	2.75	2.50	N/A

\*Question number 22 not included in calculations

\*\* Survey 11 not used due to missing productivity score