

EMPLOYEE ENGAGEMENT AND SATISFACTION DEPENDENCY ON THE SIZE OF THE LOCATION THEY WORK IN

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Abstract

The subject of our subsequent research deals with the fact that there are certain differentiations within a company between employee satisfaction and engagement depending on the size of the location they have been working in. Engagement and satisfaction factors monitored are as follows: feedback, teamwork, opportunities for growth, work/life balance; stress and work pace, quality and customer focus, fairness, mission and purpose, respect for management, compensation, respect for employees, workplace and resources, performance and accountability, communication, and personal expression/diversity. The outcome of the research led to our recognition that employees working in less extensive locations are significantly more satisfied than those who work in large locations. The primary reason for such results arises from the equality of the pay in the framework of individual job positions within the given territory regarding the fact that the cost of living is higher in larger locations. Other reasons considered are also smaller working groups and a higher unemployment rate in minor locations.

Key words: employee engagement, job satisfaction, human resources management, gender, Bulgaria

JEL Code: M12, M14, M51

Introduction

The objective of the study is to verify, whether there are some differences between the level of employee satisfaction and engagement existing depending on the size of the location they work in. Locations are subdivided into three categories – a capital city, a city (with respect to Bulgarian conditions), a town, or a village.

1 Theoretical Part

1.1 Definition of Engagement and Satisfaction

Our research target is not to provide an exhaustive compendium of definitions related to the given theme. Therefore, we have selected a certain number of definitions dealing with the employee engagement and satisfaction after our search of the available literature.

William Kahn provided the first formal definition of employee engagement as "the harnessing of organisation members' selves to their work roles; in engagement, people employ and express themselves physically, cognitively, and emotionally during role performances" (Kahn, 1990).

The CustomInsight.com where we used the free questionnaire from defined employee engagement and satisfaction as "The extent to which employees feel passionate about their jobs, are committed to the organization, and put discretionary effort in to their work. In contrast to the engagement definition, the employee satisfaction is quoted as: "The extent employees are happy to, or content with their jobs, and work environment" (CustomInsight.com, 2015). Thus, the study provides insight into employees' perceptions of certain aspects of the nature of the power industry in Bulgaria (Bennett & Robinson, 2000).

1.2 Employee Satisfaction, Engagement and Location

From the viewpoint of the location and employee satisfaction dependency, we have not found a sufficiency of relevant literature detailing this problem. Employee engagement and performance are being solved in accessible literature in terms of retail businesses by authors such as Keiningham, Aksoy, Daly, Perrier, Solom, (2006). They declare that "differences in store size may mask the true relationship between employee satisfaction and profitability. These findings suggest the imperative to measure and control for store size in studies aimed at assessing the impact of employee satisfaction on store performance." The citation above confirms us the relevance of the employee satisfaction and engagement for profitability of the business-unit level. We exploited a reliable research study which we could draw our experience from themed the gender diversity and performance.

So, we contextualize the conclusion of the research study:

The results of this research support the contention that gender diversity at the business-unit level positively affects financial performance, which appears to have substantial practical implications. This financial utility suggests that making diversity an organizational priority may realize financial benefits (Badal, Harter, 2014).

Thereinafter, it is possible to contemplate that such a local diversity and its employee satisfaction interference produces an effect on an innovative potential, as well. This statement is presented as a conclusion of the research carried out by Crescenzi, Gagliardi, Iammarino, (2015): „domestic firms active in sectors with greater investments by Multinational Enterprises show a stronger innovative performance. However, the heterogeneity across domestic firms in terms of internationalization of both their market engagement and ownership structure is the main driver of this effect“. As to whether it is possible to form an analogy between this research mentioned above and our one would supply a sufficient material for another serious examination.

1.3 Management View on Employee Engagement

To reach an effect of preferable results in the company, it is necessary to use a local diversity and to share the best practices among subsidiaries, as well. In respect of this point of view, we are able to accept the following quotation as constitutive also in our case.

Employee diversity is necessary for better company results. This was mentioned by Legnerova, Fucikova, as well: „In a team of different types of people and personalities employers then need to learn to work with such diversity – and thus, to master the diversity management. Managers meet diversity quite often, although they may not always be explicitly aware of it. International or multicultural teams or interdisciplinary teams noticeably exemplify diversity in the workforce “Legnerova, Fucikova, (2014). There comes a question, whether a resembling diversity applies also to people coming from miscellaneous locations.

In view of the potential company needs’ servicing, Stritesky supplies the following in terms of the HR field, thereto:

The new structure of the HR department in both organizations is divided into the front office and back office. Back office is represented by expert teams or administrative departments. Expert teams are mostly focused on the development, knowledge management and training, compensation and benefits, or recruitment. Furthermore, there are departments dealing with HR Controlling, HR projects and information management. Front office is represented by a

newly created function of the HR Business Partner. His daily workload is characterized by little differences in each organization (Stritesky, 2013).

It is obvious that companies endeavour for a close approach to real needs of their internal clients as well as employees. Subsequently, inherent employee diversity and engagement help increase the company productivity together with the particular tools.

As a reference we have to take this citation into our account, as well:

“The degree of autonomy-supportiveness of the work climate did predict overall need satisfaction in each culture, and need satisfaction in turn predicted both task engagement and wellbeing. Thus, by showing that satisfying these needs promotes motivation and mental health across cultures, results of the study are consistent with the view that these needs are universal” (Deci, Ryan, Gagne, Leone, Usunov, Kornazheva, 2001). Principally, researchers dedicated their excessive effort to explore the joint relationship of male and female gender perceived by both of them, co-working in the environment where the male gender duly outweighs (Colbert, A. E., Mount, M. K. & Barrick, M. R. & Harter, J. K. & Witt, L. A., 2004).

1.4 Hypothesis

The major expectation presumed is that there is a mutual dependency existing between employee satisfaction and the size of the location they actually work in. It means that we expect the smaller location where employees work in, it is the more satisfied they are. Simultaneously, we presume that the larger location where employees work in it is, the lower their satisfaction will be reached.

The hypothesis is predominantly based upon a distinct standard of living in varied locations when considering the fact that the employer pays a consistent amount of remuneration to identical job positions regardless of the town they work in. Other factors should also be of concern such as an intensity of finding another workplace, which shall amount to higher numbers in smaller towns, etc.

2 Empirical Part

Methods

We used a questionnaire exempted from the CustomInsight.com web page at the following address <http://www.custominsight.com/employee-engagement-survey/sample-survey-items.asp>.

Our engagement questionnaire was based on the Focal EE, subsequently translated into Bulgarian, and after that standardized for both male and female gender in Bulgaria.

The questionnaire was designed to measure the satisfaction and engagement of employees in the 14 following aspects – scales of the working process when also a total engagement scale is quantified. The scales together with basic statistical indicators as well as Cronbach’s alpha are as follows:

Tab. 1: Total engagement categories

#	Scale	Mean	St. Dev.	α
1.	Feed Back	5.78	2.60	0.94
2.	Teamwork	6.45	2.73	0.88
3.	Growth	6.05	2.43	0.91
4.	Work Family Stress	6.45	2.14	0.86
5.	Quality and Customer Focus	7.64	1.92	0.91
6.	Fairness	6.13	2.43	0.93
7.	Mission Purpose	7.69	1.83	0.88
8.	Respect for Management	6.96	2.36	0.93
9.	Compensation	6.36	2.37	0.89
10.	Respect for Employees	6.76	2.23	0.92
11.	Workplace and Resources	6.69	2.25	0.90
12.	Performance and Accountability	7.12	1.98	0.87
13.	Communication	6.52	2.33	0.89
14.	Personal Expression and Diversity	6.35	2.40	0.91

Source: Authors’ own elaboration

Procedure

The research was accomplished in Bulgaria in a continuous area distributed for the company purposes to 8 major regions including the capital city. The research was completed by the end of 2014 in the company running its business in the power industry. This is a company where male employees preferably prevail. The nature of work requires a complex service operation in the whole area. Questionnaires were collected in the framework of an inter-house training.

Subjects

A total number of 1,550 employees out of 2,140 employees of an average age of 37.5 years participated in the empirical research and delivered questionnaires filled in. Thus, it confirms

72.4 % rate of the return. The research was executed in Bulgaria. In reference to the gender, the respondents are distributed as follows:

Tab. 2: Respondents according to their gender

Gender	Frequency	Percentage [%]
Male	1192	76.9
Female	202	13.0
Missing	156	10.1
Total	1150	100.0

Source: Authors' own elaboration

Analysis and Outputs

Our primary target was to prove the hypothesis. Thus, the One-way Analysis of Variance (ANOVA) was used first of all in order to constitute, whether the subjects working in three different locations shall differentiate in their level of satisfaction in a single, or in more scales of the questionnaire. The results acquired are statistically significant in all categories as can be seen the Tab. 3 below:

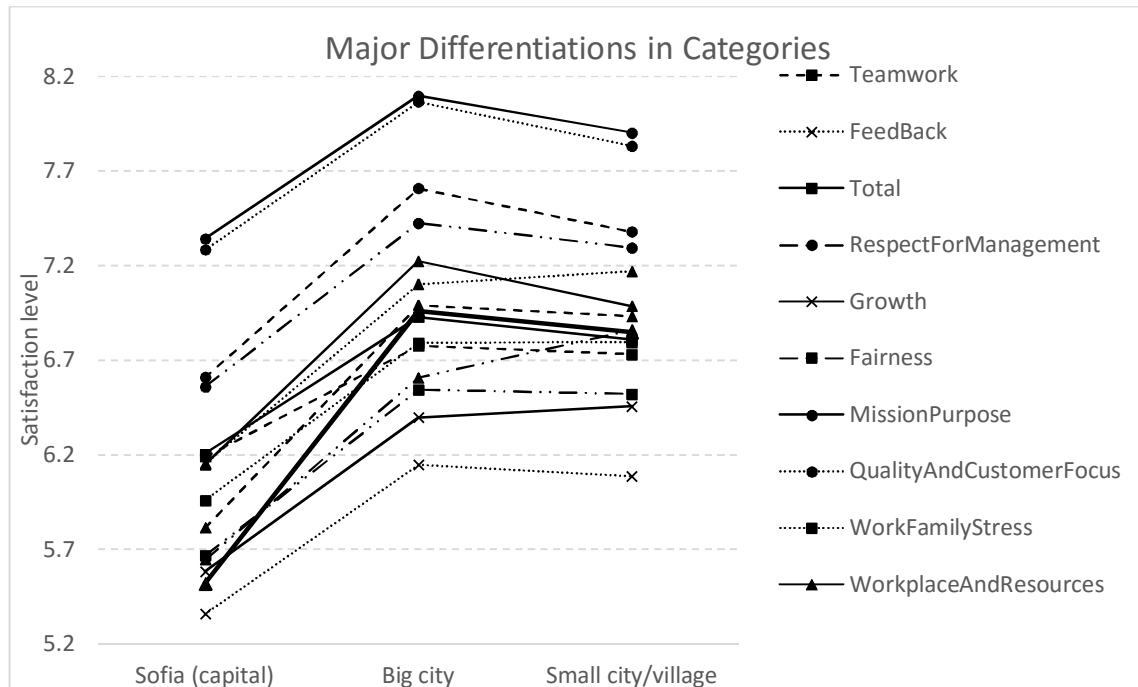
Tab. 3: Statistically significant categories

#	Scale	F	Significance
1.	Feedback	9.466	0.000
2.	Teamwork	5.051	0.007
3.	Growth	14.292	0.000
4.	Work Family Stress	18.174	0.000
5.	Quality and Customer Focus	15.073	0.000
6.	Fairness	14.384	0.000
7.	Mission Purpose	14.557	0.000
8.	Respect for Management	11.781	0.000
9.	Compensation	38.302	0.000
10.	Respect for Employees	21.645	0.000
11.	Workplace and Resources	19.846	0.000
12.	Performance and Accountability	22.069	0.000
13.	Communication	26.399	0.000
14.	Personal Expression and Diversity	24.674	0.000

Source: Authors' own elaboration

Upon making the verification, we came to a conclusion that it is more about a division into two groups, i.e. the capital city and others. Below we shall submit a diagram depicting major differentiations:

Fig. 1: Major differentiations in categories



Source: Authors' own elaboration

We have recoded our data, so only two categories remained in effect – i. e. the capital city and others. The T-test was applied to these categories with the results presented in the table below:

Tab. 4: Total scales' results

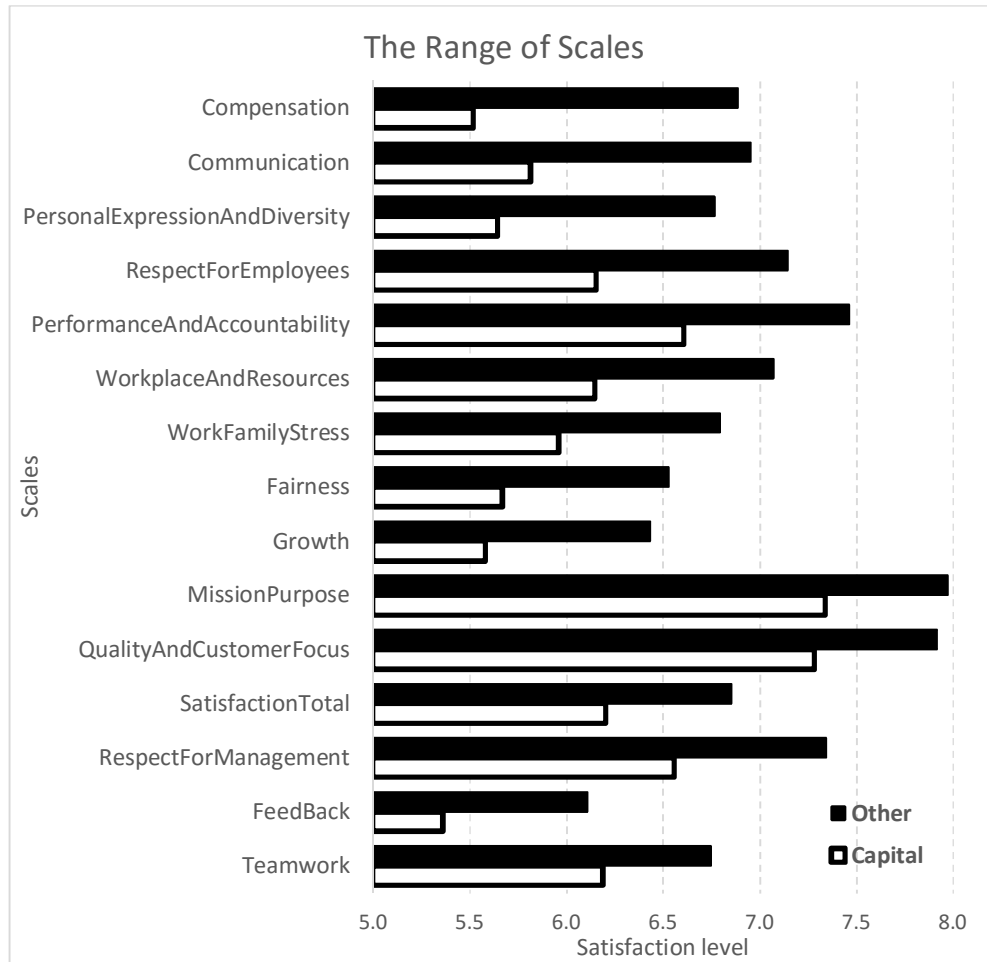
Scales	Location	N	Mean	St. Dev.	t	Sig.	Effect Size																																																																												
Feedback	Capital	300	5.359	2.757	4.148	.000	.185																																																																												
	Other	853	6.109	2.509				Teamwork	Capital	312	6.189	2.861	3.028	.003	.133	Other	867	6.747	2.594	Growth	Capital	308	5.582	2.568	5.109	.000	.223	Other	862	6.433	2.341	Work Family Stress	Capital	309	5.959	2.241	5.760	.000	.249	Other	867	6.794	2.033	Quality and Customer Focus	Capital	310	7.283	2.082	4.788	.000	.214	Other	864	7.918	1.757	Fairness	Capital	300	5.667	2.547	5.155	.000	.227	Other	851	6.530	2.343	Mission Purpose	Capital	298	7.341	2.097	4.690	.000	.217	Other	821	7.974	1.687	Respect for Management	Capital	298	6.559
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Scales	Location	N	Mean	St. Dev.	t	Sig.	Effect Size
	Other	597	7.345	2.171			
Compensation	Capital	295	5.518	2.503	8.282	.000	.355
	Other	810	6.889	2.235			
Respect for Employees	Capital	293	6.153	2.490	6.081	.000	.275
	Other	814	7.146	2.112			
Workplace and Resources	Capital	295	6.147	2.563	5.567	.000	.256
	Other	810	7.073	2.085			
Performance and Accountability	Capital	288	6.609	2.240	5.830	.000	.271
	Other	812	7.464	1.818			
Communication	Capital	289	5.813	2.467	6.920	.000	.305
	Other	815	6.954	2.230			
Personal Expression and Diversity	Capital	291	5.644	2.652	6.409	.000	.288
	Other	811	6.766	2.290			
Satisfaction Total	Capital	250	6.204	1.972	4.438	.000	.206
	Other	538	6.855	1.794			

Source: Authors' own elaboration

We arranged scales in compliance with their effect size in order to reach for those having the maximum practical significance are situated at the top, and those having the minimum practical value added are situated at the bottom. The result can be seen in the following diagram below:

Fig. 2: The range of scales



Source: Authors' own elaboration

Apparently, the maximum difference and the practical value added can be found in the category of Compensations, which means that we can prove our hypothesis. Not only that there is a significant dependency between the employee satisfaction and the location, but the difference is predominantly generated in the category of Received Remunerations.

Conclusion

As a matter of fact, we can accept that the hypothesis of our empirical research was proven. Thereinafter, the research confirmed that people working in the capital city are distinctively less satisfied than the others comprised in all fourteen aspects of the questionnaire.

The principle outputs can be clarified via the following:

People draw an identical income in the given job positions outside the capital city as the people in the capital city. In practical terms, it means that they have more money at their disposal within the smaller location in reality, because the costs of living are also lower in smaller locations.

The job position identified as “an electricity man” is considered rather prestigious in smaller locations, whereas everything depends on him, whether the natives would have one of the basic powers or not. The natives shall be viewed more shown through in such a small location.

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