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Procedia - Social and Behavioral Sciences 57 (2012) 549 – 554

Procedia
Social and Behavioral SciencesInternational Conference on Asia Pacific Business Innovation and
Technology Management

Differentiation Research on employee satisfaction and happiness for European invested and local Chinese companies

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Abstract

Research study on Employee's satisfaction and happiness of companies with different cultural managements had revealed many interesting and significant outcome. Survey questionnaires exquisitely designed and specialized in employee's satisfaction, happiness and job commitment were used and focused in this study. Three sets of survey forms with 10 questions each for employee satisfaction, organization commitment, and job involvement were fabricated respectively. One European invested company and one local Chinese company, and their basic employees were chosen as the studying objects. Both companies carried the same product lines are located in proximity at KD province, China. And 290 effective samples had been obtained from both companies were statistically analyzed with meaningful results. Tangible conclusions had shown that the employee in local Chinese invested company had higher positive feedbacks from all three aspects as in employee satisfaction, regulative commitment, and proactive job involvement than the employee of the European invested company.

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Keywords: Employee satisfaction, Organization commitment, Proactive job involvement, Happiness index.

1. Introduction

Employee's response to different cultural management styles associated with operational merits has been selected as the research topic. Peter F. Drucker (1977) had concluded that a company's operational consequence is tightly bonded to its management style and relevant culture. And employee's satisfaction and happiness are the keys to its operational success. Since human resource is an important factor to operation success, therefore a company or an organization must create a pleasant working environment to attract most intelligent talents to work for it. Research Scientist; Carol-Ann Morgan (2011) in her study had speculated a method by using employee satisfaction survey to reveal a company's problems, to correct the drawbacks and to achieve the management goal. Romano (2011) had also emphasized in her research article that the best solution to solve various managerial issues in an enterprise is employee happiness. Report had shown that the higher the level of employee happiness index of an enterprise, the better the productivity it has.

Locke(1976) defined work satisfaction as the pleasant and aggressive mood a worker experienced in his work, and Robbins(1996) emphasized job satisfaction as an individual's general attitude toward

his work, and a higher job satisfaction is always associated with more proactive attitude and efficiency. He had highlighted four main characteristics of employee satisfaction. First, it is a group behavior and attitude, universally applicable to individuals from different working fields. Second, multi-facets, difficult to swap or compensate a highly un-satisfaction with another contented factor, and it can not have an arithmetical average. Third, job satisfaction plays a big part in the employee's overall happiness, so naturally the employees will provide better overall organization performance when they are working with higher satisfaction. Last, employment satisfaction is dynamic and unstable due to many affecting factors.

Organizational commitment is the extent an individual involvement to reach organizational objective and to secure organization recognition. Myer and Ellen (1991) had identified and emphasized emotional commitment, regulative commitment, and continuous commitment as its constituents in their study. By knowing the importance of these fundamental relationships, an employee is willing to continue the devotion to his organization.

Job involvement is defined & explained as an employee's response to the psychological perception of his work assignment, job accomplishment and values. Kahn (1990) highlighted this concept and defined job involvement as "organization member restrains himself to cope with job function and to match organizational character", so a person is constantly switching between his / her roles as an individual vs. a part of the organization.. With a higher job involvement, one will put more efforts and energies in the work as self-employment, and will also have better self-expression in organizational character performance. Kahn had further classified job involvement into three domains. The first is the physical involvement, the second is cognitive involvement, and the last is emotional involvement. Nevertheless, Maslach (1996); a famous researcher in work related burnout (Maslach Burnout Inventory: MBI), he put job involvement and work burnout in two extreme ends of a three dimensional continuity. A highly involved individual will possess energetic feature and work quickly in a higher efficient way toward job assignment, he is eager to take challenge with much more self confidence, and is more willing to work with people harmonically. In this study we had adopted the survey scale sheet based on Kahn's theories on organization commitment and job involvement.

China has been a worldwide manufacturing base for its relatively economical labor and operation cost since year 2000. Cultural variation has played a significant impact on management style, and in turns on the company's overall performance. In employee satisfaction & happiness study of both European invested and local Chinese companies, we used cross comparison method to generate precious results showing the companies' present status. We selected one European company from Netherland. In its organization structure, top managements of the company are European, middle level managements are from Hong-Kong and the basic labors are local Chinese. The other organization selected and studied is one local Chinese businessman having same nationality from top management to bottom. Reasons for selecting these two companies are cultures and management style difference, but with same basic labors nationality, and within identical product industry.

For a better understanding of the cultural gap, Firstly, in Netherlander's management culture, mutual understanding and decision making are interwoven within members from different levels of a company. According to researcher Hofstede's (1991) study on European culture and management style based on Power distance, Individualism, Masculinity and Avoidance of Uncertainty, Netherland was identified as weaker in Masculinity but strong in avoidance of uncertainty. This is based on Trompenaars and Hampden-Turner's (2000) research, which states that Netherland management style is closer to Northern European Nordic style with fairness and justice oriented. Secondly, Hong Kong was a British colony before 1997, its culture and management style was strongly influenced by the British culture. Employee generally is solely the task executioner of the management. Mutual communication or even suggestion is seldom occurred. As compared with multi-nations joint-venture company in HK, a local HK company does have features such as faster response, higher flexibility, but more conservative in communication, and harder to get whole picture of any event. Thirdly, Local Chinese companies are lack of excellent managing human resources as well as lack of creativity. A lot of local Chinese traditional companies are even taking negative attitude toward risky change or reborn for a better performance. And almost all Chinese local companies are decided and led by some important few and elites.

However, researcher Charles-Edouard Bouée(2010) had pointed out that three major indices and nine features are the appropriate descriptions of the recent new Chinese management style and culture evolution. (1) Spiritual index is through interaction of material and spirit. It indicated that management style is affected with features of smoothly change to prevent risky and drastic impact, also emphasis on respect for the spiritual and ethical models of senior and higher level management, and formulating group and society sense to suppress heroic individualism. (2) Land and environment index is to provide appropriate business activity platforms through control by the government. (3) Energetic index is the extension of fulfillment by various industrial and commercial activities. Interactions among these three indices represent the strengthening for China's continuous improvement. Chinese management cultures also blended with 9 features are as activeness, adjustment, flexibility, integration, cooperation, consideration, spirit, discipline and nature.

2. Materials and Methods

The scoring method applied in the survey for employee satisfaction investigation is based on Likert's 5 points scoring method. Different response status of the satisfaction evaluation on the developed questionnaire is scored in 5 grades, and they are classified as very satisfied, satisfied, acceptable, unsatisfied and very unsatisfied with scores from 1 to 5 points. All questionnaires are positively summarized. The higher the scoreboard is, the higher the satisfaction status is. The same is true for the opposite. Research results are derived from these data analysis and by ANOVA statistical analytic method for different factors such as company, sex, work classification, employee service duration, etc. against those interested topics such as job satisfaction, emotional commitment, regulative commitment, pro-active job involvement, passive job involvement and happiness index. The correlations and differentiations are generated and summarized.

3. Result and Discussion

The collected survey questionnaire sheets with effective results were shown in Table 1. M company (European) had 51% of the total questionnaire sheets reclaimed and T company (Chinese) had the 49%. Male gender had about 39% and female gender had about 61%. Direct labor was 77% of the total surveyed employees and indirect was 23%. As for the service duration less than 1 year was about 50%, 1 to 2 years of service duration was 32.4%, 2 to 3 years is 9.3% and above 3 years was only 8.3%. The data showed that both companies's workforces are pretty young, new and dynamic. Female gender is the major basic work force for this industry.

Table 1. Basic information of the survey samples

| Factor Items | Classification | Reply persons | Percentage |
|------------------|----------------------|---------------|------------|
| Company | M-company (European) | 148 | 51.0% |
| | T-company (Chinese) | 142 | 49.0% |
| | Total | 290 | 100.0% |
| Sex | Male | 114 | 39.0% |
| | Female | 176 | 61.0% |
| | Total | 290 | 100.0% |
| Work class | Direct labor | 224 | 77.0% |
| | Indirect labor | 66 | 23.0% |
| | Total | 290 | 100.0% |
| Service duration | Less than 1 year | 145 | 50.0% |
| | 1-2 years | 94 | 32.4% |
| | 2-3 years | 27 | 9.3% |
| | Above 3 years | 24 | 8.3% |
| | Total | 290 | 100.0% |

Factor analysis by abstracting two major parts in regulative commitment and sensation commitment as major factors had displayed interesting results. We had analyzed result of the

surveyed organizational commitment shown in scaling sheet below. Employees are proud of their company and willing to talk about and work for it in regulative commitment. Sensationally the actual satisfaction plays an important roll in organizational commitment.

Table 2. Organizational commitment analysis for regulative and sensational factors

| Topics & Questions | Regulative and sensational Factor analysis of an organizational commitment | |
|--|--|------------------------|
| | Regulative commitment | Sensational commitment |
| I will talk to my friend about my company as it is a worthy company for work. | 0.81 | |
| I feel very proud when I talk to other persons and mention that I am one member of my company. | 0.79 | |
| I am willing to do more extra efforts to make my company successful. | 0.71 | |
| I am glad to join this company not the other one when I was looking for a company then. | 0.70 | |
| I have found that my view point of value is very similar to that of my company. | 0.66 | |
| My company is capable of inspiring me for doing my best for devotion to the company | 0.65 | |
| I am willing to accept any job assignment to stay in my company. | 0.62 | |
| As long as the job feature similarity is high, I don't care to work for another company. | | 0.82 |
| If there is any slight change that matters, I will leave my company. | | 0.69 |
| There is not loyalty needed for me to my company | | 0.65 |
| Total explained variance: 53% | | |
| Kaiser-Mayer-Olkin = .801 | | |
| Bartlett Test of Sphericity = 858.8 (Sig. = .000) | | |

By abstracting from two major factors for pro-active and passive involvement, the job involvement analytical results were obtained and shown in table 3 below for reference. Job involvement is much human nature related for both pro-active and passive work involvement.

Table 3. Job involvement by Pro-active and passive factor analysis

| Topics & Questions | Pro-active and passive work involvement factor analysis | |
|--|---|---------|
| | Pro-active | Passive |
| I am perfectionist as to my work performance & requirement | 0.75 | |
| Normally I will arrive the office earlier to have my work well prepared. | 0.73 | |
| Generally I evaluate a person on his job assignment completeness | 0.68 | |
| The important thing happens to me is from my work content. | 0.64 | |

| | |
|---|------|
| Sometime I feel depressed when there is a fault in my job assignment. | 0.57 |
| I will continue to work even when there is not extra money needed. | 0.41 |
| There is other more important thing in life than the work. | 0.73 |
| Work is only a small portion of my life to me. | 0.70 |
| I have more important thing than the work itself. | 0.68 |
| I will not accept extra responsibility in my work assignment. | 0.65 |

Total explained variance: 50%

Kaiser-Mayer-Olkin = .715

Bartlett Test of Sphericity = 510.8 (Sig. = .000)

Differentiation analysis of company factor found that the aspects were applied with independent sample T- test method. There was a company factor dependent different result existed, we had the statistical analysis result shown in table 4. It is interesting to notice that T-company had four items with higher score and performance than the M-company, in work satisfaction, regulative commitment, pro-activeness job involvement, and happiness index.

Table 4. Differentiation analysis of company factor on each research aspect

| Research aspects | Company | | T - value | Remark |
|----------------------------|---------|---------|-----------|---------|
| | (1) | (2) | | |
| | M- | T- | | |
| | company | company | | |
| | (N=148) | (N=142) | | |
| | Average | Average | | |
| Work satisfaction | 2.88 | 3.13 | -3.75** | (2)>(1) |
| Sensational commitment | 2.85 | 2.88 | -0.34 | |
| Regulative commitment | 2.88 | 3.10 | -3.16** | (2)>(1) |
| Pro-active job involvement | 3.18 | 3.33 | -2.22* | (2)>(1) |
| Passive Job involvement | 2.93 | 2.92 | 0.22 | |
| Happiness Index | 2.88 | 3.16 | -3.52** | (2)>(1) |

Note : *p<0.05 ; **p<0.01 ; ***p<0.001

4. Conclusion

Two companies had been studied in this research are one European company from Netherland with top management being European, middle level managements being Hong-Kong staffs and the basic labors being local Chinese; it is a joint-venture of European and Hong-Kongest having different management styles and cultures derivation. and one Chinese company from local Chinese businessman with same nationality from top to bottom. We had carefully selected these two companies in proximity to do the research study.

This research points out different management cultures shall affect the employee's work satisfaction and happiness. High constituent similarity in employee's area of origin and ethnic group, the two companies are supposed to have similar result, however with different management culture and style, it is interesting to point out that employee in T company (Chinese) had apparent higher rating in work satisfaction than the M company (European). T company's employee also revealed obvious stronger rating in regulative commitment than the M company, and it also showed apparent higher rating in happiness index than the M company (European). But the proactive job involvement of the employee in these two companies did shows comparable ratings, with T company's reading only slightly higher than that of the M company. And as for sensation commitment and passive job involvement there were not apparent variation in between.

This research infers the variation is caused by management cultural difference and the adaptability of the employees to western management style, even those basic employees of these two companies are with same cultures, same nationality, and within identical product industry.

Whether different management cultures cause the variation in employee's satisfaction and happiness index, suggest to further explore the appropriate management culture model, and to implement more skillful analytical training. Further study can be improved in larger sample sizes with more companies, better coverage of different levels of employee, particularly the higher management levels. Future study can also be extended to include cross industries research.

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