

“Job Satisfaction as a Key Management Tool to Step up Performance”

AUTHORS

István Henkey
Nikolett Noé

ARTICLE INFO

István Henkey and Nikolett Noé (2004). Job Satisfaction as a Key Management Tool to Step up Performance. *Problems and Perspectives in Management*, 2(4)

RELEASED ON

Wednesday, 22 December 2004

JOURNAL

"Problems and Perspectives in Management"

FOUNDER

LLC “Consulting Publishing Company “Business Perspectives”



NUMBER OF REFERENCES

0



NUMBER OF FIGURES

0



NUMBER OF TABLES

0

© The author(s) 2026. This publication is an open access article.

Job Satisfaction as a Key Management Tool to Step up Performance

István Henkey¹, Nikolett Noé²

Abstract

Nowadays profitable organisations could not live without outstanding, loyal employees committed to and satisfied with their job. To increase company performance as well as company efficiency it is essential to switch on and fine-tune the innovative engine activated by employees' job satisfaction. One of the most challenging and attention-consuming tasks of organisation leaders is to establish employee satisfaction and excellent job performance.

Why has job satisfaction become the centre of attention?

In order to give the appropriate answer first let us quickly review the new factors that radically influence company environment, therefore the strategy-making procedure as well.

Key words: human resource, job satisfaction, performance, competences, company efficiency.

The new factors that influence company environment are as follows: technical development is increasing and has immense breakthrough power and there is no social area that could do without information technology. Due to the development so-called borderless branches evolve. We can sense polarisation, bipolarity comes to the scene. The share of freely disposed income rises and real-time information systems become indispensable.

These and similar factors as well as the most unexpected combinations thereof have serious consequences on the company environment.

What are the most radical consequences?

- Time grow shorter and almost runs out in the economy; the time allowed to particular tasks (including strategy making) now is only a fraction of what was available in the past. Certainly, a well-trained (and continuously trained) professional team, total controlling, and the reduction of decision preparation processes by advanced technology, project approaches, and effective application of knowledge management can help facing this challenge. One must, however, keep in mind that all these are basically related to and cannot be implemented without human resource management.
- Owing to the ever-fierce competition more emphasis is given to key competitive advantages so-called core competencies such as core competence or core value. They are also related to and cannot be realised without human resource management.
- The evolution and effect of a turbulent environment makes course correction especially difficult for companies. Of course, one could put the question: Do we need to correct our course at all? The only possible answer is: it depends. When resources and opportunities make it possible, then the company should set at a development course at a higher level in order to ensure long-term prosperity, otherwise at a lower-scale development course. However, it is not so simple. They all explain why a new management method called change management must be introduced to the company management. Yet the prime mover as well as the key power (with both positive and negative impacts) of changes and corrections is the human resource, the employee itself.
- Continuous innovation may and does face new and ever newer business challenges. It means nothing else but efforts must be focused on innovation processes. Yet only the

¹ Lecturer at College of Modern Business Studies, Ph.D. student at the Department of Industrial Management at the Technical University of Budapest, a qualified mechanical engineer, holds a technical doctorate degree, Hungary.

² Ph.D. student at the Department of Organisation and Management at the University of Veszprém, a qualified technical manager, Hungary.

human resource, human capital is able to innovate and become the self-improving subject of knowledge management. This makes, among other factors, human resource a special type of resource. Human resource, however, works effectively only in an environment or excellent company culture that facilitates innovation. Also remember that company culture does influence the performance of human resource.

Let us view it from a different approach and briefly review the large sets a leader's (who is highly responsible for the company's efficiency) effective performance field consists of.

These are the following:

1#3 Performance related to the job and organisational goals, which primarily depend on professional, emotional, and personal competencies and key abilities, supplemented with the supports and motivation toward the leader.

2#3 Behaviours, activities, manners related to the job and organisational goals.

3#3 Results, outlets related to the job and organisational goals, at which quality, reliability, efficiency, and economy are mandatory aspects. It is also important that these results should bring in value, and not only for the owners.

As far as the results and outlets related to the job and organisational goals, that is company efficiency are concerned owners focus on the achievement of the so-called hard goals. This is nothing else but profit: promptly, within a relatively short time, quick return of the invested capital and continuous production of surplus capital above the yield of alternative investments.

Nevertheless one should also consider the dual timetrapp¹ of revenue production, whose effect threatening competitiveness makes many leaders believe in ensuring a comprehensive, so-called 'umbrella concept'² of long-term development in contrast to a company performance exceeding bank interests as pushed by owners and stakeholders. Certainly in addition to, or, more precisely, only after attaining hard-goals the so-called soft-goals also emerge; soft goals such as increasing stakeholder satisfaction, increase and enhance organisational knowledge, increase and enhance relation capital (network intangible assets) besides other partial goals.

Why are these soft-goals important?

Because soft-goals serve as innovation engines to reach future hard goals (of tomorrow, or the day after tomorrow). We know that creative, innovative employees producing high performance level are essential for company performance and company efficiency. We also know that the scope of stakeholders³ include the company employees as well. Therefore employees' job satisfaction is an organic part of stakeholder efficiency regarded as soft-goal.

Considering the above-mentioned we can state: job satisfaction clearly and strongly correlate with company efficiency. Consequently: creative and innovative employees are essential to company processes and company efficiency.

According to the literature contentment is when employee's ideas and expectations (work, leadership, wages, conditions, etc.) meet the ones the organisation offers. Individual and organisational objectives may come close to each other creating a position favourable to both parties. Employees are content and happy with the working conditions, which drives them deliver value and good quality. It has beneficial effect on the organisation's performance as well as efficiency and competitiveness in the long run. Job satisfaction exerts very positive influence on quality, which is a key factor of full-scale customer satisfaction.

Unfortunately, organisations are not aware of the opportunities lying behind surveying their employees' viewpoints and satisfaction. Companies involved in job satisfaction surveys usually carry out them for a goal having an end in itself: to win the International Quality Prize³. After attaining the targets, however, they barely intervene and improve, whereas it is the primary goal of

¹ On one hand maintaining solvency and innovation, whereas producing the dividend required to keep investors.

² Umbrella, umbrella-concept = the concept of long-term development.

³ Stakeholder = interest groups, mostly not owners, directly interested in a company's operation.

³ National Quality Prize: in 1996 the Prime Minister founded a national prize for economic organisations showing outstanding performance in quality issues. As usual in the European countries, the National Quality Prize also models the European Quality Prize that rewards not the quality of a service or a product, but the entire organisation in terms of achieving business excellence.

² 'Detectable' mutual correspondence among the process components, which could cause problems to the system.

satisfaction survey. Thus satisfaction surveying has become a mere quality target, which is a considerable, yet poor result.

We must know, however, satisfaction survey is may be a quality issue from one aspect only. It is also a human resource management issue, since the survey as well as the subsequent intervening measures directly affecting company employees require human resource management competencies and practice.

To establish common goals and values the organisation and leaders are not only required to share information (that is conduct deliberate communication) with employees, but also obtain information on the motivation status of the particular organisation: what they are satisfied with, what could (and must) be strengthened, what they are dissatisfied with, and what must be improved immediately.

Satisfaction surveys provide an overall view not on individual employees, but rather on the motivation status of the entire organisation. Measuring satisfaction is important because information can be obtained on the location of 'hot spots', the so-called interdependencies whose correction may better performance and commitment and may reduce fluctuation and absence. There are neither best practices nor best method to survey satisfaction. It is not the matter of approach that is important, but the fact that the method should deliver reliable and valid results.

If the employees of a particular organisation resolves on or might as well be forced by legal regulations to carry out a satisfaction survey, then it should never be of having an end in itself and they should always remember that this is the very first step of a process. Following to processing and evaluation the survey results the management should decide on the areas in need of intervention. In the course of intervention they should make decisions on organisational development and carry out management measures.

So why job satisfaction has become the centre of attention?

Now we can give the final and comprehensive answer: because leader's performance, the components of a leader's efficiency, company efficiency and employees' job satisfaction are interdependent and strongly correlate.

A company could be more successful, operate at higher efficiency, have better working atmosphere, culture if the synergy of harmony replaced interdependency¹.

Additionally, motivation should be a key issue within organisations. Basically motivation brings human resource in motion to be able to face current company challenges and to tackle the consequences of radical challenges. In awareness of satisfaction and dissatisfaction factors the company must work out its own motivation system to facilitate the realisation of both individual as well as company objectives. Since motivation, however, is an interdisciplinary phenomenon and is strongly bound to the particular individual in concern, therefore the motivation system must be tailored to the individual. People spend most of their lives in their workplaces and it should matter how. Employees greatly satisfied with their job believe that the organisation will fit their needs in the long run, therefore mind the quality of their work, are more committed to the organisation, more productive, and have increased cohesive force.

Based on the above discussed, in analysing company efficiency job satisfaction is clearly a success factor and a key management tool of stepping up company performance.

References

1. Dr. Henkey, I. Power of leader K.1.4.- Budapest: Raabe, folyamatos bővítés.
2. Hoványi, G. Menedzsment koncepciók, menedzsment módszerek.- Pécs: JPTE, 1998.
3. Klein, S. Vezetés- és Szervezetpszichológia. – Budapest: SHL Hungary Kft., 2001.
4. Noé, N. A munkával való elégedettség és hatása az emberi megbízhatóságra. – Balatonfüred: Humánpolitikai Szakmai Napok 2003.

¹ A harmonised whole may significantly be more than the complex of unharmonic components.