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RESEARCHER FINDS KEYS TO EMPLOYEE JOB SATISFACTION, COMMITMENT

FAYETTEVILLE, Ark. – Employers know that strategic planning and employee productivity and retention are essential for profitability, but they often don’t understand the link between these elements. University of Arkansas researcher Molly Rapert has found that two components of strategic planning are key to employee job satisfaction and organizational commitment, which directly impact productivity and retention. Her findings were presented recently at the American Marketing Association’s 2002 Educator’s Conference.

“We looked at the informal communication within a corporation and how this internal environment influenced job satisfaction and organizational commitment,” said Rapert.

To compete effectively in the rapidly changing marketplace, companies must have clear strategic plans and the flexibility to monitor and modify them as the situation changes. Rapert found that employees have a higher level of job satisfaction when they agree with the strategic decisions and a greater organizational commitment when they are actually involved in developing the strategic decisions.

“Too often, critical organizational issues are formulated by individuals in the upper echelons of the firm, then mandated to the rest of the firm without securing employee commitment or
involvement,” Rapert explained. “This creates a major barrier to success, because employee participation and commitment are essential to implementation of the firm’s strategies.”

The research was conducted at the corporate headquarters and satellite offices of a national logistics company. All full-time employees were given the survey and 81 percent completed it.

Rapert found that the responses clustered into two groups, which she termed participative and restrictive. The participative cluster included clarity of strategic vision, high involvement in strategic decision making and broad agreement with strategic decisions. The restrictive cluster included lack of strategic vision clarity, low involvement in strategic decision-making and lack of agreement with strategic decisions.

“Job satisfaction and organizational commitment were strongly related to the participative cluster,” said Rapert. “Within that group, agreement with strategic decisions was the most important element for job satisfaction, while involvement in strategic decisions was most important in organizational commitment.”

The study also found that the participative strategic environments had more successful outcomes than the restrictive environments. By evaluating strategic environments through clusters, or gestalts, rather than independent variables, Rapert found that it is possible to gain a better understanding of the combined elements and as well as the individual roles each plays within the firm.

As a result, Rapert believes that “organizations stand to benefit from directed efforts to clarify the strategic vision for their employees, enhance strategic agreement and increase the involvement of participants at a variety of stages in the strategic process.”