Cultural and Organizational Change and Mergers without the Variable of Job Loss: How Job Satisfaction of Employees are Affected

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Abstract
Following past research that has already been done in the subject of job satisfaction and its correlation with organizational/cultural change, this research paper looks at the same subject without the variable of job loss due to the organizational cultural change. The exact hypothesis that this paper will research is: Employees will not be dissatisfied with an organization if the organizational change does not produce the variable of job loss. The survey used to determine this hypothesis will be given to members of a newly merged company that did not lay any one off due to the merge and a company which went through restructuring. The results for each question are compared to known norms to determine job satisfaction.

Key Words: Organizational change, culture, restructuring, and job satisfaction.

Introduction
Although there has been a lot of research done in the subject of job satisfaction after an organizational or cultural change and mergers with employees getting laid off or let go, there has not been much recent research done on the subject of employee job satisfaction after a large organizational change such as a merger without anyone getting laid off. The purpose of this study is to examine job satisfaction after a cultural/organizational change without the variable of job loss by employees resulting from the merger. The question that was developed through the review of literature was, is there still a correlation between job satisfaction and change in organizations when the variable of job loss is taken out? This research question initiated the development of the hypothesis on this topic; Employees will not be dissatisfied with an organization if the organizational change does not produce the variable of job loss. This study re-examines past studies which have already been done, but this time with the change of a variable.
This is important because it adds more information and fills in another aspect to the already well researched topic of job satisfaction and its correlation with organizational / cultural changes.

**Review of the Literature**

Lund (2003) examines the way an organization’s culture and management can affect employees and the organization. “The pervasiveness of an organization’s culture requires that management recognize the underlying dimensions of their corporate culture and its impact on employee-related variables such as satisfaction, commitment, cohesion, strategy implementation, performance, among others” (Lund, 2003, p.2).

The methodology used was a self- administered structured questionnaire or survey which elicited responses in several job satisfaction and organizational culture issues and examined the impacts of the various organizational types on job satisfaction from marketing professionals. This was also noted as being an empirical investigation.

The study showed that the levels of job satisfaction varied across the various typologies in culture. “Both, clan culture (characterized by its emphasis on mentoring, loyalty, and tradition) and adhocracy culture (characterized by its emphasis on innovation, entrepreneurship, and flexibility) elicited significantly higher levels of employee job satisfaction and market culture (characterized by its emphasis on competition, goal achievement, and market superiority) and hierarchy culture (characterized by its emphasis on bureaucratic order, rules and regulations, and predictability)” (Lund, 2003, pg. 1).

The three suggestion given to the managers to help improve job satisfaction are to be aware of the organization’s dominant culture, and all cultures, don’t just look at mergers in the context of economic synergy, but also in the context of cultural synergy, and to maintain and nurture a relationship between companies and workers.

Porras and Berg (1978) through research of past studies dealing with Organizational Development and the affects it has on employees of those organizations, set out to prove the idea that more studies and more extensive studies have to be done when dealing with the outcomes and effects of organizational development. The research presented by Porras and Berg gives the importance of doing a further study in dealing with the effects of organizational change on employees.

Bryant (2006) wants to show the importance of communicating directly with the employee or employees through talking and qualitative question rather then yes or no or true or false questions when dealing with organizational change. Bryant wants to show that the organization’s managers and leaders can learn a lot more through communicating with their employees through voice. Bryant uses a “constructivist approach to study the interpretations of participants and explores the qualitative research interview as a method of data collection that enables participants to report experiences of organizational change” (Bryant, 2006, p. 1).

The findings show that managers can learn a lot more about problems and situations that occur or can occur through voice, and actually talking to employees. But further investigation is still needed in the use of voice by managers. “Such findings are important in differentiating between voice and resistance to change, which is not widely evident within the management literature” (Bryant, 2006, p.7) Managers can benefit greatly by the use of voice or qualitative approaches, they can learn more about what is actually going on within the ranks of employees. Managers can learn more about cultures within the workplace. Managers should put a greater emphasis on the use of voice when understanding the needs of their employees.
“Inattention to social systems in organizations has led researchers to underestimate the importance of culture-shared norms, values, and assumptions—in how organizations function. Concepts for understanding culture in organizations have a value only when they derive from observation of real behavior in organizations, when they make sense of organizations data, and when they are definable enough to generate further study” (Schein, 1996, p.1). Schein’s research shows the importance of culture in reference to an organization. The importance of culture cannot be underestimated and must be considered in an organization’s decision making process.

Even though many years of research have shown that there is a very small correlation between job performance and job satisfaction, “lay people are [still] thought to believe strongly that satisfied or ‘happy’ employees are more productive at work” (Fisher, 2003, p.1). Fisher explores why people still have this belief even with countless research which opposes the idea.

A survey was given to three separate sample groups, all three groups were members who were enrolled and participating in University courses when they were interviewed, but the three samples were “intentionally varied on professional background, nationality, and extent of work experience” (Fisher, 2003, p.2).

The study shows that maybe the reason that lay people believe that there is a correlation between job satisfaction and job performance is that they are using a higher level of analysis then that of research. It is one possibility that the lay people who believe in the correlation of the two beliefs have directly observed the correlation and have then come up with an outcome.

The research shows that there should be an importance placed on common sense. If a manager or supervisor sees a correlation, then it might be true. The “findings may help students understand a possible sources of their erroneous beliefs, as well as provide an object lesson on the dangers of generalizing findings across levels without careful thought.” (Fisher, 2003) Just because the job is getting done does not mean that the employees are satisfied.

Van Dam (2005) further explores research already done by Rusbult and Farrell and the model of research created by them. The research is done to further support the model and research created by Rusbult and Farrell, but also put the research onto a context of real world application. The model deals with attitudes of employees when dealing with change in a work environment.

The research took place with participants from three separate Dutch hospitals. The participants were all sent questionnaires to help determine the application and support of the model. The results of the study showed that Rusbult and Farrell’s model “was effective in predicting employees’ attitudes toward a series of job changes.” (Van Dam, 2005, p.9) “Despite their interrelationship, affective and continuance commitment were predicted by different model variables and showed a unique relationship with employees’ attitudes toward job changes” (Van Dam, 2005, p.9).

The study shows that “employees’ attitudes toward job change can be predicted from the rewards, costs, and investment associated with the present work situation.” (Van Dam, 2005) The study does not show uses throughout all work environments because the research was done solely in a hospital environment.

Stovel and Savage (2006) take a look at Lloyds Bank’s employee structure and how it relates to employee migration. Stovel and Savage make the point that organizational structure and career structures don’t follow the same time path. “Organizational events like product diversification or merger occur at specific moments in time, while career structures take much longer to unfold.” (Stovel and Savage, 2006, p.2) The methodology used in this research was a 45 years of archived look at the records maintained at Lloyds Bank headquarters and then
drawing a conclusion from those records. The look back showed that times of organizational events were the times for the greatest number of employee migrations, which shows employee trends in satisfaction during large organizational events such as a merger.

Tiernan, Flood, Murphy, and Carroll (2002) examined employee reactions and satisfaction after a change in structure of an aircraft maintenance organization. The change was both structural and cultural. The change was a flattening of the structure, and therefore resulted in employees being laid off or people being let go. The method used was a survey or questionnaire of 493 employees. The results showed employee dissatisfaction and worried about job security. These results could be seen as a direct link to the other employees getting let go during the organizational change. This research is the basis for further investigation into the field of employee satisfaction when the organizational change came with no one getting let go, but just integrated together.

Kickul, Lester and Finkl (2002) examine the idea of employee satisfaction and morale of employees after an organizational change / merger has taken place, and things that were promised to the employees were not fulfilled. The participants in this study were 246 fulltime employees of various organizations which had gone through an organizational change. All the participants were part time students enrolled at an MBA program of a large Midwestern college. “The main objectives of this study were to explore the interactive effects of psychological contract breach, procedural justice, and interactional justice in determining employees’ attitudes and behaviors” (Kickul, Lester, and Finkl, 2002, p.479).

Boswell, Boudreau and Tichy (2005) examine the correlation between job satisfaction and job change. The hypothesis for this study was that “low satisfaction would precede a voluntary job change, with an increase in satisfaction immediately following a job change (the honeymoon effect), followed by a decline in job satisfaction (the hangover effect).” (Boswell, Boudreau, and Tichy, 2005, p.1) The participants for this research were all high level managers at various organizations. Surveys were given before and after the job change, the findings of the surveys supported the hypothesis.

Theoretical Framework

The theories behind job satisfaction having a correlation with organizational or cultural change are based on the previous research done by many. One such example is in research done by Tiernan, Flood, Murphy, and Carroll in 2002. This research showed job dissatisfaction for the employees after the organizational change. The change was a flattening of the structure, and therefore, came with employees getting laid off or letting people go. All previous examples found have had the variable of job loss in the research. Therefore another theory which sets up the hypothesis: Employees will not be dissatisfied with an organization if the organizational change does not produce the variable of job loss, is the theory behind Maslow’s well known theory of hierarchy of needs. After physiological needs such as breathing, food, water, etc., the need for safety comes next, which includes safety in terms of employment. If the safety need is not met, then of course the employees will not be satisfied.

Methodology

The method used for this study will be a survey of all employees of two shops. One shop is from a newly formed organization which we will call organization “A,” The second shop is a
shop which has went through a restructuring and reclassification of all employees after the decertification of a Union which we will call organization “B”. The survey used will be the *Job Satisfaction Survey* (see appendix A) by Spector (1985) of the University of South Florida. It has been shown to be reliable and has been validated by previous research. The analysis of the data collected by the survey will be done by using the *Job Satisfaction Survey Grading Instructions* (see appendix B) by Spector (1985). The same survey will be given to both shops which have gone through a cultural/organizational change. The eligible survey population is all employees within the two shops.

Spector (1985) describes the Job Satisfaction Survey as “a 36 item, nine facet scale to assess employee attitudes about the job and aspects of the job. Each facet is assessed with four items, and a total score is computed from all items. A summated rating scale format is used, with six choices per item ranging from 'strongly disagree' to 'strongly agree'."

Consent and anonymity of those surveyed will be maintained by physically giving all participants in the survey the consent form prior to administering the survey, and having them sign it. Once all consent forms are returned, all participants will be given the survey. Participants in the survey will be provided with identical pens and each will be directed to not put identifying marks, such as a name or initials, on the survey.

**Results**

Each survey was scored using the *Job Satisfaction Survey Grading Instructions* (see appendix B). The graded results were then compared against known norms in *Job Satisfaction Survey Norms* (see appendix C). Fifteen surveys were given to members of organization A and 15 surveys were given to members of organization B. All 30 members completed and returned the survey.

The results for overall job satisfaction of both Organization A and Organization B are displayed in Table 1. Series 1 represents Organization A, Series 2 represents Organization B, and Series 3 represents the survey norm for that particular question (see appendix C). Following the *Job Satisfaction Survey Grading Instructions* (see appendix B) the process for determining the overall value of job satisfaction is done by determining the sum of each survey. In all of the *XY Scatter graphs* the Y axis represents the value of each participant’s answer. The higher the value is the more satisfied the employee is. The X axis represents the number of participants in the survey.
The Job Satisfaction Survey Grading Instructions further breaks down the survey into nine separate sub topics within the survey. The results are determined by adding the sum for each topic (see appendix B). The first topic is satisfaction as it pertains to Pay which is shown in Table 2.
The second topic is satisfaction as it pertains to Promotions within the organizations as shown in Table 3.

The third topic is satisfaction as it pertains to Supervision within the organizations as shown in Table 4.
The fourth topic is satisfaction as it pertains to Fringe Benefits within the organizations as shown in Table 5.

![Fringe benefits chart](image)

Table 5

The fifth topic is satisfaction of Contingent Rewards within the organizations as shown in Table 6.

![Contingent Rewards chart](image)

Table 6
The sixth topic is satisfaction of Operating Conditions within the organization as shown in Table 7.

![Operating Conditions](image1)

Table 7

The seventh topic is satisfaction of Co-workers within the organization as shown in Table 8.

![Co-workers](image2)

Table 8
The eighth topic is satisfaction of the Nature of Work within the organization as shown in Table 9.

The ninth topic is satisfaction of Communication within the organization as shown in Table 10.

Discussion

The answers to the surveys are scattered evenly around the norm answers for every topic of this survey. Some questions do have outliers, but for the most part the values are distributed evenly above and below the norm, which is represented as Series 3 in all of the Tables. Referring back to the thesis presented in this paper of: Employees will not be dissatisfied with an organization if the organizational change does not produce the variable of job loss. This research
supports this because although there are people who are dissatisfied or below the norm there are just as many people above the norm.

Although all survey results are evenly spread both above and below the norm there are some interesting results which should be further discussed such as the third topic of Supervision, the seventh topic of Co-Workers, and the eighth topic which is the Nature of Work. All of the results for these topics are clustered around the norm closer then the other topics, which suggests that employees still like the people they work with and they still like the work they do. It is important to note that these three topics are the ones that would seem to have had the least impact throughout the organizational change. Everyone in the organization kept their job and the company still does the same thing as they did before the change. This brings up another topic that should be researched, which is the employees attitude towards change and how accepting they are of it. With this research it cannot be determined whether employees are unhappy with the other topics because they are worse than before the organizational change or they are just not accepting change.

Although there is a correlation between job satisfaction and change in organizations when the variable of job loss is taken out, this research also shows that further research needs to be done. Any further research should start with surveying the same organizations and employees both before and after the merger or organizational change.

It is hopeful that further research could result in helping any organization that is about to go through an organizational change/merger. The organization would be able to use the information to help reduce dissatisfaction and answer any concerns from the members of the organization. This research adds to past studies which have been done in the field of job satisfaction after an organizational change/merger. The research done in this paper fills in an important gap concerning organizational change/mergers without the variable of job loss. Past research has dealt with only job satisfaction of employees after an organizational change with employees getting laid off or let go. If an employee knows that he or she will be losing a job, their satisfaction level would certainly be very low. Even the employees who did not lose their job would not be satisfied due to the fact that they have just lost fellow co-workers and friends and they would have a lower sense of security in their jobs. The seventh and third topics (supervision, co-workers) shows how much employees like the people they work with and if there was job loss then there would definitely be a different outcome to those topics.

References


**Author Biography**

*Azhar M. Shah* has worked in the corporate arena for many years and is highly knowledgeable in the areas of defense acquisition, knowledge management, and public policy. He can be reached at: azharmshah@hotmail.com.
Appendix A

JOB SATISFACTION SURVEY
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PLEASE CIRCLE THE ONE NUMBER FOR EACH QUESTION THAT COMES CLOSEST TO REFLECTING YOUR OPINION ABOUT IT.

1. I feel I am being paid a fair amount for the work I do.  
2. There is really too little chance for promotion on my job.  
3. My supervisor is quite competent in doing his/her job.  
4. I am not satisfied with the benefits I receive.  
5. When I do a good job, I receive the recognition for it that I should receive.  
6. Many of our rules and procedures make doing a good job difficult.  
7. I like the people I work with.  
8. I sometimes feel my job is meaningless.  
9. Communications seem good within this organization.  
10. Raises are too few and far between.  
11. Those who do well on the job stand a fair chance of being promoted.  
12. My supervisor is unfair to me.  
13. The benefits we receive are as good as most other organizations offer.  
14. I do not feel that the work I do is appreciated.  
15. My efforts to do a good job are seldom blocked by red tape.  
16. I find I have to work harder at my job because of the incompetence of people I work with.  
17. I like doing the things I do at work.  
18. The goals of this organization are not clear to me.
PLEASE CIRCLE THE ONE NUMBER FOR EACH QUESTION THAT COMES CLOSEST TO REFLECTING YOUR OPINION ABOUT IT.

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<table>
<thead>
<tr>
<th>Question</th>
<th>Disagree very much</th>
<th>Disagree moderately</th>
<th>Disagree slightly</th>
<th>Agree slightly</th>
<th>Agree moderately</th>
<th>Agree very much</th>
</tr>
</thead>
<tbody>
<tr>
<td>19 I feel unappreciated by the organization when I think about what they pay me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>20 People get ahead as fast here as they do in other places.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>21 My supervisor shows too little interest in the feelings of subordinates.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>22 The benefit package we have is equitable.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>23 There are few rewards for those who work here.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>24 I have too much to do at work.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>25 I enjoy my coworkers.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>26 I often feel that I do not know what is going on with the organization.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>27 I feel a sense of pride in doing my job.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>28 I feel satisfied with my chances for salary increases.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>29 There are benefits we do not have which we should have.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>30 I like my supervisor.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>31 I have too much paperwork.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>32 I don't feel my efforts are rewarded the way they should be.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>33 I am satisfied with my chances for promotion.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>34 There is too much bickering and fighting at work.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>35 My job is enjoyable.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>36 Work assignments are not fully explained.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
</tr>
</tbody>
</table>
Appendix B

Instructions for Scoring the Job Satisfaction Survey, JSS

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The Job Satisfaction Survey or JSS, has some of its items written in each direction--positive and negative. Scores on each of nine facet subscales, based on 4 items each, can range from 4 to 24; while scores for total job satisfaction, based on the sum of all 36 items, can range from 36 to 216. Each item is scored from 1 to 6 if the original response choices are used. High scores on the scale represent job satisfaction, so the scores on the negatively worded items must be reversed before summing with the positively worded into facet or total scores. A score of 6 representing strongest agreement with a negatively worded item is considered equivalent to a score of 1 representing strongest disagreement on a positively worded item, allowing them to be combined meaningfully. Below is the step by step procedure for scoring.

1. Responses to the items should be numbered from 1 representing strongest disagreement to 6 representing strongest agreement with each. This assumes that the scale has not be modified and the original agree-disagree response choices are used.

2. The negatively worded items should be reverse scored. Below are the reversals for the original item score in the left column and reversed item score in the right. The rightmost values should be substituted for the leftmost. This can also be accomplished by subtracting the original values for the internal items from 7.

   1 = 6
   2 = 5
   3 = 4
   4 = 3
   5 = 2
   6 = 1

3. Negatively worded items are 2, 4, 6, 8, 10, 12, 14, 16, 18, 19, 21, 23, 24, 26, 29, 31, 32, 34, 36. Note the reversals are NOT every other one.

4. Sum responses to 4 items for each facet score and all items for total score after the reversals from step 2. Items go into the subscales as shown in the table.
5. If some items are missing you must make an adjustment otherwise the score will be too low. The best procedure is to compute the mean score per item for the individual, and substitute that mean for missing items. For example, if a person does not make a response to 1 item, take the total from step 4, divide by the number answered or 3 for a facet or 35 for total, and substitute this number for the missing item by adding it to the total from step 4. An easier but less accurate procedure is to substitute a middle response for each of the missing items. Since the center of the scale is between 3 and 4, either number could be used. One should alternate the two numbers as missing items occur.
## Appendix C

### Job Satisfaction Survey Norms

American Norms: Private Sector

<table>
<thead>
<tr>
<th>Facet</th>
<th>Mean</th>
<th>Weighted Mean</th>
<th>Standard Deviation of Means</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>13.6</td>
<td>12.3</td>
<td>2.1</td>
</tr>
<tr>
<td>Promotion</td>
<td>13.2</td>
<td>13.6</td>
<td>1.5</td>
</tr>
<tr>
<td>Supervision</td>
<td>18.6</td>
<td>18.6</td>
<td>1.8</td>
</tr>
<tr>
<td>Benefits</td>
<td>15.4</td>
<td>14.9</td>
<td>2.3</td>
</tr>
<tr>
<td>Contingent Rewards</td>
<td>14.7</td>
<td>13.8</td>
<td>1.6</td>
</tr>
<tr>
<td>Conditions</td>
<td>14.9</td>
<td>15.4</td>
<td>1.4</td>
</tr>
<tr>
<td>Coworkers</td>
<td>17.9</td>
<td>17.7</td>
<td>1.5</td>
</tr>
<tr>
<td>Work Itself</td>
<td>18.6</td>
<td>18.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Communication</td>
<td>14.6</td>
<td>14.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Total</td>
<td>141.1</td>
<td>139.1</td>
<td>9.6</td>
</tr>
</tbody>
</table>

Number of Samples = 21, Total Sample Size = 7244, June 22, 2006.

Mean = sum of sample means/number of samples. This represents mean of samples regardless of sample size. Weighted mean is sum of sample means times n per sample/total n. This is the mean of all subjects. Weighted mean is more influenced by large samples.

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