

The Impact of Employees's Satisfaction on Company's Well-Being and Sustainability of the Company in the Long Run

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Abstract

Nowadays, many business owners and companies realize that employees have now become one of the most important assets of a company; their level of happiness and satisfaction will directly impact their working performance and affect company's overall performance and sustainability. It is crucial for companies to keep employees satisfied because it is one of the critical components to success. This article will discuss the factors that affect employees' satisfaction and the impact of their satisfaction to the company's well-being and sustainability of the company in the long run.

Index terms— employee satisfaction, company's performance, customer's satisfaction, company's sustainability.

1 Introduction

Under the high pressure from rivalry within the same industries, companies are trying to stand out from their competitors to attract customers, in turn, get profit. The customers are always the one who decides the profitability of a company (Naseem, Sheikh, GPHR, 2011) and the front-line employees be people who contact the customers directly and, therefore, affect their decisions. According to Specht, Fichtel and Meyer (2007), a research has shown that there's a significant impact of employees towards the customer's satisfaction when they interact. A good impression of the workers will keep customers to repurchase and vice versa.

Thus, keeping the right worker is as important as keeping a customer (Gonring, 2008). Business owners now try their best to keep talented people to work for them and, therefore, will influence the company positively and keep the company sustaining in the long run. Work motivation is found to be directly related to job satisfaction and have positive association shows that as work motivation rises, job satisfaction will also do (Pool, 1997).

Green marketing is one of the important issue companies have to deal with because people are more concerned about the environment now due to highly polluted surrounding that will directly cause adverse impacts to health. According to Fernandez-Kranz and Santaló (2010), companies in industries that are very Author ??: American Degree Program Upper Iowa University Segi University Kota Damansara, Malaysia. e-mails: Joeychung94@Live.Com, Rashadyazdanifard@Yahoo.Com For businesses to sustain for a long period, selling for profit is not the only element that corporations should be involved anymore. Sustainability includes three essential elements within companies: employee's satisfaction (People), sustainable profit in the long-term (Profit), a durable planet with less pollution (Planet) (Dumitrescu, Stanciu, Tichindelean, and Vinerean, 2013).

2 Factors that Affect Employees' Satisfaction

Corporate culture is the character that represents a company (Schuman, 2006). The culture of the company will directly influence the employees' performance and leads to achievement of company's profitability (Awadh and Saad, 2003).

According to Nohria, Groysberg, and Lee (2008), the most effective culture to make employees feel satisfied is to promote a strong sense of friendship between colleagues -a culture that encourages teamwork, collaboration,

43 and openness. If employees are in a team, they will tend to share similar beliefs and ethics. When the views are
44 aligned with the company's goal, it will help to promote the process to achieve it. In contrast, it can lead to lack
45 of motivation, decrease in loyalty, and increase in turnover rate (Schuman, 2006).I. II. III.

46 3 Corporate Culture

47 competitive have a better rating in following socially responsible policies and using green techniques because due to
48 a higher concern of people towards the environment; consumers tend to choose to purchase from environmentally-
49 friendly companies.

50 Employees are influenced mainly by internal forces within their own company. Berry (1981) argued that
51 to recruit and keep talented people, employees' internal satisfaction is one of the requirements; this helps
52 organizations to see employees as important as customers. Thus, Dumitrescu and Apostu (2009) estimated that,
53 satisfaction of internal customer (employee) and their contribution of loyalty to satisfy the external customer will
54 lead to ultimate profit maximization in company.

55 Salary will be determined indirectly to show how much an employee is worth to the company; many companies
56 pay a high salary to talented people to keep them working for the company. Employees often make judgments by
57 comparing their salary with co-workers or other employees in another organization that holds a similar position
58 (Greenberg, Ashton-James, and Ashkanasy, 2007).

59 However, overpaid or underpaid jobs might reduce the work motivation of the employee (Carr, McLoughlin,
60 Hodgson, and MacLachlan, 1996) and, therefore, pay-for-performance is used in many companies. The supporters
61 of self-determination theory claim that pay-for-performance will provide positive results by being supportive and
62 encourage the employees to be autonomy and increase self-esteem (Deci and Ryan, 2008). One of the essential
63 elements in the pay-for-performance systems is goal clarity, which will lead motivation to increase (Emmanuel,
64 Kominis, and Slapincar., 2008).

65 Management style is a way that employees are managed in an organization. There are seven styles of leadership:
66 autocratic, bureaucratic, charismatic, democratic, laissez-faire, participative, transactional, situational, and
67 transformational leadership (Mosadeghrad 2003b, 2004). Employees' job satisfaction is significantly interrelated
68 by the manager's leadership style. Therefore, managers should have deeper understanding on work satisfaction
69 of employees to ensure that they are willing to continue working for the company. If employees have a manager
70 that is available to help them, they will be more confident when facing challenge. (Ramlall, 2004) According
71 to Rad and Yarmohammadian (2006), supportive style of management which is demonstrated through respect,
72 open communication, and recognition will boost the satisfaction of employees when working. This is because
73 it is shown in their research that when managers praise or recognize employees' good performance, it increases
74 their job satisfaction and are able to boost their enthusiasm to work for that company. A successful company
75 will ensure that the employees' efforts are valued, and time is wisely used (Pickett, 2005). On the other hand,
76 autocratic leadership style frequently makes the employees have low-self-esteem and dissatisfaction because the
77 managers will decide everything. Talented people might find their abilities and knowledge are not well-used
78 (Caddy, Guthrie, and Petty, 2001).

79 Studies have shown that although many companies use a high salary method to keep capable workers, it does
80 not prove to have a direct impact on the happiness of employees but short-term satisfaction. However, involve
81 employees in social responsibility, and sustainable programs will have positively long-term effects on them (
82 Dumitrescu et al., 2013).

83 People often feel good when doing good for others (eg. environment), it will cause increases in happiness and
84 engagement. Besides making profit from the public, a portion of the profit should be given back to the community
85 and environment. When employees realize the company they are working for is doing social responsibility for
86 their home, they will be more engaged to their work.

87 Service quality of employees toward customers is the main factor that impacts customers' satisfaction, especially
88 in the service industry (eg. bank), and service quality is directly related to job satisfaction ??Naseem et al.,
89 2011). When employees are not satisfied, it will affect their emotions and, therefore, affect their service quality
90 to customers.

91 Meeting customer's future demand is a challenging task ??Naseem et al., 2011), therefore, employees have to
92 understand the expectations of customers towards their service quality to fulfilled customer satisfaction and their
93 loyalty (Dusuki & Abdullah, 2007) so that they will repurchase, reuse, or revisit the business. By keeping the
94 current customers satisfied, they will advertise the business to people around them and that business will tend
95 to get more sales by satisfying that one customer (Griffin, 1995). Service industry trade shows that employees
96 are satisfied will be more productive compared to employees who are less satisfied (Brown and Lam, 2008).

97 Although work satisfaction will not promptly affect company's profit, it is directly related with customers'
98 satisfaction towards the company (Chi and Gursoy, 2009). Employees are people who connect the external
99 people (customer) with internal (company) (Marketing Innovators, 2005). The work performance of employees
100 will directly change the customer's perception of the company, and this will be transformed to be the action of
101 the buyer, whether to become or not to become the company's client. Therefore, company must train employees
102 to serve all buyers with respect and proper manners.

103 Ideas of employees cannot be denied before any judgments because they are the people who are closest to the

104 source of company's income-customer. Any changes purposed by employees has to be considered as this might
105 increase the profit of the company.

106 The core to build a socially conscious, innovative, and environmentally responsible business is to synchronize
107 employee engagement in work with sustainability strategy (Lovins, 2012). This is because including workers
108 in their sustainability plan will increase employees' engagement, and indirectly they will be the word-of-mouth
109 marketers of the company. When they are more engaged into their work, they talk more positively and proudly
110 about their job outside the workplace (Stein, 2012).

111 On the other hand, corporate that is irresponsible to the society will get adverse impacts from the public: not
112 buying products from the company, not invest in the company, not apply the position in the company, speak
113 negative issues about the company, and joining campaign which goes against the company (The World Business
114 Council for Sustainable Development, 2005).

115 4 X.

116 5 Discussion

117 There are four factors that affect the employee's satisfaction and how they relate to customer's satisfaction,
118 company's financial performance and sustainability are discussed in this paper.

119 Organizational culture will usually be aligned with the organizational goal. When an employee does not feel
120 he is fit into a particular culture, it will decrease his motivation to work for the company. On the other hand,
121 when the culture set brings people together, workers tend to work in a team and achieve the company's goal
122 together.

123 Most employees are concern about pay satisfaction that will directly affect their work performance in an
124 organization. For example, when they felt underpaid, they tend to be emotional and less wanting to be self-
125 motivated. However, also overpaid did not help them to be satisfied as they will be demotivated to work extra
126 as they were given high salary that does not need them to fight for it. Therefore, payfor-performance is used
127 in many organizations to ensure employees are motivated to work to get the salary they desired based on their
128 work performance.

129 Managers in a company also played an essential role to help employees to be satisfied as praise, recognition,
130 and respect will make employees feel their work is appreciated (Burton, 2012). If their supervisors do not value
131 employee's opinions and ideas, employees will feel the lack of self-esteem and slowly evolved to be a machine who
132 only receives order from top management. Leaders are able to create an environment for the employees to have
133 a feeling to be self-motivated ??Baldoni, 2004).

134 When employees feel their job is helping the community, their happiness will increases and do more for the
135 company. Eg.: corporate can encourage their employees to save paper when working to improve environment
136 and pay incentives according to papers they saved.

137 Customers nowadays not only demand for a quality product but high-quality service too. There are too many
138 rivalries in the market for customer to choose. When they feel that they are not being served politely at a
139 business, they will want another company that is the competitor. The rate of the customer to repurchase in
140 a business that give him a bad impression is almost zero. Corporate financial performance although it is not
141 directly related with employee's satisfaction, it is interrelated with the customers. When employees are motivated
142 to work, to satisfied customers, in turn, it will bring sales to the company.

143 Companies have to be corporate social responsibility in order to sustain their business in this highly competitive
144 industry. Any irresponsible act will affect company's reputation and, therefore, sustainability.

145 6 XI.

146 7 Conclusion

147 This paper has examined the impact of employee satisfaction on company's well-being and sustainability in
148 the long run. It has been verified in this study that job satisfaction will directly affect employees' motivation
149 and engagement in work and tend to link with customers' satisfaction, corporation's financial performance and
150 sustainability, in other word, profit. The three elements (customer satisfaction, corporate financial performance,
151 and company's sustainability in the long run) discussed in this article are the keys to achieve success in business.
152 Employees' satisfaction on business success is undeniable, but there is no prove that whenever employees are
153 satisfied, the business will succeed. and employees' job satisfaction", Leadership in Health Services, Vol. 19 Iss:
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