

## **Satisfaction as an outcome of communication and organizational structures: An outcome based approach**

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### **Abstract**

Organizations strive to be competitive in every dimension of business. Out of the determinants of organizational competitiveness one of the most important factor is work force or employees satisfaction with the job. Employee satisfaction is function of many variables ranging from organizational level factors to individual level factors. Organizational level variables are considered to be the most important determinant of job satisfaction as these can influence individual and job related factors. Organizational climate is one of the most influential variables of job satisfaction. There are seven dimensions of organizational climate discussed by researchers in research. The following study examines the two of those variables these are internal communication and organizational culture. Organizational climate was measured using 5 point likert scale. The data was collected from 265 middle level managers. Correlation and regression analysis are used to analyze the data. Results and discussions are presented.

**Key words:** Organizational Climate, Internal Communication, Organizational Structure, Satisfaction, Pharmaceutical sector

### **1. Introduction**

Work force is said to be the most vital asset playing pivotal role in the development and performance of companies. But the question that whether all of the employees are equally important asset for organizations requires a great attention. Best performing and satisfied workforce can offer greatest return and help organization to achieve desired outcomes. Satisfaction of employees is function of many variables mainly three i.e. organizational factors, job factors and individual factors. Organizational factors are said to be most important of all as these have direct bearing on other two factors. Out of the organizational factors one of the most dynamic dimension is organizational climate, Job satisfaction should be given more importance than other behavioral variables because it has direct link with organizational outcomes (Schneider, 1987).

Organizational climate brings numerous positive changes in the behaviors of employees. The organizational climate influences the job involvement, productivity, and turnover of employees (Barnard, 1997; and Davis & Newstrom, 1985). Moreover, it is also important because of its effect on organizational commitment, motivation, organizational engagement, absenteeism, perceived stress, deviant behavior, turnover, organizational citizenship behavior, job and role performance, life satisfaction, heart disease, and mental health of the employees (Kreitner & Kinicki, 2006; and Murray, 1999). Out of the organizational factors organizational climate is one of the most important determinants; as found by McNabb & Spector (1995) that organizational climate is an important indicator of job satisfaction, and has direct impact on job related behaviors of employees. Various researchers have given due consideration to organizational climate and various dimensions of organizational climate. Dastmalchian (1991) has discussed four dimensions of organizational climate i.e. Overall environment, employees' role conflicts, internal communication, and supervisory support. Chappell (1995) found that there are seven dimensions of organizational climate i.e. promotion, political climate, evaluation, regard for personal concerns, professional development opportunities, internal communication, and organizational structure.

This study is designed to study two most important elements of organizational climate internal communication and organizational structure as both these elements are one of the most important elements of organizational climate.

## **2. Literature Review**

Job satisfaction is one of the most widely discussed on the job behaviors of employees. It has proved to be significantly important for organizations, as Robbins *et al.* (1998) found that presence of Positive attitude/satisfaction with job offers significant outcomes like reduced absenteeism, increased effectiveness, and reduced intentions to leave organization.

Spector (2003) says that job satisfaction is the extent to which people like or dislike their jobs. It is an emotional response towards the components of the job: pay, work itself, promotion, coworkers, supervision, and customers in the work situation (Smith *et al.* 1969). It is pleasurable or positive emotional state that was resulting from the job experiences and the job appraisal of the employees at work (Locke & Henne, 1986; Arnold & Feldman, 1986; and Locke 1976). Satisfaction is considered to be one of the most important on the job behaviors depicted by workforce. Its study has received attentions from researchers through out the world because of its

importance and significance for organization; as Robbins *et al.* (1998) found that presence of Positive attitude/satisfaction with job offers significant outcomes like reduced absenteeism, increased effectiveness, and reduced intentions to leave organization. Mid of 20<sup>th</sup> century has witnessed great attention from researchers studying antecedents and consequences of job satisfaction. Job satisfaction should be given more importance than other behavioral variables because it has direct link with organizational outcomes (Schneider, 1987). Moreover, it is also important because of its effect on organizational commitment, motivation, organizational engagement, absenteeism, perceived stress, deviant behavior, turnover, organizational citizenship behavior, job and role performance, life satisfaction, heart disease, and mental health of the employees (Kreitner & Kinicki, 2006; and Murray, 1999).

It is concluded that possible factors that have major, minor or moderating effect on job satisfaction can be divided into three groups: organizational factors (like reward, promotion opportunities, supervision, decision making, advancement opportunities, evaluation etc.), job factors (overall work load, skills variety, autonomy, feedback etc.) and personal factors (self esteem, tolerance of stress and life satisfaction). Out of the above given factors organizational factors are considered to be one of the most important factor as it has direct bearing on job factors and personal factors. Out of the organizational factors organizational climate is one of the most important determinants; as found by McNabb & Spector (1995) that organizational climate is an important indicator of job satisfaction, and has direct impact on job related behaviors of employees. Dastmalchian (1991) has discussed four dimensions of organizational climate i.e. Overall environment, employees' role conflicts, internal communication, and supervisory support. Positive organizational climate was positively related with the success of the organization, motivation and performance of the employees. Chappell (1995) found that there are seven dimensions of organizational climate i.e. promotion, political climate, evaluation, regard for personal concerns, professional development opportunities, internal communication, and organizational structure.

This study is designed to study two most important elements of organizational climate internal communication and organizational structure.

Process of information sharing and interaction between individuals, groups, higher and lower level of management is known as internal communication. How information are communicated within in the organization determine type of organizational climate (Huber & Daft 1987).

Moynihan & Pandey (2008) found that if employees have positive feelings regarding internal communication processes their overall feeling regarding the organizational environment. Internal communication is equally important for groups and their positive outcomes (Lunenburg & Ornstein, 1991). The internal communication may be classified into two categories i.e. open internal communication and closed internal communication. Open communication is where employees are free for expression of opinion, complaints, offering suggestions to their superiors, defend their view point.

(Irwin & More, 1994 and Goldhaber, 1993) found that increased communication increases productivity and job satisfaction. Leslie & Fretwell, (1996) revealed that increased communication enhances employees' morale, greater employee satisfaction and enhanced productivity in result. It was also found by Pettitt & Ayers (2002) that free and openness in information sharing among organizational members built mutual trust that caused positive and effective organizational climate. Open communication at workplace enhances job satisfaction of the employees (Ronald *et al.* 1969). Vice versa of open communication is closed communication. Closed communication can lead to loss in business, bad reputation, bad will, and unhappy workforce that ultimately disrupts whole organizational climate (Buchholz, 2001).

On the basis of given literature we can formulate following hypothesis

**H1:** There is significant relationship between type of internal communication and job satisfaction

Organizational structure is the way of organizational arrangements of people and jobs to meet in order to achieve organizational goals effectively and efficiently. It consists of degree of *centralization, specialization, and formalization* (Payne & Pugh, 1976). It is connection between employees and organizations through formal chain of command (Overholt *et al.* 2000). Highly structured organizations have more centralized process with high degree of specialization and formalization. Greater the level of structure of organization lesser will be level of job satisfaction (Finlay *et al.* 1995). Participative type of structure has positive relationship with job satisfaction. (Campbell *et al.* 2004).

On the basis of given literature regarding organizational structure we can formulate following hypothesis

**H2:** There is significant relationship between organizational structure and job satisfaction

### 3. Theoretical Framework

Insert Figure-1 Here

### 4. Research Design

Population of the study consisted of middle level management from pharmaceutical industry from Pakistan. Stratified sampling was used. Five big cities of Pakistan were selected i.e. Islamabad, Karachi, Lahore, Peshawar and Quetta. The purpose of selection of five cities was to get representation from all provinces of Pakistan having different language, culture, living habits and perception regarding personal and organizational behaviors. 66 organizations were selected in total from five cities, out of the 66 organizations 51 were local firms and remaining 15 were multinational companies. 322 middle level managers were selected for data collection from these organizations. Personally administrated questionnaire were used for data collection. Out of 322 mangers 265 responded back forming response rate of 82%. Instrument used for data collection was based on five point likert scale ranging from strongly agree to strongly disagree. Reliability test was run to see the reliability of the instrument which shows alpha value of 0.866 which is acceptable statistically. SPSS 16.0 was used for data analysis. Statistical findings are given below.

### 5. Findings

Findings are discussed below

Table 1 shows mean scores and standard deviation of both independent variables and job satisfaction. The mean score for overall satisfaction is 3.8030 which show that managers are moderately satisfied with the organizational climate dimensions of internal communication and organizational culture. Mean scores for internal communication show that there is absence of both open communication and organizational structure is too much formal in these organizations. Person's correlation shows that there is no significant relation between internal communication and job satisfaction ( $p>0.05$ ) and there is negative relation between type of organizational structure and job satisfaction ( $r=-.584, p<.05$ ).

**INSERT TABLE-1 HERE**

Findings of Regression are given in Table 2 and Table 3

**INSERT TABLE-2 &3 HERE**

## 6. Discussion

The findings indicate that there is no relationship between internal communication and satisfaction but there is significant and negative relationship between organizational structure and job satisfaction. These findings may be due to the perception of managers regarding closed internal communication present in their organizations and formal structure. These findings are quite interesting and different from findings of previous researches, it would require further attention from researchers. Other elements of organizational climate should also be part of the future studies to see impact of overall organizational climate on job satisfaction and other job related behaviors.

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Annexure

**Table 1: Pearson’s Correlation**

Variables	Job Satisfaction			
	Mean	Std. Dev	R	Sig
Job Satisfaction	3.8030	1.31523	---	---
Internal Communication	1.6970	.55387	.022	.858
Organizational Structure	1.1212	.32887	-.584**	.000

**Table 2: Regression Analysis (Dependent variable ‘satisfaction’)**

R <sup>2</sup>	0.350
Adjusted R <sup>2</sup>	0.329
Standard Error	1.07710

**Table 3: Regression Analysis**

	Beta	S.E for Beta	T	Sig.
Internal Communication	.223	0.243	.919	.362
Organizational Structure	-2.381	.409	-5.820	.000

Dependant variable, satisfaction

**Figure 1**

