

Economic Scene

Job Satisfaction Is Not Just a Matter of Dollars

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European workers are united in at least one respect: they have reported declining levels of job satisfaction to pollsters over the last three decades. In Britain, for example, the proportion of workers who said they were completely satisfied with their jobs was down to 14 percent in 2001 from 23 percent in 1992.

American workers, too, reported a drop in job satisfaction from the mid-1970's through the early 1990's, according to the General Social Survey by the University of Chicago. But the drop was mild, and since then, reported job satisfaction in the United States has inched up. In 1990, 48 percent of American workers said they were very satisfied with their work, and 51 percent said so in 2004.

Of course, one could question whether asking workers how satisfied they are reveals their inner feelings, or whether changes in job satisfaction have significance for anything real in the economy or business world. International comparisons are particularly problematic because of cultural differences in the propensity to gripe or gloat.

Yet there are reasons to pay attention to job satisfaction trends. If nothing else, a worker's job satisfaction rating is a strong predictor of the likelihood that he or she will quit or be absent from work.

Decades of research by psychologists and organizational behaviorists suggest that self-reported job satisfaction reflects two main factors: the feelings workers experience while actually on the job and a judgment about their employment situation, which reflects, in part, their expectations and aspirations. While job satisfaction can change if work circumstances change, a large component of reported job satisfaction also appears to be tied to workers' personality traits.

Job satisfaction is typically gauged by a general question that asks people how satisfied they are with their work on the whole. Feelings at work are assessed by asking workers while they are on the job about their mood at that specific moment or by asking them to record their feelings in a diary.

Factors like job security, pay and benefits contribute more strongly to reported job satisfaction than to the feelings experienced at work, while day-to-day features of the work environment, like the closeness of supervision, pressures to work quickly and social isolation, have a more depressing effect on feelings than on reported job satisfaction.

In his new book, "Demanding Work: The Paradox of Job Quality in the Affluent Economy" (Princeton University Press), Francis Green, an economist at the University of Kent in Canterbury, England, documents trends in job satisfaction around the world and tries to make sense of them. Professor Green points to a decline in discretion on the job as the main explanation for the drop in job satisfaction in Britain, although he suspects that other factors, like an increase in work intensity, also contributed.

The reasons for the rosier trend in job satisfaction in the United States than in Europe are not entirely clear. Michael J. Handel, a sociologist at the University of Wisconsin in Madison, emphasizes that "the main reason for stable perceptions in the 1990's is a general stability in objective conditions." His analysis showed a slight decline in the degree of interest workers expressed in their jobs and a slight improvement in perceived relations with management and co-workers.

One possibility is that American employers have sought to create conditions that enhance worker satisfaction and deter unionization. Dissatisfied workers are much more likely to say they would vote for a labor union. In Europe, union coverage is often set at the industrial or regional level, so individual employers have less incentive to foster social relations at work to discourage union organizing.

Faced with changing technology, like the spread of computer-related monitoring, American employers might have strived to maintain good relations with workers and to keep them engaged in the company, factors that weigh heavily in job satisfaction, while European employers might have let worker satisfaction slip.

Many American employers certainly act as if they care about worker satisfaction. Companies spend millions of dollars surveying their workers' job satisfaction each year.

Emerging evidence suggests that satisfied and engaged workers are also more productive workers. A study by James K. Harter of the Gallup Organization, Frank Schmidt of the University of Iowa and Theodore L. Hayes of the Immigration and Naturalization Service, published in the Journal of Applied Psychology in 2002, provides extensive evidence, drawing on Gallup's client surveys, which covered 198,514 workers in 7,939 business units from 36 companies.

For each company, they related each unit's profitability, productivity, customer satisfaction, turnover and work accidents to its employees' ratings of job satisfaction and engagement. Engagement included factors like whether employees said they knew what was expected of them and whether they had received encouragement at work.

Business units with more satisfied or engaged workers tended to perform better in all five areas. Acknowledging that cause and effect are difficult to establish, Mr. Harter said that from comparing the timing of changes in employee engagement and business unit performance, he suspected that higher engagement and worker satisfaction led to better business unit performance.

Gallup is not an uninterested bystander - about a quarter of its revenue comes from advising management on employment issues - but scattered case studies also suggest that higher job satisfaction benefits productivity.

Predictions of a joyless job market in the United States are not borne out by the available data in the last decade, despite the erosion of health benefits and sluggish pay growth.

The reason is simple: worker satisfaction, as ordinarily measured, depends at least as much on social aspects of work, and having a sense of meaning and interest in work, as it does

on material rewards. People appear to grow accustomed to changes in material rewards more easily than they do to the daily stresses of work.