Organizational behavior management analysis of attitude (Job dissatisfaction) and communication—Take Wal-Mart as an example

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Abstract: With the rapid development of global competition, organizational behavior management is becoming more significant. In this paper, the importance of attitude (Job dissatisfaction) and internal organization communication are chosen to discuss with a critical review of the academic sources. Both elements are crucial for leader as it have huge impact on organizational performance, turnover rate and motivation. Building a positive atmosphere of attitude and communication within an organization helps increase organization performance, decrease employee turnover rate and maximum employee motivation, otherwise the opposite. Therefore, in order to improve employee job satisfaction and create efficient internal communication in organization, Wal-Mart is taken as an example as it has high employee turnover rate which caused by employee job dissatisfaction and poor communication between management and employee. In the end, three recommendations will be provided to help Wal-Mart address its problem.

Keywords: Job satisfaction; Communication; Turnover rate

1. Introduction

As global competition increases, the significance of organizational behavior rises as it determines what leaders should do and the probabilities of what may or may not occur. \cite{Attitude}Attitude plays a vital role in organizational performance, as high-performing organizations often exhibit positive attitudes among employees. \cite{Communication}Also, communication in the organization is important as it is necessary for fostering collaboration in the workplace, which has an impact on organizational performance. However, poor inter-personal communication and job dissatisfaction lead to a high turnover rate in the organization. This essay begins with a critical review of the academic sources of attitude (Job dissatisfaction) and communication in organizations, followed by an analysis of the Wal-Mart case study, and finally provides three recommendations to help address its problem.

2. Literature review

2.1 Attitude (Job dissatisfaction)

A high degree of job satisfaction is conducive to improve staff productivity and lower the turnover. Attitudes represent the cluster of beliefs, assessed feelings, and behavioral intentions toward a person, object, or event. \cite{JobSatisfaction}Job satisfaction, defined as individual’s evaluation of his or her job and work context,\cite{Importance} is a crucial work attitude for employees at all organizational levels in terms of their actions and results. Generally, the more satisfied employees are with their work, the more productive they are, and vice versa. \cite{Robbins} Robbins and Judge (2017) stated that employees with a high level of job satisfaction will perform beneficial actions on the job, such as diligent work, work-oriented and earnestness. However, it should be noticed that the relationship between job satisfaction and productivity is not absolutely positive. For instance, even though employees are satisfied to work, it doesn’t mean they would contribute to the work. The Hawthorn studies showed that greater employee satisfaction was not necessarily associated with higher productivity.\cite{Sing} Sing and Tiwari (2011) held the same view that there might be some employees who are satisfied with their job, but they might not work well yet. However, it is still necessary for corporates to maintain high job satisfaction among employees since there is a solid correlation between employee job satisfaction and customer satisfaction, meaning that job satisfaction
can reduce employee turnover and ultimately result in better service.[10]

In contrast to job satisfaction, job dissatisfaction can cause lower productivity and a higher turnover rate in an organization. Job dissatisfaction refers to employees' dissatisfaction with their work and their unfavorable feelings about their jobs, such as weariness, reluctance, and the desire to flee.[11] Absenteeism, exhaustion, frequent blunders at work, and ultimately quitting are reflections of employee dissatisfaction with their jobs.[12]

Figure 1: EVLN: Responses to Dissatisfaction

According to Farrell (1983),[13] EVLN (‘Exit’, ‘Voice’, ‘Loyalty’ and ‘Neglect’) model, which is presented above (Figure 1), is suggested to describe the four responses of employee to job dissatisfaction. ‘Exit’ in the EVLN model means that unsatisfied employees would intend to leave the job or change to other workplaces. Ravari et al. (2012) [14] indicated that dissatisfied employees are more likely to resign. The study by Yu et al. (2020) [15] showed there is a positive correlation between job dissatisfaction and turnover intention, which means job dissatisfaction would cause higher turnover intention. In addition, dissatisfied workers usually own lower productivity. The ‘neglect’ of the EVLN model indicated that employees may reduce work quality and increase absenteeism to respond to dissatisfaction. Rachman (2017) [16] argued that dissatisfied employees are not likely to discharge their duties at work than those who are satisfied with their work. Revathi and Geetha (2022) [17] explained that employees can hardly concentrate and pay attention to their tasks if they are unsatisfied. And once one of the members in a team demonstrates low productivity, others can be affected naturally and their efficiency will begin to fall as well. Therefore, organizations are supposed to emphasize employees’ satisfaction, as it highly relates to their turnover retention and performance.

2.2 Communication

Communication also plays a vital role in an organization as it has important contributions to organizations in many issues, such as decreasing the turnover rate and increasing employees’ motivation. Communication can be defined as the process of transmitting information and common understanding from one person to another.[18] Effective communication techniques are the foundation of every thriving enterprise.[19] Abdien (2019) [20] indicated that if employees do not satisfy their communication, their intention to leave the organization will increase. Still, Gberevbie (2010) [21] proposed numerous strategies for the company to retain employees, such as “treating employees humanely through encouraging words” and ”regularly informing employees why they should take certain actions”. And effective organizational communication is much useful for above all tasks, so as to lower employee turnover retention.

In addition, effective communication between employees and management is of particular importance, as it helps workers receive feedback and get satisfied finally. Jalagat (2016) [22] illustrated that frequent and dialogic communication between management and subordinates is one of the primary
factors that contribute to employee satisfaction. Day et al. (2014) held the same view that employees are yearning to share their needs and aspirations with management and anticipate an immediate response, whether positive or negative. Meanwhile, Employees are willing to have a dual interaction that allows them to express their opinions. If they can always communicate clearly and timely with management, their satisfaction and willingness to stay in the organization will naturally increase.

Additionally, efficient communication helps increase employees' motivation. According to McShane and Von Gillow (2015), MARS model emphasizes four factors, namely motivation, ability, role perceptions, and situational factors, which can directly describe employee behavior and the resulting performance. Each of the four elements is important and has an impact on an individual's behavior and performance if any one of them cannot be performed well under certain circumstances, it is impossible for an employee will perform well. Therefore, rising employees' motivation is important as it can lead to better performance in the organization. Effective communication has contributed to increase employee motivation and performance within the organization. Rajhans (2009) emphasized that efficient communication helps employees to manage existing performance and to motivate them to better performance. Chinaemerem (2016) agreed that communication can help motivate, build trust, create a shared identity, and increase engagement among employees.

However, poor communication would impair employees' motivation and collaboration. Odine (2015) indicated the prevalence of workplace communication problems tends to demoralize employees. Without efficient communication, employees end up working in silos with no clear direction and motivation. Due to poor communication, both employees and management would not feel motivated which finally resulted in low job performance. Hence, organizations should determine the effects of inadequate communication on organizational performance and the solutions for enhancing workplace communication in order to increase employee motivation.

3. Case study

3.1 Company overview

Wal-Mart Inc., found in 1962 and headquartered in Bentonville, was not only one of the world's biggest retailers, but also one of the world's largest corporations with approximately 10,500 stores and nearly 1.6 million employees in the U.S. As the world's biggest retailer, about 240 million shoppers worldwide visit Wal-Mart stores every week in 2021 (Niedt, 2021). At the same time, Wal-Mart is one of the biggest hirers of manpower that create millions of job opportunities in the United States. However, Wal-Mart has been criticized for its employee high turnover rate due to employees' job dissatisfaction and the poor internal organizational communication issue.

3.2 Employee high turnover issue

Wal-Mart has been accused of low employee retention due to its low salaries and welfare. According to the Washington Center for Equitable Growth(2022), Wal-Mart's staff turnover rate is estimated to be 70% each year due to low pay and bad working conditions. Even though Wal-Mart's employees now have access to get stipends instantly rather following the usual wage cycle, those staff have actually left their job more quickly. Compared to the USA national average annual turnover rate at 57.3% in 2021, the excessive turnover would decrease the efficiency of Wal-Mart and create a negative pre-judgment on the company's reputation. More and more employees are intending to leave Wal-Mart because they are dissatisfied with the employee salary and benefits provided and are unable to share their concerns and needs with management.

3.2.1 Root cause 1: Job dissatisfaction

A significant proportion of Wal-Mart employees leave the company due to dissatisfaction with its low hourly salaries and high healthcare costs. Mahdi et al. (2012) illustrated that there is a strong relationship between job dissatisfaction and employee turnover intention. Online publication 24/7 Wall St. has released its "Companies paying Americans the least" report for 2017 and ranked Wal-Mart as the lowest-paid large corporation. Nadeau (2020) indicated that the living wage for a family of four in the United States of America was determined to be $16.54 per hour in 2021, while Wal-Mart employees on average earn $9-$12 per hour. Even though some employee who has worked in Wal-Mart for more than 11 years, their hourly wage is about 12.85$ after the increase, which is a mere 85 cents more than the hourly starting wage for beginners. Even after several pay rises, the average income of everyday living
cannot be maintained. Thus, employee dissatisfaction with their job would continuously increase.

Moreover, the ‘Neglect’ presented in the ELVN model also indicated that dissatisfied workers are more inclined to perfunctory at work. And in the retail service industry especially at Wal-Mart, dissatisfied employees prefer to serve customers with a bad attitude. Wal-Mart was ranked at the very bottom of the American Customer Satisfaction Index for 2014 because of its poor service. The chain of dissatisfaction from employees was down to customers to a great extent. As the biggest shopping center in the USA, Wal-Mart is supposed to reconsider the importance of job satisfaction among employees which contributes to the customer service attitude. Furthermore, most Wal-Mart employees are not satisfied with its expensive healthcare insurance. Sherman (2014) indicated that Wal-Mart health insurance may bankrupt a really sick worker, which means that even if you purchase expensive medical insurance, employees will still bear significant medical costs when they become ill. In 2014, 1.3million workers had to pay more medical expenses since Wal-Mart raised healthcare costs and terminated the welfare of around 30,000 part-time staff. Compared to the ever-increasing medical insurance, the slight increase in wages cannot even maintain daily lives. Consequently, a growing number of Wal-Mart employees are getting more dissatisfied with their jobs and decide to leave.

3.2.2 Root cause 2: Poor communication

Poor communication between employees and management is another issue causing the high turnover rate. Hussain and Xian (2019) pointed out that effective communication in the organization can reduce employee turnover intention. However, poor communication usually occurred as Wal-Mart management ignores employees’ needs, suggestions, and feedback. Wal-Mart's management has been accused of lacking employee motivation skills and of inadequate communication and contact with its employees. Also, many comments of Wal-Mart employees revealed that the management communication was weak and the management team lacked support and teamwork. Without effective communication with their supervisors, employees are unable to share their ideas and opinions timely. Eventually, they will get unsatisfied and intend to quit their employment.

Furthermore, employees always feel a lack of motivation and decide to leave the job because of the unhelpful managers. As mentioned in the MARS model, motivation is a vital factor that will influence personal behavior. Company’s employees who feel motivated in the workplace would perform with their best efficiency and have lower turnover retention. However, some employees in Wal-Mart told Business Insider that most of their unhelpful manger will give confused instructions to workers. The communication in the management itself was chaotic, let alone transferring helpful messages to motivate their employees. Moreover, according to a number of Wal-Mart employees, there is a communication gap between them and the managers. When you approach them with an issue, they disregard it and request that you figure it out on your own. Instead of treating employees indifferently, to encourage employees to respond to their proposals and pay attention to their movements at all times is the duty of managers in a company. Therefore, Wal-Mart should focus on the communication between employee and management, as it has a huge impact on employees’ motivation that lead to high turnover intention.

3.3 Recommendation

1) Wal-Mart should increase the salaries of all employees so that they can earn ends meet. Maharjan (2019) indicated that employees’ salary is positively connected with job satisfaction, which means that people tend to be more satisfied with their jobs thanks to the increase of the wage. Despite several wage increases as time goes by, Wal-Mart remains the lowest in the United States. The employees' daily wages are insufficient to cover their basic needs, resulting in low job satisfaction and a desire to leave. Therefore, increasing salaries can significantly improve employees’ working satisfaction and make them feel they may have a bright future at Wal-Mart, thereby enhancing employee retention.

2) Wal-Mart should decrease the expensive health insurance price. Almedia and Perera (2015) pointed out that there is a strong positive correlation between welfare and job satisfaction. Health insurance, as a beneficial company welfare for employees, should be affordable and convenient, but most employees in Wal-Mart feel it is prohibitively high. Therefore, it is essential for Wal-Mart to decrease the health insurance price, so as to make their employees satisfied. And when they feel satisfied, they are more likely to stay in the company and do a good job.

3) Wal-Mart should introduce a series policy that promotes managers to transfer feedback and suggestions to employees frequently. In the light of Officevibe (2022), the company implemented regular employee feedback witnessed 14.9% lower turnover rates. And if employees notice that management communicates effectively, it stimulates them to perform better and fosters team spirit.
Thus, Wal-Mart should make sure managers can constantly communicate with their employees and create an atmosphere that offers care and caters to employees. Under the circumstance of efficient communication, employees in Wal-Mart can feel cared for, and therefore they are motivated and less likely to shift their job.

4. Conclusion

To conclude, employee’s attitude (Job satisfaction) is worthily necessary to be considered within an organization, as it determines the organizational performance and turnover rate. Meanwhile, organizational leader is supposed to ensure there is a clear, precise and efficient communication channel between management and staffs, which can continuously motivate, build trust, create a shared identity and increase engagement among employees. Therefore, organization is suggested to build a positive ambience of attitude and communication.

References


