

Management Practices: Shaping Employee Satisfaction and Commitment in Large German Companies

Lana Sosnovika

Turiba University, Riga, Latvia

The rapid evolution of the political, economic, and social landscape has generated increased interest in understanding the contextual application of management styles and behaviours toward employees. In this context, organizations must comprehend and assess employee satisfaction to enhance productivity and realize their strategic and economic goals. Therefore, this study aims to investigate the prevailing and significant management behaviours toward employees in large German companies and their impact on employee satisfaction and job commitment. To achieve the research objective, the study will employ a qualitative method to explore management behaviours toward employees. Data were collected through interviews with randomly selected managers from different companies and departments. The study aims to uncover discrepancies or variations in employee expectations regarding management behaviour. The findings will provide a better understanding of the most prevalent and significant management behaviours toward employees in large German companies and their impact on employee satisfaction and job commitment. The results will be valuable to management in adopting suitable leadership styles and improving employee satisfaction, leading to increased productivity and organizational performance. The research will contribute to the existing body of knowledge in the field of management and human resource management by providing insights into the impact of management behaviours on employees. It will also offer recommendations to management on how to enhance employee satisfaction and job commitment, leading to improved organizational performance. In conclusion, this study will investigate the prevailing management behaviours toward employees in large German companies and their impact on employee satisfaction and job commitment.

Keywords: employee commitment, employee expectations, employee satisfaction, management practices in large German companies, leadership approaches, organizational performance

Introduction

Employee satisfaction is an important aspect of organizational performance and has a direct impact on the financial well-being and development of a business. As such, the measurement and analysis of employee satisfaction have become increasingly important for organizations. However, there are different methods and approaches to measure employee satisfaction, and it is important to identify the most effective methods for different management styles. The goal of this scientific paper is to identify the most applicable management styles, their measurement and validation in large German companies as also how the evaluation results have been used to support employee and business development.

Examining the application, evaluation, and understanding of different management styles is essential for several reasons. Firstly, it helps companies to align their overall business goals. Different management styles should have a flexible manner and should be applied differently in specific business situations, considering the overall economic and political situation that may influence the company. By connecting the application and evaluation of different management styles to key business objectives, employees can be guided in the correct direction, making it more understandable to them.

Secondly, it improves communication and employee focus. Management styles and their evaluation represent a particular form of communication within the company, and there should be a clear explanation and communication with employees about the suitability of the management style application and the outcomes of the evaluation results.

Materials and Hypothesis of Management Style Implementation and Evaluation

Numerous principles and hypotheses concerning management styles have been identified, formulated, and systematically examined through diverse market research efforts. These include the practical application, evaluation, and impact on both employees and overall business development. The researcher has diligently categorized these insights into five distinct classifications. A thorough exploration of each hypothesis, coupled with a clear understanding, holds the potential to reveal novel perspectives and contribute to the existing body of knowledge within the field of management studies (Jones & George, 2019).

In the modern working society, the concepts of “Agility” and “Business Agility” are central, as stated in the hypothesis that declares them to be crucial topics (Wieland & Wallenburg, 2012). Understanding how companies define, practice, and measure agility is paramount. The analysis of this hypothesis explores the associated challenges and benefits, identifying best practices instrumental for companies aiming to enhance or adopt agility.

In the realm of Time and Resource Management, various hypotheses emphasize individual team needs. One hypothesis states that “Each team has its own needs” (Huselid, 1995, p. 38) while another asserts that “Managers do not have enough time to apply the correct management styles” (Deeb, 2016). Managers are tasked with fostering self-awareness and motivation among team members, navigating time constraints, and financial limitations for employee development. This exploration unravels team dynamics, offering insights into managerial skills, efficient time management, and cost-effective strategies for employee growth within limited resources (Madore, 2020).

The Self-Reflection category introduces the notion that managers should analyse and define their competencies for effective task execution. The hypothesis suggests that “One should make an analysis and define its competencies of a manager as a set of knowledge and abilities to use these qualities for effective executing of particular tasks according to given authority and general expectations” (Mika, 2001, p. 5). This delves into self-awareness in companies, exploring how managers are sensitized to their appearances and the existence of training and development concepts (Wisdom, 2020).

In Self-Actualization, Employee Motivation, and Development, the hypothesis suggests that “Companies should invest time and money in employee development to support employee satisfaction” (BW24, 2022). Another hypothesis states that “People are driven by the ‘self-actualization’ concept” (Lawler, 1994, p. 17). The research explores four basic drives underlying employee motivation, shedding light on how managers comprehend, and support employee motivation, self-awareness, and methods used to address individual needs while balancing team goals.

Exploring management styles, the hypothesis posits a direct correlation between different styles and business development. It identifies three worldwide categories: autocratic, democratic, and laissez-faire (Capon, 2008). Another hypothesis reveals that “Large German companies use all three management styles to keep the company profitable and growing” (Lussier, 2020, p. 57). Analysing these hypotheses unveils prevalent management styles in German companies, shedding light on how managers lead teams and perceive styles, contributing to understanding the correlation between style and employee satisfaction and guiding strategies for employee development in German companies.

Research Methodology: Hypothesis Analysis and Grouping, Questionnaire Establishment, Pilot Interview Establishment and Conduction, Interview Assessment

This scientific paper employed a preliminary research method involving a comprehensive literature review and analysis of previously published scientific articles. Subsequently, exploratory research was conducted to gain a general understanding of the current state in the specific research field on management styles applied in large German companies, their analysis, and their impact on employee satisfaction, development, and the overall company.

All data were synthesized and analysed based on existing information from various published sources. Following the definition of the research question or problem, a literature search was carried out, and data were extracted from carefully selected and evaluated scientific articles. The conclusions and findings were drawn from the data analysis.

Following the data analysis, the researcher formulated several hypotheses, which were carefully grouped into categories presented in the paper. Grouping hypotheses was a crucial step serving various important purposes: It provided a structured and organized format for presenting research findings, maintained a logical flow of information, facilitated easy comparison between different sets of ideas or variables, focused on specific aspects of the research question, and made data analysis and interpretation more manageable in a systematic manner (Creswell, 2013).

After grouping the hypotheses, the interview questions were systematically extracted to ensure alignment with research objectives and provide valuable insights. The researcher ensured a clear understanding of key concepts and relationships within each category. Next, key themes or patterns from each group of hypotheses were extracted, ensuring the inclusion of specific management practices, experiences, and perceptions on management style and organizational dynamics. Subsequently, open-ended questions were generated, allowing participants to provide detailed and nuanced responses, linked to one or more hypotheses. These questions explored different perspectives or introduced new ideas, contributing to the depth of qualitative data (Yin, 2018).

Upon generating the interview, pilot interviews were conducted with three managers from large German companies. The primary objectives of these pilot interviews were to iteratively refine the interview questions based on participant feedback, identify and address any ambiguities or challenges in comprehension, and discern the general direction of responses (Saldana, 2009). The insights from these pilot interviews will be elaborated upon in greater detail in the subsequent sections of this scientific paper.

Exploratory Research Results: Exploring Management Styles in Large German Companies: A Pilot Interview Analysis to Identify Commonalities and Differences in Application and Effectiveness

The research delves into the intricacies of management styles and their impact on employee motivation, alongside the cultivation of self-awareness among managerial personnel. A significant challenge encountered by the researcher involved devising effective measurement methods for these aspects within companies.

The primary objective is to discern how diverse management approaches influence employee motivation and to investigate how companies measure and interpret these management styles. The complexity of measuring intangible elements such as management styles and the development of self-awareness presented notable challenges throughout the research process.

In essence, the findings shed light on the relationship between management styles, self-awareness, and employee motivation, elucidating the methods employed by companies to measure and enhance these pivotal aspects of organizational functioning.

Agility and Business Development in Large German Companies

Exploring the insights of three professionals in the Agility and Business Development field revealed a mix of shared and differing viewpoints, shedding light on how companies interpret and implement agility in today's working environment.

All three interviewees unanimously emphasized the vital importance of agility in today's workplaces. Interviewee 1 highlighted the practical side, focusing on collaborative problem-solving with customers, while Interviewee 2, emphasizing the need to navigate the unpredictable terrain of business, remarked, "Agility is our compass in navigating the unpredictable terrain of business. It's about optimizing our resources to stay ahead of the curve and seize opportunities as they arise" (H. Seidel, personal interview, November 11, 2023), and Interviewee 3 underscored agility's key role in navigating unpredictable business situations and optimizing resource use.

The significance of promoting and practicing agility resonated across all three interviews, with a shared belief that autonomy, freedom, and aligning employee decision-making with company goals are essential.

Interestingly, none of the companies currently employ a formal system to measure agility. Interviewee 1 envisioned potential future measurements, while Interviewees 2 and 3 linked successes to agile project outcomes without specifying Key Performance Indicators (KPIs).

A recurring theme in the discussions was the encouragement of a culture of agility. All three interviewees advocated for creative thinking and the willingness to take on tasks beyond job descriptions. Two interviewees highlighted the importance of recognizing employee successes and added value as ways to reinforce the benefits of an agile approach. In contrast, one interviewee promoted quick role changes for young employees and stressed the strategic allocation of resources within the company.

Concerning the promotion of agility, challenges within small organizations due to existing processes were cited by the majority of interviewees, while Interviewee 2 emphasized the need to further simplify structures to encourage employees to use their energy according to their needs.

In summary, these insights offer a more comprehensive understanding of how agility operates in organizations, revealing both shared principles and unique perspectives.

Time and Resource Management in Large German Companies

Exploring how three managers of large German companies manage time and resources in their teams reveals a mix of shared and different ideas. The goal was to understand how teams function, the role of managers in motivating employees, the challenges in managing time, and the financial limitations for employee development.

All interviewees agree that teams work best when they have a mix of people with different skills. One person talked about how their teams collaborate across different areas, like technical and marketing. Another emphasized the importance of having people with technical, creative, and consistent skills for successful teamwork. All interviewees stated that their companies maintain a positive atmosphere. They believe that even when facing challenges, working together to solve problems keeps everyone optimistic.

Flexibility also emerges as an important topic. Being flexible is crucial to ensure each person's needs align with what the whole team is trying to achieve. All interviewees emphasize that focusing on results and giving employees the freedom to plan their work helps in this alignment.

Further acknowledgment is that investing time in tasks related to employees is crucial. All managers spend a considerable amount of time on human resources and leadership responsibilities, holding regular meetings with employees to discuss personal interests and further development. The challenge lies in trying to be available all the time when employees need support.

Generally, there is a positive atmosphere in all the companies; however, tension may arise due to fast changes in the team and work overload.

Management Self-Reflection in Large German Companies

Exploring the dimension of self-reflection within managerial roles through the insights of three managers provides an overview of how individuals perceive and enhance their competencies. When asked about effective self-reflection, two interviewees acknowledged the challenge of being the sole judge of their performance. They underscored the crucial role of external perspectives, particularly those of their employees.

In terms of feedback, all actively seek input from employees through meetings and surveys, despite recognizing the difficulty of obtaining honest feedback, especially from newer team members. Each company also conducts mandatory employee surveys that serve as a structured platform for evaluating the company and management at all levels. The companies place a strong emphasis on analysing and evaluating the survey results, complemented by various tools and workshops for employee development.

The third interviewee expressed a high level of confidence in their ability to reflect on personal competence, highlighting their development through supervision circles and personal coaching sessions. These coaching sessions, backed by the company, delve into various aspects of People Management. Furthermore, the interviewee mentioned the importance of learning to allocate time for preparation and follow-up, incorporating self-analysis and coaching analysis into their reflective practices.

In summary, all managers recognize the significance of self-reflection in their roles. While two managers rely more on external perspectives, especially from employee surveys, the third interviewee combines personal coaching and self-analysis. It is noteworthy that all companies utilize various tools, including 360-degree feedback, to foster continuous improvement and awareness of managerial actions. These insights contribute to a broader understanding of how self-reflection is implemented within managerial practices, providing valuable perspectives for organizational development.

Self-Actualization, Employee Motivation, and Development in Large German Companies

While exploring this category, it became evident that all three managers share a unified perspective on the significance of employee development in fostering satisfaction and contributing to the success and stability of the company. They collectively emphasize the need to invest time and resources in employee development to adapt to the ever-changing business landscape and align with the concept of “self-actualization”.

The factors influencing an employee’s willingness to develop align closely with all responses. Managers stress the importance of tolerance for mistakes, recognizing and rewarding good performance, and providing financial benefits and status to support employee development. Additionally, one manager draws attention to the social framework and the impact of personal situations on an employee’s ability to engage in development opportunities.

Strategies for developing self-confidence and self-motivation also exhibit commonalities. All managers underscore the significance of giving employees autonomy and space, allowing them to make decisions and assume entrepreneurial roles. One interviewee emphasized, “Empowering employees with autonomy and space to take on entrepreneurial roles is foundational. It fosters self-confidence and self-motivation, crucial for individual and organizational growth” (G. Sevki, personal interview, November 16, 2023). Additionally, conducting development dialogues with employees at least once a year to collaboratively formulate development plans and identify competencies is deemed important.

Regarding the measurement of the success of employee development initiatives, all managers acknowledge the importance of metrics such as age, diversity, and a sense of belonging. However, there are slight variations in their approaches, with the first two managers emphasizing the tracking of completed training programs, while the last manager considers more global metrics related to diversity and a sense of belonging.

Lastly, in assessing the four primary drivers of motivation, each manager expresses familiarity and assigns importance to each drive, albeit with slight variations in ratings. Each manager acknowledges the presence of these drives in their employees and underscores their importance in different ways.

In summary, all managers align on the fundamental importance of employee development and share common views on several key aspects.

Management Styles Applied in Large German Companies

The analysis of the 5th category delves into the impact of different leadership styles on a company’s development. All managers unanimously agree on the global recognition of three primary management styles: autocratic, democratic, and laissez-faire. Interestingly, they highlight a unique approach in large German companies that integrates all three styles for profitability and growth.

Concerning their respective companies, all managers affirm the application of all three leadership styles. One manager observes a tendency among younger employees to lean towards autocratic leadership, possibly due to a preference for explicit instructions and avoidance of responsibility. The other two managers acknowledge the promotion of democratic leadership in their company but recognize individual managers who gravitate towards autocratic or laissez-faire styles based on their personalities.

Flexibility in applying leadership styles emerges as a common trait shared by all interviewed managers. They recognize the need to adapt to individual situations, understanding that different employees may require varied approaches for effective leadership. Furthermore, all managers emphasize the importance of self-reflection and timing in deploying the appropriate leadership style.

In summary, all managers share a commitment to flexible leadership, incorporating democratic and laissez-faire styles. They also recognize the influence of individual manager personalities in the application of leadership styles within their companies.

Conclusions

This study has undertaken a comprehensive exploration of management styles and their implications on employee satisfaction, development, and overall business performance within large German companies. The study aimed to identify applicable management styles, assess their measurement and validation methods, and understand how evaluation results contribute to employee and business development.

For this pilot study, stringent selection criteria were employed to ensure the relevance and reliability of the data collected. Firstly, participating managers were required to possess a minimum of five years of managerial experience, providing a substantial foundation for insightful perspectives on management styles and their impact. Furthermore, managers were specifically chosen from large German companies with international teams, reflecting the study's focus on organizations with diverse structures and global operations. This deliberate selection aimed to capture nuanced insights into management practices within a context of both extensive experience and broad organizational scope.

The literature review synthesized diverse principles and hypotheses related to management styles, categorizing them into five classifications. The subsequent research methodology employed a meticulous approach, including hypothesis analysis, questionnaire development, pilot interviews, and a detailed exploration of each hypothesis category. The exploratory research results provided insights into the application and effectiveness of management styles in large German companies, specifically focusing on Agility, Time and Resource Management, Management Self-Reflection, Self-Actualization, Employee Motivation, and Development, and various Leadership Styles.

The findings revealed that agility plays a crucial role in navigating the dynamic business environment, with a shared emphasis on autonomy, creativity, and aligning employee decision-making with company goals. Time and resource management were identified as critical components of team success, with a focus on flexibility, results-oriented approaches, and investment in employee tasks. Managers demonstrated a commitment to self-reflection, acknowledging the challenge of being sole judges of their performance and actively seeking feedback from employees.

Furthermore, the importance of employee development for satisfaction and company success was highlighted, emphasizing strategies such as tolerance for mistakes, recognition of good performance, and providing autonomy. The measurement of success in employee development initiatives varied slightly among managers, reflecting the importance of metrics related to age, diversity, and a sense of belonging.

Lastly, the analysis of management styles uncovered a unique approach in large German companies, where all three primary leadership styles (autocratic, democratic, and laissez-faire) are integrated for profitability and growth. Flexibility in applying leadership styles and recognizing the influence of individual manager personalities emerged as common themes among the interviewed managers.

Summary

This study delves into the crucial relationship between different management styles and their impact on employee satisfaction within large German companies. Recognizing the significance of employee satisfaction in

shaping organizational performance and financial well-being, the research explores various methods for measuring and analysing employee satisfaction. The goal is to identify the most applicable management styles and their validation, shedding light on their role in supporting employee and business development.

The literature review categorizes diverse principles and hypotheses related to management styles, providing a foundation for the subsequent research methodology. The study employs a meticulous approach, including hypothesis analysis, questionnaire development, pilot interviews, and an in-depth exploration of different management style categories.

The exploratory research results uncover key insights into the application and effectiveness of management styles in large German companies. Agility and Business Development are highlighted, emphasizing the importance of autonomy, creativity, and aligning employee decision-making with company goals. Time and Resource Management emerges as critical components for team success, with a focus on flexibility, results-oriented approaches, and investment in employee tasks.

The dimension of Management Self-Reflection is explored, revealing how managers perceive and enhance their competencies. Employee Motivation and Development are addressed, emphasizing the need to invest time and resources in employee development to align with the concept of “self-actualization”. The analysis of Leadership Styles in German companies reveals a unique approach, integrating autocratic, democratic, and laissez-faire styles for profitability and growth.

In conclusion, the study provides a comprehensive understanding of management styles’ implications on employee satisfaction, development, and overall business performance. The findings emphasize the importance of agility, effective time and resource management, self-reflection among managers, and strategic investment in employee development. German companies, with their strong focus on innovation and a motivated workforce, exemplify a commitment to employee-centered policies and practices. The study offers valuable insights for organizations aiming to enhance employee satisfaction, ultimately contributing to long-term success and profitability.

References

- BW24. (2022, July 2). Gehälter bei Bosch: Das verdienen Ingenieure, Mitarbeiter und Co. Retrieved July 2, 2022, from <https://www.bw24.de/wirtschaft/ingenieure-geld-verdienen-konzern-zulieferer-welt-angestellte-bosch-gehalt-90660058.html#:~:text=In%20der%20ersten%20Ebene%20verdienen,und%20117.633%20Euro%20pro%20Jahr>
- Capon, C. (2008). *Understanding strategic management*. Harlow: Pearson Education Limited.
- Creswell, J. W. (2013). *Research design: Qualitative, quantitative, and mixed methods approaches*. London: SAGE Publications.
- Deeb, C. (2016, October 26). Percent of a business budget for salary. *Small Business—Chron.Com*. Retrieved from <https://smallbusiness.chron.com/percent-business-budget-salary-14254.html>
- Huselid, M. A. (1995). The impact of human resource management practices on turnover, productivity, and corporate financial performance. *Academy of Management Journal*, 38(3), 635-672. Retrieved from <https://doi.org/10.5465/256741>
- Jones, G. R., & George, J. M. (2019). *Contemporary management*. New York, NY: McGraw-Hill Education.
- Lawler, E. E. (1994). Performance management: The next generation. *Compensation & Benefits Review*, 26(3), 16-19. Retrieved from <https://doi.org/10.1177/088636879402600303>
- Lussier, R. N. (2020). *Management fundamentals: Concepts, applications, and skill development* (9th ed.). London: SAGE Publications, Inc.
- Madore, M. (2020). *Agile transformation using the integral agile transformation framework to think and lead differently*. Harlow: Pearson Education.
- Saldaña, J. (2009). The coding manual for qualitative researchers. Retrieved from <http://ci.nii.ac.jp/ncid/BB20067005>
- Maka, V. T. (2001). Personality and competencies of crisis managers. In *The 6th International Conference “Global Business & Economic Development”* (pp. 1-6). New Jersey—Bratislava.

- Wieland, A., & Marcus Wallenburg, C. (2012). Dealing with supply chain risks. *International Journal of Physical Distribution & Logistics Management*, 42(10), 887-905. Retrieved from <https://doi.org/10.1108/09600031211281411>
- Wisdom, J. P. (2020). *Millennials' guide to management & leadership: What no one ever told you about how to excel as a leader*. New York: Winding Pathway Books.
- Yin, R. K. (2018). *Case study research and applications: Design and methods*. London: SAGE Publications.