Non-family employees: levels of job satisfaction and organizational justice in small and medium-sized family and non-family firms

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**Abstract**

The purpose of this paper is to explore differences between non-family employees of family firms and employees of non-family firms regarding their levels of job satisfaction. Moreover, focusing on family firms, we assess the impact of non-family employees’ perceptions of organizational justice on their levels of job satisfaction; we also seek to understand which dimensions of job satisfaction are most affected by the employees’ perceptions of organizational justice. The empirical evidence is provided by a sample of 205 Portuguese employees (98 non-family employees of family firms and 107 employees of non-family firms), working in small and medium-sized privately-owned enterprises. The findings reveal that non-family employees of family firms do not differ from employees of non-family firms regarding their levels of job satisfaction. Furthermore, it was found that, in family firms, there is a positive influence of the perceptions of organizational justice on job satisfaction levels, in particular regarding satisfaction with benefits and supervision.

**JEL CLASSIFICATION**

M10; J28; D63

**KEYWORDS**

Family business; Job satisfaction; Organizational justice

CÓDIGOS JEL

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**PALABRAS CLAVE**

Empresas familiares; Satisfacción laboral; Justicia organizacional

**Empleados no familiares: niveles de satisfacción laboral y justicia organizacional en pequeñas y medianas empresas familiares y no familiares**

**Resumen**

El objetivo de la presente investigación es explorar las diferencias entre empresas familiares y no familiares respecto a los niveles de satisfacción laboral de sus trabajadores. Por otra parte, se evalúa, dentro de las empresas familiares, el impacto que tiene las percepciones de justicia organizacional de los empleados que no pertenecen a la familia, en los niveles de satisfacción laboral; y además, se busca entender cuáles son las dimensiones de satisfacción laboral que se ven más afectadas por las percepciones de justicia organizacional por parte de los trabajadores. Se cuenta con una muestra de 205 trabajadores portugueses (98 de ellos pertenecientes a empresas familiares y 107 pertenecientes a empresas no familiares). Todos los participantes incluidos en la muestra trabajan en pequeñas y medianas empresas privadas. Los hallazgos revelan que aquellos empleados que trabajan en empresas familiares pero que no pertenecen a la familia no difieren en sus niveles de satisfacción laboral de los empleados que trabajan en empresas no familiares. Más aún, se encuentra que, en las empresas familiares, hay una influencia positiva de las percepciones de justicia organizacional en los niveles de satisfacción laboral, en particular, respecto a la satisfacción con los beneficios y con la supervisión.
Introduction

Family firms are responsible for over 70% of the global annual GDP and account for 70%-80% of jobs created in the majority of countries worldwide (European Family Businesses, 2012), representing two thirds of the world’s private-held companies (Family Firm Institute, 2015; Gersick, Davis, Hampton, & Lansberg, 1997). Given their social and economic impact, family firms have received growing/ increasing attention from the scientific community over the last decades (Poutziouris, 2006; Sharma, 2004). So far researchers have been dedicated to the identification and clarification of processes and behaviors that differ between family and non-family businesses, e.g., corporate governance (Lien, Teng, & Li, 2015), ownership (Villalonga & Amit, 2006), management (Morck & Yeung; 2003; Zellweger & Astrachan, 2008), returns (Chua, Chrisman, & Bergiel, 2009), leadership (Pérez-González, 2006), careers (Schröder, 2011) succession (Meier & Schier, 2016), reputation (Deephouse & Jaskiewicz, 2013), innovation (Classen, Carree, Van Gils, & Peters, 2013), entrepreneurial orientation (Boling, Pieper, & Covin, 2015; Pimentel, Couto, & Scholten, 2017) and decision-making styles (Pimentel, Scholten & Couto, 2018).

However, some of the most important organizational aspects, such as employees’ satisfaction (Heller & Watson, 2005), are yet to be explored in the comparison between these two organizational forms. According to Spector (1997), there are important reasons that lead to the need to explore and address the individuals’ satisfaction with their job across different organizational settings. On the one hand, from a more “humanistic” view, people deserve to be treated with respect and justice, with satisfaction being a reflection of this treatment. On the other hand, from a more “utilitarian” view, satisfaction results in attitudes and behaviors that affect the functioning and effectiveness of the organization.

Therefore, in order to address this gap in the family business literature, the purpose of this study is threefold / there are three purposes for this study. First, to explore the differences between non-family employees of family firms and employees of non-family firms regarding their levels of job satisfaction. Second, focusing on family firms alone, to assess the impact of non-family employees’ perceptions of organizational justice on their levels of job satisfaction - it has since been proposed as one of one of the most important sources of employees’ positive organizational attitudes (Spector, 1997). Third, to understand which dimensions of job satisfaction (intrinsic satisfaction, satisfaction with benefits, satisfaction with physical working conditions, satisfaction with supervision, and satisfaction with participation) are most affected by the perceptions of organizational justice of non-family employees of family firms, given that each dimension is related to different consequences on the behavior of the employees (Spector, 1997).

This paper is structured as follows. First, we introduce the theoretical foundations of the main concepts of this study and theoretically derive our research questions and hypothesis. Second, we present the sample as well as the methods used. Third, we present the empirical findings. Fourth, we enter into a discussion of the results. Fifth, we discuss the limitations of the study and suggest avenues for future research. We then present our final conclusions.

Theoretical foundations, research questions and hypothesis

Job Satisfaction

Job satisfaction has been considered as one of the most important and complex organizational variables (Heller & Watson, 2005; Ilies, Fulmer, Spitzmuller, & Johnson, 2009). Therefore, it is no surprise that over the years it has been an object of study by several authors (e.g., Bateman & Organ, 1983; Brayfield & Rothe, 1951; Faragher, Cass, & Cooper, 2013; Harari, Thompson, & Viswesvaran, 2018; Judge & Bono, 2001; Locke, 1969; Porter, Steers, Mowday, & Boulian, 1974; Spector 1997; Wanous, Reichers, & Hudy, 1997). These authors have found evidence pointing to the strong influence it has both on individuals and the organization. Thus, organizations are continuously concerned about keeping their employees satisfied, which is critical for an organization to be effective and efficient (Van Saane, Sluiter, Verbeek, & Frings-Dresen, 2003).

Due to the importance and popularity of job satisfaction within the organizational field, various researchers and practitioners have provided their own definitions of job satisfaction (e.g., Arnold, Robertson & Cooper, 1991; Beer, 1964; Locke, 1969; Spector, 1997). Despite the multiplicity of ways to define this construct, it is possible to find a common ground since most theoretical definitions cover the affective feeling that employees have towards their jobs (Lu, While, & Bariiball, 2005). This could be towards the job in general or specific aspects of it, such as salary, colleagues, or working conditions. Thus, one of the most commonly accepted and used definition of job satisfaction is the one proposed by Spector (1997, p. 2), where it simply refers to “the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs”.

Regardless of its definition, job satisfaction can be seen as a unidimensional or multidimensional construct. In the first perspective, it is suggested that job satisfaction results from a global attitude towards work (e.g., Peiró & Prieto, 1996). In turn, the multidimensional approach posits that job satisfaction has to do with several work-related factors, which are taken into account separately (e.g., Cook, Hepworth, Wall, & Warr, 1981).

More recently, and in order to reconcile the different perspectives, job satisfaction has been considered as an overall constellation of attitudes about various aspects of the job (Lu et al., 2005). Therefore, as proposed by Mélia and Peiró (1989), in this study we operationalize the construct as an overall feeling about the job that results from five interrelated dimensions (i.e., intrinsic satisfaction, satisfaction with benefits, satisfaction with physical working conditions, satisfaction with supervision and satisfaction with participation)

According to Mélia and Peiró (1989), intrinsic satisfaction regards the satisfaction that the job offers for itself, the opportunities offered by the job to do what one likes, as well as challenges (to surpass) and goals to be achieved. Satisfaction with the supervision encompasses the proximity and frequency of supervision, support received from superiors, personal relationships with superiors, and equality and fair treatment received from the managers and from the company.

Satisfaction with the physical environment refers to the satisfaction with physical working conditions in the workplace (i.e., cleanliness, hygiene and sanitation, temperature, ventilation and lighting). Satisfaction with the benefits relates to the degree to which the company complies with the agreements, salary, promotions and development and training opportunities. Finally, satisfaction with the participation refers to satisfaction regarding the effective participation in the decisions of the team, of the company or simply in the decisions related to the performed tasks.

Despite the fact that these five dimensions are differently defined, all five are strongly correlated and it is only possible to credibly assess an employee level of job satisfaction when considered together.

Organizational Justice

Justice is a fundamental element in organizations, as it is essential for its effective functioning and strongly affects the satisfaction and performance of those working in them (Greenberg, 1990).

In the organizational context, when one speaks of justice, there is a tendency to associate the term with outcomes such as salary or the result of a performance review. However, employees also react to the processes by which those outcomes are determined and the way they are treated by their superiors (Colquitt, Conlon, Wesson, Porter, & Ng, 2001). Thus, the organizational justice construct has been developed in a multidimensional perspective that consists of four dimensions: (1) distributive, (2) procedural, (3) interactional interpersonal and (4) interactional informational justice.

Distributive justice is defined as the fairness associated with decisions related to the distribution of outcomes within the organization (Colquitt, 2001). Typical examples of organizational outcomes are salaries, benefits or promotions. The concept of distributive justice arises from the Theory of Equity (Adams, 1963), which considers justice as the result of the transaction that employees establish between the contributions they give to the organization (inputs), such as the level of effort, and what the organization gives them in return (outputs), such as salary. Additionally, distributive justice encompasses the result of the transaction between the contributions that other employees with similar roles give and what they receive in return.

Procedural justice refers to the employees’ perception regarding the fairness of the management policies and procedures that regulate a process leading to decision outcomes (Colquitt, 2001). It focuses on the process, i.e., the steps taken by the management to reach a just decision (Yean & Yusof, 2016). If the managerial processes and procedures are perceived to be fair, then employees will be more satisfied and likely to form a positive attitude towards management’s decisions, which can indirectly lead to lower levels of conflict between employees and employer (Yean & Yusof, 2016).

However, employees react not only to the fairness regarding the distributed outcomes and procedures (i.e., distributive and procedural justice) but also to the fairness of interactions with the organizational identities. Thus, interactional dimension of justice, which focuses on the social aspects of the employee’s relationship with the organization and management, plays a key role in the organizational fairness system (Yean & Yusof, 2016). Employees develop perceptions of interactional justice based on criteria, such as the explanations that the management gives about the decisions they make and the respect shown towards workers (Colquitt, 2001). Therefore, Colquitt (2001) refers states that
interactional justice consists of two elements of justice: interpersonal and informational justice. Interpersonal justice refers to the perception in one’s treatment, i.e., employees are treated with dignity, respect, sensitivity and courtesy (Colquitt, 2001). While, informational justice is related to how decision-makers openly, honestly, and thoroughly explain the rationale for their decisions, i.e., the management is willing to share relevant information with employees. Although these four types of organizational justice are defined in different ways, all four are interrelated and constitute the overall organizational fairness system (Ambrose & Schminke, 2007). According to Yean and Yusof (2016) if one of them is not present, it will be difficult to develop effective organizational justice. In this study we adopt Colquitt’s (2001) model of organizational justice, since it has been considered the most suitable theoretical framework for the Portuguese context (Rego & Souto, 2004).

Research questions and hypothesis

Despite the growing interest in exploring differences and similarities between family and non-family firms and understanding and framing the particular dynamics and behaviors of family firms, there is still little research comparing key organizational aspects such as job satisfaction. Although numerous studies address this topic in family (e.g., Boles, 1996; Ruizalba, Soares, Arán, & Porras, 2016; Barnett & Kellermans, 2006; Khanin, Turel, & Mahto, 2012) and non-family firms (e.g., Alegre, Mas-Machuca, & Berbegal-Mirabent, 2016; Mobjley, 1977; Khamisa, Oldenburg, Peltzer & Ilic, 2015; Lu, Lu, Gursoy, & Neale, 2016), none seems to explore whether the satisfaction levels differ between the employees in these two types of organization.

Thus, as a first attempt to assess differences in the levels of job satisfaction between non-family employees working in family and non-family firms', we propose the following research question:

RQ1. Do non-family employees of family firms and non-family firms’ employees show differences in their levels of job satisfaction? Existing research has demonstrated a positive relation between perceptions of organizational justice and employees’ levels of job satisfaction across several organizational contexts (e.g., Colquitt et al., 2001; Dundar & Tabancali, 2012; Masterson, Lewis, Goldman, & Taylor, 2000; Sy, Tram, & O’Hara, 2006). However, this relation has not yet been duly assessed in the family business context. Thus, the following hypothesis is posited:

H1. The perceptions of organizational justice positively affect the job satisfaction levels of non-family employees of family firms.

As previously mention, there is a gap in the family business literature regarding the impact of non-family employees’ perceptions of organizational justice on their levels of job satisfaction. Expectedly, each of the dimensions of job satisfaction has different implications on the behavior of the employee (Spector, 1997). Therefore, we intend to explore which dimensions of job satisfaction (i.e., intrinsic satisfaction, satisfaction with the benefits, satisfaction with the physical working conditions, satisfaction with the supervision and satisfaction with the participation) are most affected by the perceptions of organizational justice of non-family employees of family firms.

Thus, and since empirical evidence in this context is lacking, our second research question was formulated:

RQ2. In family firms which dimensions of non-family employees’ job satisfaction (i.e., intrinsic satisfaction, satisfaction with the benefits, satisfaction with the physical working conditions, satisfaction with the supervision and satisfaction with the participation) are most affected by their perceptions organizational justice?

Research methods

Sample and data collection

In the family business literature, there is a wide assortment of proxies that have been used to operationally define family firms (e.g., Gómez Mejía, Cruz, Berrone, & De Castro, 2011; Rutherford, Kuratko, & Holt, 2008). In this paper, the criterion of ownership and management control (Chua, Chrisman, & Sharma, 1999) was adapted to arrive at an operational definition. Therefore, a firm is classified as a family firm if at least 75 percent of the shares are owned by the family, and the family is the sole entity responsible for the management of the company. This guarantees that the family is, de facto, responsible for the governance, control and management of the firm.

In order to collect data on the perceptions of organizational justice and job satisfaction levels, employees were asked to complete an online survey consisting of the Organizational Justice Questionnaire developed by Rego (2000), followed by the Portuguese version (Ferreira, Fernandes, Santos, & Peiró, 2010) of Cuestionario de Satisfacción Laboral S20/23 developed by Meliá and Peiró (1989). Data from family firms’ employees were collected with the invaluable help of the Portuguese Family Business Association, who kindly shared the survey link via e-mail as well as

in their institutional website. As to the data collected from non-family firms’ employees, the survey link was shared through e-mail using a publicly available mailing list. The data was collected between January and April 2018.

The final sample consisted of the responses of 205 employees from companies based in Portugal. Out of the 205 employees who participated in the study, 98 were non-family employees of family firms and 107 non-family firms’ employees, 59.5% of them were females, with an average age of 41 years and an average tenure of 9.67 years. Most participants had completed a bachelor’s degree (44.9%), followed by the ones with a master’s degree (24.5%), 19.4% had a high school diploma, while 11.2% had completed middle school. Regarding the type of work contract, 149 had a permanent contract, 41 a fixed term contract, 9 were on temporary contracts, and 6 were on internships. All of the 205 respondents were employees of privately-owned small and medium-sizes enterprise with no management responsibilities in the organization.

Out of the 98 non-family employees of family firms, most were female (52%), with an average of 41 years and working in the company for 8.91 years. Regarding the 107 non-family firms employees, these were predominantly females (66.4%), with an average age of 40 years, working in the company for 10.44 years.

**Instruments**

**Job Satisfaction**

The employees’ job satisfaction levels were assessed using the Portuguese version (Ferreira et al., 2010) of Cuestionario de Satisfaccion Laboral S20/23 developed by Meliá and Peiró (1989).

The instrument used is composed of 23 items distributed in 5 dimensions: 1) Intrinsic Satisfaction; 2) Satisfaction with the Physical Environment; 3) Satisfaction with Benefits; 4) Satisfaction with Supervision; 5) Satisfaction with the Participation.

The intrinsic satisfaction dimension is assessed by 4 items, (e.g., “Satisfaction that your work produces by itself.”), the satisfaction with the physical environment gathers 5 items, (e.g., “The cleanliness, hygiene and healthiness of your workplace.”), and the satisfaction with benefits dimension brings together 5 items (e.g., “The salary you receive.”). As for the dimension that evaluates satisfaction with the supervision, it consists of 6 items, (e.g., “The personal relationships with your superiors.”) and, finally, the satisfaction with participation measured by 3 items (e.g., “Your participation in the decisions of your team.”). The 23 items were rated on a 7-point rating scale, ranging from 1 “Extremely Unsatisfied” to 7 “Extremely Satisfied”. Cronbach’s Alpha was computed for reliability and its value was found to be 0.948.

**Organizational Justice**

In order to measure the perceptions of organizational justice, the Organizational Justice Questionnaire developed by Rego (2000) was used. The instrument is composed by 14 items distributed considering 4 dimensions: 1) Distributive Justice, 2) Procedural Justice, 3) Interactional Interpersonal Justice and 4) Interactional Informational Justice.

The subscale of distributive justice consists of 4 items (e.g., “In general the rewards I receive are fair.”), the procedural justice dimension brings together 3 items (e.g., “My organization has mechanisms that allow employees to appeal decisions.”), the interactional interpersonal justice dimension is assessed by 3 items (e.g., “My superior is completely sincere and honest with me.”), finally, the interactional informational justice subscale is composed of 4 items (e.g., “My superior offers adequate justification for decisions regarding my work.”).

The 14 items were rated on a six-point rating scale ranging from 1 “Completely False” to 6 “Completely True”. Cronbach’s Alpha was computed for reliability and its value was found to be 0.953.

**Results**

Means comparison and t-test were used in order to answer our first research question, concerning the differences between family and non-family firms in terms of the employees’ levels of satisfaction. The t-test analysis for independent groups (see Table I) shows that there are no differences regarding the levels of job satisfaction between family (M = 4.61 SD = 1.16) and non-family firms’ employees (M = 4.48, SD = 1.22), t (203) = .795, p = .428, d = .11.

<table>
<thead>
<tr>
<th>Variable</th>
<th>t</th>
<th>p</th>
<th>df</th>
<th>M</th>
<th>SD</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Satisfaction</td>
<td>.795</td>
<td>.428</td>
<td>203</td>
<td>4.61</td>
<td>1.16</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.48</td>
<td>1.22</td>
<td></td>
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</tr>
</tbody>
</table>

N = 205

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We then addressed hypothesis 1 that suggested that the satisfaction levels of non-family employees’ of family firms was positively affected by their perceptions of organizational justice. Simple regression analysis (see Table II) confirms that the perceptions of organizational justice have a strong positive impact on the levels of job satisfaction of non-family employees of family firms (\( t = 14.774, \beta = .835, R^2 = .697, p < .001 \)). Thus, the hypothesis was confirmed.

As to the second research question, regarding which dimension of job satisfaction is most affected by the perceptions of organizational justice in family firms. Results (see Table III) show that the perceptions of organizational justice have a significant impact on all job satisfaction dimensions. However, satisfaction with benefits is the dimension most affected by the perceptions of organizational justice of non-family employees in family firms (\( t = 13.001, \beta = .800, R^2 = .640, p < .001 \)). Results show that the satisfaction with the supervision is also affected by the perceptions of organizational justice, however to a lesser extent (\( t = 12.167, \beta = .780, R^2 = .609, p < .001 \)).

### Discussion

The objective of this study was firstly to explore whether there were differences between family and non-family firms regarding the employees’ levels of job satisfaction and, secondly, to understand the influence of organizational justice perceptions on the satisfaction of non-family employees within family businesses. Regarding the first research question, results show that there are no significant differences between non-family employees of family firms and non-family firms’ employees regarding their levels of job satisfaction. Although no significant differences were found, it is important to note that the overall level of job satisfaction of non-family employees of family firms is higher than the non-family firms’ employees. This can be explained by the fact that in small and medium-sized family firms, non-family members tend to form attachments and bonds to the business (i.e., psychological ownership of the company (Sieger, Zellweger, Nason, & Clinton, 2011)) and to other employees which makes them genuinely feel as part of the family (Azoury, Daou, & Sleiaty, 2013). According to de Vries (1993) this facilitates access to senior management, as it becomes easier for non-family employees to ask questions and participate in decisions, making these firms often less bureaucratic than non-family firms, thus translating into higher levels of satisfaction.

Furthermore, given their value-centered nature inward orientation and sharing environment, family businesses, (Alderson, 2011) tend to care more about their employees’ well-being compared to non-family firms, and this friendliness promotes job satisfaction (Azoury et al., 2013). Therefore, keeping in mind that in our sample all employees worked in small and medium-sized enterprises it is possible to understand that this may support our findings. As to our first hypothesis, results show that the perceptions of organizational justice positively influence the job satisfaction levels of non-family employees of family firms. As expected, our findings are largely the same as those established in broader research on non-family firms, corroborating the existing literature that

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**Table 2** Regression results - organizational justice and job satisfaction in family firms.

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>( R^2 )</th>
<th>( F )</th>
<th>( \beta )</th>
<th>( t )</th>
<th>( p )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Justice</td>
<td>Job Satisfaction</td>
<td>.697</td>
<td>218.259</td>
<td>.835</td>
<td>14.774</td>
<td>&lt;.001</td>
</tr>
</tbody>
</table>

N = 98

**Table 3** Regression results - organizational justice and job satisfaction in family firms.

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>( R^2 )</th>
<th>( F )</th>
<th>( \beta )</th>
<th>( t )</th>
<th>( p )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Justice</td>
<td>Intrinsic Satisfaction</td>
<td>.302</td>
<td>50.802</td>
<td>.618</td>
<td>7.668</td>
<td>&lt;.001</td>
</tr>
<tr>
<td></td>
<td>Benefits Satisfaction</td>
<td>.640</td>
<td>169.013</td>
<td>.800</td>
<td>13.001</td>
<td>&lt;.001</td>
</tr>
<tr>
<td></td>
<td>Physical Environment Satisfaction</td>
<td>.164</td>
<td>18.676</td>
<td>.405</td>
<td>4.322</td>
<td>&lt;.001</td>
</tr>
<tr>
<td></td>
<td>Supervision Satisfaction</td>
<td>.609</td>
<td>148.046</td>
<td>.780</td>
<td>12.167</td>
<td>&lt;.001</td>
</tr>
<tr>
<td></td>
<td>Participation Satisfaction</td>
<td>.241</td>
<td>41.788</td>
<td>.535</td>
<td>5.573</td>
<td>&lt;.001</td>
</tr>
</tbody>
</table>

N = 98
establishes this same positive relation across multiple organizational contexts (e.g., Leung, Smith, Wang & Sun, 1996; López-Cabarcos, Pinho & Rodríguez, 2015; Nadiri & Tanova, 2010; Sia & Tan, 2016). In general, these results are in line with the classic literature on job satisfaction. According to Vroom (1964) job satisfaction has its origin in the set of affective orientations that employees have in relation to their role and, consequently, translates into attitudes that reflect satisfaction or dissatisfaction with the work. In this sequence/situation, when employees perceive their companies as fair, there is a greater satisfaction, identification and involvement of employees in work activities, which leads to an increase in the quality of work and consequently in the success of the company (Kristensen & Westergaard-Nielsen, 2006).

Moreover, focusing on the family business context, Barnett and Kellermans (2006) suggest that, while all employees, both family members and non-family members, form perceptions about the fairness with which they are treated within the organization, the particular nature of family firms may have unique effects on what non-family employees perceive as fair for certain organizational policies (e.g., human resources management practices). This becomes even more important as perceptions of organizational justice are positively related to aspects that are core for the survival of any organization, such as job satisfaction and organizational commitment (e.g., Mathieu & Zajac 1990; Cohen-Carash & Spector, 2001).

Regarding our second research question, it was found that perceptions of organizational justice predict each of the five job satisfaction dimensions, but more strongly linked to satisfaction with the benefits and supervision. This means that the perceptions of organizational justice of non-family employees of family firms can strongly predict the satisfaction of individuals with aspects such as salary, development and training opportunities, support received from superiors, personal relationships with superiors and fair treatment from the managers (Mélía & Peiró, 1989). These aspects (e.g., salary, development opportunities or fair treatment from the managers) are often intrinsically related with the perceptions of organizational justice (Colquitt, Lepine, Wesson, & Gellatly, 2011). Therefore, the strong relation found between the perceptions of organizational justice and the satisfaction with the benefits (e.g., salary) and with the managers (e.g., relationship with the supervisors) becomes sound/is confirmed, which is once again related to the notion that in small and medium-sized family firms non-family members tend to feel and to be treated as part of the family (Azoury et al., 2013; Pimentel, Scholten, & Couto, 2017). Moreover, these results are in line with the theory of social exchange (Blau, 1964), which postulates that when an individual is treated fairly, social exchanges are generated. Thus, employees who perceive their firm’s organizational practices and the way they are treated as fair, will respond with higher levels of job satisfaction (Colquitt et al., 2011).

Limitations and future research

This study, as any empirical work, comes along with several limitations that constitute opportunities for future research. First, none of the employees who participated in this study have a management position in the organization, which does not allow us to provide a global picture of the organizational reality. Future research could benefit from further exploring differences in the employees’ levels of satisfaction at a multi-hierarchical level, in particular focusing on non-family employees working at the higher hierarchical levels of family firms.

Second, employees responded to the questionnaire in a single moment, through the internet, so apart from the answers being subjected to the momentary feelings and interpretations of the individuals, it was not possible to control a number of external variables that could bias the results.

Third, employees who participated in this study were all working in small and medium-sized companies based in Portugal, therefore limiting the generalizability and extrapolation of the findings. For this reason, it would be pertinent to replicate the study by increasing the sample size and sampling across companies with different sizes as well as in other countries and socioeconomic contexts.

Conclusions

This study contributes to the family business research by: (1) providing further knowledge on the comparison between family and non-family firms, in particular regarding the employees’ levels of job satisfaction (2) improving our understanding on the relation between the perceptions of organizational justice and the levels of job satisfaction of non-family employees working in small and medium-sized family-owned enterprises.

Our findings reveal that family firms’ non-family employees do not differ from non-family firms’ employees regarding their job satisfaction levels. Furthermore, it was found that, in family firms, there is a strong positive influence of the
perceptions of organizational justice on the satisfaction levels of non-family employees of family firms, especially in respect to the satisfaction with the benefits and with the supervision. These findings provide meaningful insights that translate into valuable additions to family business research both to literature and to practice.

References


