

IDENTIFICATION OF KEY PERFORMANCE INDICATORS FOR DIFFERENT MANAGEMENT STYLES TO IMPROVE EMPLOYEE SATISFACTION AND ORGANISATIONAL PERFORMANCE

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Received 21 February 2023; accepted 11 April 2023

Abstract. There is a growing interest in understanding the context of the correct implementation of management styles or behaviors from management toward their employees. Due to the current fast-changing political, economic and social environment, which has an immense influence on employee goals, values and satisfaction levels, companies have to focus on understanding and determining employee satisfaction in order to improve productivity, which will support their strategic and economic goal achievements. The objective of this study was to investigate the most relevant and appropriate Key Performance Indicators (KPIs) to assess the correlation between employee motivation and employee satisfaction based on the examples of large German companies. The result of the study showed that if there is a high degree of employee satisfaction and commitment to their job, it has a high influence on the success and profitability of the company. At the end of the study, the researcher developed a set of recommendations considered necessary to achieve a better level of employee satisfaction and company performance.

Keywords: management styles, KPIs, leadership, psychology at work, employee satisfaction, companies' profitability, determination of employee satisfaction.

JEL Classification: D00, M10, O10.

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 important Key Performance Indicators (KPIs) for different management styles and analyse their presence in companies.

Examining KPIs for different management styles is essential for several reasons. Firstly, it helps companies to align their overall business goals. KPIs should be customized to the particular and current business situation, considering the overall economic and political situation that may influence the company. By

connecting KPIs 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. KPIs represent a particular form of communication within the company, and there should be a clear explanation to the employees about what and how will be measured. A clear understanding of the KPIs helps employees focus on the main tasks and goals within the company, which improves communication between employees and management and supports the common achievement of corporate goals. This leads to better profitability, success, and further development, not only of the company but also of employee satisfaction and willingness to commit and contribute to further development. By using appropriate KPIs, companies can encourage employees to be more productive and engaged in their work, leading to increased job satisfaction and morale. Lastly, correct KPIs might help companies achieve long-term success.

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Moreover, this study aims to determine the importance of analysing these KPIs and their influence on the political, economic, and social well-being of organizations. The expected results of this study will provide valuable insights for organizations to make informed decisions and targeted improvements to the workplace, leading to increased job satisfaction and improved morale.

KPI, or a key performance indicator, is a metric, a system, or a standard measurement, used to evaluate how successful a person, team, or organization is at reaching set targets, objectives, or goals. This indicator supports targeting problematic areas and signals taking actions for the situation improvement (Dudbridge, 2011).

KPIs have usually been structured into two different sectors: high-level KPIs, which have been established for control and evaluation of the higher-level goals, which are more related to the overall mission, vision and strategy of the company, while low-level KPIs mainly focus on particular processes and operations of the company. Regarding KPIs from another perspective, it becomes important to understand that it is a particular form of communication within the company. KPIs abide by the same result and best practices that have been gathered through various analyses of patterns, experiences, and comparisons within the market the company is performing in. Therefore, it is highly important to make KPIs simple and understandable for the people who should work on their fulfilment (Spalding, 2007).

For the development and formulation of precise and useful KPIs, the company has to be fully aware of the company's desired direction and goals as also the precise analysis of the critical administrative and financial processes, which should be analysed and defined with the help of qualitative and quantitative methods (Bergeron et al., 2013).

KPIs should be customized to the particular and current business situation, regarding the overall economic and political situation company might be influenced by. While establishing KPIs one should connect them to a key business objective in order to guide the work in the correct direction and make it more understandable to the employees. They should express their strategic objectives and their formulation and goal should have an understandable manner that will support and boost employee motivation to work and improve them. As already stated above, KPIs represent a particular communication within the company, so they need to have a particular context to be effective. There should be a clear explanation to the employees about what and how will be measured. A clear understanding of the KIPs helps employees to focus on the main tasks and goals within the company. It eases the communication between employees and management and supports the common achievement of the corporate goals which leads to better profitability, success, and further development not only of the company but

also of employee satisfaction and willingness to commit and contribute to the further development (Burstein & Holsapple, 2016).

1. Materials and methods of KPI development

There are several rules that have been mostly used to establish clear and understandable characteristics and metrics for the KPIs. One of the most common rules is based on the SMART mnemonic acronym as it helps to establish meaningful objectives for particular projects and general goals which have been later adapted to the identification of metrics and KPIs.

The main characteristic of SMART in the case of creating KPIs stands for:

- S = Specific: clear and focused toward performance targets or a business purpose
- M = Measurable: can be expressed quantitatively
- A = Attainable: the targets are reasonable and achievable
- R = Realistic or relevant: the KPI is directly pertinent to the work done on the project
- T = Time-based: the KPI is measurable within a given time period" (Kerzner, 2015).

Another important and even more sophisticated set of characteristics for KPIs has been developed by Wayne Eckerson. His list of 12 elements, shown below, is more appropriate for the Business-oriented KPIs than the Project-oriented KPIs, but it still might be adapted for Project Management usage, where the most suitable elements tend to be: Predictive, Measurable, Actionable, Relevant, Automated and few in number.

The list of 12 elements represents the following aspects:

1. Aligned. KPIs are always aligned with corporate strategy and objectives.
2. Owned. Every KPI is "owned" by an individual or group on the business side who is accountable for its outcome.
3. Predictive. KPIs measure drivers of business value. Thus, they are "leading" indicators of performance desired by the organization.
4. Actionable. KPIs are populated with timely, actionable data so users can intervene to improve performance before it is too late.
5. Few in number. KPIs should focus users on a few high-value tasks, not scatter their attention and energy on too many things.
6. Easy to understand. KPIs should be straightforward and easy to understand, not based on complex indexes that users do not know how to influence directly.
7. Balanced and linked. KPIs should balance and reinforce each other, not undermine each other and sub-optimize processes.
8. Trigger changes. The act of measuring a KPI should trigger a chain reaction of positive changes in the organization, especially when it is monitored by the CEO.

9. Standardized. KPIs are based on standard definitions, rules, and calculations, so they can be integrated across dashboards throughout the organization.
10. Context driven. KPIs put performance in context by applying targets and thresholds to performance so users can gauge their progress over time.
11. Reinforced with incentives. Organizations can magnify the impact of KPIs by attaching compensation or incentives to them. However, they should do this cautiously, applying incentives only to well-understood and stable KPIs.
12. Relevant. KPIs gradually lose their impact over time, so they must be periodically reviewed and refreshed (Eckerson, 2010).

Before choosing a particular characteristic to be applied for the establishment of the new KPIs or an adjustment of an already existing KPIs management should consider that there are different groups or types of Metrics, that include different categories, and due to their specifics, should be measured in a different way. Most of the Metric types have a numerical or quantitative manner, making the data analysis easy and transparent. The other part of the metric types has a categorical or qualitative manner, which still might be transferred and coded into figures as an example by using satisfaction questionnaires, where the participants have to rate their emotions and feelings. Despite the numerical data, reached from the categorical metric types, this outcome has a highly subjective manner, that might fluctuate based on the emotional and physical state of the rating person (Yilmaz, 2013). For that reason, using the heterogeneous KPI planning method is the most common, involving quantitative and qualitative metrics (Florès, 2014).

The most well-known Metrics categories and their subcomponents are considered to be as follows:

- Financial Metrics (profit, cost, revenue vs. target, cost of goods sold, day sales outstanding (DSO), sales by region, expenses vs. budget, cash flow from financing activities, average annual expenses to serve one customer, EBITDA (earnings before interest, taxes, depreciation and amortization), customer lifetime value or customer acquisition cost).
- Customer Metrics (customer lifetime value (CLV), customer acquisition cost (CAC), customer satisfaction and retention, net promoter score (NPS), number of customers, customer churn rate, contact volume by channel, percentage of customers who are “very” or “extremely” satisfied, number of new vs. repeat site visits).
- Process Metrics (customer support tickets, percentage of product defects).
- People Metrics (employee turnover rate (ETR), percentage of response to open).
- Positions, employee satisfaction, retirement rate, knowledge achieved with training, internal promotions vs. external hires, salary competitiveness ratio (SCR) (Jackson, 2022).

2. Research methodology

2.1. KPIs review, measurement and assessment

This scientific paper utilized a secondary research method that involved conducting a comprehensive literature review and analyzing previously published scientific articles. All data were synthesized and analyzed based on the existing information and data from various published sources. Following the definition of the research question or problem, a literature search was conducted, and data were extracted from carefully selected and evaluated scientific articles. The conclusions and findings were drawn from the data analysis.

For companies impacted by changes in the economy and environmental policies, as well as those experiencing business development, Key Performance Indicators (KPIs) must be reviewed, analyzed, and updated on a regular basis. This process involves comparing existing progress with the predetermined progress and adjusting objectives when gaps exist.

In order to achieve the best result on the KPIs' existence and development, an action plan for their review should be established. There should be a strict time plan for the review of business objectives, analyses of the company's current performance, the targets set should be compared with the current targets, that might have been changed, the structure of the KPIs: importance, long-term, short-term should be defined and regarded and finally there should be a row of frequent report meeting set between management and employees to review the current status and outcomes (Kaplan & Norton, 2008).

While making an analysis companies have to consider and regard all the KPIs and their synergy. It is important to analyze and understand how the figures change and influence other measured parameters. The synergy observation has to be done on a regular basis as the business and dynamics of the company are constantly changing.

The analysis should be based on the mix of different metric parameters stated above. One should bring to discussion and observation the correlation between sales revenue and employee satisfaction and development level. Back in the nearest past companies used simple excel files or other types of documents to track their development directions. Nowadays, there is a variety of online reporting and SQL tools as well as online business intelligence boards that help managers and employees visualize and interact with data, master complex analysis, regard KPIs from different angles and perspectives finding the correlations between different parameters as well as share and track the KPI reports at any time and any place (Datapine, 2018).

3. Research methodology importance of identification of the suitable KPIs in different management styles applied in the company

3.1. The psychological base of the drive

For a long time, employee satisfaction has not been the focus of many companies. However, more and more

companies are realizing that many things depend on the satisfaction of their employees. Employee satisfaction and identification with the tasks and employer has long since become important success factor for companies. Employee satisfaction and their belonging to the company and identification with the tasks have long since become an important success factor. Several studies have shown that satisfied employees are significantly more productive and are eager to develop themselves and their surroundings which automatically leads to the company's growth and development (McPhie, 2009).

Indeed, deciphering what motivates employees and makes them happy is a centuries-old puzzle. Many well-known thinkers and scientists like Aristotle, Adam Smith, Sigmund Freud, and Abraham Maslow, have made a number of studies and observations to understand why people act as they do, and what keeps them motivated and enthusiastic. Nowadays, due to the ongoing research in neuroscience, biology, and evolutionary psychology in order to learn more about the human brain, scientists suggest that people are guided by several basic emotional needs, that influence their private as also working life. Those basic emotional needs have been explained and represented in the book by Paul Lawrence and Nitin Nohria, professors of Harvard Business School – *Driven: How Human Nature Shapes Our Choices* (Sandhya & Kumar, 2011).

Several studies had been conducted in this research field and all of them showed that the fulfilment and satisfaction of basic needs boost employee productivity. Clearly, an organization and all the management have to attend to the fundamental emotional drives. Sometimes it might be complicated to involve all the factors at one time, due to organizational norms and restrictions, but despite that, it has been proven, that employees see and feel the effort that has been done by the company and its management (Gulati et al., 2012).

3.2. The drives that underline the motivation

As all the drives have a direct impact on people's brains, the degree to which they are satisfied has a direct impact on human emotional behaviour.

1. The drive to acquire. Each person is driven to acquire material and immaterial things like status, power, and influence for a sense of well-being. The human experience is delightful when this drive is fulfilled. This phenomenon applies not only to physical goods but also to experiences like travel and entertainment. The drive to acquire is relative as people always tend to compare themselves with other people and always want more. This, on the other hand, might be related to salaries and bonuses and employee curiosity towards their colleagues (Leader's Beacon, n.d.).
2. The drive to bond. All living beings try to bond with each other and have a connection to their surroundings. Animals bond with their parents, kinship group, or tribe, humans, due to their level of intelligence, have managed to extend that type of connection to larger collectives such as organizations, associations, and nations. The drive to bond and its success brings up strong positive emotions like love and care, when not, with negative ones like loneliness and anomie. At work, the drive to bond influences employees with an enormous boost in motivation when employees feel proud of belonging to an organization. It also explains why it is hard for people to change to a new position or leave for a new company or group. People become attached to the places and people whom the most time and energy has been spent with (Thelantergroup, 2010).
3. The drive to comprehend. People try to make or find sense in everything that surrounds them. Many theories and stories have been produced around us in a variety of different fields like culture, science, psychology, religion, etc. People become frustrated when the situation seems to be senseless, and start to work on finding the meaning or answer to the situation. Employees are motivated by the tasks and positions that are challenging and enable growth and development. People who are more talented are hard to lead because they either have to be supported with new tasks on a constant basis or they leave their working places and search for new experiences (Thelantergroup, 2010).
4. The drive to defend. Naturally, people tend to defend themselves and their surroundings. This drive is rooted in the basic instinct to fight-or-flight response that has been common amongst most of animals. Humans represent it not in aggressive or defensive behaviour, but in the way establish institutions that promote justice, have clear goals and intentions, and give people an opportunity to express their ideas and opinions. If the drive to defend has been fulfilled, the person feels secure and confident if not a person might feel fear and resentment. This explains the feelings of the employee when one day he has been told to be an expert and another day the same employee has been reproached for his mistakes. At this point management styles in the company and their application towards the correct people at the correct moment starts playing an important role (Heever & Jones, 2020).
5. The drive to feel. This fifth drive has not been described in the model of Lawrence and Nohria, but it belongs to the most important aspects that have a crucial influence on our behavior. The desire for new sensory stimulus, intense emotional experiences, pleasure, excitement, entertainment, and anticipation drives people in private as well as in the business world. It is important to feel the emotions of happiness, success, sadness or loss in the workplace as it motivates people to go even further (Kaufman, 2020).

Each of the above-mentioned drives is independent of the other; they cannot be ordered hierarchically or substituted one for another. So, it is important to understand that the company's management has to work on all the drives at the same time, without neglecting any of them. This once again underlines that the awareness, development and application of the correct management styles is crucial for the growth and development of the company.

3.3. Employee motivation by fulfillment of drives

Fulfillment of employees' basic emotional drives is essential for any company. The most logical way to do it is to link each drive with the operations, tasks and goals that have to be achieved on the operational level.

The drive to acquire and reward system. The drive to acquire is most easily satisfied by an organization's reward system. There are different structures of salaries and other reward systems in large German companies, still, employees are aware that their effort will be valued and rewarded. In general, large German companies have a very good payment system, which automatically bounds a good employee to stay at the working place for a longer period of time. The average salary in large German companies amounts to about 100.000 EUR gross salary annually. This level of salary on the other hand is sometimes even not so good for employees, as the bondage that appears due to the high salary is too high for the people and they are not able to switch to another company with a lower payment even if the new working area seems to be more attractive. In this way, large companies sometimes even stop people from developing themselves more as they tend to stay in the same place in order not to lose money (BW24, 2022).

The drive to bond and the company's culture. The most effective way to fulfil the drive to bond is to create a strong sense of camaraderie. And this is a very important aspect large German companies work on a constant base. The team and teamwork have been put on the upper ladder. Collaboration, openness, and friendship have been constantly worked on. The relationship between the management and the team has been guided to be established based on friendship. So also, at this point the importance of the application of the correct management styles plays an important role as it contributes directly to employees feeling bonded and attracted to the place, they work in. Many companies, besides normal team meetings and reviews, have optional and voluntarily private events for whole department or teams, which help teams stay together. There are also obligatory team events and workshops that help keeping the team together. Constant stable communication and reports, workshops, team events and other bonding events make employees feel that the company and managers care about them (PushFar, n.d.).

The drive to comprehend and job design. People like to have job positions that are meaningful, interesting, and challenging. Big German companies offer many

advantages concerning job design. Firstly, all the positions have been designed in an interesting way. Besides the standard tasks, there are many additional tasks and projects, that each employee might choose on one's own. There is a huge variety of courses that might be done in the working time as well as in the free time, to boost physical and mental development. Second, in case of job dissatisfaction, there is a possibility to talk to the manager about the job adjustment. And last but not least, due to the size of the company, the internal job market is huge. Furthermore, each employee in a normal case has an internal development plan, where also the next career steps have been put down and structured. And it is a wish of a company (depending on the job profile) that each employee changes the task field each 3–5 years. That boosts both: employee and company development (Marras & Karwowski, 2019).

The drive to defend and resource allocation processes. All the employees are driven to defend themselves against external threats and promote justice. Employees seek fairness and transparency; therefore, it becomes highly important that all the processes and tasks in the company have been first transparent and understandable as well as allocated in a fair way. In large German companies this drive has been usually satisfied to a high extent. All the processes and systems have been standardized and transparent so that every employee knows not only all the personal working steps and working load but also that of their colleagues. Process standardization brings many benefits for the company: it supports the employee development process, helps to identify gaps in the process faster and more precisely, employees might support each other easily providing the help is needed and finally, standards improve the working speed and quality (Gudmundsson et al., 2004).

Despite all the advantages of process standardization, it should not be forgotten that, due to constant changes in the political and economic markets, the processes must be developed and adjusted on a regular basis as well. This has also been concerned by large German companies as the continuous improvement approach has been implemented in all the company areas. Each large German company has specific teams or even departments that analyse and improve company's processes.

Usually in all the optimization processes company employees have been involved, which is important because it allows having a better understanding of the process as well as helps adjust it in the most logical and user-friendly way (Brajer-Marczak, 2014).

4. Findings on the determination of the employee satisfaction

As mentioned above, there are different KPI Metrics (financial, customer, process, people et al.), thus, it is important to know and understand how and why employee performance and satisfaction could be analysed and measured (Jackson, 2022).

To measure employee satisfaction particular data is needed. Much of the important information might be gathered through the HR system to make a versatile analysis of the overall employee status in the company, thus this information is not enough to understand the present satisfaction level and find out the drawbacks and limitations in the current processes, systems and of the management leading styles. One of the important employee satisfaction indicators is the health state of the employee, but this data might not be asked and accessed by the company's management if an employee is not open to those kinds of conversations (Topolosky, 2000).

The biggest obstacle that arises in the KPI measurement is to convert the subjective assessment of the employees into objectified numbers. There are two ways to do that: direct determination of employee satisfaction and indirect measurement of employee satisfaction (Spardel, 2022).

4.1. Direct determination of employee satisfaction

There are several ways to directly determine if the employees are satisfied with their current position. One of the most common forms of measuring employee satisfaction is a standardized questionnaire which supports the finding and generates numerical values. All the employees of the company must receive the same questionnaire so that the results can be compared, and one can receive a general overview of the atmosphere in the company (White, 2012).

To obtain a meaningful result, questions should be formulated as statements or open questions, which are rated on a previously defined scale. The most common question scales in Europe are from 1 to 5 or instead of numbers, evaluations, such as applies, partially applies or similar have been also used.

The questionnaire should not be too long as it will cause boredom to the employees, and willingness to conclude faster will negatively influence the answer precision. It is also important to group the questions into sections that will make particular logical guidelines for the participants. For example, the associate questionnaire from Robert Bosch GmbH from the year 2017 – in total 13 question sections, such as tasks, personal and business development, actual topics, direct management, and some others have been considered and analysed (BOSCH, 2017). It is also important to leave a text field at the end of the questionnaire in which employees can make their comments. As no questionnaires can cover all aspects or would become too extensive. In addition, people appreciate giving their personal and not standardized opinion (Beatty et al., 2019).

Besides the employee questionnaire, there are several other important ways how direct feedback might be collected: 360° Degree Feedback, Open Feedback, Transition Workshops et al.

Besides the most common above-named ways how to determine current employee satisfaction, there are

various other direct ways how to proceed with the employee satisfaction investigation. Employee engagement surveys help to describe the degree of emotional connection between employees and the company (Landman, 2022). Pulse surveys give employees the possibility to quickly get feedback on a narrowly defined topic, such as the mood in the company, workload, motivation and employee commitment (Zilka, 2009). As also Employee Net Promoter Score (eNPS), onboarding surveys or “new hire surveys”, one-to-one meetings etc (Zilka, 2009).

Independently on the chosen analysis of the direct determination of employee satisfaction one of the most important aspects management should establish in the next steps is continuous work and improvement on the gaps and drawbacks in the management actions and other aspects that influence employee satisfaction. Therefore, the post-survey focus groups, which take care of the analysis and further work on the development of the results received and the gaps in the existing system should be defined. While establishing the groups, it is important to think about the dynamic of the working group. Group dynamics should be established depending on the size of the company and the different departments in the company. It is important to have employees, managers, and leaders to solicit additional insights and HR employees on board to be able to regard the situation from each angle. There might also be a possibility to establish several working groups that are focused on different problems and afterward compare the problems and outcomes of each group and brainstorm possible solutions with all the participants (Macey & Fink, 2020).

4.2. Indirect determination of employee satisfaction

The second way of the employee satisfaction measurement is the indirect measurements that also have to be done in each company to get an overall picture of the company. The most common indirect measurements have been based on the key figures that can also be derived from employee satisfaction as also from the basic financial and statistical figures that are related to the company's development. It has been recommended to determine the general figures and measurement methods within the company as it supports in comparison and identification of the development trends (Wunderer, 2011).

The following indicators are particularly important when indirectly measuring employee satisfaction:

Fluctuation rate in the company. In each company, there is a natural fluctuation rate, which is considered to be normal due to the employee's private and business development. In the large after a particular time has been provided by the Management and HR. However, a high fluctuation rate is a good indicator of the unhealthy or unstable situation in the company. Besides, it also causes a risk of higher costs and an additional workload on existing employees which might lead to a decrease of

job satisfaction among the entire company (Hom et al., 2019).

Termination rate. Sometimes sudden increase in terminations, especially after a significant business decision might be observed. This might be considered as an important indicator of negative business development, which further on indicates that employees were not sufficiently working on the tasks. The reasons for that might be different, either the concrete goals and supportive tasks for the goal achievement were not clearly understood or there was a lack of employee motivation and commitment to the tasks (Chaplain, 2023).

Absence rate. Several analyses such as a meta-analysis from Mitra et al. found that absence and turnover tended to be intercorrelated. Absence is a phenomenon that can have a huge negative impact on organizational effectiveness and efficiency by increasing labor costs. Theories of absence hypothesize that job satisfaction might play a critical role in employee decision not to go to work (Spector, 1997).

Sick leave rate. As with absenteeism, frustrated employees will not immediately quit, but will be sick more often. The reasons may be overwork, too much pressure or even bullying. Here, too, you should measure the rate in the departments.

Finally, the general fanatical and quality figures such as sales, profits, returns, or quality/failure rates, state a lot about employee satisfaction and their attitude towards the company and their work (Müller, 2019).

5. SWOT analysis of the direct and indirect determination of employee satisfaction

Both, direct and indirect, ways of determination of employee satisfaction have positive and negative aspects as also opportunities and threats to be improve (Figure 1). In the context of employee satisfaction, SWOT analysis appears to be best in order to assess the current state of employee satisfaction and to identify areas for improvement. By identifying strengths and weaknesses, organizations can focus on what they are doing well and what needs improvement, while also considering opportunities and threats that may impact employee satisfaction (Cook, 2008).

The application of SWOT analysis in the identification of the level of employee satisfaction is beneficial as it provides many positive aspects for the company's management (Figure 2). It helps to get a structured approach to evaluate employee satisfaction, allow organizations to understand the current state of employee satisfaction and

Strength	Weaknesses
Provides a direct assessment of employee satisfaction levels and reasons behind it. Offers an opportunity for improvement by identifying specific areas that need attention. Gives employees a voice and allows them to express their opinions and concerns.	May not provide a representative sample if not enough employees participate. Responses may be biased if employees fear retribution for their opinions. May not be cost-effective if surveys are conducted too frequently.
Opportunities	Threats
Can be used as a tool for continuous improvement by regularly surveying employees and addressing their concerns. Helps build trust and a positive workplace culture by showing that management values employees' opinions. Can be used to benchmark performance against industry standards.	May result in negative reactions if employees feel their opinions are not being taken seriously or acted upon. May lead to decreased employee morale if results are not positive. May require significant resources in terms of time and budget.

Figure 1. SWOT analysis of the direct determination of employee satisfaction

Strength	Weaknesses
Can be obtained through existing data sources, reducing the need for additional resources. Provides a broad overview of employee satisfaction levels. Offers a continuous measure of employee satisfaction over time.	May not accurately reflect employees' true levels of satisfaction as it only provides an inferred picture. Does not provide specific information about the reasons behind employees' satisfaction levels. Can be influenced by factors other than job satisfaction, such as personal or family issues.
Opportunities	Threats
Can be used to identify patterns and trends in employee satisfaction levels over time. Can be used as a complementary tool alongside direct measures of employee satisfaction. Can be used to assess the impact of organizational changes on employee satisfaction levels.	May not provide a complete picture of employee satisfaction and may overlook important issues. May lead to incorrect assumptions about the reasons behind employee satisfaction levels. Can be influenced by factors other than job satisfaction, such as personal or family issues.

Figure 2. SWOT analysis of the indirect determination of employee satisfaction

identify areas for improvement, encourage a comprehensive approach to employee satisfaction, consider internal and external factors that may impact it and finally provide a framework for setting goals and objectives for improving employee satisfaction (Jones, n.d.).

Below, the greatest strength, weaknesses, opportunities and threats of the Management styles applied in large companies will be regarded.

Results

This study highlights the importance of analysing employee satisfaction levels and the impact it has on the financial and social well-being of companies. By combining both direct and indirect methods of determining employee satisfaction, organizations can gain a more comprehensive understanding of the factors that shape employee motivation and satisfaction. Direct methods, such as surveys and focus groups, provide specific insights into areas that require attention, while indirect methods offer a broader overview of employee satisfaction levels and trends over time. Based on the SWOT analysis, this study provides recommendations aimed at enhancing employee satisfaction and motivation, which ultimately contribute to the profitability of the company. The study emphasizes the need for clear and appropriate Key Performance Indicators (KPIs) that are easily understood by all employees, including the underlying mission, vision, and strategy behind them.

The findings suggest that German companies have a particularly strong understanding of the importance of analysing employee satisfaction and taking measures to improve management practices. This may be due to Germany's strong tradition of worker participation and collaboration, as well as its highly developed labour market institutions. In fact, Germany has been ranked as one of the top countries in the world for employee satisfaction and engagement, according to various surveys and studies.

Moreover, the German economy is known for its strong focus on innovation, high-quality products, and efficient production processes, which rely heavily on a motivated and skilled workforce. As a result, many German companies have implemented employee-centered policies and practices, such as flexible work arrangements, training and development programs, and employee participation in decision-making processes.

Discussion and conclusions

This study aimed to identify the extent to which the most important Key Performance Indicators in the application of the different management styles are present in the companies and also state the importance of their analysis and their influence on the companies' healthy well-being in the political, economic as also social areas.

The vast majority of direct and indirect tools for the level of employee satisfaction determination, state that there is a bright understanding on the market of the

importance of the measurement of the workers' satisfaction and contribution to the company. As it has a direct influence on the financial well-being and development of the future business.

Based on the results of the SWOT analysis it becomes clear that combining both direct and indirect methods of determining employee satisfaction provides a more comprehensive and in-depth understanding of employees' levels of satisfaction and their reasons for it.

Direct methods, such as surveys and focus groups, provide a direct assessment of employees' satisfaction levels and the reasons behind it. This type of information is valuable because it allows organizations to understand what employees are thinking and feeling, and what specific aspects of the job or workplace may be contributing to their satisfaction or dissatisfaction. This information can then be used to make targeted improvements to the workplace, which can lead to increased job satisfaction and improved morale.

However, direct methods have some limitations. For example, employees may be reluctant to participate in a survey if they fear retribution for their opinions, or the response rate may not be high enough to provide a representative sample. Additionally, direct methods can be resource-intensive, both in terms of time and budget.

Indirect methods, on the other hand, provide a broader overview of employee satisfaction levels and can be obtained through existing data sources, such as turnover rates, absenteeism, and productivity metrics. This type of information can be used to identify trends and patterns in employee satisfaction over time, and to assess the impact of organizational changes on employee satisfaction. Indirect methods are often less resource-intensive and can be used as a complementary tool alongside direct methods.

However, indirect methods have their own limitations. For example, indirect methods only provide an inferred picture of employee satisfaction, and may not accurately reflect employees' true levels of satisfaction. Indirect methods also do not provide specific information about the reasons behind employees' satisfaction levels, which can be a disadvantage.

By combining both direct and indirect methods, organizations can gain a complete and more accurate picture of employee satisfaction and make informed decisions based on this information. Direct methods can provide in-depth insights into specific areas that need attention, while indirect methods can provide a broader overview of employee satisfaction over time and identify trends and patterns. This approach allows organizations to address issues more effectively and make targeted improvements to the workplace, leading to increased job satisfaction and improved morale.

Contribution and recommendations

The current study adds to the existing body of knowledge in the field of Key Performance Indicators by highlighting three key points that contribute to the understanding

of the relationship between KPIs, employee motivation, and the role of companies in identifying areas for improvement in their management practices. These three points offer a valuable contribution to the theoretical literature and provide insight into how companies can effectively analyse and improve their management practices to enhance employee motivation and satisfaction.

First, the study emphasizes the significance of having a thorough grasp of the factors that shape employee satisfaction and motivation, from the perspective of management.

Second, the study underscores the importance of establishing clear and appropriate KPIs that are easily understandable by all employees, including the underlying mission, vision, and strategy behind them.

Third, the study proposes the utilization of a SWOT analysis to identify both direct and indirect determinants of employee satisfaction, highlighting both positive and negative aspects, opportunities and threats. Based on this analysis, the study provides recommendations aimed at enhancing employee satisfaction and motivation, which ultimately contributes to the profitability of the company.

Enhance management's understanding of the factors that impact employee satisfaction.

The company's overall mission, vision, and strategy should be clearly structured and easily understood by all employees.

It is important to have a clear and easily understandable definition and structure of KPIs for each employee, which will aid in the accurate collection of data during the direct analysis of employee satisfaction.

The indirect analysis of employee satisfaction within the company should be conducted regularly, with results compared to previous assessments.

Following the conduct of both direct and indirect analyses of employee satisfaction, the data should be analysed and compared to the company's goals. In case of significant discrepancies, the study suggests that new measures should be devised to address the issue.

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