

# Influence of Policy Management on Employee Satisfaction Among Employees of Selected Sectarian Institutions

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## ABSTRACT

The purpose of this study is to determine the influence of policy management on the employee satisfaction from selected sectarian institutions in the Philippines. The study used a descriptive-correlational research design. Validated survey questionnaires were distributed to 268 employees of selected sectarian institutions. The collected data were analyzed using mean, standard deviation, and regression. The results showed that the selected sectarian institutions have a very good policy management, and their employees have high levels of job satisfaction. Moreover, the study also found that policy management is a significant predictor of employee satisfaction, with an effect size of 0.432.

**Keywords:** policy management, employee satisfaction, faith-based higher education institutions.

## INTRODUCTION

Employee satisfaction remains among the most complex and critical issues organizations grapple with worldwide. As organizations increasingly recognize the pivotal role of employee contentment in achieving their goals and objectives, the significance of prioritizing employee satisfaction is gaining momentum among higher officials and policymakers within these organizations. Studies have shown that employees who are satisfied with their jobs tend to be more engaged, committed, and productive. This leads to better organizational performance and success (Locke, 1976; Harter et al., 2002). In the specific context of educational institutions, the role of employee satisfaction takes on even greater importance. The quality of education and services provided in these institutions heavily relies on the dedication and motivation of their faculty and staff. Research has shown that employee satisfaction in educational settings positively influences student outcomes and overall institutional effectiveness (Singh, 2019).

In academic institutions, there is an essential idea that policy management plays a significant role in satisfying employees. Effective policy management acts to impact employees' satisfaction. When institutions implement effective policy management, transparency, accountability, and consistency are fostered, instilling a sense of trust and confidence among employees and leading to higher levels of job satisfaction (Cumberland,

2015) and based on this idea, the researcher feels that there is a need to sufficiently explore how policy management affects employee satisfaction in the academic institutions.

This study aimed to evaluate and analyze the policy management of selected sectarian higher educational institutions in the Philippines and determined their effect on employee satisfaction.

## **LITERATURE REVIEW**

Policy Management is concerned with formulating, disseminating, upkeep, and applying enterprise information-processing policies. It encompasses various organizational activities, from developing high-level objectives to executing management activities. Policy management entails formulating, disseminating, and maintaining an organization's policies and processes (JDSupra, 2021). Kelly (2020) defines policy management as creating, implementing, and maintaining policies and procedures governing an organization's human resources. It can include policies related to hiring, performance management, benefits, and employee relations.

Policy management aims to ensure that HR practices are consistent and aligned with the overall goals and values of the organization while also complying with relevant laws and regulations. Additionally, policy management is an avenue for realizing the variables below.

In psychology and other social sciences, satisfaction is usually a positive feeling when one achieves their goals or fulfills their needs and desires. It is often used to measure how well someone is doing and is studied in different areas, like how people behave as consumers, in organizations, and healthcare. In general, satisfaction is a personal feeling of happiness or contentment that comes from achieving something or getting a particular result (Harvard et al., 2019).

Satisfaction is when needs and desires are fulfilled, depending on what a person wants (Day, 2017). Cote (2016) defines satisfaction as the level of pleasure you feel concerning what you consume, whether you feel your needs are met just right, too much, or too little. This definition emphasizes that satisfaction judgments are based on how fulfilled individuals feel personally. Moreover, Kotler & Clarke (1987) define satisfaction as a person's reaction to a fulfilling performance or outcome. Satisfaction reflects expectations and performance. Furthermore, satisfaction is a cognitive and judgmental process based on how an individual evaluates their life (Diener et al., 1985).

Scholars have various perspectives on satisfaction, considering it both a process and an outcome. Day (2017) points out that satisfaction can mean different things to different people. Despite these differing opinions, many fields agree that satisfaction is the gap between what someone expects or desires and what they experience. Positive emotions contribute to life satisfaction, while negative emotions lead to dissatisfaction. Surprisingly, life satisfaction is not related to gender and marital status (McCoy & Heritage, 2016; Sahin, 2017; Telef, 2019). Additionally, factors like gender, ethnicity, and income do not predict life satisfaction. Instead,

what plays a significant role in determining life satisfaction are personal tendencies, close relationships, and cultural influences (Diener et al., 2018).

Satisfaction is a complex idea studied in various fields, including sociology, economics, religion, law, psychology, urban and regional planning, marketing, music, and entertainment. Satisfaction is subjective and affected by individual values, beliefs, and the standards we set for ourselves, like expectations. Because satisfaction is personal, there are different methods to measure it (Sirgy (2016).

Satisfaction is shaped by numerous interconnected factors, such as social class, ethnicity, and economic disparities (Bilton et al., 2022). Additionally, personal psychological characteristics, belief systems, environmental factors, and cultural influences all play a role in determining how satisfied someone may feel in specific contexts like their job, consumption of products or services, and overall life satisfaction (McAdams, 2015).

Employee satisfaction is about how content and fulfilled employees feel in their jobs. It is often measured through surveys and can be influenced by factors such as job design, compensation, work-life balance, and relationships with managers and colleagues. When employees are highly satisfied, it often leads to better performance, lower employee turnover, and overall improved organizational results. To gauge employee engagement and identify areas for improvement, employers frequently use these satisfaction surveys as valuable tools (Conway, 2021).

Numerous studies indicate employee satisfaction is linked to positive outcomes for individuals and organizations. For instance, research shows that employees with higher satisfaction tend to perform better in their jobs, show more outstanding commitment to the organization, and are less likely to leave their positions. Moreover, satisfied employees are often more engaged and motivated, leading to improved organizational results like increased productivity, better customer service, and higher profitability (Kaliski, 2017).

Research indicates that several factors can impact employee satisfaction, including the type of work, the work environment, and the support and recognition provided by the employer. Additionally, pay and benefits, work-life balance, and relationships with supervisors and colleagues also play a role in determining how satisfied employees feel. It is essential to understand that employee satisfaction is distinct from employee engagement and is not a cure-all solution for all workplace issues. However, it is a crucial factor that can contribute to the well-being of employees and ultimately improve organizational performance (Iwata, 2018).

Employee satisfaction is essential for several reasons. First, when employees are happy and content, they are more likely to remain with the organization, leading to lower turnover rates and reduced costs associated with hiring and training new staff.

Secondly, satisfied employees are more engaged and motivated, leading to positive outcomes for the organization such as higher productivity, improved customer service, and

increased profitability. Moreover, employee satisfaction can influence the overall culture of the organization. A satisfying and positive work environment fosters better teamwork, enhanced trust among employees, and improved collaboration, which, in turn, contributes to more effective decision-making and problem-solving (Conway, 2021).

In addition to the mentioned benefits, satisfied employees tend to exhibit more creativity, innovation, and open-mindedness, which can be advantageous for the organization in the long term. Additionally, satisfied employees are likely to be loyal to the company, recommend it to others, and act as positive brand ambassadors. In conclusion, employee satisfaction is vital for both the well-being of employees and the overall success of the organization (Kaliski, 2017). Therefore, employers should create a supportive, rewarding, and fulfilling work environment to enhance employee satisfaction, engagement, and organizational performance (Aziri, 2018).

## **METHODS**

Descriptive-correlational design was used in this study. Descriptive design was used to describe the perception of the respondents on the policy management of their institutions and the level of their job satisfaction. Correlational design was used to quantify the effect of policy management on employee satisfaction.

The respondents of the study were 267 regular employees from the different faith-based higher education institutions which were selected through convenience sampling procedure. About 127 (48%) of them were male and 153 (52%) were female.

The study employed a questionnaire for data collection, which consisted of three main sections: Part 1 – Demographic Profile, Part 2 – Policy Management, and Part 3 – Employee Satisfaction. The demographic profile covered aspects such as gender, marital status, salary, and educational attainment.

The questionnaire used a five-point Likert scale with a degree of intensity 5 – Strongly Agree, 4 – Agree, 3 – Moderately Agree, 2 – Disagree, and 1 – Strongly Disagree for parts 2 and 3. The reliability results revealed an acceptable index of 0.725 for policy management, 0.824 for employee satisfaction.

The collected data were encoded and analyzed using JAMOV. Mean and standard deviations were used to measure the perception of the respondents on the policy management of their institutions and their level of employee satisfaction. Regression was used to quantify the effect of policy management on employee satisfaction.

The respondents were informed that participation was voluntary and that their consent was required, with the assurance that confidentiality and anonymity would be strictly maintained. The researchers personally distributed the questionnaires to the participants.

## RESULTS AND DISCUSSION

After gathering enough responses, data were encoded, organized, and analyzed using JAMOVI. Results of the different statistical analysis are discussed as follows:

**Descriptive results of the policy management of the selected sectarian institutions and their employee level of satisfaction are presented in Table 1.**

**Table 1**  
*Descriptives Statistics for Policy Management and Employee Satisfaction*

Variable	Mean	Std. Deviation	Scaled Response	Verbal Interpretation
Policy Management	3.57	.511	Agree	Very Good
Employee Satisfaction	3.95	.425	Agree	Satisfied

*Legend for Policy Management: 1.00 – 1.50 (Strongly disagree, Very Poor); 1.51 – 2.50 (Disagree, Poor (Moderately agree, Good), 3.51 – 4.50 (Agree, Very Good); 4.51 – 5.00 (Strongly agree, Exemplary).*

*Legend for Employee Satisfaction: 1.00 – 1.50 (Strongly disagree, Very Low); 1.51 – 2.50 (Disagree, Low), 2.51 – 3.50 (Moderately agree, Moderate), 3.51 – 4.50 (Agree, High); 4.51 – 5.00 (Strongly agree, Very Very).*

Source: Calculated by Authors

The results of the study in Table 1 show the policy management of the selected sectarian institutions in the country as evaluated by their employees. It has a mean of 3.57 (SD=0.511) with a response scale of *agree* and verbally interpreted as *good*. This means that the employees perceived the policy management of their institutions as *very good*.

Sectarian institutions like Adventist schools are known for their strong policy management due to several key factors such as: (1) well-defined and structured organizational framework that emphasizes effective policy implementation; (2) strong emphasis on values-based education; (3) prioritize professional development and ongoing training for their staff members. (4) benefit from a supportive network of educational resources and expertise within their larger denominational structure (Balila, 2024).

Respondents of this study perceived their level of job satisfaction as *high*. This finding is consistent with a Conference Board study conducted in 2020 by Weber (2023). Despite challenges such as the pandemic, economic crisis, mass layoffs, and increased unemployment rates, overall school job satisfaction remained historically high (Hardy, 2023).

Job satisfaction exhibited an upward trend, rising from its lowest recorded level of 42.6 percent in 2010 to 56.9 percent, the highest in 20 years. Moreover, the percentage of workers reporting engagement in their jobs also experienced a modest increase, climbing from 53.2 percent in November 2019 to 54.3 percent in November 2020.

However, specific components of job satisfaction declined due to the recession and economic stress. These findings offer valuable insights on the changing dynamics employer-employee relationship (Conference Board, 2020).

In a survey conducted by Rutebuka (2009) among teachers in Seventh-day Adventist schools in the Midwestern region of the United States, the study explored job satisfaction, commitment, and work conditions. The study results showed that Adventist teachers generally expressed satisfaction with their work, which aligns with the findings presented in this paper. Rutebuka's study also found exciting gender differences: job satisfaction among male teachers was significantly related to their commitment to teaching. In contrast, job satisfaction among female teachers was highly associated with their commitment to the church organization. The study further highlighted that the faith dimension played a significant role in work conditions, impacting commitment to the church organization, while personal significance was linked to commitment to the teaching profession.

### The Effect of Policy Management on Employee Satisfaction

The effect of policy management on employee satisfaction was determined using regression analysis. Results of the regression analysis are shown in Table 2.

**Table 2**  
*Regression Analysis Results of Policy Management and Employee Satisfaction*

Predictor	R	R Square	SE	Sig. (P-value)
Policy Management	0.657	0.432	0.32114	0.00

Dependent Variable: Employee Satisfaction

Based on the results of the regression analysis in Table 2, Policy management appeared to be a very significant factor to predict employee satisfaction with an R value of 0.657 and p-value 0.00. The effect of policy management in the variation of the dependent variable could be explained by squaring the value of R. R square of 0.657 is 0.432. It means that 43.2% of the effect in the variation employee satisfaction is explained by policy management as a predictor. The magnitude of effect or effect size (0.432) of policy management on employee satisfaction using Cohen (1988) statistical power analysis for behavioral sciences is categorized as large.

Previous studies show that well-managed policies ensure clarity and consistency in their communication to employees. When policies are clearly articulated, employees have a better understanding of expectations and procedures, reducing ambiguity and potential frustration. Consistent policy implementation across all levels of the organization fosters a sense of fairness and transparency, leading to increased employee satisfaction (Wang & Hsieh, 2019; Perryer et al., 2018).

## CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

The study concludes that the employees who participated in the study perceive the policy management of their institutions as very good and they are satisfied with their job. Policy management affects employee satisfaction. The effect size or magnitude of effect based on the R square of the regression analysis result is 0.432 which is categorized as large using Cohen (1988) statistical power analysis for behavioral sciences.

The study recommends that the respondent institutions should do continuous improvement for their policy management by regularly reviewing their policies and procedures (policy creation, communication, getting feedback from their employees) to identify areas of improvement.

For future research, additional variables should be considered as predictors of employee satisfaction since policy management attributed only 0.432.

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