Mediating Effects of Organizational Culture on the Relationships between Employee Happiness and Job Satisfaction in UAE Public Organizations

Ahmed Khamis Aldahmani, Maimunah Ali

Abstract: *People that are pleased with their lives usually experience greater satisfaction in their jobs. In addition, happiness is correlated with evidence of success in the workplace and can increase an employee's effectiveness, performance and job satisfaction levels at work. It is therefore, important for organizations to identify the factors which influence employee happiness to enhance its cultural value-offering for employees and, in turn, increase their levels of job satisfaction. Although UAE government staffs has shown an increase in employee happiness and job satisfaction, there is still significant room for continuous improvement, especially by including the organizational culture. Hence the importance and need for conducting research into employee happiness research in UAE public government offices is paramount. Quantitative methodology was used and SPSS and AMOS software were used to analyze the data. The main analysis that provides inferential result to help answer the research questions was conducted using the covariance-based structural equation modelling approach. The results were reported in tables and figures accompanied by a description of each piece of information contained in the tables and figures.*

Keywords : *Employee, Happiness, UAE, Public Organizations, Organizational Culture and Job Satisfaction.*

I. INTRODUCTION

The "Easterlin paradox" offered a predicament that a growth in salary that can expand an employee's happiness in the short term, does not essentially boost his/her contentment over the long term (Campbell, 1971; Easterlin, 1974). It is therefore essential to identify and understand the factors which influence employee happiness in organizations, beyond just monetary incentives, which employers tend to offer in order to increase the happiness levels of its employees. Economists and psychologists found that in addition to earnings: good health, compassionate marriage, good social relationships, liberty, equality and lack of tragedy also contribute considerably to a person's level of happiness (Gerdtham and Johannesson, 2001; Frey and Stutzer, 2002).

The most common characteristics of job satisfaction include 'income, nature of the work, supervision, promotion and relations with co-workers' (Robbins, 1993; Hutcheson, 1996). Kerego and Mthupha (1997) identified factors that will have an adverse effect on job satisfaction which include working conditions, employment procedures, communication, employee empowerment, safety and governance. The major consequences on the lives of employees regarding job satisfaction are that it involves the emotional or affective feelings of these individuals (Buitendach and De Witte, 2005; Sempane, Rieger, Roodt, 2002). The most familiar outcomes on employees are the effect on their physical and mental health as well as their social life (Locke, 1976). Job satisfaction or the lack thereof, can therefore have a noticeable influence on the value of life of an employee as well as their behavior, which could result in non-attendance, complaints as well as the termination of their employment (Visser, Breed and Van Breda, 1997).

Similarly, happy employees are shown to have higher job satisfaction levels and perform better in the workplace than their unhappy peers (Boehm and Lyubomirsky, 2008). In addition, employees that are happy are more likely to participate in favorable extra role behaviors and are less prone to engage in withdrawal actions (Boehm and Lyubomirsky, 2008). Subsequently, unhappy employees result in a lack of organizational commitment which reduces an organization's efficiency, effectiveness and performance (Johnson and McIntyre, 1998; MacIntosh and Alison, 2010).

However, despite all the efforts, according to Amiri (2013) there are high turnover of public sector staff (63%), similarly, according to (Kumar, 2014) happiness indicators at work place in UAE are lacking due to the cultural belief, this tremendously affects the happy employee in the public organizations in UAE. Employees in the government organizations in UAE are not well satisfied due to poor working conditions, in some ministries in UAE must equipment are not well maintained to ease the work of an employer (Singh, 2014).

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Similarly, according to Amiri (2013), most of the staff in the government organizations are not happy with their work as a result of outdated working equipment, rigorous supervision and weak government services in their organizations. This forced many government staff moved to private sectors. These issues tremendously affect the employee happiness in the UAE government organization.

Generally, employers expect a high level of performance and productivity from their employees (Thompson & Goodale, 2006; Samnani & Singh, 2014). Most organizations need productive workers to work for them so as they could attain organizational goals (Chong & Eggleton, 2007; Hales & Williamson, 2010). Many organizations used managerial tools for the purpose of increasing productivity (Salis & Williams, 2010; Samnani & Singh, 2014). The studies by Sails and Williams (2010), Samnani and Singh (2014), and Tabassi and Abu Bakar (2009) considered HRM practices (e.g. compensation system, face-to-face communication) as the means to increase productivity. Moreover, maintaining happiness at the workplace can increase employees' productivity (Quick & Quick, 2004). The previous studies (e.g. Quick & Quick, 2004; Rego & Cunha, 2008) state that happy employees are productive employees. Conversely, unhappiness at the workplace reduces productivity (Fereidouni, Najdi, & Amiri, 2013).

Furthermore, employees experiencing positive emotions at work are more engaged, happy and satisfied, whereas employees who generally experience undesirable feelings at their workplace may experience fatigue. Many organizations neglect to analyses the workplace needs of their employees to ensure that the organization fully understands and is able to satisfy or at least accommodate these needs. Understanding employee needs is crucial to the success of an organization. It is therefore important that an organization investigates the employee needs to be able to align them with the cultural-value-offering of the organization.

Happiness at the workplace is important to both individuals and organizations (Fisher, 2010; Simmons, 2014), the research on employee happiness in organizations is limited (Fisher, 2010; Hosie, Willemyns, & Sevastos, 2012; Sloan, 2005). It should be investigated further in order to provide sufficient knowledge to academics, practitioners, and those who are interested in the notion of happiness at the workplace (Hosie et al., 2012; Sloan, 2005). Hence, the employee needs regarding happiness which leads into job satisfaction from an organization's cultural value-offering

have not been adequately addressed in UAE.

II. METHODOLOGY

Quantitative methodology was employed in this research study. Quantitative methodology show how the research hypotheses postulated were empirically determined and examined through relevant methodological approaches adopted in the study (Mackey et al., 2015). The research design, types and sources of data was examined along with the procedure employed in testing the hypotheses and accomplishing the study objectives. In particular, this section focus on the study populations/sample frame and its characteristics, sampling technique chosen, and a description of the choice of data collection instruments, questionnaire design, methods of data measurement, analysis and presentation. SPSS and AMOS software were used in analyzing data collected from the field.

III. FINDINGS

a) Assessment of the overall measurement model validity

Having proven the validity and model fit of the individual constructs, it is necessary to assess the validity of the entire measurement model of the research prior to evaluating the structural model. The reason for conducting this analysis is to prove the validity of the entire constructs. This is assessed through examining the convergent validity and discriminant validity of the entire constructs in the model.

b) Convergent validity

Convergent validity is a measure of the degree to which the indicators of a construct are correlated with the construct. Hair et al (2010) stated that factor loadings that are statistically significant are indicators of convergent validity while indicators with factor loading of .50 and above is regarded as sufficient enough to establish convergent validity. In CFA SEM analysis, convergent validity of construct is assessed by Bentler_Bonett coefficient (NFI). Recommended threshold for convergent validity using the NFI index is .90 (Hair, et al, 2010; Kline, 2011; Byrne, 2010).

Using the factor loading and the NFI criteria, the convergent validity of the individual final measurement models showed that they all satisfy the acceptable threshold. Table 1 present the summary statistics extracted from the final models presented in respected of each construct.

Table 1: Convergent validity measures of final measurement models

S/N	Construct	Residual items number	Factor loading		NFI Index
			Lowest FL	Highest FL	
1	National Culture	7	.737	.838	.975
2	Involvement	5	.661	.783	.982
3	Consistency	4	.639	.808	.990
4	Adaptability	5	.767	.784	.983
5	Mission	5	.785	.866	.983
6	Open Communication	5	.541	.865	.982

7	Work Life Balance	5		.708	.803	.978
8	Commitment	4		.682	.808	.990
9	Engagement	5		.714	.772	.986
10	Farness and Trust	5		.662	.841	.983
11	Reward Recognition	6		.803	.842	.983
12	Job Satisfaction	13		.617	.757	.929

c)   Discriminant validity

Discriminant validity measures the degree to which a construct is distinct from other constructs in the model. Hair, et al (2014), Yeap, Ramaya and Soto_Acosta (2016) posited that discriminant validity measures the degree of uniqueness of a construct in relation to other constructs. Discriminant validity is achieved when the squared inter-construct correlations associated with a construct is greater than the corresponding inter-construct correlation estimates with other constructs (Hair et al, 2010). The decision rule for proving discriminant validity is ensuring that the sum of squared

correlations of indicators of a construct known as Average Variance Extracted (AVE), is greater than the correlation of the construct with any other construct in the model. The recommended threshold for AVE is .50 and above (Hair, et al. 2014). Table 2 shows the AVE of each construct at the diagonal while the off-diagonal values stand for the correlation coefficients between the constructs. Based on the recommended threshold, all the AVEs are greater than .50 and each AVE value is higher than any correlation with other construct, hence showing the achievement of discriminant validity.

Table 2: Discriminant validity of the research constructs

	NC	IN	CO	AD	MI	OC	WLB	CO	EN	FT	RR	JS
NC	**.623**											
IN	.319	**.550**										
CO	.318	.475	**.531**									
AD	.407	.410	.622	**.606**								
MI	.401	.401	.455	.451	**.649**							
OC	.259	.291	.422	.396	.551	**.532**						
WLB	.365	.416	.405	.471	.390	.509	**.563**					
CO	.314	.309	.335	.336	.318	.366	.578	**.587**				
EN	.288	.320	.366	.374	.323	.395	.480	.661	**.551**			
FT	.383	.379	.379	.402	.433	.443	.463	.385	.414	**.569**		
RR	.349	.430	.408	.393	.410	.403	.424	.460	.443	.630	**.808**	
JS	.444	.549	.397	.432	.378	.271	.387	.333	.312	.372	.449	**.814**

d)   Multicollinearity assessment

Another essential assessment that needs to be carried out before evaluating the structural model of the research is multicollinearity assessment. According to Pallant (2011) multicollinearity is the presence of a strong correlation between predictor variables. The presence of multicollinearity in a dataset is considered a threat to the validity of multiple regression analysis because of its potential to cause error in hypothesis testing (Hair, et al 2010, Tabachnick & Fidell, 2013). It is recommended that the correlation between any two constructs should not exceed .90

(Hair et al, 2010).

To assess the presence of multicollinearity in the research model, the correlation matrix of the constructs is presented in Table 3. As shown in the table the Pearson's correlation coefficients between the constructs were all within acceptable limits. The highest correlation is .630 between Reward Recognition and Fairness and Trust while the lowest correlation is .259 between Open Communication and National Culture. This suggests that there is no excessive multicollinearity between constructs which could affect the validity of the result. Therefore, all the constructs were included in the structural model evaluation.

Table 3: Correlation matrix of research constructs

	NC	IN	CO	AD	MI	OC	WLB	CO	EN	FT	RR	JS
NC												
IN	.319											
CO	.318	.475										
AD	.407	.410	.622									
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FT	.383	.379	.379	.402	.433	.443	.463	.385	.414			
RR	.349	.430	.408	.393	.410	.403	.424	.460	.443	.630		
JS	.444	.549	.397	.432	.378	.271	.387	.333	.312	.372	.449	

In Table 4, the measure of validity of the final measurement model is presented. The table present information about the factor loading of the individual indicators on their respective constructs, removed items, and the composite reliability of the construct as well as the respective AVE of each construct.

**Table 4: Validity of the overall research measurement model**

Construct	Items	Estimate	CR	AVE
National Culture	NC1	.748	.62	.92
	NC2	.817		
	NC3	.838		
	NC4	.769		
	NC5	.737		
	NC6	.808		
	NC7	.803		
	NC8	Item removed because of poor loading		
	NC9	Item removed because of poor loading		
	NC10	Item removed because of poor loading		
	NC11	Item removed because of poor loading		
	NC12	Item removed because of poor loading		
Involvement	IN1	.661	.55	86
	IN2	.759		
	IN3	.773		
	IN4	.726		
	IN5	.783		
Consistency	CO1	.639	.53	.82
	CO2	.736		
	CO3	.721		
	CO4	.808		
Adaptability	AD1	.769	.61	.89
	AD2	.797		
	AD3	.767		
	AD4	.775		
	AD5	.784		
Mission	MI1	.802	.65	.90
	MI2	.866		
	MI3	.785		
	MI4	.785		
	MI5	.787		
Open Communication	OC1	.719	.53	.85
	OC2	.772		
	OC3	.710		
	OC4	.541		
	OC5	.865		
Work life Balance	WL1	.708	.56	.87
	WL2	.803		
	WL3	.716		
	WL4	.778		
	WL5	.743		
Commitment	CM1	.682	.59	.85
	CM2	.798		
	CM3	.770		
	CM4	.808		
Engagement	EN1	.714	.55	.86
	EN2	.740		
	EN3	.720		
	EN4	.772		
	EN5	.765		
Fairness and Trust	FT1	.788	.57	.87
	FT2	.841		
	FT3	.683		
	FT4	.781		
	FT5	.662		

Reward Recognition	RR1	.814		.81	.93
	RR2	.840			
	RR3	.803			
	RR4	.821			
	RR5	.802			
	RR6	.842			
Job Satisfaction	WP2	.650		.81	.92
	WP3	.691			
	WP4	.686			
	RW1	.649			
	RW2	.738			
	RW3	.697			
	SU1	.688			
	SU2	.695			
	SU3	.706			
	JR1	.685			
	JR2	.709			
	JR3	.650			

e) Structural model evaluation

Upon satisfying the requirement for measurement model validity, the next stage in the SEM analysis involved the evaluation of the structural equation model to determine the causal relationship between the exogenous and the endogenous constructs. Using the AMOS graphics, the structural relationship between the constructs in the research framework was evaluated. The structural model assesses the relationship between the exogenous variables (Job Happiness), the mediator variable (National Culture) and the exogenous variable (Employee Job Satisfaction).

Figure 1 shows the initial output of the first structural model. From the figure it is shown that while other fitness indexes were achieved, however, some indexes did not meet the acceptable level. For example, all the observed factor loadings and their corresponding square multiple regression meet the required thresholds of .50 and .30 respectively. In respect of the fit indexes, the CFI, NFI and GFI do not satisfy the criteria for acceptance while the RMSEA and the p-value reported values within the acceptable limit. This suggests that model re-specification is needed.
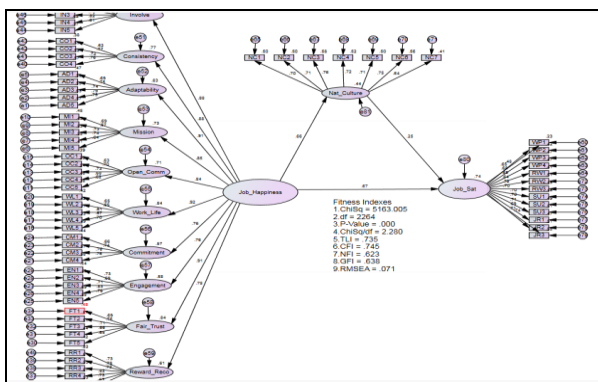
Figure 1: Initial structural model

A re-specified model is presented in Figure 2. The model re-specification is carried out by freeing off some parameters through co-variation. As shown in the figure, all the fitness indexes are achieved.
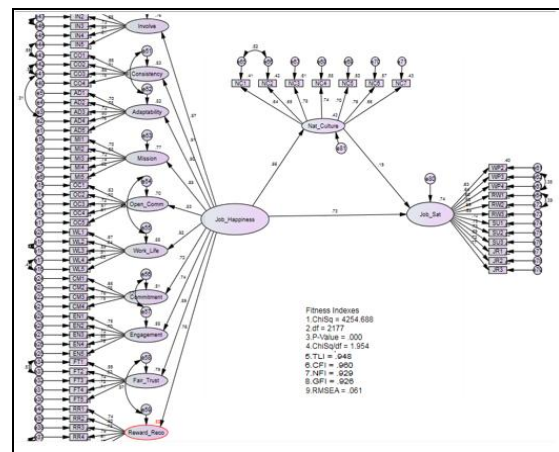
Figure 2: Final structural model

Table 5 shows a summary of the fitness indexes obtained from the initial and final structural model. The analysis showed that the final model satisfied all the necessary requirements for model good-fit.

Table 5: Fitness indexes for initial and final structural models

Category	Parsimonious fit	Absolute fit	Incremental fit	Incremental fit	Absolute fit	Comment
Fitness Indexes	ChiSq/df	GFI	CFI	NFI	RMSEA	
Acceptance Threshold	ChiSq/df ≤ 30	GFI ≥ .90	CFI ≥ .90	NFI ≥ .90	RMSEA ≤ .08	
Initial Structural Model	2.280	.638	.745	.623	.071	Fitness level not achieved, model not accepted
Final Structural Model	1.954	.926	.960	.929	.061	Fitness level achieved, model accepted

f) Evaluation of direct relationships

Table 6 presents the standardized regression coefficients of the direct relationships of Job Happiness with the endogenous construct Job Satisfaction. From Table 4.30, it is shown that all the direct relationships reported positive effect. The path coefficient Job Satisfaction ← Job Happiness reported a statistically significant effect ($\beta = .727$; CR = 6.457; p = .000). The relationship between the endogenous construct Job Satisfaction and the mediator construct, National culture reported a statistically significant effect ($\beta = .186$; CR = 3.409; p = .000). The path coefficient National Culture ← Job Happiness reported a significant effect ($\beta = .658$; CR = 6.272; p = .000). Overall, National Culture and Job Happiness collectively explained 74 percent variation in Job Satisfaction, while Job Happiness explains 43 percent of National Culture.

Table 6: Standardized regression weight of the path relationship

Path relationship	Estimate	S. E.	C.R.	P-value	R^2
Job Satisfaction ← Job Happiness	.727	.181	6.457	***	
Job Satisfaction ← National Culture	.186	.059	3.409	***	.74
National Culture ← Job Happiness	.658	.155	6.272	***	.43

***:indicates significance at p<.05

g) Evaluation of indirect relationship

To test the mediation effect of National Culture on the relationship between Job Happiness and Job Satisfaction, the bootstrapping method is used. Hayes (2014) described the bootstrapping method as the most effective method of testing mediation compared to the Sobel Test method. The procedure involved re-sampling of the working data set between 500 and 1000 times from which the total effect, the direct effect and indirect effect estimates, and their corresponding 95 percent confidence interval values are produced. The algorithm also estimates the lower and upper limits as well as the two-tailed significant values for the effects.

Table 7 shows the bootstrapping result for testing the mediation effect of National Culture in the research model. As shown in Table 4.31 National Culture has statistically significant mediation effect on the relationship between Job Happiness and Job Satisfaction (β= .127; 95% CI: .058~.240; p = .010).

Table 7 Two-tailed significance of bootstrap confidence interval for indirect effect

Path relationship	Estimate	Lower Bounds	Upper Bounds	P-value
Job Satisfaction←National Culture←Job Happiness	.127	.058	.240	.010

IV. CONCLUSION

People that are pleased with their lives usually experience greater satisfaction in their jobs. In addition, happiness is correlated with evidence of success in the workplace and can increase an employee's effectiveness, performance and job satisfaction levels at work. It is therefore, important for organizations to identify the factors which influence employee happiness to enhance its cultural value-offering for employees and, in turn, increase their levels of job satisfaction. Although UAE government staffs has shown an increase in employee happiness and job satisfaction, there is still significant room for continuous improvement, especially by including the organizational culture. Hence the importance and need for conducting research into employee happiness research in UAE public government offices is paramount. Quantitative methodology was used and SPSS and AMOS software were used to analyze the data. The main analysis that provides inferential result to help answer the research questions was conducted using the covariance-based structural equation modelling approach. The results were reported in tables and figures accompanied by a description of each piece of information contained in the tables and figures.

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