“Effect of similar-to-me effect on job satisfaction and organizational trust”

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Abstract
The present study intended to investigate the effect of managers’ similar-to-me bias on the job satisfaction and organizational trust between public organizations staff. The current study is a descriptive-correlational applied research with quantitative data collection (questionnaire). The results of structural equation modeling analyses conducted for 80 employees of Public organizations in Ardabil, Iran, offered strong support for the proposed model. The results indicated that there was a statistically significant relationship between similar-to-me effect and job satisfaction; furthermore, organizational trust mediated the relationship between similar-to-me effect and job satisfaction. It is worth noting that there was a positive relationship between organizational trust and job satisfaction.

Keywords
similar-to-me, job outcome, public organizations, organizational trust

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INTRODUCTION

Human resource is the most important element of any organization which can lead a country towards its development goals. Nowadays, human resource training and development is considered as a principal strategy to attain competitive advantages in organizations. Therefore, the improvement of human resource productivity as well as the provision of a proper planning should be set as one of the main objectives of any organization or institution. Human resource is the real asset of an organization. The most important concern of the world’s successful business enterprises is recruiting an intellectual and educate human capital which can bring about a considerable revolution in the organization to which they belong (Subramaniam & Youndt, 2005).

The more one moves towards the pervasive reality of interdependence, the more the vitality and importance of trust will be. Mistrust, due to either immoral behavior or moral but non-professional behavior, causes conflict and dispute. With the spread of globalization, the significance of trust, in social, economic, political and organization interactions, has been substantially taken into account so that most experts in various sciences have underlined the importance of trust in organizations. Trust is necessary for organizational social capital, success, constant changes in roles and technologies and delegation of jobs and responsibilities (Leana & Van Buren, 2004).

One of the salient traits of contemporary managers is their ability to maintain and support organizational trust. Job satisfaction is the result of the perceived values of whatever makes the employees content. It is a positive emotional state, about the outcomes of job evaluation or individual experiences, which enhances the physical and psychologi-
high job satisfaction reflects a desirable organizational climate leading to the attraction and retention of employees (Medina, 2012).

With respect to the fact that employees play a crucial role in organizational performance and that their satisfaction with the organization significantly affects the efficiency and performance of the organization (Danish et al., 2015), it seems that their positive emotional states and attitudes towards their satisfaction with the performance of the organization can solve many problems and difficulties in the organization. Furthermore, whenever an employee has high job satisfaction, it indicates that he has positive emotions about and, thus, values his job. Research has shown that employees with high job satisfaction are in a good physical and mental states. Job satisfaction, evaluated as the extent to which one adapts his psychosocial characteristics to the working conditions, is considered as a benchmark for determining job performance. Besides, job satisfaction is one's emotional orientation to his job. Thus, the staff, who may have the opportunity of being granted a promotion in their job in near future, have high job satisfaction (Zamini et al., 2011; Brotheridge & Grandey, 2002). The review of the related literature indicates that the similar-to-me effect has a significant influence on the decline of human resource productivity. Moreover, managers’ similar-to-me effect is a variable affecting the maintenance of organizational trust and job satisfaction.

Studies have shown that three dimensions of similarity have the greatest impact on the selection of the prospective employees (Sears & Rowe, 2003):

- similar attitudinal traits (attitudinal similar-to-me effect);
- similar biographical characteristics (biographical similar-to-me effect);
- similar ethnical characteristics (ethnical similar-to-me effect).

Similar-to-me effect refers to the state that the interviewer or employer has a tendency to favor and select a person with whom he has the most similar demographic characteristics and attitudinal traits in common. It causes staff’s mistrust of managers, job dissatisfaction and failure in achievement of goals in any organization.

The present study investigated the outcomes of managers’ similar-to-me effect, i.e. the selection and appointment of persons in similarity with the manager, on the selected employees of Public organizations in Ardabil city in Iran. The outcomes of similar-to-me effect included group-thinking and reduced functional conflict amongst the employees. The researcher intended to implement the results of the present study for enhancing job satisfaction and organizational trust, and eliminating the outcomes of similar-to-me effect in order to achieve organizational goals. Therefore, the research question addressed what the level of job satisfaction was in the intended research population and how to assist organizations to improve organizational trust. In general, the ultimate purpose of the current study was to investigate the effect of managers’ similar-to-me effect on job satisfaction and organization trust of staff.

1. RESEARCH HYPOTHESES AND THEORETICAL ASSUMPTIONS

1.1. Effect of similar-to-me effect on job satisfaction

Management instability is the major problem of organization which disrupts its performance. Long-term trends in the contemporary successful organizations necessitate management stability. One of the detriments to management stability is the similar-to-me effect. That is, when the head of an organization is changed and he appoints different managers, the subsequent managerial changes proceed to the supervisory roles. In such appointments, a majority of managers prefer to employ assistants and subordinates with whom they have many similarities in terms of religion, education, ideas and traits. In such cases, the differences in ideas and attitudes are exacerbated in the organization and those who have many similarities with the manager are appointed for management workgroup. Hence, the interper-
sonal similarities facilitate interpersonal attractions. The more one perceives the similarities (whether true or false), the more the attraction and interest will be (Gholipour et al., 2008). The similarity of managers keeps the organization out of specialization. Since the manager is inclined to employ a workforce that perfectly matches his own preferences and, hence, may be selected without any proper talent identification and specialization, he will recruit and appoint a workforce which are not able to accomplish their delegated duties due to the lack of talent and interest. As a consequence, it results in conflict, inconsistency and eventually job dissatisfaction.

Therefore, the third hypothesis was developed as follows.

**H1:** Similar-to-me effect has a significant effect on job satisfaction.

1.2. Effect of similar-to-me effect on organizational trust

Similar-to-me effect prompts the managers to create separate working teams based on human commonalities. It is evident that there are always many differences and similarities between individuals. In an organization with similar-to-me effect, the manager attracts and favors the staff with whom he has more similarities in common; these similarities in working teams make differences and effects amongst personnel (Alves et al., 2016). Therefore, a sense of organizational mistrust raises in staff who have a different perspective. Low levels of trust have a negative effect on relationships, stifle innovation, and disrupt the process of decision-making. Under such circumstances of mistrust, the personnel usually incur psychological pressure, sought to justify their actions and decisions. Mistrust also prevents them from concentrating on the fundamental issues of organization. This is important for the organization which would like to remain competitive (Gal et al., 2015). The organization may never be able to retain the trust in personnel if the personnel trust the organization and its units and they, in turn, make personnel lose their trust. Therefore, the second hypothesis was developed as follows.

**H2:** Similar-to-me effect has a significant effect on organizational trust.

1.3. Effect of organizational trust on job satisfaction

Job satisfaction is considered as positive and desirable emotional state about the job and working environment. In other words, it is the attitude of personnel about the working environment as the result of an evaluated process by making a comparison between the standards and perceived reality of working environment. In fact, job satisfaction is a multidimensional psychological reaction to the job; that is, these attitudes have cognitive, evaluative, effective and behavioral dimensions (Mendoza & Maldonado, 2014).

Furthermore, job satisfaction is described as a cumulative construct resulted from the working experiences of personnel in organizations in terms of salary, benefits, bonuses, etc. The satisfied staff have more tendency to stay in the organization for sincere work and share knowledge (Pervaiz et al., 2016). They are also looking for getting more acquainted with the organization in terms of nature, cognition, working condition and quality aspects. This causes more intimacy and interdependence between the organization and staff and increases organizational trust (Anderson & Srinivasan, 2003). That there is a significant relationship between job satisfaction and organizational trust has been confirmed in several studies (Cai & Xu, 2006; Rodgers et al., 2005; Kim et al., 2009). Therefore, the third hypothesis was developed as follows.

**H3:** Organizational trust has a significant effect on job satisfaction.

1.4. Effect of organizational trust on similar-to-me effect and job satisfaction

Selecting and training the managers and leaders are the major concerns of the contemporary organization because the management is the core of any organization; hence, notwithstanding the appropriate available physical, technological and human resources, its poor performance causes a failure in the achievement of organizational goals; the reverse is also applicable (Rezaian, 2000). In this regard, the requirements of managers to successfully accomplish their duties and attain organizational goals should be considered important.
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Nowadays, managerial roles are granted to the managers mainly based on their previous successes in their roles, competency is considered as a standard norm for bureaucratic recruitment, and managers’ decision-making and selection have shifted to a rational and impersonal process in developing countries. Management instability in governmental organizations has nowadays become a serious problem. One of the detriments to management stability is similar-to-me effect. That is, the manager has a tendency to favor and select a person with whom he has the most similar demographic characteristics and attitudinal traits in common. As a consequence, the staff who suffer from this obvious inequality, incur job dissatisfaction in their organization. If the organizational goals get important for all the staff in such circumstances, they have to cope with the inappropriate working environment and take actions in accordance with organizational goals. Otherwise, it causes mistrust in organization which, in turn, raises a conflict between similar-to-me effect and job satisfaction. Organizational mistrust reduces job satisfaction in staff; thus, they either have to endure or leave their job (Shams & Esfandiary, 2015). Therefore, the fourth hypothesis was developed as follows.

\[ H4: \text{Organizational trust has a significant effect on the relationship between similar-to-me effect and job satisfaction.} \]

2. METHODOLOGY

2.1. Sample and procedure

The sample was drawn using the convenience sampling method with the following additional criteria that the respondents had to be employees in public sector. Participants expressed their age (in years); gender (1 = male, 2 = female); and following this, they coded their level of education (ranging from 1 = high school degree to 5 = postgraduate university degree). We regulated for these demographics because they have been displayed in previous research to have reference to similar-to-me effect and job outcomes (Sears & Rowe, 2003; Greenberg, 2010). In total 88 employees took part in the study with a mean age of 34.75 years (SD = 4.27).

2.2. Measures

Getting help from Persian native speaker fluent in English, all items including scale answer options and instructions were translated from English into Persian. Back translation is another used procedure to enhance the translation at more advanced level (Brislin, 1970).

**Similar-to-me effect**

According to the literature review, in particular Yamani et al. (2012), the researcher developed a 12-item questionnaire (including solidarity and unity, intellectual commonalities, adherence to confidential information, challenges, innovative ideas, teamwork, etc.) in order to measure the effect of similar-to-me effect. Participants were asked to answer the items on 5-point scales ranging from 1 (strongly disagree) to 5 (strongly agree). As a result, alpha for the scale was concluded to be .88.

**Organizational trust**

In order to measure organizational trust, the standard 7-item questionnaire (such as considering personnel’s interests by employer, not putting the blame on staff, being amenable or receptive to criticism) was used based on the construct of organizational trust developed by Schoorman and Ballinger (2006). Alpha for the scale was .79.

**Job satisfaction**

In order to measure job satisfaction, a 5-item questionnaire (including job satisfaction, sufficient information about the job, recommending the job to others, etc.) was used based on the standard questionnaire developed by Beehr et al. (1990). Alpha for the scale was .91.

3. ANALYSIS AND RESULTS

3.1. Procedure

First of all, to analyze the factor structure of the scales, confirmatory factor analyses employing the MPlus software (Muthén & Muthén, 1998–2012) were carried out. Then, SPSS (IBM Corp, 2013) came into use to examine descriptive statistics, cor-
relations, and Cronbach’s alpha reliability estimates of the study variables. Moreover, we employed SPSS to attribute missing data in some of the study variables taking advantage of the suggested expectation-maximization (EM) estimation method (Schafer & Graham, 2002; McKenna et al., 2016).

3.2. Confirmatory factor analysis

The purpose of the present study is to examine the impact of the organizational trust and similar-to-me effect on job satisfaction. To discover the dimensionality, reliability, and validity of the study constructs, first order Confirmatory Factor Analysis (CFA) appeared to be suitable.

Organizational trust, similar-to-me effect and job satisfaction were considered first-order constructs by PLS_SEM.

In determining final set of items for each construct, some items were deleted regarding the item to total correlations and the standardized residual values (Byrne, 2009) (seven items from similar-to-me effect, two from organizational trust, and one from job satisfaction).

In this model, the mentioned constructs were considered as different but correlated latent variables. To this end, this model demonstrated acceptable fit to the data ($\chi^2/df = 1.65$, $CFI = .84$, $RMSEA = .97$).

3.3. Research reliability and validity

In order to estimate the reliability of the questionnaire, the criteria of Partial Least Squares (PLS) were used. According to these methods, reliability is estimated by two criteria: one is Cronbach’s Alpha and the other is Composite Reliability (CR). Cronbach’s alpha coefficient refers to the ability of the questions to properly explain its associated aspects. Composite reliability coefficient refers to the correlation of questions between one aspect and the other aspect to determine the sufficient fitness of the measurement models (Table 1).

3.4. Common method bias

A usual method bias may happen since the data of constructs were gathered from the same respondents. The Harman one factor test (Podsakoff & Organ,

| Table 1. Overall reliability of the constructs and factor loadings of indicators |
|-----------------------------|-----------------------------|-----------------------------|
| **Construct** | **Items** | **Factor loadings** | **Reliability of constructs** |
| Similar-to-me effect | SM1 | .127 | Cronbach = .88 |
| | SM2 | .564 | |
| | SM3 | .743 | CR = .912 |
| | SM4 | .751 | A. V. E = .512 |
| | SM5 | .226 | |
| | SM6 | .394 | |
| | SM7 | .290 | |
| | SM8 | .177 | |
| | SM9 | .094 | |
| | SM10 | .003 | |
| | SM11 | .647 | |
| | SM12 | .736 | |
| | TR1 | .458 | |
| Organizational trust | TR2 | .749 | Cronbach = .79 |
| | TR3 | .628 | CR = .801 |
| | TR4 | .738 | A. V. E = .478 |
| | TR5 | .808 | |
| | TR6 | .358 | |
| | TR7 | .676 | |
| Job satisfaction | JS1 | .578 | Cronbach = .91 |
| | JS2 | .670 | CR = .934 |
| | JS3 | .567 | A. V. E = .635 |
| | JS4 | .427 | |
| | JS5 | .640 | |

1986) was used to check this possible problem. A three-factor solution was brought about with a factor analysis of three focal constructs, which accounted for 71.26% of the total variance and factor one accounted for 25.44% of the variance. Common method bias is improbable to be a concern in this data since a single factor did not developed and factor one did not give explanation about most of the variances.

Table 2. Summary of correlations, means and standard deviations for similar-to-me effect, organizational trust and job satisfaction

<table>
<thead>
<tr>
<th>Variables</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Similar to me effect</td>
<td>3.55</td>
<td>.595</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Organizational trust</td>
<td>3.43</td>
<td>.656</td>
<td>.653*</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>3.56</td>
<td>.659</td>
<td>.617*</td>
<td>.571*</td>
<td>–</td>
</tr>
</tbody>
</table>

Note: ** p < .001.

3.5. Hypotheses testing

As presented in Figure 1, in the mediation model, it was considered that organizational trust acted as a mediating variable in the relationships between the similar-to-me effect and job satisfaction. Taking advantage of a bootstrapping approach, Structural Equation Modeling (SEM) analysis was administered with Amos 18. The results revealed that the model fitted well to the data ($\chi^2/df = .83, CFI = .89, RMSEA = .087$). Following this, this model described 41% of the job satisfaction variance. The path coefficients are clearly illustrated in Figure 1.

According to Shrout and Bolger (2002), there exists a complete mediational relationship when three conditions are connected and met at the same time:

1) the independent variable has a particular total effect on the dependent variable;
2) the indirect effect of the independent variable on the dependent variable through a mediator is significant; and
3) the direct effect of the independent variable upon the dependent variable is not significant.

A partial meditational relationship exists when conditions 2 and 3 are met simultaneously.

The total, indirect and direct effects of similar-to-me effect, as independent variables, upon job satisfaction, as the dependent variable, were tested. As presented in Table 3, there was a total significant relationship between the organizational trust and job satisfaction ($p < .003$). Moreover, the indirect effects of similar-to-me effect on job satisfaction through organizational trust, as mediators, were significant ($p < .001$). Following this, the direct effects of similar-to-me effect on job satisfaction were proved to be significant ($p < .004$) as well. Hence, it can be stated that the organizational trust relatively mediated the relationship between similar-to-me effect and job satisfaction. Besides, similar-to-me effect has negative effect on both variables: organizational trust and job satisfaction, while the effect of organizational trust on job satisfaction is positive.

Once the reliability and validity were estimated, the causal relationship (cause-effect) between the variables was measured by Smart PLS-3. Moreover, in order to test research hypotheses, a model was proposed considering the similar-to-me effect as an endogenous variable and organizational trust and job satisfaction as exogenous variables. The values of standard coefficients, indicating the variation of structures (variables) from each other, showed that similar-to-me effect reduced organizational trust by 70% and job satisfaction by 41%. Furthermore, similar-to-me effect had an indirect effect on job satisfaction (–0.29); the overall effect of similar-to-me effect (both direct and indirect) on job satisfaction was –0.70 as presented in Table 3.

According to the tables above, since the significance level was less than 0.05 (P-value: 0.05) and the t-test was higher than +1.96 for all the variables, all the research hypotheses were confirmed.

Table 3. Summary of path analysis

<table>
<thead>
<tr>
<th>Model Pathways</th>
<th>effect</th>
<th>t</th>
<th>Sig.</th>
<th>result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Similar-to-me effect → job satisfaction</td>
<td>–0.444</td>
<td>2.876</td>
<td>0.004</td>
<td>supported</td>
</tr>
<tr>
<td>H2: Similar-to-me effect → organizational trust</td>
<td>–0.728</td>
<td>12.741</td>
<td>0.000</td>
<td>supported</td>
</tr>
<tr>
<td>H3: Organizational trust → job satisfaction</td>
<td>0.391</td>
<td>2.943</td>
<td>0.003</td>
<td>supported</td>
</tr>
<tr>
<td>H4: Similar-to-me effect → organizational trust → job satisfaction</td>
<td>–0.706</td>
<td>–</td>
<td>.001</td>
<td>supported</td>
</tr>
</tbody>
</table>
CONCLUSION

The results of the present study indicated that similar-to-me effect has a significant effect on organizational trust and job satisfaction. As specified by statistical analysis, if the organizational trust mediates between similar-to-me effect and job satisfaction, this effect increases. According to the first hypothesis, i.e. the effect of organizational effect as a mediator on the relationship between similar-to-me effect and job satisfaction, the similarity between individuals as well as the necessity to implement it in organizational structure causes stress and tension in personnel, declines their trust to the organization, and leads to job dissatisfaction. The presence of similar-to-me effect in organizations indicates individual differences in the guidelines of personnel selection and recruitment and is considered as an obvious inequality in personnel’s organizational success. It is also detrimental to managerial interactions. Research has shown that individuals’ cognitive complexity is a moderating factor for the effect of similarities. The effect of similarities increases probably due to the complex process of decision making. Therefore, in critical management decisions, the manager appoints personnel with whom he has the most similarity in common and who are in line with organizational goals. This leads to organizational mistrust and job dissatisfaction in personnel who are not committed to any specific managerial principles in their work. The results of the present study verified this fact and were consistent with the findings of Sohrabinejad et al. (2014).

The effect of similar-to-me effect on organizations prompts the managers to strive for establishing group-thinking which causes narcissism in organization and make the managers employ subordinates with whom they have many similarities in common. The approach of managers challenging with similar-to-me effect is the approach of avoiding conflicts; that is, they endeavor to select and appoint personnel similar to themselves, and while establishing group-thinking, they reduce the functional conflict. This conflict is associated with the duties and performances of individuals and considerably benefits the organizations; one of the most important benefits is creativity and innovation in organizations. Therefore, the management should be able to properly manage the conflicts between the members of the organization in order to increase functional conflict and reduce similar-to-me effect. They can also allow constructive disagreements and functional conflicts by proper conflict management. This effort, therefore, can increase organizational trust and job satisfaction amongst staff, which is consistent with findings of Braun et al. (2005).
Based on the findings of the present study, it is recommended that in addition to raising managers’ awareness of the perceptual errors and detrimental consequences of similar-to-me effect on organizational efficiency and performance, necessary actions should be taken to help managers, in their authority, avoid selecting and appointing their required subordinates solely based on their similarities while regardless of their competency. The actions may include holding training courses to improve and raise managers’ awareness, exchanging experiences about the detriments of the effect of similar-to-me effect on organization, correcting managers’ attitudes in this regard, and changing organizational culture and the like.

To this end, attaining job satisfaction is of utmost importance because it is probable that the members of organization (personnel) leave their job and seek for another job due to the climate of mistrust. Consequently, attitudinal assessment can be considered as a valuable tool for better understanding employees on the part of managers in organizations. Organizational trust is a relatively new concept in the context of organization and management. Therefore, with respect to its significant effect on many organizational variables as well as its valuable effect, originating from human nature, special considerations and further studies should be devoted to this area.

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