Relationship among Job Satisfaction, Task Complexity, and Organizational Context in Public Accounting

Lookman Folami* and Dennis Bline**

Prior research provides evidence on the link between job satisfaction and employee affective outcomes, including turnover and job performance. Given the importance of these variables to the management of accounting firms, this study provides insight on the variables that impact job satisfaction. While a number of researchers have examined the association between task and job satisfaction, very few if any have examined the link between organizational context and job satisfaction. This study examines the association between task complexity, organizational context variables of centralization, organizational complexity, formalization, and environmental uncertainty with job satisfaction. Based on regression results, task complexity, perceived environmental uncertainty, and organizational complexity have a strong influence on employee job satisfaction in accounting firms.

Field of Research: Behavioral research in accounting

1. Introduction

Staff turnover and job performance have been issues of concern to the accounting profession for many years. The concern with turnover includes cost of recruiting new staff and the productivity loss from turnover among experienced accountants, often in the three to five year level. Turnover costs are escalating due to the competition for hiring new entry-level accountants as well as the increased level of intellectual capital, often in the form of client specific knowledge that leaves the firm every time an experienced accountant chooses to depart. Consequently, firms are concerned about job performance because of the potential effect it has on the firm’s efficiency of operations and reputation. The successful management of turnover cost and job performance is important to the long run profitability and survival of firms. Given the concern with turnover cost and job performance, there is a need to better understand the antecedent variables of these factors.

Two the most commonly researched antecedents of employee turnover are organizational commitment and job satisfaction (Mobley, Griffeth, Hand & Meglino 1979; Snead & Harrell 1991; Gregson 1992; Ghiselli, Lopa & Bai 2001). While commitment and satisfaction are both important in understanding staff turnover, satisfaction is likely the more readily altered given that commitment pertains to the congruence of organizational and employee goals and objectives. Thus, influencing staff turnover in the short-run would be more accomplishable by making changes that impact job satisfaction (Hellman 1997; Chou Yeh 2007). Prior research provides evidence on some variables that affect job satisfaction, such as compensation, supervision, co-workers (Moyes, Owusu-Ansah & Ganguli 2006), role

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conflict, role ambiguity, and task complexity (Fisher 2001; Ussahawanitchakit 2008). While these variables play a role in an employee's job satisfaction, the organizational context in which the job is performed may also impact job satisfaction. However, very limited research is available on the impact of organizational context on job satisfaction. The current study extends prior research by investigating the impact of dimensions of organizational structure (formalization, centralization, and complexity) and perceived environmental uncertainty to proxy for the effect of organizational context on job satisfaction.

In order to be effective in accomplishing their goals, organizations adopt organizational structures that allow them to better respond to the demands and opportunities in their operating environment (Ferris 1982; Robbins 1990; Hall 1991). In the past several years, the accounting profession has come under intense scrutiny and pressure from the environment. The globalization of the market place, advances in information technology, mergers of firms, litigation, and increased regulation are but some of the issues facing the profession (Schuetze 1993; Vasarhelyi, Teeter, & Krahel 2010; Fogarty & Parker 2010). Given the trends in the accounting profession’s environment, there is need for investigating the impact of organizational context on job satisfaction. The study uses a sample of professionals in the public accounting industry to investigate the impact of task complexity and organizational context constructs on job satisfaction.

Results indicate that task complexity, organizational complexity, and tenure in the profession are positively related to job satisfaction, while environmental uncertainty is negatively related to job satisfaction. The study provides insights to help researchers and accounting firms better understand the impact of different actions on professional employees job satisfaction and, as a result, turnover and job performance.

The next section presents the relevant background and hypotheses. Subsequent sections present the research method and results. The final section presents the conclusions and discussion.

2. Background and Hypotheses

2.1 Task Complexity

Organizational behavior literature provides evidence on the link between task characteristics and employee affective outcomes such as job satisfaction, job motivation, and organizational commitment (Hackman and Lawler, 1971; Hackman, Oldham, & Pearce 1976; Mobley et al. 1979; Sneed 1988; Campion & McClelland 1991). This line of research focuses on the characteristics of a job that make a task interesting and thus, satisfying. Task characteristics include five core dimensions of motivating work: task variety, task identity, task significance, task autonomy, and feedback (Hackman & Oldham 1976). A job that scores high on the five core dimensions of motivating work is considered to be a complex task. While there are different approaches to measuring task complexity (Bonner 1994), the task characteristic approach to measuring and linking task complexity to employee affective outcomes has been well tested in the organization behavior literature (Szilagyi & Keller 1976; Mobley et al. 1979; Kozlowski & Hults 1986).
As discussed in the preceding paragraph, the five core dimensions of task complexity include variety, identity, significance, autonomy, and feedback. Task variety is the degree to which a job requires a variety of different activities. A job high in variety will require the use of a number of different skills and talents of the person. The use of different skills and talents helps sustain human productivity over extended periods of time. Jobs high in task variety maintains the interest of the employee, thus leading to increased job satisfaction.

Task identity measures the degree to which a job requires the completion of an identifiable piece of work. This would involve doing a job from beginning to end with a visible outcome. Task identity is important for workers to find their work meaningful. Employees must feel that the work they perform is their own, and must feel personally responsible for whatever successes and failures occur as a result of the work. Jobs high in task identity provide a sense of self-worth and satisfaction to employees.

Task significance is the degree to which a job has substantial impact on the lives of other people either in the immediate organization or external environment. Employees may find it difficult to work effectively if they feel that the results of their efforts are not important. Jobs high in task significance will be expected to result in higher job satisfaction.

Autonomy measures the degree of freedom, independence, and discretion that the individual has in scheduling the work and in determining the procedures to be used in carrying out the work. When a job is high in autonomy, workers have more responsibility for the outcome of the job than for jobs low in autonomy. Jobs high in autonomy also offer more flexibility to employees in the performance of their tasks which offers great potential for productivity when the unforeseen occurs or when a bottleneck develops in the task process (Schultz, McCain & Joseph 2003). Flexibility in the performance of a task is likely to enhance the satisfaction that employees feel in doing their work.

Feedback measures the degree to which performing the work activities results in the job incumbents obtaining direct and clear information about the effectiveness of their performance, thus increasing job knowledge for complex tasks (Mascha 2001). The opportunity for knowledge acquisition can be rewarding to professional accountants, and is likely to enhance the satisfaction they feel in doing their work.

A job that scores high in the core task characteristics will have a high task complexity score. Jobs that are high in task complexity will be more motivating and will result in higher job satisfaction. Thus, the first hypothesis states as follows:

\[ H_1: \text{Task complexity is positively related to job satisfaction} \]

2.2 Organizational Context

While prior research has suggested the need to investigate the effect of task complexity on employee affective outcome in the context of the organization, very few studies have examined the impact of organization context on job satisfaction (Roberts & Glick 1981; Price & Mueller 1981; Holman, Clegg & Waterson 2002; Wittayapoon 2007). Organizational context, both internal and external are important in the study of job satisfaction. The current
study uses organizational structure, in the form of the three dimensions of organizational structure: centralization, organizational complexity, and formalization (Robbins 1990) to examine the effect of internal organizational context on job satisfaction.

Centralization refers to the degree to which the formal authority to make discretionary choices is concentrated in an individual, unit, or level, thus permitting employees minimum input into their work. Firms may either have high concentration of authority or low concentration, sometimes called decentralization. Decentralization is a desired feature of structure where the processing capacity to attend to information is a scarce resource. Job environments with professionals are associated with low centralization (decentralization). Professionals with specialized knowledge are generally employed in occupations that require a certain degree of autonomy in the performance of their duties. These professionals will be better motivated and more satisfied with their jobs if they enjoy a certain degree of discretion in the performance of their duties. Accordingly, the next hypothesis states:

H2a: There is a negative relation between centralization and job satisfaction

Organizational Complexity is the degree of differentiation that exists within an organization. It can be measured using horizontal, vertical, and spatial differentiation. Horizontal differentiation considers the degree of horizontal separation between units based on the orientation of members, the nature of the tasks they perform, and their education and training. The most visible evidence of horizontal differentiation in organizations is specialization and departmentation. Organizing along department lines is a strategy to address heterogenous task demands, while specialization is a tool for addressing complex and more technical service issues. Horizontal differentiation is a means to reduce uncertainty, and is likely to have a positive effect on job satisfaction.

Vertical differentiation refers to the depth of organizational hierarchy within the organization. As differentiation increases (hence complexity), the number of hierarchical levels within the organization also increases. The hierarchical levels in auditing firms generally are staff accountant, senior accountant, manager, partner, and general partner. The deeper the hierarchy within a firm, the better the opportunity to match task demands to the level most appropriate to deal with it, which may lead to increased job satisfaction.

Spatial differentiation refers to the degree to which the locations of an organization's offices are dispersed geographically. It can be thought of as an extended dimension to horizontal and vertical differentiation. It is possible to separate tasks and power centers geographically. Regional and national accounting firms are more spatially differentiated than local accounting firms. Spatial differentiation allows firms to be more responsive to the needs of the client, and is another tool for dealing with uncertainty and uniqueness in their market place.

Uncertainty in the internal organizational context can frustrate employees and may lead to dissatisfaction with their job and the firm. Organization structure is a strategic choice that the firm makes in dealing with this uncertainty. Organizational structure that is more
complex (higher horizontal, vertical, and spatial differentiation) will be better suited to handle uncertainty, thus the next hypothesis states,

\[ H_{2b}: \text{There is a positive relationship between organizational complexity and job satisfaction} \]

*Formalization* is the degree to which jobs within the organization are standardized. Organizations use standardized behavior to reduce variability. As tasks become more complex, it becomes more difficult for people to manage them. This leads to the use of formalization to cope with tasks. In the auditing environment, as accounting rules and the client environment become more complex, many firms require their auditors to complete a checklist as part of every audit (Williams & Dirsmith 1988). Given the same set of information or stimuli, standardization helps to reduce variability of response. Standardization also promotes coordination. It is much more difficult to coordinate tasks that are not standardized. The greater the degree of formalization, the lower the level of uncertainty associated with the job. Lower uncertainty may lead to lower stress, which may in turn lead to increased job satisfaction ((Fisher 2001; Ussahawanitchakit 2008). However, because formalization reduces job autonomy, it may lessen job satisfaction. Thus, there are conflicting theoretical relationships between formalization and job satisfaction. As a result, it is not possible to have a directional hypothesis regarding the impact of formalization on job satisfaction.

\[ H_{2c}: \text{There is an association between formalization and job satisfaction} \]

In addition to investigating the link between the internal organizational context and job satisfaction, the study also use perception of environmental uncertainty to examine the impact of the external organizational context on job satisfaction. *Perceived Environmental Uncertainty* (PEU), used to proxy for the external organizational context in the current study, refers to a “state when an individual engages in directed behaviors based upon less than complete knowledge of his relationship with the environment” (Rebele & Michaels 1990, p129). Modern organization theory views the organization as an open system, and thus subject to external influences (Robbins 1990). To achieve its goals, organizations structure themselves and employ operating procedures to cope with external influences and uncertainties in the external environment. Prior research in accounting suggests that accounting firms face a relatively “uncertain and turbulent environment” (Watson 1975; Baker 1977). This type of environment is likely to create stress and lead to job dissatisfaction.

\[ H_3: \text{There is a negative relation between PEU and job satisfaction} \]

Figure 1 provides a summary of the hypotheses tested in this study.
3. Data and Research Method

Two surveys were mailed to 2,754 professional employees of international and regional accounting firms in seven states. Responses were received from 504 professional employees (18.3%). Because of the time interval between the two surveys, the possibility of non-response bias may exist. To examine the possible existence of non-response bias, analysis of variance (ANOVA) was used to compare the means between the respondents from the first and second surveys. Except for perceived environmental uncertainty, there were no significant differences between the means of the first or second surveys on the independent variables (centralization, complexity, and formalization) and on the moderator variables (task complexity, and environmental uncertainty). The minimum sample size required to reject $\alpha$ equal .05 at the 90% probability interval, with $r^2$ set at 10%, for 17 independent variables is 245 (Cohen & Cohen 1983). A sample size of 504 is more than adequate for power analysis at the 90% interval level.

International firms' response account for 72.4% of total responses (365), while regional firms responses accounts for 27.6% of total responses (139). Seventy-six percent of the sample is made up of subjects who are managers or above (351) and twenty-four percent of the respondents is professional staff (114). Occupational areas represented in the sample were 237 (45%) from Audit, 182 (35%) from Tax, 67 (13%) from consulting, and 41 (8%) from other non-specified areas, for a total of 527.

Figure 1: Diagram of Hypotheses

- **H$_1$: Task Complexity (+)**
  - Task Variety
  - Task Identity
  - Task Significance
  - Task Autonomy
  - Task Feedback

- **Dimensions of Organizational Structure**
  - **H$_{2a}$: Centralization (-)**
  - **H$_{2b}$: Complexity (+)**
  - **H$_{2c}$: Formalization**

- **H$_3$: Perceived Environmental Uncertainty (-)**

Job Satisfaction
Measurements were taken on perceptions of dimensions of organizational structure, perceived environmental uncertainty, task characteristics, job satisfaction, and general information such as gender and tenure. Table 1 provides descriptive statistics on these variables. The average age for the respondents is 35 years, the youngest is 20 years, and the oldest respondent is 74 years old. There are 185 females and 318 males in the sample. The average tenure with the current employer is 9 years, with a minimum of 1 year and a maximum of 39 years. The average tenure in the profession for the respondents is 12, with a minimum of less than 1 year and a maximum of 40 years.

Table 1: Sample Composition

By Occupational Levels

<table>
<thead>
<tr>
<th>Firms</th>
<th>Management</th>
<th>Professional</th>
<th>Staff</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Firms</td>
<td>243</td>
<td>83</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Regional &amp; Local Firms</td>
<td>111</td>
<td>31</td>
<td>81</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>354</td>
<td>114</td>
<td>468</td>
<td></td>
</tr>
<tr>
<td>Percent</td>
<td>76%</td>
<td>24%</td>
<td>100%</td>
<td></td>
</tr>
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</table>

By Departments

<table>
<thead>
<tr>
<th>Firms</th>
<th>Audit</th>
<th>Tax</th>
<th>Consulting</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
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<tr>
<td>National Firms</td>
<td>169</td>
<td>114</td>
<td>42</td>
<td>23</td>
<td>49</td>
</tr>
<tr>
<td>Regional &amp; Local Firms</td>
<td>68</td>
<td>68</td>
<td>25</td>
<td>18</td>
<td>85</td>
</tr>
<tr>
<td>Total</td>
<td>237</td>
<td>182</td>
<td>67</td>
<td>41</td>
<td>527</td>
</tr>
<tr>
<td>Percent</td>
<td>45%</td>
<td>35%</td>
<td>13%</td>
<td>8%</td>
<td>100%</td>
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</table>

By States

<table>
<thead>
<tr>
<th>Firms</th>
<th>PA</th>
<th>MO</th>
<th>NY</th>
<th>CA</th>
<th>FL</th>
<th>IL</th>
<th>KS</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Firms</td>
<td>12</td>
<td>26</td>
<td>72</td>
<td>130</td>
<td>26</td>
<td>55</td>
<td>4</td>
<td>325</td>
</tr>
<tr>
<td>Regional &amp; Local Firms</td>
<td>6</td>
<td>15</td>
<td>48</td>
<td>54</td>
<td>1</td>
<td>18</td>
<td>1</td>
<td>143</td>
</tr>
<tr>
<td>Total</td>
<td>18</td>
<td>41</td>
<td>120</td>
<td>184</td>
<td>27</td>
<td>73</td>
<td>5</td>
<td>468</td>
</tr>
<tr>
<td>Percent</td>
<td>4%</td>
<td>9%</td>
<td>26%</td>
<td>39%</td>
<td>6%</td>
<td>16%</td>
<td>1%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Variables

<table>
<thead>
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<th>Variables</th>
<th>N</th>
<th>Theoretical Range</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEN</td>
<td>498</td>
<td>1-4</td>
<td>1.00</td>
<td>4.00</td>
<td>2.4684</td>
<td>.53118</td>
</tr>
<tr>
<td>COMP</td>
<td>494</td>
<td>1-5</td>
<td>1.00</td>
<td>4.63</td>
<td>2.8880</td>
<td>.80120</td>
</tr>
<tr>
<td>FORM</td>
<td>503</td>
<td>1-5</td>
<td>1.00</td>
<td>5.00</td>
<td>3.2404</td>
<td>.95211</td>
</tr>
<tr>
<td>PEU</td>
<td>498</td>
<td>1-5</td>
<td>1.00</td>
<td>5.00</td>
<td>2.2396</td>
<td>.61878</td>
</tr>
<tr>
<td>TC</td>
<td>503</td>
<td>1-7</td>
<td>1.75</td>
<td>7.00</td>
<td>5.2339</td>
<td>.87056</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>503</td>
<td>1-7</td>
<td>2.50</td>
<td>7.00</td>
<td>5.0459</td>
<td>.84904</td>
</tr>
<tr>
<td>Experience: Yrs in Accounting</td>
<td>496</td>
<td></td>
<td>0</td>
<td>40</td>
<td>12.14</td>
<td>8.266</td>
</tr>
<tr>
<td>Female</td>
<td>185</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>318</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>476</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
There are certain characteristics about this sample that strengthens the construct validity of the measures. One may assume that management is more familiar with the organization context of the firm than professional staff. The fact that 76 percent of the sample is from management strengthens the construct validity for the organization context measures. Also, the fact that the average tenure with the firm is approximately nine years may imply an adequate level of knowledge about the firm’s organizational context. These two facts taken together increase the construct validity of the measures.

The questionnaire items used to collect the measures for the study are based on well-developed instruments that have been validated in prior research. The questionnaire, together with the source of the questionnaire items are provided in Appendix A.

Correlation and regression analyses were used to analyze the data. Correlation analyses were conducted on all the variables in the model because high correlation between variables may indicate the existence of multicollinearity. Regression analysis was used to analyze the effects of task complexity, centralization, organizational complexity, formalization, and perceived environmental uncertainty on job satisfaction. Based on prior research, we control for years of experience in accounting, and gender (Russ & McNeilly 1995; Padgett, Gjerde & Hughes 2005). We also control for the interaction effects between the main effect variables and control variables. The regression model used for the analysis is stated below:

\[
Y = \beta_0 + \beta_1 TC + \beta_2 CEN + \beta_3 COMP + \beta_4 FORM + \beta_5 PEU + \beta_6 EXP + \beta_7 GEN + \\
\beta_8 TC*EXP + \beta_9 CEN*EXP + \beta_{10} COMP*EXP + \beta_{11} FORM*EXP + \beta_{12} PEU*EXP + \\
\beta_{13} TC*GEN + \beta_{14} CEN*GEN + \beta_{15} COMP*GEN + \beta_{16} FORM*GEN + \beta_{17} PEU*GEN + \beta_{18} EXP*GEN + \varepsilon,
\]

where,

- \(Y\) = Job Satisfaction
- TC = Task Complexity
- CEN = Centralization
- COMP = Organizational Complexity
- FORM = Formalization
- PEU = Perceived Environmental Uncertainty
- EXP = Years of Experience in Accounting
- GEN = Gender
- \(\varepsilon\) = Error term

4. Results

4.1 Correlation Results

Generally, multicollinearity becomes an issue when the correlation between variables equals or exceeds .90 (Hair et al. 1992). While there were some high correlations among the variables, none of them exceed .50 (See Table 2). Also, none of the variance inflation factors calculated in the regression analysis approaches the threshold value of 10 specified by Hair et al. (1992). Therefore, one may conclude that multicollinearity is not a problem with this data set.
4.2 Regression Results

Overall, the regression model was robust, with an adjusted r-square of .32, and F statistic of 14.24 at a significance level of less than 0.001 (see Table 3). In addition, three variables (task complexity, organizational complexity, and environmental uncertainty) are significant at the 0.01 level, and another three (experience; moderator variables of organization complexity by experience, and task complexity by experience) are significant at the 0.05 level. Results indicate the existence of a positive and significant relationship between task complexity and job satisfaction (t statistic of 3.854 at a significance level of less than 0.001). Respondents in positions with greater task complexity have a higher level of job satisfaction. This result support H1, and is consistent with prior research.

Results support the existence of a significant positive relationship between organizational complexity and job satisfaction (t statistic of 2.825 at a significance level of 0.005). Respondents who perceived a higher level of organizational complexity in their employment experience a higher level of job satisfaction. Thus, H2b is supported.

Hypothesis H3 was supported, as results indicate the existence of a significantly negative relation between PEU and job satisfaction (t statistic of -3.263 at a significance level of 0.001). The higher the perceived level of environmental uncertainty, the lower the level of job satisfaction.

Regression results do not support the existence of a significant relationship between either centralization or formalization with job satisfaction. Experience significantly relates to job satisfaction (t statistic of 2.089 at a significance level of 0.037), and it moderates the effect of organizational complexity (t statistic of -2.364 at a significance level of 0.019) and task complexity (t statistic of -2.249 at a significance level of 0.025) on job satisfaction. None of the other interaction effects or control variables (i.e., experience or gender) were significantly related to job satisfaction at the .05 level.
### Table 3: Regression Results

#### Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.588(a)</td>
<td>.346</td>
<td>.321</td>
<td>.70438</td>
</tr>
</tbody>
</table>

#### ANOVA(b)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
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<tr>
<td>1</td>
<td>Regression</td>
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<td>120.089</td>
<td>7.064</td>
<td>14.238</td>
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<tr>
<td></td>
<td>Residual</td>
<td></td>
<td>227.240</td>
<td>.496</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>347.328</td>
<td>.496</td>
<td></td>
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#### Coefficients(a)

<table>
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<tr>
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<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
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<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
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<tr>
<td>(constant)</td>
<td>3.286</td>
<td>.856</td>
<td></td>
<td>3.840</td>
</tr>
<tr>
<td>Task Complexity</td>
<td>.364</td>
<td>.095</td>
<td>.371</td>
<td>3.845</td>
</tr>
<tr>
<td>Centralization</td>
<td>-.068</td>
<td>.152</td>
<td>-.042</td>
<td>-.447</td>
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<tr>
<td>Org. Complexity</td>
<td>.293</td>
<td>.104</td>
<td>.274</td>
<td>2.825</td>
</tr>
<tr>
<td>Formalization</td>
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<td>.080</td>
<td>-.095</td>
<td>-1.079</td>
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<tr>
<td>PEU</td>
<td>-.419</td>
<td>.128</td>
<td>-.304</td>
<td>-3.263</td>
</tr>
<tr>
<td>Experience</td>
<td>.100</td>
<td>.048</td>
<td>.952</td>
<td>2.089</td>
</tr>
<tr>
<td>Gender</td>
<td>-1.209</td>
<td>.763</td>
<td>-.685</td>
<td>-1.585</td>
</tr>
<tr>
<td>Centralization X Experience</td>
<td>.000</td>
<td>.008</td>
<td>-.008</td>
<td>-.035</td>
</tr>
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<td>Org Complexity X Experience</td>
<td>-.013</td>
<td>.006</td>
<td>-.349</td>
<td>-2.364</td>
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<td>Formalization X Experience</td>
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<td>.004</td>
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<td>Task Complexity X Experience</td>
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<td>.005</td>
<td>-.639</td>
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<tr>
<td>PEU X Experience</td>
<td>.003</td>
<td>.008</td>
<td>.066</td>
<td>.409</td>
</tr>
<tr>
<td>Centralization X Gender</td>
<td>.252</td>
<td>.145</td>
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<td>Org. Complexity X Gender</td>
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<td>.099</td>
<td>-.219</td>
<td>-1.298</td>
</tr>
<tr>
<td>Formalization X Gender</td>
<td>.099</td>
<td>.082</td>
<td>.198</td>
<td>1.202</td>
</tr>
<tr>
<td>Task Complexity X Gender</td>
<td>.131</td>
<td>.087</td>
<td>.401</td>
<td>1.514</td>
</tr>
<tr>
<td>PEU X Gender</td>
<td>-.012</td>
<td>.118</td>
<td>-.016</td>
<td>-1.00</td>
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</table>

Dependant Variable: Job Satisfaction
5. Conclusions and Limitations

The findings of the study have some important implications for accounting firm management practice. Results indicate that task complexity (+), organizational complexity (+), and perception of environmental uncertainty (-) are significantly related to job satisfaction, which is an antecedent to employee turnover. Firm’s management who want to improve their effectiveness in the areas of job satisfaction and employee turnover may want to perform a task/job analysis to make sure that tasks are sufficiently high in task complexity to motivate and satisfy high performing professionals. Firms’ management can also evaluate their organizational structure and operating procedures to ensure that they are appropriately configured to reduce their employees’ perception of environmental uncertainty.

While organization structure, particularly organizational complexity may not be subject to quick change or modification, it may be worthwhile for firms’ management to consider the strategic implication of structure to their mission goals and objectives. Where appropriate, changes can be made in the long term to align organizational structure with firm’s strategic goal and objectives. Firms’ management may also want to evaluate the importance of organizational complexity, task complexity, and perceived environmental uncertainty to their human resource management practice objectives. The fact that these three variables consistently relate to job satisfaction in our analysis may be of some importance to accounting firms’ personnel management practice.

Consistent with prior research, the findings provide support for the positive association between task complexity and job satisfaction. While the importance of contextual variables has been mentioned in prior research on employee affective outcomes, few studies have directly examined their effect on job satisfaction. The current study extends prior research by documenting the importance of organizational context variables such as organizational complexity and perceived environmental uncertainty in the study of job satisfaction. More research is needed to identify and document the importance of other variables that may impact job satisfaction.

The results of this research indicate a need to examine the interaction effects of experience on individual dimensions of task complexity and organizational complexity. It is possible that experience in some ways moderate the influence of task complexity and organizational complexity on job satisfaction.

The findings of the study may be limited because of the proxies used to operationalize task characteristics. However, task characteristics as measured here followed the practice used in the organizational behavior literature, though other studies have used other measures to operationalize this construct. In the audit judgment literature, task complexity is used to measure audit task difficulty and task structure (Bonner 1994). The findings of this study should be interpreted with caution because of the limitations imposed by the measures used for the latent constructs in the study.

Another limitation of the study is the large proportion of managers and partners in the sample. The data may under represent the portion of the accounting profession where turnover is the greatest, staff with fewer than five years of experience. Future research is
needed to focus on the group with less experience. Furthermore, longitudinal research is needed to begin identifying differences between those who stay and those who leave public accounting after a relatively short period of time.

Endnotes

1 The states include California, Florida, Illinois, Kansas, Montana, New York, and Pennsylvania.

\[ R^2 = \frac{R^2}{(1-R^2)} = \frac{.10}{(1-.10)} = .1111; \ n^* = \frac{L/f^2 + k + 1}{25.16/.1111 + 17 + 1} = 244.46, \]

where \( k \) = number of independent variables and \( L \) is used to represent the number of degrees of freedom.

2 Some of the respondents work in more than one functional area, which explains the difference for the total of 527 for the functional areas versus the 504 for the sample size.

\[ n^* = \frac{L/f^2 + k + 1}{25.16/.1111 + 17 + 1} = 244.46, \]

\[ \text{where } k = \text{number of independent variables and } L = \text{used to represent the number of degrees of freedom}. \]

3 Some of the respondents did not provide their gender, thus the total for this classification does not add up to 504.

\[ \text{where } k = \text{number of independent variables and } L = \text{used to represent the number of degrees of freedom}. \]

4 In supplemental analysis, we also control for marital status, occupational level (management versus staff), and functional areas (audit, consulting, tax). None of them were significant.

References


Appendix A - Questionnaire

Section I - Centralization
Who has *primary* responsibility for making different kinds of decisions in your department?
For each decision area listed below, circle the appropriate response for who actually makes
the decision. Is it

Your immediate supervisor………………………………………………….. 1
The head of your department…………………………………………….. 2
The partner in charge of your office…………………………………… 3
Someone at a regional or national office………………………… 4
Performance evaluation…………………………….. 1 2 3 4
Scheduling/overtime…………………………………… 1 2 3 4
Hiring…………………………………………………. 1 2 3 4
Promotions…………………………………………… 1 2 3 4
Use of sub-contractors/temporaries…………………………….. 1 2 3 4
Discharge/layoffs…………………………………….. 1 2 3 4
Wage/salary levels……………………………………… 1 2 3 4
Number of employees…………………………………….. 1 2 3 4

Section II – Organizational Complexity
Based on your perceptions, how does your firm compare to other Big 6 firms in the
accounting industry.

<table>
<thead>
<tr>
<th>Less Than Most</th>
<th>About the Same</th>
<th>More Than Most</th>
</tr>
</thead>
<tbody>
<tr>
<td>1---------------</td>
<td>2--------------</td>
<td>3------------- 4----------- 5-----</td>
</tr>
</tbody>
</table>

1. The number of distinct organizational goals……………… 1 2 3 4 5
2. The number of major services in my firm……………….. 1 2 3 4 5
3. The number of major divisions/departments ………….. 1 2 3 4 5
4. The number of times I travel outside my city last year was……………… 1 2 3 4 5
5. The number of work days I spent outside my city last year was……… 1 2 3 4 5
6. The number of offices that I had to coordinate work with last year was……………… 1 2 3 4 5
7. The number of specialized departments ………………….. 1 2 3 4 5
8. The number of hierarchical levels ……………………. 1 2 3 4 5
Section III - Formalization

Circle the appropriate choice for each question.

Definitely True
1-------------------2-------------------3-------------------4-------------------5

1. Clear, written goals and objectives exist for my job…. 1 2 3 4 5
2. Written schedules, programs, and work specifications are available to
   guide me in my work...................................... 1 2 3 4 5
3. My job responsibilities are clearly specified in writing 1 2 3 4 5
4. My performance appraisals are based on written standards.............
   1 2 3 4 5
5. My duties, authority, and accountability are documented in policies,
   procedures, or job descriptions......................... 1 2 3 4 5

Section IV – Perceived Environmental Uncertainty

Please answer all questions as they relate to your job in your organization. Circle the
appropriate choice for each question.

Never  Seldom  Sometimes  Often  Always
1 2 3 4 5

1. How often are you certain about what the actions or expectations of the group
   (supervisors and clients) are that you have to try to meet as part of your
   job?.............................................................. 1 2 3 4 5
2. How often are you certain about how to respond to the group’s actions or
   expectations?.............................................. 1 2 3 4 5
3. How often can you determine whether your response to meet the actions or
   expectations of the group was effective?.............. 1 2 3 4 5
Section IV – Task Complexity

For each of the questions that follows, please circle the number that indicates how your job ranks on these dimensions.

<table>
<thead>
<tr>
<th>Very Little</th>
<th>Very Much</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
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<td>3</td>
</tr>
<tr>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>6</td>
<td>1</td>
</tr>
</tbody>
</table>

1. How much variety is there in your job? ................. 1 2 3 4 5 6 7
2. How much autonomy do you have in your job? ........... 1 2 3 4 5 6 7
3. To what extent do you do a whole piece of work? .... 1 2 3 4 5 6 7
4. To what extent do you obtain feedback on the job performance? .......... 1 2 3 4 5 6 7
5. The amount of variety in my job is .................... 1 2 3 4 5 6 7

Section V – Job Satisfaction

For each of the questions that follows, please circle the number that indicates how your job ranks on these dimensions.

A. Which one of the following shows how much of the time you feel satisfied with your job?
   1. Never.
   2. Seldom.
   3. Occasionally.
   4. About half of the time
   5. A good deal of the time.
   6. Most of the time.
   7. All the time.

B. Which one of the following statements best describes how well you like your job.
   1. I hate it.
   2. I dislike it.
   3. I don’t like it.
   4. I am indifferent to it.
   5. I like it.
   6. I am enthusiastic about it
   7. I love it.
C. Which one of the following best describes how you feel about changing your job?
1. I would quit this job at once if I could.
2. I would take almost any other job in which I could earn as much as I am earning now.
3. I would like to change both my job and my occupation.
4. I would like to exchange my present job for another one.
5. I am not eager to change my job, but I would do so if I could get a better job.
6. I cannot think of any jobs for which I would exchange.
7. I would not exchange my job for any other.

D. Which one of the following shows how you think you compare with other people?
1. No one dislikes his job more than I dislike mine.
2. I dislike my job much more than most people dislike theirs.
3. I dislike my job more than most people dislike theirs.
4. I like my job about as well as most people like theirs.
5. I like my job better than most people like theirs.
6. I like my job much better than most people like theirs.
7. No one likes his or her job better than I like mine.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Type</th>
<th>Source</th>
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<tbody>
<tr>
<td>Complexity</td>
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<td>Hall, Haas, &amp; Johnson (1967)</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>Dependent Var.</td>
<td>McNichols, Stahl &amp; Manley (’78)</td>
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