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Effects of Autonomy, Competence, and Relatedness on Employee Outcomes: A Literature Review

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Author Note
I have no known conflict of interest to disclose.

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Abstract

Most business organizations understand that employees are an essential part of their success and as such, much research has gone into understanding the most effective ways of eliciting favorable employee outcomes. The self-determination theory (SDT) is one result of the extensive research that has been done on the topic. SDT suggests a relationship between positive employee outcomes and the satisfaction of employees’ three basic psychological needs (TBPN): autonomy, competence, and relatedness. This literature review was undertaken to examine empirical studies that have researched the ways psychological needs are satisfied, and the effects of the TBPN on employee outcomes in the workplace. It was concluded that satisfaction of the TBPN occurs most frequently in employee-supportive organizations and leadership. Additionally, the research has also indicated that need satisfaction occurs in employees that focus on mindfulness and positivity. Results from these studies also showed a strong relationship between the TBPN and increased employee performance, well-being, and job satisfaction. While limitations were present due to the use of surveys and limited demographics, overall, the literature reviewed herein shows that the satisfaction of the TBPN indeed influences employee outcomes in the workplace.

Keywords: three basic psychological needs, need satisfaction, employee performance, employee well-being
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Profitability and customer satisfaction are essential to a successful business. However, highly effective organizations understand the importance of focusing on the needs of their employees (Deci et al., 2017). Because employees are arguably the most important factor in the success of organizations, one of the main strategies of many businesses is to invest in their employees and promote quality performance (Gungor, 2011). With continued globalization, the necessity to meet the needs of employees from different cultures and backgrounds has grown substantially. This need has led to the development of a contemporary theory called the self-determination theory (SDT). Of all the business theories, it is considered to be one of the most applicable across different cultures, economies, and working conditions (Gagne et al., 2014).

Self-Determination Theory

The SDT was first introduced in the 1970’s, but the first well-known publications on the topic came from Ryan and Deci in 1985 (Deci & Ryan, 2008). They theorized that there were two types of motivation: autonomous and controlled (Deci et al., 2017). Autonomous motivation is characterized by people who engage in activities because they choose to. Controlled motivation comes from power dynamics or rewards offered with contingencies. SDT suggests that autonomous motivations promote better employee performance, while controlled motivations have the opposite effect (Deci et al., 2017).

Another major theory presented by the SDT is that employees have three basic psychological needs (TBPN) in the workplace: autonomy, competence, and relatedness (Chiniara & Bentein, 2016). Autonomy is defined as one’s perception that one gets to make choices and act independently. Competence comes from feeling that one is effective in one’s interactions with
the environment and role within the organization. Relatedness is the perception that one belongs within and organization and connects with one’s peers and coworkers. The SDT postulates that employees who have their TBPN met will perform better in the workplace (Deci et al., 2017).

**Purpose**

In this literature review, I will examine how satisfaction of employees’ TBPN occurs and the effects of employees’ TBPN on their outcomes. I will first examine research to understand how to satisfy the TBPN in employees. Next, I will discuss the effects of need satisfaction on employee outcomes. This literature review will be a great asset to future business leaders who desire to promote quality performance in their employees. I will also discuss implications for future research in this paper.

**Methods**

The current literature review was undertaken to examine empirical studies that researched the ways psychological needs are satisfied, as well as research on the effects of the TBPN on employee outcomes in the workplace. Research was carried out using peer-reviewed, empirical studies on EBSCOhost, and Google Scholar that were published between 2012 and 2022. Articles were included if they were specifically related to employees’ three basic psychological needs, the self-determination theory, and employee outcomes. The following key words were used in each database were: self-determination theory AND psychological needs AND autonomy AND competence AND relatedness; job performance OR work performance OR employee performance OR employee productivity OR employee outcomes. Database searches led to the review of 30 articles, 15 of which were utilized in this literature review.

**Results**

**Satisfaction of Basic Psychological Needs**
There are two categories involved in satisfying employees’ TBPN and the first is leadership and organizational support. Much of an employee’s workplace experience depends on how leadership and the organization as a whole define employees’ roles, responsibilities, workload, etc. The second category is the employees themselves. Regardless of how much leadership or organizations attempt to foster healthy working environments, much of an employees’ experience depends upon themselves, particularly in their material intentions, prosocial behavior, and mental state.

**Leadership and Organizational Support**

Leadership and organizational support play a role in employee need satisfaction (NS) in the workplace. A 2012 study carried out by Kovjanic et al. investigated the relationship between transformational leadership and the satisfaction of the TBPN. Transformational leadership is conceptualized as leaders who seek to engage the full potential of their followers and to satisfy their needs. Kovjanic et al. carried out two studies in Germany and in a German-speaking part of Switzerland. They gave surveys in both studies to measure several variables linking transformational leadership to satisfaction of the TBPN and a few other employee outcomes. From the research a strong relationship between transformational leadership and NS was found. These findings add evidence to supportive leadership being a component in NS.

In a similar study, Chiniara and Bentein (2016) sought evidence that servant leadership promotes the satisfaction of the TBPN. Servant leaders are defined as those who influence the outcome of their organization by supporting their followers’ growth and well-being. In other words, servant leaders serve the needs of those who follow them. Through a web-based survey sent to employees of a Canadian-based company, Chiniara and Bentein, (2016) collected data on 821 first-level employees and 157 supervisors. The survey was designed so that employees and
supervisors were able to rate each other. Employees rated the level of servant leadership behaviors in their supervisors, and the employees also rated their level of NS at work. The supervisors rated individual employee performance. From this survey they found results that suggested that a positive relationship exists between servant leadership and NS in employees. This study adds to and supports the findings presented by Kovjanic et al. (2012) and further shows the importance of leadership in employee NS.

Research presented by Gillet et al. (2012) adds additional insight into the effects of supportive leadership on NS. In their two studies they handed out questionnaires to over 800 employees from various large French companies. From the studies they found that leadership that supports autonomy in their subordinates, is positively related to employee NS. In other words, leaders who consider their employees’ perspectives, encourage individual choice and self-regulation, and limit external demands and pressures, can promote the satisfaction of employees’ TBPN.

While the leadership styles presented by each study weren’t the same, each style was supportive of employees in its own way. As such, the data presented by Gillet et al. (2012) support the findings that servant leadership and transformational leadership promote NS. The three articles corroborate each other and add validity to the claim that employees who feel support from leadership are more likely to experience NS in the workplace.

In addition to supportive leadership satisfying the TBPN, certain findings suggest that employees’ perception of organizational support is also related to NS (Gillet et al., 2012; Gillet et al., 2020). In their study referenced previously, Gillet et al. (2012) found an additional relationship between organizational support and NS. In a similar survey distributed to 523 workers in France eight years later, Gillet et al. (2020) also concluded that employees who
perceive organizational support are more likely to have their TBPN met. When taken together, the findings presented by the research above suggest that supportive leadership and supportive organizations do indeed relate to the satisfaction of the TBPN in employees.

**Employees’ Motivations, Pro-Social Behavior, and Mindset**

Just as leadership and organizational roles play a part in NS, it has been postulated that the motivations behind an employee’s desire to seek workplace rewards (such as increased pay, bonuses, recognition, success, better work relationships, etc.) can also play a role in NS. In a study performed by Unanue et al. (2017), they collected data from surveys given out to 742 employees in Chile and 518 employees in Paraguay. Their findings suggested that employees who focus on motivations such as personal growth, altruistic behaviors, and forming good relationships experience greater NS in the workplace. In contrast, when employees focuses more on motivations like material success, image, and recognition, they experience less satisfaction of their TBPN. This finding was also supported by results presented by Thibault Landry et al. (2016). They surveyed 538 employees in their first study and 748 in their second (both studies came from organizations in Quebec, Canada). From the collected data, the researchers found evidence that employees who are motivated to pursue money in order to promote their own psychological growth through leisure, freedom, charity, pride, and market worth, are more likely to find NS in the workplace. The results from both Unanue et al. (2017) and Thibault Landry et al. (2016) provide evidence that an employees’ motivations behind their work can affect NS.

Additional studies have found that employees who exhibit pro-social behaviors also experience greater levels of NS. From their surveys distributed to 335 employees of Amazon Mechanical Turk, Martela and Ryan (2015) found a relationship between pro-social behavior (seeking to benefit the society in which one lives), beneficence (the ability to give), and
satisfaction of the TBPN. A study carried out four years later by Hu et al. (2019) provided similar findings. Their results came from two rounds of surveys distributed to hotel workers in China. The first round produced 363 questionnaires, and the second produced 282 questionnaires. When testing participation in corporate social responsibility (CSR—an organization’s discretionary initiatives meant to improve society beyond what the law requires), Hu et al. (2019) were able to find a correlation between in-role CSR participation (when employees’ CSR behaviors are expected and directed by rules or rewards) extra-role CSR behaviors (when employees’ CSR behaviors come from their own desire and volition to help the community), and the satisfaction of the needs for autonomy and competence. Extra-role CSR behaviors emulate the pro-social attitudes offered by Martela and Ryan (2015) and thus support the idea that pro-social behavior leads to NS. Viewed together, both studies show evidence that employees who exhibit pro-social behaviors experience greater levels of NS.

Further research indicates that an additional method employees can use to satisfy their own TBPN is to manage their mindset. In studying the effects of mindfulness (a state of receptive attention to one’s present experience) on employee outcomes, Olafsen et al. (2021) distributed an electronic questionnaire to 267-unit leaders in the Norwegian health care system. The questionnaire was designed to measure the relationship between frustration of the TBPN and negative employee outcomes such as burnout, somatic symptom burden, and turnover intention. Additionally, Olafsen et al. (2021) sought to know the potential of using mindfulness to decrease these negative results in employee outcomes. The collected data suggested a connection between employee mindfulness in the workplace and NS. Supplemental literature by Thibault Landry et al. (2018) found that NS can be provided through employees’ positive evaluations of their work environment. These results were provided by data collected from questionnaires given to 1,456
United States employees, 67% of which held nonmanagerial positions. Fischer et al. (2019) also found evidence (from their online self-assessment taken by 120 consultants from Germany, Austria, and Switzerland) that employees who take ownership and responsibility of their tasks are also more likely to have their TBPN met. These two studies show that employees’ mindset plays a role in the satisfaction of the TBPN.

The studies examined in this section show the importance of employees working to satisfy their TBPN. When employees have healthy motivations, seek to exhibit pro-social behaviors, and focus on mindfulness, NS is more likely to occur.

**Need Satisfaction and Employee Outcomes**

Literature suggests that NS has a major impact on employee outcomes in the workplace. This is specifically found in overall employee performance in the workplace, employee well-being, and employee job satisfaction.

**Employee Performance**

The satisfaction of employees’ TBPN can have a large effect on their performance in the workplace. In addition to finding a link between organizational support and NS, Gillet et al. (2020) also found a relationship between satisfaction of employee’s psychological needs and an increased level of helping behaviors and work engagement. The study by Chiniare and Bentein (2016) also found that NS was correlated with increased task performance, helping behaviors, and work engagement, adding support to the research presented by Gillet et al. (2020). Thibault Landry et al. (2019) also found a relationship between NS and employee task performance. They carried out two different studies at a Canadian university: one with 123 participants, and one with 235 participants. In each study, two groups were asked to complete a task to receive a reward. However, one group was offered the reward in a way that was hypothesized to satisfy
their need for autonomy (NFA); the other group was offered the reward in a way that was hypothesized to not satisfy their NFA. Overall, Thibault Landry et al. (2019) found that when the NFA was satisfied, the participants’ overall task performance improved. Chiniare and Bentein (2016) found additional evidence that NS increases organizational citizenship behaviors (OCBs). OCBs are exhibited by employees who serve the business or organization in ways outside of their job description. Thibault Landry et al. (2018) also found that satisfaction of employees’ TBPN was significantly and positively related to all five work intentions, which, are employees’ intentions to: perform, use discretionary effort (do extra work because they want to), use OCBs, endorse the organization, and stay in the organization. When corroborated, the reviewed research suggests a correlation between satisfaction of employees’ TBPN and an increased employee performance in the workplace.

Other effects of NS can also affect performance outcomes even though they are not directly related to work performance. Olafsen et al. (2021) found a correlation between employee health and NS. Self-efficacy (the employees’ belief that they can perform a particular task) was also found to be related to NS (Kovjanic et al., 2012).

**Employee Well-Being and Job Satisfaction**

Research has also found that employee well-being and job satisfaction are related to NS. In their studies mentioned previously, Hu et al. (2019) and Martela and Ryan (2015) also found a connection between subjective well-being (a general sense of feeling good) in employees and satisfaction of all TBPN. In addition to their findings on autonomous supportive leadership, Gillett et al. (2012) also linked NS and the promotion of eudaemonic well-being (the feeling that one is living well and fulfilling one’s potential) and hedonic well-being (the pursuit of comfort, enjoyment, and pleasure) in employees. Olafsen et al. (2021) also added to their conclusions on
mindfulness by finding a relationship between basic psychological need satisfaction and an improvement in employees’ overall health. Supplementing their findings regarding transformational leadership and NS, Kovjanic et al. (2012) were also able to find a relationship between NS and self-efficacy. Thus, these studies work together in order to postulate a connection between employee well-being and employee’s TBPN.

Job satisfaction was also found to be related to employees’ NS in the workplace. Furthering their findings that NS was connected to an increased level of helping behaviors and work engagement, Gillet et al. (2020) also found that higher levels of job satisfaction were mediated through the TBPN. These findings were also supported by Kovjanic et al. (2012), who similarly connected job satisfaction to satisfaction of employees’ TBPN. These findings show the role that NS can play in employee job satisfaction.

In contrast to the above findings, when NS is frustrated or does not occur in the workplace, job satisfaction and employee well-being can decrease. In a study done by Williams et al. (2014), questionnaires were distributed to 287 participants spread throughout four different Nordic companies. The questionnaires were given to determine the effects of NS on employees. Williams et al. (2014) found that when employees’ TBPN were not met, employees were more likely to experience somatic symptom burden (SSB), which is the presentation of physical symptoms with no medical or clinical explanation. SSB was then found to be associated with higher levels of emotional exhaustion, turnover intention, and absenteeism. These findings were also supported by Urbanaviciute et al. (2018), who found that turnover intentions increase due to a lack of NS. This was determined through their survey results collected from 358 employees in Lithuania. Urbanaviciute et al. (2018) also found that job insecurity is more likely when NS is absent. Olafsen et al. (2021) similarly found that when NS does not occur, employees are more
likely to experience burnout, somatic symptom burden, and increased turnover intention. This finding thus adds evidence to the findings from Urbanaviciute et al. (2018) and Williams et al. (2018) that a lack of NS can have various negative effects on employee outcomes.

By reviewing the literature, it would seem apparent that employees who experience NS in the workplace are more likely to experience higher levels of well-being and job satisfaction in the workplace.

**Discussion**

This literature review was carried out to better understand how NS occurs and to better understand the relationship between satisfaction of the TBPN and employee outcomes in the workplace. Overall, the corroborated findings suggest that supportive leadership in the workplace and supportive organizations create an environment where NS can occur. In addition, employees can satisfy their own TBPN through healthy motivations, pro-social behavior, and mindfulness in the workplace. The literature also provides evidence that through NS, employees will experience an improvement in performance, an increase in well-being, and greater job satisfaction.

**General Trends in the Literature**

Most research carried out in business organizations is based on correlational studies and, consequently, lacks claims of causation. The use of questionnaires and surveys also risks common method bias since it is easy for people to be dishonest when answering questions. In addition, sample bias is common in many organizational studies that take place in businesses because those businesses exist worldwide with leaders and employees who are of different demographics, financial situations, and histories and who may potentially react differently to different methods of study (Gagne et al., 2014). However, when viewed together, the combined
research lessens the effects of sample bias due to the variety of countries and organizations examined from article to article.

While the levels of validity vary from article to article, it can be assumed that researcher bias effects most of the studies as measures and terms are subjective to each researcher. The large sample sizes examined in each article increase the overall validity with the smallest study utilizing results from 120 participants (Fischer et al., 2019), and the largest from 1,465 respondents (Thibault Landry et al., 2018). While individual studies could not claim validity, overall, it would seem that the benefits of NS are more universal than not since the research presented herein included studies from a variety of different countries (see Results section for the different countries mentioned) and different types of businesses and organizations.

Future research would benefit from more observational studies in order to better claim causation and overcome the limitations of surveys and questionnaires. In addition, no research was found that tests the difference between part-time and full-time employees. This would allow findings to be generalized to a larger population of workers since the intentions of part-time and full-time employees differ greatly in the workplace.

This literature review focused more on the benefits of NS in the workplace, and from this, data was naturally found regarding how NS occurs in the workplace, however, this was not the main focus of the review. Consequently, findings regarding how NS occurs were limited. Future research could benefit from research that is more specifically focused on how NS occurs in the workplace. This would allow for organizations to better apply the ideas presented by this review. In addition, future literature reviews could also focus more on the overall success of business that seek to satisfy employees’ TBPN, which could encourage business leadership to focus more on employee outcomes.
Conclusion

This literature review provides a basis for practical implications for business organizations. One major implication is that leadership and organizations should put an emphasis on adopting policies and practices that are conducive to supportive conditions for employees. If employees feel like they are supported and that leaders strive to meet their needs, the employees’ NS will increase, and as such, businesses will experience more positive employee outcomes. Organizations would also benefit from making efforts to encourage healthy employee motivations, pro-social behaviors, and mindfulness in their employees. These endeavors would greatly increase NS in the workplace, which will in turn create increasingly positive employee outcomes. As employees’ outcomes become more positive, organizations will be more likely to achieve success in their endeavors.
References


Appendix

Changes from Writing Lab

My first visit to the writing lab helped me to realize that my initial thesis, main idea, and buckets did not all work together. I was initially going to write about intrinsic and extrinsic motivations and how they relate to employee outcomes. However, I realized that most of my articles and ideas were centered around employees’ TBPN. Because of this I was able to change my paper to center around the TBPN. This first visit also helped me to form the buckets I was going to use for the paper.

My second visit focused more on the discussion section then anything else. This visit helped me to rework several paragraphs in order to improve my clarity and concision. This visit also included a more in depth look into APA formatting and helped to fix a lot of small APA errors. One of the main changes he pointed out is that when citing two sources together in the writing they have to be in alphabetical order still. I was able to fix this.

Changes Suggested for Classmates

For my peer-review of Caroline Winegar, I suggested she focus a lot on clarity in her writing as some parts were a little confusing to read. In order to improve her clarity, I suggested she go through and read it out loud to herself. I also suggested she summarize and analyze her research a little bit more. For Rhiannon Wotring’s paper, I suggested that she summarize her articles more as this wasn’t very present in her article. I also mentioned that she should focus on clarity of her ideas. For Zoe Wang’s paper I suggested to her a little more emphasis on synthesis as the articles weren’t really used well together in many of the paragraphs. I also noticed she struggled a lot with grammar. Because of this I gave some grammatical corrections on the paper itself and suggested she read through it.