The impact of job satisfaction on job performance: an empirical analysis

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Abstract

Employee attitudes are important to management because they determine the behavior of workers in the organization. The commonly held opinion is that “A satisfied worker is a productive worker”. A satisfied workforce will create a pleasant atmosphere within the organization to perform well. Hence job satisfaction has become a major topic for research studies. The specific problem addressed in this study is to examine the impact of job satisfaction on performance. It considered which rewards (intrinsic and extrinsic) determine job satisfaction of an employee. It also considered influence of age, sex and experience of employees on level of job satisfaction. In addition, it investigated in most satisfying event of an employee in the job, why employees stay and leave the organization. Data were collected through a field survey using a questionnaire from three employee groups, namely Professionals, Managers and Non-managers from twenty private sector organizations covering five industries. The analysis data revealed that there exists positive correlation between job satisfaction and performance of employees.

Keywords: Job satisfaction, rewards, effort, performance

Introduction

Attainment of a high level performance through productivity and efficiency has always been an organizational goal of high priority. In order to do that highly satisfied workforce is an absolutely necessity for achieving a high level of performance advancement of an organization. Satisfied work force leads to extend more effort to job performance, then works harder and better. Thus every organization tries to create a satisfied work force to operate the well-being of the organization. However, the total organizational performance depends on efficient and effective performance of individual employees of the organization. Therefore, every organization places a considerable reliance on their individual employee performance to gain high productivity in the organization. Employee effort is an important factor that determines an individual performance will be. When an employee feels a satisfaction about the job, he/she is motivated to do greater effort to the job performance. Then it tends to increase the overall performance of the organization. In other words, a satisfied individual employee and his effort and commitment are crucial for the successful-ness of the organization.

Impact of job satisfaction on employee performance

There are a number of factors that influence job satisfaction. The major ones can be summarized by recalling the dimensions of job satisfaction. They are pay, the work itself, promotions, supervision, workgroup, and working conditions (Luthans 1985) [19]. Further, job satisfaction has significant managerial implications. If the job satisfaction is high, the employees will perform better. On the other hand if the job satisfaction is low, there will be performance problems. In examining in outcomes of job satisfaction, it is important to breakdown the analysis into a series of specific set of variables. They are productivity, turnover, absenteeism and other effects (accidents, grievances, physical and mental health).

The main objective of reward programs are attract qualified people to join the organization to keep employees coming to work and to motivate employees to achieve high level of performance. Though the rewards are provided by the organization, they are evaluated by the individual. To the extent that the rewards are adequate and equitable, the individual achieves a level of satisfac-tion.
The rewards can be broadly categorized in to two groups, namely intrinsic rewards and extrinsic rewards. Intrinsic rewards are psychological rewards that are experienced directly by an individual. These are defined as rewards that are part of the job itself. (Gibson, Ivancevich and Donnelly, 1991) [9]. It had also defined as psychological reward that is experienced directly by an employee (Stoner and Freeman, 1992) [31]. Extrinsic rewards are provided by an outside agent such as supervisor or work group. These rewards had been defined as rewards external to the job (Gibson, Ivancevich and Donnelly, 1991) [9]. Pay, promotions, interpersonal relationships, status and fringe benefits are some of the examples for extrinsic rewards. Responsibility, achievement, autonomy, personal growth, challenge, complete work and feedback characteristics of the job are some intrinsic rewards. Performance very much depends on perception, values and attitudes. There appear to be so many variables influencing the job performance that is almost impossible to make sense of them. Performance is defined as a function of individual ability and skill and effort in a given situation (Porter and Lawler, 1974) [17]. In the short run, employee’s skills and abilities are relatively stable. Therefore, for the purpose of the study, the researcher defines the performance in terms of effort extended to the job of an employee.

Effort is an internal force of a person which makes him or her to work willingly when employees are satisfied with their job and their needs are met, they develop an attachment to work or we say that they make and effort to perform better. Increased effort results in better performances.

Job Satisfaction and Performance Relationship.
The relationship between job satisfaction and performance has been critically assessed in a variety of organizational settings. Results of these studies have been mixed. Cummings (1970) [8] identified three major points of view concerning this relationship. Satisfaction causes performance, performance causes satisfaction and rewards cause both performance and satisfaction.

Literature Review
Concepts of Job Satisfaction, Rewards and Performance In this part it defines the major concepts involved in problem statement of the study. These concepts are job satisfaction, performance and organizational rewards. It is the general understanding that job satisfaction is an attitude towards job. In other words job satisfaction is an affective or emotional response toward various facets of one’s job. A person with a high level of job satisfaction holds positive attitudes towards his or her job, while a person who is dissatisfied with his or her job holds negative attitudes about the job. Luthans (1985) [20] quotes a comprehensive definition given by Locke. A pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience. Job satisfaction is a result of employees’ perception of how well their job provides those things which are viewed as important. Job satisfaction is also defined as reintegration of affect produced by individual’s perception of fulfillment of his needs in relation to his work and the surrounding it (Saiyaden, 1993) [28], Organ and Hammer (1991) [22] pointed out that job satisfaction represents a complex assemblage of cognition, emotion and tendencies. From the above definitions, it is clear that job satisfaction is an unobsevable variable. Therefore, there is no definite way of measuring job satisfaction. But there are variety of ways can be identified from the current literature. A questionnaire can be used to measure job satisfaction. In the questionnaire method, it is measured the satisfaction with the different dimensions or facets of the job and sum of all satisfactions scores will be taken as the overall job satisfaction (JS).

Porter and Lawler (1969) suggested that satisfaction will affect a worker’s effort, arguing that increased satisfaction from performance possibility helps to increase expectations of performance leading to rewards, Carroll, Keflas and Watson (1964) [8] found that satisfaction and productivity are crucial relationship in which each affects the other. They suggest that performance leads to more effort because of high perceived expectancy. The effort leads to effective performance, which again leads to satisfaction in crucial relationship. David, Joseph and William (1970) [17] suggest that the type of reward system under which workers perform strongly influence the satisfaction-performance relationship.

According to the above literature review and to achieve the research objectives the following conceptualized research model (Figure 1.1) is developed. Further, Figure 1.1 shows that job satisfaction of an employee is influenced by various job related factors and they are derived from job context and job content factors. Job content factors are related with intrinsic rewards and job context factors are related with extrinsic rewards. A satisfied employee can motivate to extend more effort to improve the performance.

Conclusion
1. Though there have been certain limitations in the study, the following conclusions drawn from the study could provide some insight to the managers to improve the level of job satisfaction of employees in private sector organizations in Gulbarga.
2. There is a significant impact of job satisfaction on performance of employees in private sector organizations.
3. Employees who are in higher levels tend to derive more satisfaction from intrinsic re-wards while, employees who are in lower levels tend to derive more satisfaction with extrinsic rewards.
4. Higher level employees are more satisfiers than the lower level employees in private sector organizations.
5. Employees who are in highly competitive industries are more satisfied with their jobs than employees who are in less competitive industries.
6. Professionals and Managers are willing to extend more effort to the job than non- mana-gers.
7. Older employees are more satisfiers than the younger employees in private sector organizations.
8. High experienced employees tend to satisfy with their jobs than the less experienced employees in private sector organizations.
9. Sex has not significant impact on job satisfaction.
10. Satisfied workers tend to less absenteeism to the work than low satisfied workers.
11. High satisfaction leads to less turn over of employees in private sector organizations.
12. Financial benefits play an important role to satisfy, retain and attract employees in private

References
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