A STUDY OF EMPLOYEES' JOB SATISFACTION AND ITS IMPACT ON THEIR PERFORMANCE

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ABSTRACT

Happy workers are productive workers and productive workers are likely to be happy. Employee job satisfaction is essential to face the dynamic and ever-increasing challenges of maintaining productivity of the organization by keeping their workforce constantly engaged and motivated. Furthermore, environmental pressures, rising health costs and various needs of the workforce also pose a challenge for the management. This could be overcome by creating a work environment that maintains employee job satisfaction as well as motivates people towards exceptional performance at the workplace achieving work-life balance. This paper outlines the broad contours of various variables responsible for employee satisfaction and various ways by which one can maximize employee satisfaction.

Keywords: Deviance, Employee Performance, Satisfaction, turnover.

INTRODUCTION

Employee satisfaction refers to a collection of positive and/or negative feelings that an individual holds toward his or her job. Job Satisfaction is a part of life satisfaction. It is the amount of pleasure or contentment associated with a job. Job Satisfaction is an emotional response to a job. Job satisfaction is one of the most popular and widely researched topics in the field of organizational psychology (*Spector,* 1997). *Locke* (1976) defines job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. Job satisfaction has been studied both as a consequence of many individual and work environment characteristics and as an antecedent to many outcomes. Employees who have higher job satisfaction are usually less absent, less likely to leave, more productive, more likely to display organizational commitment, and more likely to be satisfied with their lives (*Lease*, 1998).

There are a variety of factors that can influence a person's level of job satisfaction. Some of these factors include the level of pay and benefits, the perceived fairness of the promotion system within a company, the quality of the working conditions, leadership and social relationships, the job itself (the variety of tasks involved, the interest and challenge the job generates, and the clarity of the job description/requirements). The happier people are within their job, the more satisfied they are said to be. The concept of job satisfaction has gained importance ever since the human relations approach has become popular. Job satisfaction involves complex number of variables, conditions, feelings and behavioral tendencies.

REVIEW OF LITERATURE

The study of job satisfaction is a topic of wide interest to both people who work in organizations and people who study them. Job satisfaction has been closely related with many organizational phenomena such as motivation, performance, leadership, attitude, conflict, moral etc. Researchers have attempted to identify the various components of job

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satisfaction, measure the relative importance of each component of job satisfaction and examine what effects these components have on employees' productivity.

Spector (1997) refers to job satisfaction in terms of how people feel about their jobs and different aspects of their jobs. *Ellickson* and *Logsdon* (2002) support this view by defining job satisfaction as the extent to which employees like their work. *Schermerhorn* (1993) defines job satisfaction as an affective or emotional response towards various aspects of an employee's work. *C.R. Reilly* (1991) defines job satisfaction as the feeling that a worker has about his job or a general attitude towards work or a job and it is influenced by the perception of one's job. *J.P. Wanous* and *E.E. Lawler* (1972) refers to job satisfaction as the sum of job facet satisfaction across all facets of a job. *Abraham Maslow* (1954) suggested human need from a five-level hierarchy ranging from physiological needs, safety, belongingness and love, esteem to self-actualization. Based on Maslow's theory, job satisfaction has been approached by some researchers from the perspective of need fulfillment.

Job satisfaction and dissatisfaction not only depends on the nature of the job, it also depends on the expectations what the job supply to an employee (*Hussami*, 2008). Lower convenience costs, higher organizational and social and intrinsic reward will increase job satisfaction (*Mulinge* and *Mullier*, 1998). Job satisfaction is complex phenomenon with multi facets and influenced by the factors like salary, working environment, autonomy, communication, and organizational commitment (*Vidal, Valle* and *Aragón,* 2007). Different people interpret compensation differently. Compensation, reward, recognition, and wages are terms used in different situations (*Zobal,* 1998). The compensation is defined by American Association as "*cash and non-cash remuneration provided by the employer for services rendered".* Salary was found to be the prime factor for the motivation and job satisfaction of salaried employees of the automobile industry in the results of the survey done by *Kathawala* et al. (1990). The survey tried to assess the various job characteristics and the way the employees ranked them as motivators and satisfiers. The results showed that compensation was ranked as the number one job element for job satisfaction and increase in salary for performance was ranked as the number one job element for motivation. Compensation is very valuable tool for retention and turnover. It is also a motivator for an employee in commitment with the organization which in result enhances attraction and retention (*Zobal,* 1998; *Moncarz et al.,* 2009; *Chiu et al.,* 2002). It also works as communicator when it is given to employee against his services which shows how much an employee is valuable for its organization (*Zobal*, 1998).

The mentoring is used for development-orientation (*Scandura* and *Williams*, 2004). When a supervisor provides mentoring, the relationship affects the protégés skill development and intentions to remain with the employer (*McManus* and *Russell*, 1997). On the other hand non-supervisory mentor may increase mentee's confidence by providing access to outside organization (*Scanduraa* and *Williams*, 2004). The immediate supervisor support is very important in organizational change. Although the support of supervisor is not very crucial in satisfaction but it has positive impact on satisfaction (*Griffin, Patterson* and *West,* 2001). According to *Chakrabarty, Oubre,* and *Brown* (2008), *"perhaps the finest way in which supervisors can portray himself as a role model is to personally demonstrate proper techniques so that employee could understand how job should be done*." *J.D. Politis* (2001) has examined the roles played by leadership in the process of knowledge acquisition and a survey was carried out on 227 persons who were engaged in knowledge acquisition activities to examine the relationship between leadership styles and knowledge acquisition attributes. The results showed that the leadership styles that involve human interaction and encourage participative decision-making are related positively to the skills and essential knowledge acquisition.

According to the study conducted by *Friedlander* and *Margulies* (1969), it was discovered that management & friendly staff relationships contribute to the level of job satisfaction. However, this result contradicts with view of *Herzberg* (1966) who supported the view that supervision is irrelevant to the level of job satisfaction. *Arnold* and *Feldman* (1996), promoted factors such as temperature, lighting, ventilation, hygiene, noise, working hours, and resources as part of working conditions. The worker would rather desire working conditions that will result in greater physical comfort and convenience. The absence of such working conditions, amongst other things, can impact poorly on the worker's mental and physical well-being (*Baron* and *Greenberg,* 2003). *Arnold* and *Feldman* (1996) shows that factors such as temperature, lighting, ventilation, hygiene, noise, working hours, and resources are all part of working conditions. Employees may feel that poor working conditions will only provoke negative performance, since their jobs are mentally and physically demanding.

Objectives of the Study

The objective of the study is as follows:

- To identify the factors which influence the job satisfaction of employees.

- To identify the impact of employees' job satisfaction on their performance.

- To identify the factors which improve the satisfaction level of employees.

Importance of Employee satisfaction for Various Stakeholders

1. *Importance of Employee Satisfaction for the Organization:*

- Enhance employee retention.

- Increase productivity.

- Increase customer satisfaction.

- Reduce turnover, recruiting, and training costs.

- Reduced wastages and breakages.

- Reduced accidents.

- Reduced Absenteeism.

- Enhanced customer satisfaction and loyalty.

- More energetic employees.

- Improved teamwork.

- Higher quality products and/or services due to more competent, energized employees.

- Improves a corporate image.

2. *Importance of Employee Satisfaction for the Employee*

- Employee will believe that the organization will be satisfying in the long run

- They will care about the quality of their work.

- They will create and deliver superior value to the customer.

- They are more committed to the organization.

- Their work is more productive.

FACTORS INFLUENCING EMPLOYEE JOB SATISFACTION

1. **Policies of Compensation and Benefit:** This is the most important variable for employee satisfaction. Compensation can be described as the amount of reward that a worker expects from the job. Employees should be satisfied with competitive salary packages and they should be satisfied with it while comparing their pay packets with those of the outsiders who are working in the same industry. A feeling of satisfaction is felt by attaining fair and equitable rewards. Following points may be delineated under this category:

- Salaries or wages

- Bonus

- Incentives such as medical allowance, educational allowance, HRA etc.

2. **Job Security:** Job security is an employee's assurance or confidence that they will keep their current job. Employees with a high level of job security have a low probability of losing their job in the near future. Certain

professions or employment opportunities inherently have better job security than others; job security is also affected by a worker's performance, success of the business and the current economic environment. Following points come under this category:

- Facility of transfer

- Accessible / reasonable target

- Leaves

3. **Working conditions:** Employees are highly motivated with good working conditions as they provide a feeling of safety, comfort and motivation. On the contrary, poor working condition brings out a fear of bad health in employees. The more comfortable the working environment is more productive will be the employees. Following these points come under this category:

- Feeling safe and comfort in working environment.

- Tools and equipment.

- Working methods.

- Security guards and parking facility.

- Well ventilated with good light fans and air- conditioning.

- Neat and clean office place, rest area and washrooms.

4. **Relationship with Superior authority:** A good working relationship with your supervisor is essential since, at every stage, you need his or her professional input, constructive criticism, and general understanding. Following these points come under this category:

- Relationship with immediate supervisor.

- Communication between employees and senior management.

- Treatment to employee.

5. **Promotion and Career Development:** Promotion can be reciprocated as a significant achievement in the life. It promises and delivers more pay, responsibility, authority, independence and status. The opportunity for promotion determines the degree of satisfaction to the employee. Following points come under this category:

- Opportunity for promotion.

- Equal opportunity to grow despite being male or female.

- Training program.

- Opportunity for use of skills and abilities.

6. **Leadership Styles:** The satisfaction level in the job can be determined by the leadership style. Employee satisfaction is greatly enhanced by democratic style of leadership. Democratic leaders promote friendship, respect and warmth relationship among the employees. On the contrary, employees working under authoritarian and dictatorial leaders express low level of employee satisfaction. Following points come under this category:

- Prefer democratic style of leadership

- Friendship, respect and warmth relationship.

7. **Work group:** It is a natural desire for human beings to interact with others. Therefore, existence of group in organization is a common observable fact. This characteristic results in the formation of work group at the work place. Isolated workers dislike their job. The work groups make use of a remarkable influence on the satisfaction of employees. Following points come under this category:

- Relationship with the group members.

- Group dynamics

- Group cohesiveness

- Need for affiliation.

8. **Personal Variables:** The personal determinants also help a lot in maintaining the motivation and personal factors of the employees to work effectively and efficiently. Employee satisfaction can be related to psychological factors. Therefore, numbers of personal variables determine the employee satisfaction of the employees. There are five variables under this category – Personality, Expectation, Age, Education, and Gender Differences.

9. **Other Factors:** There are some other important variables which affect the level of employee satisfaction in organization. Following points come under this category:

- Group outgoing (feel like a part of family).

- Encouragement and feedback.

- Use of internet and other technology for doing job.

IMPACT OF JOB SATISFACTION ON EMPLOYEE PERFORMANCE

➢ **Satisfaction and Productivity:** *"Happy workers are productive workers"* is a myth. Various research mentions,*"Productive workers are likely to be happy"*. Satisfied workers are more productive and more productive workers are highly satisfied. Worker productivity is higher in organizations with more satisfied workers.

➢ **Satisfaction and Absenteeism:** Satisfied employees have fewer avoidable absences, while it certainly makes sense that dissatisfied employees are more likely to miss work.

➢ **Satisfaction and Turnover:** Satisfied employees are less likely to quit. Organizations take actions to retain high performers and to weed out lower performers.

➢ **Satisfaction and Workplace Deviance:** Satisfied employees are less likely to create a deviant behavior at the workplace, while dissatisfied employees creates an anti-social kind of behavior at the workplace including unionization attempts, substance abuse, stealing at work, undue socializing and tardiness.

➢ **Satisfaction and Organization Citizenship Behaviour (OCBs):** Satisfied employees who feel fairly treated by and are trusting of the organization are more willing to engage in behaviors that go beyond the normal expectations of their job.

➢ **Satisfaction and Customer Satisfaction:** Satisfied workers provide better customer service. Satisfied employees increase customer satisfaction because they are more friendly, upbeat, and responsive; they are less likely to turnover, which helps build long-term customer relationships; and they are experienced. Dissatisfied customers increase employee job dissatisfaction.

HOW TO IMPROVE EMPLOYEE SATISFACTION?

Employee attitudes typically reflect the moral of the company. In areas of customer service and sales, happy employees are extremely important because they represent the company to the public.

1. Clear, Concise and Consistent Communication: In many organizations, employee doesn't know what is mission, vision, objects. Building a corporate culture that requires employees to be an integral part of the organization can be an effective way of getting the most from the talents or competencies brought to the organization by each employee. We should keep employees informed on the company's position, progress made, issues/challenges, and how they directly contribute to the success of the business.

2. getting to Know Your Employees and Create a Team: It can be done by hiring the right employee for right job and clearly defined and communicated employee expectations. Every organization should spend time to instill trust and accountability, laying out clear expectation and securing their commitment to the business and build a culture around

working together to meet challenges, create new advantage, and propel the business to greater success.

3. Training and Other Improvement Programs: Provide necessary education, training and coaching that increases employees skills and shows the employee that you are interested in their success and readiness for new responsibility.

4. Empower Employees Across the Company: Step up appropriate levels of new responsibility across the company. Push appropriate decision making and allow people closes to the issue to make the call. Make sure your employee knows that you trust them to do their job to the best of their ability.

5. Work Itself: We can increase employee satisfaction by making job rotation, job enlargement like knowledge enlargement and task enlargement as well as job enrichment. Target should be accessible for employee.

6. Fair Compensation and Benefits: Policies of compensation and benefits are most important part of organization. But you should build your policies at "suitability" not "the best".

7. Opportunity for Promotion and Career Development: Develop programs to promote all titles in the organization and build programs for career development of each title. Organization should give opportunity to every employee for using their abilities, skills and creativeness.

8. Monitor Performance and Reward for Contribution: People naturally keep score. Use this as advantage by monitoring positive contribution and behavior, rewarding as appropriate. Motivate others to reach new performance levels by knowing how they measure upto expectation. We should build the proper evaluation and fair and encourage employees perform work.

9. Provide Regular, Honest Feedback: Don't wait for a crisis situation to give feedback. Instead, give regular constructive input into the employee's performance across a wide variety of issues, build loyalty, challenge to new levels of performance and keep it real.

10. Provide Best Equipment and Safe Working Condition: Invest in employees by making sure their tools and equipments don't keep them from being successful. Give them the very best tools to deliver the very best performance to the company, customers and the marketplace. Companies should build occupational health and safety program.

CONCLUSION

On the basis of above deliberations, we can say that employee attitudes typically reflect the moral of the company. In areas of customer service and sales, happy employees are extremely important because they represent the company to the public. Every organization should develop strategies that strengthen the work environment and increase the employee's morale and employee's satisfaction to enhance employee performance and productivity, which ultimately results in high profits, customer satisfaction as well as customer retention.

Job satisfaction represents one of the most complex areas facing today's managers when it comes to managing their employees. Policy makers and managers have turned their attention to provide different kinds of facilities to their employees in order to satisfy their employees. A good work environment and good work conditions can increase employee job satisfaction and the employees will try to give their best which can increase the employee work performance.

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