

---

# Effect of Job Satisfaction on Employee Performance

Dr.RAMACHANDRA C G

---

## Abstract

The commonly held opinion is that “A satisfied worker is a productive worker”. Hence job satisfaction has become a major topic for research studies today. The specific problem addressed in this article is to examine the impact of job satisfaction on performance (employee's impressions, inclinations, desires, and visualizations towards their jobs). It is the general understanding that job satisfaction is an attitude towards the 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. Organ and Hammer (1991) pointed out that job satisfaction represents a complex assemblage of cognition, emotion and tendencies.

**Keywords: Job Satisfaction, Employees, Performance, Rewards, Effort.**

---

<sup>1</sup> **Research Scholar** – B.N. Bahadur Institute of Management Sciences, Mysore, Karnataka

<sup>2</sup> **Associate Professor** – B.N. Bahadur Institute of Management Sciences, Mysore, Karnataka

## Introduction

Job satisfaction is an important research subject, not only for behavioral scientists, but also for managers and organizations, for more than half a century. Job satisfaction is important for organizations because employees, who are satisfied with their job, may display high effort in their jobs. When an employee feels a satisfaction about the job, he/she is motivated to put greater effort to the performance. Then it tends to increase the overall performance of the organization. In other words, a satisfied individual employee and his/her effort and commitment are crucial for the success of the organization.

A satisfied worker tends to extend more effort to job performance, then works harder and better. Thus every organization tries to create a satisfied work force for 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. As an employer, one of your main goals should be to have employees who are productive and able to do their job to a high standard. Building a team of friendly, talented and creative individuals is the main goal and the employer needs to help create an environment that is rich in employee satisfaction.

The effects of job satisfaction are as follows:

- Increased efficiency and effectiveness at work.
- Reduced employee's absenteeism.
- Promotes harmonious employee's relation.
- Enhances organization's productivity and employee's satisfaction.
- Helps to decrease employee's turnover.

## Literature Review

Molokwu (1993:92) defines it as a process of stimulating people to action in order to achieve desired goals or accomplish a desired task. It also refers to efforts made to satisfy the basic physical, psychological, economic, emotional, spiritual, political, mental drive or need of the individual either in group or as a person. It is a synthesis of how employees think and feel about their jobs, their working conditions, their supervisors, their organization and fellow workers.

According to Igboeli, (1990: 137) the word motivation comes from the Latin word *movere* which means to move. It is a general term that refers to all those inner forces such as desires, drives or motives wishes, and so forth, which kindle, direct and sustain behaviour towards a goal.

Luthans (1985) 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 fulfilment of his needs in relation to his work and the surrounding it (Saiyaden, 1993).

Mowday et al. (1979) stated that committed individuals believe in and accept organizational goals and values, and are willing to remain within their organizations, and willing to provide considerable effort on their behalf. Therefore, commitment reflects the psychological bond that ties the employee to the organization (Raab & McCain, 2002).

Job satisfaction is a worker's sense of achievement and success on the job. It is generally perceived to be directly linked to productivity as well as to personal well-being. Job satisfaction implies a job one enjoys, doing it well and being rewarded for one's efforts. Job satisfaction further implies enthusiasm and happiness with one's work. Job satisfaction is the key ingredient that leads to recognition, income, promotion, and the achievement of goals that lead to a feeling of fulfilment (Kaliski, 2007).

Vroom defines job satisfaction as a key factor among employee in a workplace. He defines job satisfaction as affective orientation on the part of individuals toward work role which they are presently occupying (Vroom, 1964)

The increasing literature on relationship of job satisfaction and job performance showed that job satisfaction is positively related to the job performance. It is found that the companies having less satisfied employees must develop in order to be able to motivate their employees to give higher performance.

## **Methodology**

A qualitative research method is used, i.e., in-depth review of secondary data to validate the research topic through Internet, books, Journals etc.

## Objectives

1. To determine the relationship between job satisfaction and performance of employee.
2. To find out if employees derive job satisfaction from extrinsic job rewards or from intrinsic job rewards.
3. To find out why employees stay in the job and leave the organization.
4. To measure the impact of employee job satisfaction on employee job performance.

It is important for every manager to bear in mind that employees come to an organization with their needs, desires and motivations already determined. Furthermore, the content to which workers expend energy in working towards the corporate goal depends on how well their personal needs for job security, interest status and prestige can be achieved.

In this perceptive, the challenge to management, therefore is to recognize and understand the impact of the various motivational tools that exist.

These tools includes:

1. Increase in wages and salaries
2. Providing job security
3. Promoting workers as and when due devoid of favouritism
4. Job enrichment
5. Objective testing and appraisal
6. Increase responsibilities
7. Authority and accountability
8. Understanding or realizing the subordinate's goals aspirations
9. Provision of welfare services and recreational programmes.
10. Staff development programme within and outside the company
11. Recognition of labour unions and management associations
12. Fringe benefits- leaves allowance, housing, bonus etc.
13. Effective communication listening to employees views
14. Staff participation in decision making especially in matters concerning them.
15. Good working environment for efficient performances of workers.

## Theories of Motivation

The major theories of motivation have come to us from authors such as Abraham Maslow, Frederick Taylor.

### 1. The Need Theory: Abraham Maslow:

Most people never reach the point where they no longer want more money. But there definitely comes a time when we begin to think that there is more to derive out of life than mere pay packets. Abraham Maslow (1970, p.35-50) has constructed a continuum of the human needs that motivate. This is popularly known as the Need hierarchy.

These needs are:

- (a) Physical Needs: These needs are associated with man's strong drive towards self-preservation. They include shelter, food and water.
- (b) Security Needs: The two types of security needs are physical and economic. In as much as physical security is important, people however lay greater emphasis on economic security. They want to be secure against loss of income, unemployment and lack of income in one's old age.
- (c) Social Needs: People need to feel relevant and accepted in any group they are identified with. They also need to have some influence over other group members.
- (d) Esteem Needs: These are highlighted in the fact that man needs recognition in whatever he does, status and prestige.
- (e) Self-Actualisation Needs: This is the need to do what one is best suited for. Some people aspire to be politicians, leaders and dictators and are consequently power-hungry. Such people believe they are best suited for these, in terms of their skill and ability. Such factors as higher responsibility/advancement, challenging work, growth opportunity etc. is all included here. It may be convenient at this point, to combine physiological and security needs into lower or "economic" needs.

### 2. Frederick Taylor:

Well known as "The father of scientific management" who is inseparably tied with the classical theory was of the view that men could produce more if only they earn more. His plan was unique in that it greatly increased the reward for high productivity. Thus, men were able to double their wages under the system. It is clear that the classical theory

makes the assumption that money is the best motivation. The power of money as a motivator has never been generally established with total agreement. People exist who can be motivated by money just as those who have none beyond being motivated by money. Taylor's classical theory fails to specify other important considerations that affect individual motivation to work, by trying to make money the simple solution (Uzoma op cit).

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.

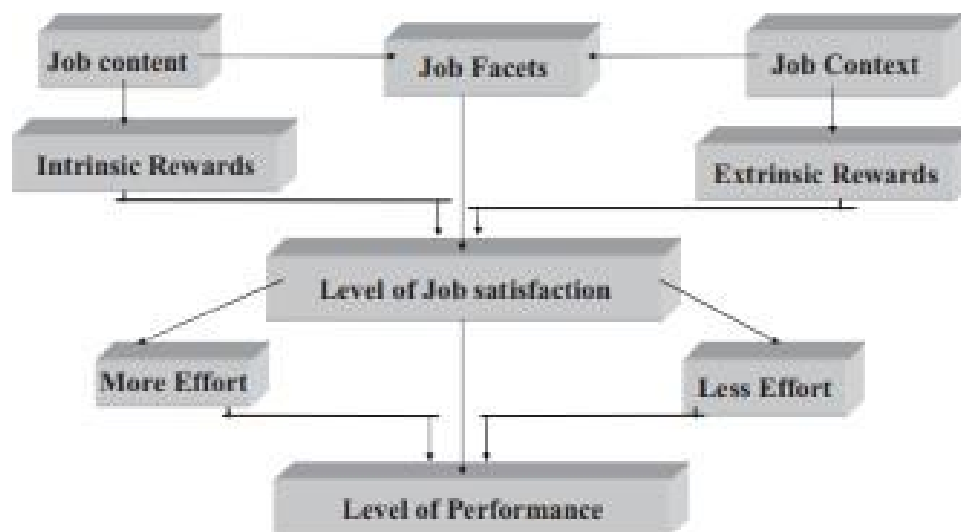


Figure 1.1 Conceptualized Model

### Theoretical Concepts and Framework

Job satisfaction plays a very critical role when it comes to effectiveness and efficiency of the organization. Satisfaction among employees in an organization can be considered as the best way towards its success. When the organization regards its employees considerably and keeps them satisfied then involuntarily it stays in the market for long without any conflicts/problems. Job satisfaction is an employee's sense of achievement and success on the job. It is generally

perceived to be directly linked to productivity as well as to personal well-being. The organization needs to consider satisfaction of its employees within the framework of job so as to achieve high performance among employees. Driving force in any organization is the work and efforts of its employees which will result in achieving the goals without any annoyance.



### **Job Satisfaction and Performance Relationship**

The relationship between job satisfaction and performance has been critically assessed in a variety of organizational settings. Satisfaction causes performance, performance causes satisfaction and rewards cause both performance and satisfaction. All of these three views are supported by various researches.

The main objective of the reward programs are to 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 satisfaction. The rewards can be broadly categorized into 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). It has also been defined as psychological reward that is experienced directly by an employee (Stoner and Freeman, 1992). 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). 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.

### **Reasons good employees leave and how you can prevent it.**

When good employees leave, productivity sinks, morale suffers and colleagues struggle with increased workloads. Add in recruitment and training costs, and on boarding new hires can make for a difficult and expensive transition. But before you can implement a plan to increase employee retention, you need to determine why valuable employees are leaving. Here are the most common reasons employees jump ship to new employers. Most people don't quit their jobs; they quit their managers. Understanding that your organization's management philosophy could be part of the problem is the first step to improving retention. While it may sound inconsequential, simply listening to employees' concerns and doing what you can to address those or at least explaining why they can't be addressed at the present time can go a long way toward keeping the best and brightest. One manager with poor people skills can do damage to the culture and effectiveness of a company in a short period of time. One of the easiest ways to lose people is to misalign them with their daily duties. Organizations need to train people to be managers. Invest the time in developing, coaching and mentoring your managers. Too often, people are promoted into management and then are left to fend for themselves.

One of the main reasons top performers leave is because they feel their career advancement isn't going as planned. They have to feel there's something in it for them personally, otherwise, they employees will be tempted to search for employment elsewhere, or be susceptible to recruiters. Keeping your technology current can help keep valuable employees engaged in the direction the company's going and giving them the flexibility and the freedom. Flexible work time and the ability to be a virtual employee are so prevalent in today's workforce that they are becoming an expectation. The ability to work a flexible schedule can be a great way to retain professionals.



## Conclusion

Motivation has a significant effect on employee performance, this means that motivation is needed to support all company activities better. Employees who have high motivation tend to contribute all their abilities to the company to improve performance both in quality and quantity. Motivation has a positive and significant effect on job satisfaction, this means that employees need to have motivation in carrying out work activities. Also, the company is deemed necessary to create and maintain a condition where their employees are always feeling motivated to work. Employees who have high motivation tend to be easier to feel satisfaction at work. Job satisfaction has a positive and significant effect on employee performance, this means that company management needs to pay attention to the job satisfaction of its employees. Satisfied employees with work and the environment will have increased motivation to improve its capabilities, which in turn will increase its job performance.

The findings of this study states that job satisfaction has a significant positive effect on employee performance. The implications of this study emphasizes the need to improve adaptive performance so that companies can always keep abreast of developments in the face of increasingly fierce competition. Every company always expects high employee performance so that it must be balanced with the capabilities possessed by employees, employee hard work, cooperation between employees, as well as a good leadership system. The results of this study show that motivation has a positive and significant effect on employee performance (Abdi Mohamed et al., 2017). This means that a high level of motivation possessed by employees can have an impact on increased performance. Motivation, which includes intrinsic motivation, integrated regulation, identified regulation, and interjected regulation able to improve employee performance (Hartati, 2020).

The research findings revealed that there is a linear relationship between job satisfactions (nature of Job, job reward and job security) and employee's performance proxy which is employee's morale. It was concluded on the note that employees are dissatisfied with the working conditions of the organisation. It is recommended that the management of the company should provide good working conditions for its employees so as to boost their morale.

## References

1. AbdiMohamud, S., Ibrahim, A. A., & Hussein, J. M. (2017). The effect of motivation on employee performance: Case study in Hormuud Company in Mogadishu Somalia. *International Journal of Development Research*, 9(11), 17009- 17016.
2. Hartati, T. (2020). Analysis of Influence of Motivation, Competence, Compensation toward Performance of Employee. *Budapest International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences*, 3(2), 1031-1038.  
<https://doi.org/10.33258/birci.v3i2.933>
3. Kaliski, B.S. (2007). *Encyclopaedia of Business and Finance*, Second edition, Thompson Gale, Detroit, p. 446
4. Mowday, R., Steers, R.M., & Porter, L.W. (1979). The measurement of organizational commitment. *Journal of Vocational Behavior*, 14(2), 224-247. [28]
5. Mowday, R., Porter L. & Steers R. (1982). *Employee Organization Linkages: The Psychology of Commitment, Absenteeism, and Turnover*. New York: Academic Press.
6. Siengthai, S. and Pila-Ngarm, P. (2016), "The interaction effect of job redesign and job satisfaction on employee performance", *Evidence-based HRM*, Vol. 4 No. 2, pp. 162-180.  
<https://doi.org/10.1108/EBHRM-01-2015-0001>
7. Stoner, J. A. F. and Freeman, S. (1992) *Management*, Prentice hall of India, New Delhi.
8. Organ, D. W. and Hammer W. C. (1991) *Organizational Behavior : An Applied Psychological Approach*, Business Publications : Texas
9. Gibson, J. L, John, M. Ivancevich, H. and Donnelly Jr, (1991) *Organizations, Behaviour, Structure, Process*, Irwin:Illions.
10. <https://www.cio.com/article/2858746/9-reasons-good-employees-leave-and-how-you-can-prevent-it.html>