

# **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.*

*Many studies have demonstrated an unusually large impact on the job satisfaction on the motivation of workers, while the level of motivation has an impact on productivity, and hence also on performance of business organizations.*

*Unfortunately, in our region, job satisfaction has not still received the proper attention from neither scholars nor managers of various business organizations*

## **I. 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 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.

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. Job satisfaction involves complex number of variables, conditions, feelings and behavioral tendencies.

## **II. DEFINATION**

Different authors have different approaches towards defining job satisfaction. Some of the most commonly cited definitions on job satisfaction are analysed in the text that follows:

Vroom in his definition on job satisfaction focuses on the role of the employee in the workplace. Thus he defines job satisfaction as affective orientations on the part of individuals toward work roles which they are presently occupying (Vroom, 1964)

Job satisfaction can be defined also as the extent to which a worker is content with the rewards he or she gets out of his or her job, particularly in terms of intrinsic motivation (Statt, 2004).

## **III. 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.

## **IV. IMPORTANCE OF JOB SATISFICATION FOR VARIOUS STAKEHOLDER**

➤ 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.

➤ 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.

**There are three important dimensions to job satisfaction:**

- Job satisfaction cannot be seen, it can only be inferred. It relates to one's feelings towards one's job.
- Job satisfaction is often determined by how well outcomes meet the expectations or exceed the expectations. If the employees working in the organisation feel that they are working much harder than others in the department but are receiving lower rewards, they will be dissatisfied and have a negative attitude towards the job, the boss and the co-workers. On the other hand, if they feel that they are being paid equitably and treated well by the organisation, they will be satisfied with their jobs and will have positive attitudes.
- Job satisfaction and job attitudes are typically used interchangeably. Positive attitudes towards the jobs are conceptually equivalent to jobs satisfaction and negative attitudes towards the job indicate job dissatisfaction.

Even though these two terms are used interchangeably, but there are differences between the two. Job satisfaction is a specific subset of attitudes. Attitudes reflect one's feeling toward individuals organisations and objects. But job satisfaction refers to one's attitude towards a job. Attitudes refer to predispositions to respond but satisfaction relates to the performance factors. Attitudes are long lasting, but satisfaction is dynamic and it keeps on changing. It can decline even more quickly than it developed. Thus, managers need to pay attention to job satisfaction constantly

**V. FACTORS OF JOB SATISFACTION**

The below mentioned are the factors that affect job satisfaction level in employees.

**1. Pay**

Findings from several studies underline pay as one of the most important factors influencing one's level of job satisfaction. In a study conducted by Lawler (1971), pay has been identified as a determinant factor as most employees rated it as the most influential factor related to job satisfaction. Furthermore, according to Herzberg (1959), employees who are dissatisfied with their pay, is likely that they are also dissatisfied with their work.

**2. Job Security**

Job security has attracted a great deal of research interest in recent years. The importance of job security comes from the fact that it is vital for influencing work-related outcomes.

Job security appears to be an important determinant of employee health (Kuhnert et al., 1989); for employee turnover (Arnold and Feldman, 1982); for job satisfaction and for organizational commitment (Ashford et al., 1989).

Ashford et al., (1989) examined the impact of job insecurity on organisational commitment and job satisfaction and found that job insecurity leads to reduced satisfaction and commitment. There is also evidence that job insecurity reduces job performance (Rosow & Zager, 1985).

### 3. Social Simulation

Work and social simulation is another determinant factor of job satisfaction.

Employees prefer positions where they are active rather than bound to a working routine that is likely to produce feelings of boredom.

Employees who perceive their job as a way of making a career out of it rather than seeing it as a temporary position, are more likely to prefer challenges in their working tasks and seek further developmental opportunities in their working role (Greenberg & Baron, 1983).

### 4. Demographic Factors

Studies have shown that age, race and gender have important effects on job satisfaction. In a study conducted by Kalleberg and Loscocco, (1983) older workers were more satisfied than younger workers and minority groups of different ethnicity were less satisfied than the rest of the workers (Amy S. Wharton, Thomas Rotolo, and Sharon R. Bird, 2000).

However, the effects of gender on job satisfaction vary with the level at which an individual works.

### 5. Opportunity For Promotion

Employee perceptions about opportunity for promotion are also another determinant that influences job satisfaction. One survey found that a perceived lack of promotion opportunities was the strongest reason why federal employees left government service (U.S. Merit Systems Protection Board 1987).

### 6. Recognition & Appreciation

In a study that was carried out in 23 Romanian organisations, recognition and appreciation were found to be motivating factors responsible for increased effectiveness of employees at work and their high levels of job satisfaction (Farhad Analoui, 1999).

### 7. Interpersonal Relationships

Several studies take a social approach to job satisfaction, examining the influence of supervision, management, and co-worker social support.

An individual's level of job satisfaction might be a function of personal characteristics and the characteristics of the groups to which she or he belongs to. The social context of work is likely to have a significant impact on a worker's attitude and behaviour. Relationships with both co-workers and supervisors are important.

Some studies have shown that the better the relationship, between fellow workers and between workers and their immediate boss, the greater the level of job satisfaction (Arne L. Kalleberg and Loscocco, 1983).

### 8. Opportunity To Use One's Abilities

Internal rewards involve job characteristics, or the nature of the task that an employee performs.

Employees generally need and like jobs that make use of their abilities. (National Commission on the State and Local Public Service, 1993)

#### 9. Working Hours & Physical Conditions

Two elements related to job satisfaction are the working hours and the physical conditions under which workers spend their working days.

According to Siegel and Lane (1974), the level of importance to some factors is strongly related to job type.

#### 10. Adequate Authority & Sense of Control

Another important component of job satisfaction is the worker's attitude toward the job. The intrinsic rewards of a job, such as a sense of control over one's work and a feeling of accomplishment are important determinants of job satisfaction. Employees are more satisfied when they have adequate freedom and authority to do their jobs and to choose their own method of working. When workers have various autonomous tasks in their jobs, they tend to have more of a sense of control. Previous studies have shown that job satisfaction is negatively related to the performance of routine tasks, and also that job satisfaction is positively related to the performance of more complex and autonomous tasks (Gary Blau, 1999).

#### 11. Equal Opportunities Working Environment

Other factors that affect one's levels of job satisfaction appear to be related to ethical issues and individual differences. Workers prefer an equal opportunities environment where they will be respected in terms of their race, religion, gender, educational background, physical disability etc.

An environment as such encourages workers to feel equal among them and contributes to job satisfaction

## **VI. 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.

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

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

3. 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.

4. 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.

5. 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.

## **VII. 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 Jitendra Kumar Singh & Dr. Mini Jain 109

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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.

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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.

## VIII. CONCLUSIONS

Job satisfaction represents one of the most complex areas facing today's managers when it comes to managing their employees. Although thousands of papers and research have been conducted on job satisfaction all over the world, in the Republic of Macedonia this is one of the least studied research fields. Many studies have demonstrated an unusually large impact on the job satisfaction on the motivation of workers, while the level of motivation has an impact on productivity, and hence also on performance of business organizations.

There is a considerable impact of the employees perceptions for the nature of his work and the level of overall job satisfaction. Financial compansation has a great impact on the overall job satisfaction of employees .

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