Predictive Role Of Job Satisfaction Towards Employees’ Performance: An Empirical Evidence From Bankers

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ABSTRACT

Job Satisfaction relationship with employee’s performance, as an academic concept, is attracting researchers’ concentration throughout the world particularly in the fields of social psychology and management. Present study is also an attempt to investigate the association of job satisfaction with employees’ performance. Four facets of job satisfaction i.e. job security, work group, working conditions and reward, are taken under consideration against employees’ performance. Employees of commercial banks, operating in Dera Ismail Khan District, are targeted as population of the study. Simple random sampling technique is used for selecting sample from the population due to homogeneous population. Sampling size was determined through applying Yamane (1969) formula and 214 sample size was obtained. Scales for measuring current study variables were extracted from previous literature. Reliability, correlation and regression were applied as statistical tools for data analyses. Results revealed that all the four facets of job satisfaction selected for current study have a significant positive association with employees’ performance among employees working in commercial banks of Dera Ismail Khan District.

Keywords: Job Satisfaction, Employees’ Performance, Employees of Commercial Banks.

Introduction

Job satisfaction is a term used to describe how someone feels about their job. It is actually the psychological state of a person's feelings and conduct toward all of the internal and external challenges as well as the organization they work for. Salary, advancement, benefits, work attitude, supervision and relationships with coworkers are all related to job satisfaction (Mosadeghard, 2003). An organization's human resource strategy is thought to depend heavily on employee
satisfaction. Simatwa (2011) defines job satisfaction as a function that is positively correlated with how well an individual's requirements are met at work. According to Kuria, Ngari and Waithaka (2011), employees deliver their best at work if they are being assured with the availability of fair performance appraisal system, satisfied remuneration policies, incentive plans, health and safety provisions, the opportunities of including their voice in goal setting and policies making and lastly but not the least providing an environment of mutual trust and respect. A positive emotional state brought on by good work performance is referred to as job satisfaction (Simatwa, 2011).

According to Wu, Lee, Cai, Li, Boehnke and Lin (2011), employing effective strategies to motivate staff to produce and deliver improved organizational output has always been observed as a major challenging problem for organizational administration and everyone should strive to achieve this. Employees are regarded as crucial commercial resources that support the organization's everyday operations (Mudah, Rafiki & Harahap, 2014). Additionally, it was suggested that a company's success and utility relied on the success and utility of its people. Employee productivity and performance greatly depend on an employer's capacity to comprehend employee contentment with regard to schedules and daily obligations.

Due to its importance in employee retention efforts, lowering current staff turnover, and enhancing work satisfaction emotions among organization personnel to raise their effectiveness and efficiency, researchers and practitioners have paid close attention to job satisfaction. The relevance of any organization attempting to boost organizational productivity was considerably improved by the essential of job satisfaction. Any employee who helps the organization to achieve its goals should be encouraged in this way (Perez, 2008). Therefore, people's attitudes and beliefs about a particular job are what determine job satisfaction. Work-related satisfaction is demonstrated by a constructive and upbeat attitude.

A similar correlation between job satisfaction and employee performance has been found in research from the least developed nations. The majority of studies, when analyzed in relation to developed countries, reveal that factors such as pay, advancement opportunities, job security, working conditions, work autonomy, peer and supervisory relationships, and the nature of the work have a significant impact on both individual employee performance and organizational performance. As a result, happy workers can boost organizational performance (Nawaz & Khan, 2011).

Employment satisfaction can be defined as the psychological state of being at ease with one's job; it is one's feelings and perspective on a wide range of internal and external aspects of one's profession and the workplaces in which they do those professions. Compensation, advancement opportunities, government-managed retirement plans, the nature of the work itself, organizational structure, and relationships with coworkers are all considered components of job satisfaction. A company's human resource plans take into account the satisfaction of all of its employees. The problem of employee not satisfied with their jobs at work has been identified by the majority of
organizations in the least developed countries. Different job losses, absenteeism, and the occurrence of various unpleasant incidents in workplaces may be possible indicators of employees’ non-satisfaction in the firm. The management's response to change the situation was the salary raise and promotion. However, there may be some other potential aspects, such as job security, work group (working relationships with colleagues), working conditions or environment and reward which may enhance the employees; job satisfaction level and in turn may enhance employees’ performance in the working organizations. Consequently, present endeavor is an attempt to critically analyze the predictive role of job satisfaction facets namely job security, work group (working relationships with colleagues), working conditions or environment and reward with employees’ performance among employees working in commercial banks in Dera Ismail Khan District, KP, Pakistan.

**Literature Review**

**Job Security and Employees’ performance**

According to study by some scholars like Ashford, Lee and Bobko (1989) and Davy, Kinicki and Seheck (1991), employee insecurity regarding their jobs is the cause of labor complaints. Least payment, unstable employment, the nature of the job, the likelihood of promotion being slim, and the working environment are all significant factors that have a negative impact on job satisfaction (Guest, 2004). Stable job tenure contracts and job security such as long-life employment and old-age benefits may work to boost employees’ job satisfaction level and hence in turn their performance (Abegglen, 1958). Poor performance is a result of employment instability or job insecurity (Bolt, 1983; Mooney, 1984; Rosow & Zager, 1985). According to a study on job insecurity, both job performance and organizational commitment are negatively correlated with it, but the opposite is true for job security: both job performance and organizational commitment are positively correlated with it (Rosenblatt & Ruvio, 1996). Researchers propose the following hypothesis, taking into account prior research:

H1a: Job Security is significantly associated with employees’ performance among employees working in commercial banks in Dera Ismail Khan District.

H1b: Job Security has significant impact on employees’ performance among employees at commercial banks of Dera Ismail Khan District

**Work group (Relationships with co-workers) and Employees’ performance**

Researchers in the past have discovered that the environment has a significant impact on job satisfaction. Significant variables include pay scales, advancement opportunities, evaluation criteria, work environment management, and peer connections (Lambert, Hogan & Barton, 2011). According to James (1996), employee satisfaction is significantly impacted by cooperation. According to him one need to be aware of how important these elements are if he or she wants to raise employee satisfaction. Researchers have identified variables that affect employee job satisfaction, including compensation, promotions, and coworker satisfaction (Schermershorn,
Hunt & Osborn, 2005). In 1993, Padilla-Vélez made the case that workplace sociability and engagement can enhance productivity and lower absenteeism. As a result, based on these past studies, researchers developed the following hypothesis:

H2a: Work group is significantly associated with employees’ performance among employees at commercial banks of Dera Ismail Khan District

H2b: Work group has significant impact on employees’ performance among employees at commercial banks of Dera Ismail Khan District

**Working conditions and employees’ performance**

An essential component of job satisfaction is the working conditions or work environment (Spector, 2008). In a recent study, it was discovered that the workplace environment had a stronger impact on academic happiness at work (Carlan, 2007). Incentives, working conditions, incentives, awareness, and additional facilities for the workforce are also different (Lavy, 2007). Job satisfaction has been negatively impacted by poor working conditions, limited promotion prospects, job insecurity, and low self-sufficiency. Workplace environments had an effect on employee satisfaction, which in turn had an effect on how well they performed their jobs, according to findings from Guest (2004), Silla, Grecia and Peiro (2005) and Ceylon (1998). This covers having sufficient and comfortable office and work space, as well as suitable lighting, ventilation, and temperature. This leads to the following theory:

H3a: Working conditions is significantly associated with employees’ performance among employees at commercial banks of Dera Ismail Khan District

H3b: Working conditions has significant impact on employees’ performance among employees at commercial banks of Dera Ismail Khan District

**Reward and Employees’ performance**

According to Opkara (2002), numerous factors contribute to job satisfaction, including promotions, the nature of job, the behavior of supervisors, working relationships with colleagues and chances for progress. Additionally, to all of the above mentioned motivational factors, reward is also crucial. Frye (2004) discovered a favorable correlation between behavior and performance-based rewards. In businesses that depend heavily on human capital, it was crucial in luring and keeping qualified workers. Employee job satisfaction is also substantially impacted by compensation. According to Nguyen, Taylor and Bradley (2003) research, there is a link between pay and job satisfaction. The following hypothesis has been proposed by researchers based on the literature review:

H4a: Reward is significantly associated with employees’ performance among employees at commercial banks of Dera Ismail Khan District

H4b: Reward has significant impact on employees’ performance among employees working in commercial banks in District Dera Ismail Khan.
Figure 1: Conceptual Framework

Source: Developed for the research

Research Methodology

As current study is explanatory in nature, hence descriptive research design with deductive approach and quantitative framework is adopted. In deductive approach, hypotheses are developed on the bases of previously discussed theories and then these developed hypotheses are tested through applying various statistical tools (Silverman, 2013). This approach is appropriate where researcher intended to examine an already observed phenomena (Wiles, Graham & Helen, 2011). Quantitative research technique refers to the way where the researcher quantify and then generalize the results from selected sample to the overall target population. Questionnaire having is used as obtaining first hand data from respondents. Measuring scales for current study constructs were adopted from previous literature. Employees working in commercial banks of Dera Ismail Khan District was the target population in present study. Total 223 employees working in commercial banks of Dera Ismail Khan District were surveyed. Respondents were chosen from the target population by using simple random sampling technique. The collected data was then analyzed through different statistical tools starting from basic descriptive and then passes through scale reliability, correlation and ended with regression analysis.

Data Analyses
The obtained empirical results from data analyses through applying various statistical tools are presented as under.

**Table 1: Scale Reliability Coefficients Summary**

<table>
<thead>
<tr>
<th>No.</th>
<th>Construct</th>
<th>α</th>
<th>No. of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Job Security (JS)</td>
<td>.711</td>
<td>7</td>
</tr>
<tr>
<td>2.</td>
<td>Work Group (WG)</td>
<td>.805</td>
<td>11</td>
</tr>
<tr>
<td>3.</td>
<td>Working Conditions (WC)</td>
<td>.723</td>
<td>6</td>
</tr>
<tr>
<td>4.</td>
<td>Reward (RD)</td>
<td>.781</td>
<td>9</td>
</tr>
<tr>
<td>5.</td>
<td>Employees’ Performance (EP)</td>
<td>.758</td>
<td>6</td>
</tr>
</tbody>
</table>

The above table 1 shows the scale reliability coefficients results. Scale reliability results refers the extent to which the scale employed for collecting a particular construct data is reliable. It can be observed in the above table 1 that the revealed reliability coefficients results for all the present study constructs are exceeding the minimum acceptable value i.e. 0.6 according to Kotze (2005). Means that all the measuring scales employed in current study for data collection about all the constructs are statistically reliable.

**Table 2: Descriptive and Correlation Coefficients**

<table>
<thead>
<tr>
<th>Construct</th>
<th>N</th>
<th>Means</th>
<th>SD</th>
<th>JS</th>
<th>WG</th>
<th>WC</th>
<th>RD</th>
<th>EP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Security (JS)</td>
<td>223</td>
<td>3.943</td>
<td>.687</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work Group (WG)</td>
<td>223</td>
<td>4.112</td>
<td>.546</td>
<td>.553**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working Conditions (WC)</td>
<td>223</td>
<td>3.765</td>
<td>.637</td>
<td>.410**</td>
<td>.542**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reward (RD)</td>
<td>223</td>
<td>3.910</td>
<td>.596</td>
<td>.646**</td>
<td>.679**</td>
<td>.487**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Employees’ Performance (EP)</td>
<td>223</td>
<td>3.791</td>
<td>.627</td>
<td>.471**</td>
<td>.409**</td>
<td>.435**</td>
<td>.456**</td>
<td>1</td>
</tr>
</tbody>
</table>

**Correlation is significant at 0.05 level. N=Number of respondents, JS=Job Security, WG=Work Group, WC=Working Conditions, RD=Reward, EP= Employees’ Performance**

Above table 2 shows revealed results about means, standard deviations values and correlation coefficients among study variables. Results in the above table 2 revealed that job security is significantly positively associated with employees’ performance (β=.471, p=.000) among employees working in commercial banks of Dera Ismail Khan District. Work Group (β=.409, p=.000), Working Conditions (β=.435, p=.000) and Reward (β=.456, p=.000) may also be observed in the table 2 above as significantly positively associated with Employees’ Performance in the current study context. Hence, from H1a to H4a, developed for present study regarding the relationships of current study variables in literature review portion are accepted.
Regression Analysis

For testing hypotheses developed for calculating impact of predictor on criterion variable in current study i.e. H1b to H4b, regression analysis is conducted. Results obtained from regression analysis are presented as under

Table 3: Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R-Square</th>
<th>Se</th>
<th>F</th>
<th>Df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.554*</td>
<td>.307</td>
<td>.535</td>
<td>25.464</td>
<td>4</td>
<td>.000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>B</td>
<td>Std. error</td>
</tr>
<tr>
<td></td>
<td>.952</td>
<td>.296</td>
</tr>
<tr>
<td>Job Security</td>
<td>.272</td>
<td>.081</td>
</tr>
<tr>
<td>Work Group</td>
<td>.045</td>
<td>.096</td>
</tr>
<tr>
<td>Working Conditions</td>
<td>.235</td>
<td>.069</td>
</tr>
<tr>
<td>Reward</td>
<td>.162</td>
<td>.092</td>
</tr>
</tbody>
</table>

The independent variables that affect the dependent variable individually and their levels of significance are shown in Table 3 above. Having a coefficient value of 0.27 or 27%, the variable job security indicates a change in employee performance of 27%. Job security has a significant and positive impact on employee performance because the significance level is 0.001, which is much lower than the threshold of 0.05. The coefficient value of work group is .04 or 4% while the significance value is 0.64.the variable work group shows very little variation as well as did not attain the significant level. Working conditions, an independent variable, have gained significance and have a significance value of 0.001. Employee performance of the dependent variable varies by 23% depending on the predictor working condition. The variable reward have a coefficient value of 0.16, or 16%, and a significance level of .07 as it exceeds the significance level of 0.05, the reward variable's significance level is outside of permitted limits. Hence the hypotheses, H1b and H3b, developed in literature review portion for checking the cause-and-effect of predictors on criterion variables are accepted while the other two hypotheses i.e. H2b and H4b are rejected due to not attaining the minimum acceptable significance level of 0.05.

Discussion

This research study's major goal is to determine how job satisfaction affects employees' performance. In order to complete this task, the researcher employed four factors that contribute to job satisfaction: job security, compensation, working condition, and work group. The
employees' performance served as the dependent variable. The results of the regression analysis show that job happiness has a favorable and significant impact on employee performance.

The current study's findings are congruent with those of Boswell and Olson (2004). The findings of Boswell and Olson (2004) use job satisfaction as criterion construct against employees’ performance as predicting construct. They contended in their research that job satisfaction has a favorable effect on employee performance. Similarly, Crawford, LePine and Rich (2010) has also discovered the same conclusion. According to both of these researchers' studies, providing a positive work environment will increase employees' motivation to do their jobs and make them more loyal to the organization. Furthermore, they are of the view that if working force is favorably treated at work, in turn, they will show more dedication to their work and will remain loyal to their employer organizations with efficient and effective performances. The impact of job satisfaction on employee performance as well as the difference between job satisfaction for men and women are examined in studies by Gaki, Kontodimopoilos and Niakas (2013). According to their research, men are more satisfied with their jobs than women are because women are more likely to be concerned by their coworkers' attitudes. In addition, they said that rewarding employees and providing them with a healthy work environment will greatly increase their motivation and work ethic.

Present study findings are also in line with the study conducted by Jamal (2007). He analyses the effects of job stress on job performance and explains why it is the most important issue for businesses to address because neither a company can foster an environment where employees don't take ownership of their work nor can it foster an environment where employees are too stressed to carry out their duties. According to his research, there should be adequate working conditions, job security, and other rules that will improve an employee's performance. According to Jamal's (2007) statistical findings, job happiness has a favorable and significant impact on workers' performance.

**Conclusion**

Because the results of the hypothesis's test for this relationship between job satisfaction and employee performance were so clear, management must take this into account in order to give employees what they need to be happy at work and to complete the tasks assigned to them by the company in a way that is both efficient and effective. Give them job security by setting a clear agenda that outlines the nature of every component of their position and clearly defined goals with instructions that state that if an employee meets their goals on time, they won't face any threats to their employment. Employees won't become lazy as a result of such actions, and they won't feel threatened with termination.

The second finding from this study's research is that management must give workers comfortable working environments. Because employees rarely perform their responsibilities effectively and smoothly in stressed environments, this is a problem. Comfortable workers have mental happiness
and renewed energy, which results in the completion of tasks with high levels of expertise. With a fresh perspective, a worker can come up with new solutions, techniques, and technologies to make their job easier and help them reach their goals with the least amount of risk and expenditure possible. All of these things can only take place in a favorable working environment because a hostile, tense, and difficult one would only encourage subpar and dishonest behavior meant to appease management. Therefore, to achieve successful results and provide a brighter future for all, management should ensure employee job satisfaction in the organization. Therefore, based on the results of this study, the researcher draws the conclusion that improving employee performance is dependent on job satisfaction.

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