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## A Study Of Employees' Job Satisfaction And Its Impact On Their Performance

Chandan V

Assistant Professor

Department of Commerce & Management

Vidyavardhaka First Grade College,

Sheshadri Iyer Road, Mysuru – 570001

### ABSTRACT

Happy workers are usually more productive, and productive workers tend to be happy. Job satisfaction among employees is crucial for dealing with the on-going challenges of maintaining organizational productivity by keeping the workforce engaged and motivated. In addition, factors such as environmental pressures, rising healthcare costs, and diverse needs of employees present challenges for management. These can be addressed by fostering a work environment that maintains job satisfaction and encourages exceptional performance, while also supporting a good balance between work and personal life. This paper explores various factors that influence employee satisfaction and outlines methods to enhance it effectively.

**Keywords:** Deviance, Employee Performance, Satisfaction, Turnover.

### INTRODUCTION

Employee job satisfaction refers to the positive or negative feelings an individual has about their job. It is a component of overall life satisfaction and involves the level of pleasure or contentment associated with work. Job satisfaction is an emotional reaction to one's job. It is one of the most researched topics in organizational psychology (Spector, 1997). Locke (1976) defines it as a positive emotional state that arises when an individual evaluates their job or work experiences. Job satisfaction is both a result of various personal and workplace characteristics and a factor that affects many outcomes. Employees with higher satisfaction are typically less absent, less likely to quit, more productive, more committed to the organization, and more satisfied with their lives (Lease, 1998). Several factors can influence job satisfaction, including pay and benefits, perceived fairness in promotion, working conditions, leadership and relationships, and the nature of the job itself, such as task variety, interest, and job clarity. People who are happier in their jobs tend to be more satisfied. The concept of job satisfaction gained importance as the human relations approach became more widespread. Job satisfaction involves a complex mix of variables, conditions, emotions, and behaviors.

## REVIEW OF LITERATURE

The study of job satisfaction is of interest to both employees and researchers. It is closely linked to various organizational phenomena such as motivation, performance, leadership, attitude, conflict, and morale. Researchers have tried to identify the components of job satisfaction, evaluate their importance, and examine how they affect employee productivity.

Spector (1997) views job satisfaction as how individuals feel about their jobs and their various aspects.

Ellickson and Logsdon (2002) back this idea by stating that job satisfaction reflects how much employees like their work. Schermerhorn (1993) defines job satisfaction as an emotional response to different aspects of a job. C.R. Reilly (1991) describes job satisfaction as the feeling a worker has about their job or a general attitude toward work, influenced by their perception of their job. J.P. Wanous and E.E. Lawler (1972) describe job satisfaction as the total satisfaction from all aspects of a job. Abraham Maslow (1954) proposed a five-level hierarchy of human needs, ranging from basic physiological needs, safety, belonging, esteem, to self-actualization. Some researchers have approached job satisfaction from the perspective of fulfilling these needs. Job satisfaction and dissatisfaction depend not only on the nature of the job but also on the expectations it meets for an employee (Hussami, 2008). Lower convenience costs, higher organizational and social rewards, and intrinsic rewards can increase job satisfaction (Mulinge and Mullier, 1998).

Job satisfaction is a complex phenomenon with multiple facets and is influenced by factors such as salary, workplace environment, autonomy, communication, and organizational commitment (Vidal, Valle and Aragón, 2007).

Different people interpret compensation in different ways. Terms like compensation, reward, recognition, and wages are used in various contexts (Zobal, 1998). The American Association defines compensation as "cash and non-cash remuneration provided by the employer for services rendered." A survey by Kathawala et al. (1990) found that salary was the primary factor for motivation and job satisfaction among salaried employees in the automobile industry. The survey aimed to assess various job characteristics and how employees ranked them as motivators and satisfiers. The results showed that compensation was ranked as the most important job element for satisfaction, while salary increases for performance were ranked as the top factor for motivation. Compensation serves as a valuable tool for retaining employees and reducing turnover. It also plays a role in motivating employees to commit to the organization, thereby improving attraction and retention (Zobal, 1998; Moncarz et al., 2009; Chiu et al., 2002). It also acts as a form of communication, showing employees how valuable they are to the organization (Zobal, 1998).

The mentoring approach is focused on development (Scandura and Williams, 2004). When a supervisor takes on a mentoring role, this relationship significantly influences the skills of the mentee and their decision to stay with the organization (McManus and Russell, 1997). In contrast, mentors who are not supervisors can boost the mentee's confidence by connecting them with resources outside the organization (Scandura and Williams, 2004). Immediate supervisor support plays a crucial role during organizational changes. Even though supervisor support may not be the most important factor for employee satisfaction, it does have a positive impact on it (Griffin, Patterson and West, 2001). According to Chakrabarty, Oubre, and Brown (2008), "the best way for a supervisor to act as a role model is by personally demonstrating the correct techniques, so that employees can understand how their job should be done." J.D. Politis (2001) studied the role of leadership in knowledge acquisition. A survey of 227 people involved in knowledge activities was conducted to explore the connection between leadership styles and knowledge acquisition. The findings revealed that leadership styles involving interactions with

people and encouraging participation in decision-making are positively related to the skills and knowledge gained.

A study by Friedlander and Margulies (1969) found that positive relationships between management and staff lead to greater job satisfaction.

However, this finding conflicts with Herzberg's (1966) view that supervision has little to do with job satisfaction. Arnold and Feldman (1996) highlighted that factors like temperature, lighting, ventilation, hygiene, noise, working hours, and available resources are part of the work environment. Employees tend to prefer conditions that offer more comfort and convenience. The lack of such conditions can negatively affect both the mental and physical health of workers (Baron and Greenberg, 2003). Arnold and Feldman (1996) also emphasized that conditions like temperature, lighting, ventilation, hygiene, noise, working hours, and resources are key components of the work environment. Poor working conditions can lead to negative performance since jobs are often mentally and physically demanding.

### **Objectives of the Study:**

- To identify factors that influence employee job satisfaction.
- To examine how employee job satisfaction affects their performance.
- To find out which factors improve employee satisfaction levels.

### **Importance of Employee Satisfaction for Various Stakeholders**

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

- Enhances employee retention.
- Increases productivity.
- Improves customer satisfaction.
- Reduces turnover, hiring, and training costs.
- Minimizes waste and damage.
- Reduces accidents.
- Lowers absenteeism.
- Enhances customer satisfaction and loyalty.
- Creates more energetic employees.
- Encourages better teamwork.
- Leads to higher quality products and services due to better-performing, motivated employees.
- Boosts the company's reputation.

## 2. Importance of Employee Satisfaction for the Employee:

- Employees believe the organization will be satisfying in the long term.
- They are more careful about the quality of their work.
- They create and deliver better value to customers.
- They are more committed to the organization.
- Their work is more productive.

## Factors Influencing Employee Job Satisfaction

### 1. Compensation and Benefit Policies:

This is one of the most important factors affecting employee satisfaction. Compensation refers to the rewards an employee expects from their job. Employees should feel satisfied with fair and competitive salary packages, especially when compared to what others in the same industry receive. A sense of satisfaction is derived from receiving fair and equal rewards. The following points fall under this category:

- Salaries or wages
- Bonuses
- Incentives such as medical allowance, education allowance, HRA, etc.

### 2. Job Security:

Job security refers to an employee's assurance that they will keep their job. Employees who feel secure are less likely to lose their jobs in the near future. Certain jobs or industries offer higher job security than others. Job security also depends on an employee's performance, the success of the company, and the current economic state. The following points fall under this category:

- Opportunities for transfer
- Reasonable or accessible targets
- Leave entitlements

### 3. Working Conditions:

Good working conditions are highly motivating for employees as they provide a sense of safety, comfort, and encouragement. Poor working conditions, on the other hand, may cause employees to worry about their health. A more comfortable work environment typically leads to increased productivity. The following points fall under this category:

- Feeling safe and comfortable in the work environment
- Availability of tools and equipment
- Work processes and methods
- Security guards and parking facilities
- Well-ventilated, well-lit areas with fans and air conditioning

- Neat and clean office spaces, rest areas, and restrooms

#### **4. Relationship with Superior Authority:**

A good relationship with your supervisor is essential since you often rely on their guidance, feedback, and understanding at every stage.

The following points fall under this category:

- Relationship with the immediate supervisor
- Communication between employees and senior management
- How employees are treated

#### **5. Promotion and Career Development:**

Promotion is a significant accomplishment in an employee's life. It brings more pay, responsibility, authority, independence, and status. The opportunity for promotion greatly influences an employee's satisfaction. The following points fall under this category:

- Opportunities for promotion
- Equal opportunity for growth regardless of gender
- Training programs
- Opportunities to use skills and abilities

#### **6. Leadership Styles:**

The leadership style can greatly affect employee satisfaction. Democratic leadership styles enhance job satisfaction by fostering friendship, respect, and warm relationships among employees. In contrast, employees working under authoritarian or dictatorial leaders tend to show lower satisfaction. The following points fall under this category:

- Preference for democratic leadership style
- Friendship, respect, and warm relationships among employees

### **Impact of Job Satisfaction on Employee Performance**

#### **Satisfaction and Productivity:**

The idea that "happy workers are productive workers" is not true. Studies show that "productive workers are more likely to be happy." Satisfied workers tend to be more productive, and productive workers often feel more satisfied. In organizations where employees are more satisfied, overall productivity tends to be higher.

#### **Satisfaction and Absenteeism:**

Employees who are satisfied with their jobs tend to take fewer unnecessary days off. It makes sense that dissatisfied employees are more likely to miss work.

#### **Satisfaction and Turnover:**

Employees who are satisfied are less likely to leave their jobs. Companies take steps to retain top performers and remove those who are underperforming.

### **Satisfaction and Workplace Deviance:**

Employees who are satisfied are less likely to engage in deviant behavior at work. On the other hand, dissatisfied employees may exhibit anti-social behavior, such as trying to unionize, using drugs or alcohol at work, stealing, excessive socializing, and being late.

### **Satisfaction and Organization Citizenship Behaviour (OCBs):**

Employees who feel treated fairly and trust the organization are more inclined to go beyond their job requirements and contribute positively to the workplace.

### **Satisfaction and Customer Satisfaction:**

Satisfied employees offer better customer service. They tend to be friendlier, more energetic, and more responsive, which increases customer satisfaction. Satisfied employees are also less likely to leave, helping build long-term customer relationships. They also bring more experience to the table. Dissatisfied customers can lead to employee job dissatisfaction.

### **How to Improve Employee Satisfaction**

Employee attitudes often reflect the company's overall morale. In customer service and sales, happy employees are crucial since they represent the company to the public.

#### **1. Clear, Concise and Consistent Communication:**

Many employees don't fully understand the company's mission, vision, or goals. Building a corporate culture where employees feel like they are an essential part of the organization can help maximize their talents. Keep employees informed about the company's position, progress, challenges, and how their work contributes to the business's success.

#### **2. Get to Know Your Employees and Create a Team:**

This can be achieved by hiring the right people for the right roles and clearly communicating expectations. Organizations should invest time in building trust and accountability, setting clear expectations, and securing employee commitment. A culture of teamwork can help the business overcome challenges, create new opportunities, and achieve greater success.

#### **3. Training and Other Improvement Programs:**

Provide the necessary education, training, and coaching to help employees improve their skills. This shows that you care about their growth and readiness for new responsibilities.

#### **4. Empower Employees Across the Company:**

Give employees across the organization appropriate levels of responsibility. Allow those closest to the issue to make decisions. Make sure employees know that you trust them to do their best.

#### **5. Work Itself:**

Increase employee satisfaction by offering job rotation, job enlargement (such as knowledge or task enlargement), and job enrichment. Ensure that the targets set are achievable.

#### **6. Fair Compensation and Benefits:**

Compensation and benefits policies are a vital part of any organization. However, these policies should be designed based on suitability rather than the best possible options.

## **7. Opportunity for Promotion and Career Development:**

Develop programs that support promotion across all roles and provide career development opportunities for each position. Allow every employee to use their abilities, skills, and creativity.

## **8. Monitor Performance and Reward for Contribution:**

People naturally want to know how they are doing. Use this by tracking positive contributions and behaviors, and reward them appropriately. Encourage others to improve by showing how they measure up to expectations. Build fair evaluation systems that motivate employees to perform better.

## **9. Provide Regular, Honest Feedback:**

Don't wait for a crisis to give feedback. Instead, offer consistent, constructive input on various aspects of an employee's performance. This builds loyalty, challenges them to new performance levels, and keeps communication real.

## **10. Provide the Best Equipment and Safe Working Conditions:**

Invest in your employees by ensuring they have the right tools and equipment to succeed. Provide them with the best tools to deliver excellent performance for the company, customers, and the market. Companies should also develop comprehensive occupational health and safety programs.

## **CONCLUSION**

Based on the discussions above, it can be stated that employee attitudes generally mirror the values and culture of the organization. In sectors such as customer service and sales, the happiness and satisfaction of employees play a crucial role, as they are the face of the company to the public. Every organization should create strategies that improve the workplace environment and boost employee morale and satisfaction. This, in turn, enhances employee performance and productivity, which leads to higher profits, improved customer satisfaction, and better customer retention. Managing job satisfaction is one of the most challenging aspects for managers today. To address this, policy makers and managers have started focusing on offering various benefits and facilities to employees to meet their needs. A positive work environment and favorable working conditions can significantly increase job satisfaction. When employees are satisfied, they tend to perform better, ultimately leading to improved overall performance.

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