



EFFECT OF JOB SATISFACTION ON ORGANIZATION PERFORMANCE**By****¹YAHAYA SULEIMAN,²TIMOTHY NMADU AND³MOHAMMED USMAN**

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Abstract

This paper theoretically examined the effect of job satisfaction on organizational performance. It notes that job satisfaction is vital for improved organizational performances. The paper posits that an employee with a high level of job satisfaction holds positive attitudes towards his job. On the contrary, an employee who is dissatisfied with his job holds negative attitudes about the job. It also noted that improved organizational performances result from committed workforces who are satisfied with their work facets in the organizations. The paper concluded that job satisfaction has a negative relation with increase in absenteeism, turnover and low work drive, but creates positive high staff morale among employees, increases employee commitment to an organization, and enhances their level of motivation, and directly effect on the productivity level of employees. The paper recommends among others that, management should be interested in their employee's attitudes as attitudes gives warnings of potential problems and is capable of influencing employee's behavior. Organizational leaders should also raise employee satisfaction by focusing on the intrinsic and extrinsic parts of the job to keep the employees motivated and committed to drive organizations vision and goals domain, as well as strongly induce positive subsequent employee positive outcomes. Organizational leaders must however realize that creating a satisfied workforce is neither a bag of solution to every organizational problem nor a guarantee of successful organizational performance. Therefore, efforts should be made to strategically position the organization to take advantage of opportunities that abound in the environment through effective environmental scanning, and effective corporate management and putting in place structures that enhances employees' job satisfaction

Keywords: *Job Satisfaction, Organization performance, Organization*



Introduction

In the recent years since the turn of the century, companies have found themselves in an economy heavily affected by globalization, an economy in which knowledge and information are indispensable elements in order to succeed. The importance of intellectual capital has increased to the point of being one of the most valuable assets that must be better understood in order to be developed. From such a perspective, human resources and their management now occupy a privileged place in business. Job satisfaction is a very important prerequisite for organisations and Human Resources Management practices to play a role in building a proper interrelationship and relationships between the organisation and employees, because job satisfaction is a series of employee perceptions that will affect employee attributes and behavior while working. So it is important to employee commitment to work, so it ensures employees to do their best to achieve organization goals (Cherif, 2020; Hendri, 2019; Mira et al., 2019). Job satisfaction can be defined as a person's emotional orientation towards their current job role and is related to a person's behavior in the workplace, thus, expressing feelings of joy or dissatisfaction at work (Adamy et al., 2018 & Onabring, 2019). Increasing job satisfaction can improve service quality, work performance, external stakeholder's satisfaction, organisational engagement and organisational citizenship behavior, so it can be concluded that the challenge that must be faced is the organisation's ability to win by increasing the satisfaction of employee to overcome the challenges on the global era (Ezzat & Ehab, 2018).

Organizational performance is measured for different levels of hierarchy and can be assessed for individuals, groups, and the entire organization as a whole (Kim et al., 2016). Kahn (1960) note that no connections were found between any of the indexes and performance at work. As such, employees in profoundly producing groups were not any more liable to be satisfied with their jobs and the organization or with their monetary and status prize than workers in low producing teams are. Nwachukwu, (2006) noticed that job satisfaction does not necessarily lead to improvement in performance. According to him, studies have however showed that job satisfaction connects adversely with increment in absenteeism, work turnover and poor resolve (Nwachukwu 2006). Human relations approach tends to accept and argue that satisfaction leads to performance. An alternative view is that performance leads to satisfaction. However, a variety of studies suggest that research has found only a limited relationship between satisfaction and work output and offer scent comfort to those seeking to confirm that a satisfied worker is also a productive one. Labour turnover and absenteeism are commonly associated with dissatisfaction, but although there may be some correlation, there are many other possible factors. (Buchanan, 2011; Nwachukwu, 2006; Longenecker, 1977). Individual performance is a function of many factors: motivation, organizational support, the desire to do the job, ability, individual ability, and availability of needed information to do the job. All these are all within the control of a capable manager who needs to understand his subordinates and provide the much needed support and encouragement to them. Pushpakumari, (2008) note that satisfied worker works harder and better and put in more efforts that helps to improve organizational performance. Accordingly, organizations try to create a satisfied workforce for the well-being of the organization. Thus the overall performance of organizations depends on the performance of individual employees in the organization. Because of this, organizations place a considerable reliance on their individual performance to gain improved productivity. Employee effort is an important factor that determines



what an individual performance will be. In other words, a satisfied individual employee together with his effort and commitment are crucial for the success of any organization. Koys (2001) pointed out that it is crucial for an organization to understand what employee exactly feel, thing on their job and stage of satisfaction, as this can help improve business outcome and is probably increased productivity as well. Many organizations suffer from high labour turnover rates (inability to retain qualified employees) as a result of employee dissatisfaction, low commitment and low productivity due to the weak leadership qualities in today's organizational settings.

Methodology

The paper thus seeks to utilize secondary sources (theoretical approach) as a tool for data analysis. The materials used are journals, textbooks and in the study

Literature Review

Hackman & Lawler (1971) found that only individual workers who had high needs for fulfillment on the job are satisfied by having a job which provides the opportunities for such needs to be fulfilled. The considerable alienation felt by many workers on a routine production line job was brought about by a lack of opportunity for psychological growth and development. The study of Judge et al., (2001), found that expectations of individual workers concerning their jobs varied according to the social conditions in which they lived. The matching of expectations and the actual job has important implications. Job satisfaction has been an important focal point for organizational and industrial psychology. In defining job satisfaction the reference is often made to Locke & Latham (1990) description of job satisfaction as a “pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences” (Jex, 2002). The appraisal involves various elements related to the job such as salary, working conditions, colleagues and boss, career prospects and, of course, the intrinsic aspects of the job itself (G-Arnold et al., 1997). So, simply put, job satisfaction is connected to how our personal expectations of work are in congruence with the actual outcomes, and since job satisfaction is merely an employee's attitude towards his or her job. Previously discussed theories regarding attitudes are applicable to job satisfaction.

Consequently, job satisfaction can be seen as containing three components: an affective component, a cognitive component and a behavioural component (Jex 2002). While the affective component refers to a feeling about a job, the cognitive component represents a belief in regard to a job. Often, these two aspects are related. The behavioural component is an indicator for behavioural intentions towards a job such as getting to work in time, working hard. Those proposing an expectation theory usually regard overall job satisfaction and employee performance as a function of satisfaction with the various elements of the job. In contrast to this approach, is the view that the factors causing satisfaction and dissatisfaction have separate and distinct causes. Factors associated with individual's needs for psychological growth contribute to job satisfaction. Such factors include the intrinsic nature of the job and achievements. On the other hand, factors associated with job context, such as pay and supervision when they are deficient lead to job dissatisfaction. This theory is associated with “Frederick Herzberg's two factor theory” of job satisfaction.



The availability of superiors at the time of need, the ability to connect employees, stimulating creative thinking and knowledge of values, openness in the eyes of employees and the ability to communicate with employees are basic features of supervision. Various researches have shown that with good and effective supervisor, the level of employee satisfaction was high, while with poorer communication skills, the level of employee dissatisfaction was high (Schroffel, 1999; Raziq & Maulabakhsh, 2015). Rötze claims that there are four determinants influencing Job satisfaction: “supervisor/leader”, “job design”, and workplace environment” and “performance pay. According to his research the factor supervisor/leader has not a so strong effect on motivation but is crucial for job-design, satisfaction and affects the level of satisfaction on performance pay are very much (Brenninger, 2015).

Job satisfaction can be broadly classified into 3 (three) main categories, namely intrinsic satisfaction, extrinsic satisfaction, and overall satisfaction (Raziq & Maulabakhsh, 2015). Intrinsic satisfaction is related to the nature of the task and correlates with sense of feedback, selfesteem, accomplishment, and sense of control. Extrinsic satisfaction is more on the comparison between individuals which refers to the nature of the task that is correlated with employee happiness from the work environment, recognition and praise from superiors, good benefits, good salary, and opportunities for promotion/progress. Overall satisfaction refers to employees' overall satisfaction with their work and is measured by a combination of internal and external satisfaction (Ahmad, 2018; Boamah et al., 2018; Ezzat & Ehab, 2018)

Importance of job satisfaction

According to Chiradeel (2021), the importance of job satisfaction includes the following:

Satisfied employees translate into satisfied customers

If employees are unhappy at work, the chances are that this will reflect in their interactions with the customer. Contact centers, specifically, cannot afford to have dissatisfied employees – this is sure to show in every word they say and every campaign they work on.

Even in non-customer-facing jobs, low satisfaction can cause errors in the workflow – for example, a higher defect rate in manufacturing and bad code in software development. This is why employee satisfaction is vital for customer-centric companies.

Satisfaction is directly linked to your productivity

In a positive work environment, employees are more likely to bring their best to work every day. For example, research by the Social Market Foundation and the University of Warwick's Centre for Competitive Advantage in the Global Economy (CAGE)Opens a new window found that happy employees are 20% more productive than unhappy employees on average!

There's also a secondary reason for this – high-satisfaction workplaces prioritize employee wellness. Therefore, they are more likely to look after themselves, and address stress/burnout/health issues, before it effects work.



In the long term, you can dramatically reduce Human Resources (HR) costs

Typically, you need to plan for both fixed and variable costs as part of your HR budget. Low satisfaction could significantly dent the variable aspect of this equation – dissatisfied employees require targeted surveys, specialized learning and development, additional career assistance, and ultimately may lead to rehiring and retraining costs in the case of turnover. All of this needs you to invest more than you had expected.

Organizational Performance

Performance is often defined in the context of the quantity, quality and contribution that employees make to the achievement of organizational goals. They are also viewed as an overall outcome of work because employees are the ones who make up organizations, the performances they achieve in their workplaces are also reflected in the performances on the organizational level (Zheng, Sharan, & Wei, 2010). Performance very much depends on perception, values, and attitudes. There appears to be so many variables influencing the job performance that it is almost impossible to make a sense of them (Puskpakumari, 2008). Performance refers to an individual ability, skill and effort in a given situation (Porter and Lawler, 1974). Performance is the outcome of the effort extended to the job by an employee or group or organization.

Effort is an internal force of a person which makes him or her to work willingly. When employees are satisfied with their job and their needs are met, they develop an attachment to work or make an effort to perform better. Increased effort results in better performances. Richard et al. (2009) defined organizational performance as an organizations' actual output or results as measured against its intended outputs (or goals and objectives). Organizational performance generally covers three explicit areas of firm outcomes which are: financial performance (profits, return on assets, return on investment, etc.), product market performance (sales, market share, etc.) and shareholder return (total shareholder return, economic value added, etc.).

Relationship between Job Satisfaction and Organizational Performance

The extent of the relationship between job satisfaction and performance has been basically evaluated in different organizational settings. Outcomes of these investigations have not tailored toward one direction Cummings (1970) distinguished three key perspectives concerning this relationship. Satisfaction causes performance, performance causes satisfaction and rewards cause both performance and satisfaction. Kornhanuser and Sharp (1976) have conducted in excess of thirty research to find out Job satisfaction and performance correlation. Katzell, Barnet and Porker (1952) showed that job satisfaction neither relates with turnover nor with production quality. Smith and Cranny (1968) also posit that job satisfaction positively correlate with employ performance as well as effort, commitment. Studies done by Brayfield and Crockett (1955), Fournet (1966) Lee and Chan (1996) have demonstrated that there are connections between job satisfaction and productivity and that the higher the level of satisfaction, the greater the effort to increase productivity. Carroll, Keflas and Watson (1964) found that satisfaction and job productivity are essential relationships in which every influence the other. They recommend that performance prompts more work effort due to high apparent anticipation of rewards or other positive outcomes. The exertion prompts powerful presentation, which again prompts fulfillment in urgent relationship. David, Joseph and William (1970) recommend that the sort of remuneration



framework under which laborers perform emphatically effect the relationship between satisfaction and performance.

The implication of the last argument (performance lead to reward which in turn lead to satisfaction) is that a manager/management create employee job satisfaction by first establishing conditions under which a performer can achieve high performance level and, then, by offering equitable rewards for the person's performance. According to Baridam and Nwibere (2008:114) this view is important for the understanding and managing of organizational behavior, not because it resolves the satisfaction-performance paradox, but because of the proactive research and managerial implications with which it is associated.

Empirical Review

Nwachukwu et al., (2022) explores and explains the relationship between job satisfaction and teachers' work motivation for school effectiveness in the educational environment using teachers' job and need satisfaction rating as the dependent variables and teachers' background information as independent variable. The results showed that educational policy and administration and promotion and training opportunities appear as dissatisfaction factors to Nigerian teachers. Pay and fringe benefits are found to satisfy the respondents.

In Tai and Chuang (2014) study for public university staff the most satisfied element are Self-Worth and Interpersonal Relationship, whereas Organizational Decision-Making and Salary Welfare were least satisfied. However, in the current study, satisfaction with salary and Satisfaction with workload are the most satisfied, whereas work autonomy and leadership care are the least satisfied.

The finding of the study support the work of Noltemeyer (2014) in using the Herzberg model to examined employee's job satisfaction and dissatisfaction in a survey study and reported that responsibility, work itself, effective supervisor, and recognition are the four main variables that significantly influenced overall job satisfaction. The findings of the study on the effect of satisfaction elements on overall job satisfaction is in line with that of Tai and Chuang (2014) study on public university staff on the similar elements in the model except salary welfare which did not have significant effect on overall job satisfaction in Tai and Chuang (2014). The findings are also in agreement with that of Tai and Chuang (2014) study on the private university staff job satisfaction except Interpersonal Relationship, which did not have significant effect on overall job satisfaction in their study.

Findings

Based on the review of the literature, the following points are unearthed

Firstly, the study finds that employee job satisfaction has a quantifiable effect upon overall organizational performance and it also connects adversely with increment in absenteeism, work turnover and poor result.

The study reveals that job satisfaction contains an affective, cognitive, and a behavioral component as well as intrinsic nature of the job such as adequate pay and supervision contribute immensely to the



organizational performance. In addition, the employee happy work environment, recognition and promotion cause satisfaction and consequently improve organization performance.

The study also reveals that job satisfaction is a prerequisite for organization and human resource management practices in building a proper interrelationship between the organization and employee that satisfied employee work harder and better as well as put in more effort that helps actualizing organizational performance.

Finally, the study shows that job satisfaction causes organizational performance, organizational performance causes job satisfaction and rewards cause employee performance and consequently lead to organizational performance.

Conclusion

The study concluded that employee job satisfaction is a key factor of organizational performance. Employee who is satisfied is more likely to be settled at work, and is likely to be more committed in helping achieving organizational goal. That organizational performance leads to employee job satisfaction through rewards which in turn lead to job satisfaction and consequently affect the organizational performance. It is also concluded that organizational performance is the outcome of the effort extended to the job by the employees. When the employees' needs are met, they are satisfied with their jobs and develop an attachment to work or make an effort to perform better in actualizing organizational performance.

Recommendation

There is need for organizational leaders to acknowledge their employees' attitude because attitudes gives warnings of potential problems and because they influence employee behavior, organizational leaders should raise employee satisfaction by focusing on the intrinsic and extrinsic parts of the job, such as making the work challenging and interesting, and also give high and equitable pay in order to keep the employees satisfied and committed to drive organizational vision and goals.

Organizational management should also put in place structures that enhance employees' job satisfaction in order to induce positive employee outcomes that may lead to maintain, and support organizational effort in today's highly competitive global era.

Organizational leaders should in addition create a satisfied workforce which guarantees successful organizational performance. Effort should also be made by organizational leader to position the organization at the right direction to take an advantage of opportunities that arises in the environment through effective environmental scanning, and effective corporate planning. Management of organizations should also focus on all facets of job satisfaction and not only on one aspect to enhance overall performance of employees within the organizations.



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