

## **Business Administration and Business Economics**

### **Performance and Job Satisfaction: A Critical Analysis**

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**Abstract:** The human aspect in the present context has acquired immense importance. The need based motivational theories relate need and psychological gratification to motivation and job satisfaction; they consider performance as the end result. However, Lawler and Porter postulate reversely that job performance leads to job satisfaction. The study focuses on testing the degree and direction of the relationship between Performance and Job Satisfaction with intervening variables such as job relations, commitment, role conflict, value system, motivation and organizational climate and with socio-economic variables. The study is conducted on 928 employees drawn from 13 public sector and 5 private sector organizations using simple random sampling and males as the matching sample in the State of Andhra Pradesh, India. It is evident from the study that the performance level of the employees is significantly lesser than their job satisfaction level. The analysis leads to state that all those performing well are satisfied and all those satisfied do not perform well indicating that performance leads to job satisfaction, job satisfaction does not lead necessarily to performance and the relationship is intertwined. This empirical evidence supports the theory of Lawler and Porter and sets direction for future studies at micro level.

**Keywords:** Motivation; Job Relations; Commitment; Value System

**JEL Classification:** J28

#### **1. Introduction**

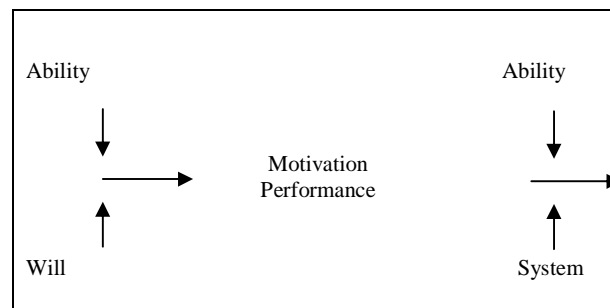
Industrial societies are dynamic affected by fast and continuous changes with the advent of globalization and the new economic policy. These societies are treated as 'global village' and industrial units have been transforming into integrated learning organizations like 'spider plants' with team based structures practicing total quality management, flexibility and just- in- time techniques with continuous improvement (Colenso, 2002). The performance is a buzzword and the entire organizational system clusters around it with strategic integration as 'the survival of the fittest and be the best' is the operating business principle for competitive advantage (Bratton

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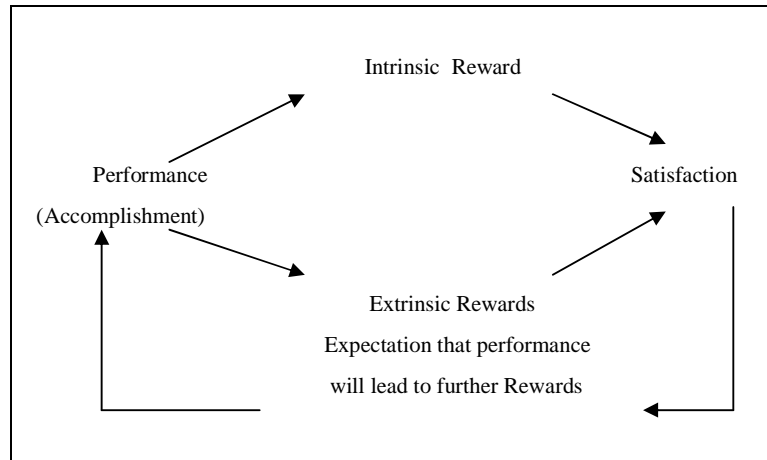
and Gold, 1994). Consequently, the role changes are imminent in both the male and female employees due to new technology and work design (Gratton, et. al., 1999). It is proved that machines cannot replace people (Cave, 1994). The continuous improvement in organizational systems is attempted by humans aiming at humans. Thus the human aspect has become the most key factor in the organizational systems to be cared as a glass case aiming at employees' motivation, job satisfaction, commitment and performance to achieve organizational effectiveness which is the multiplied effect of productivity and social health of the organization (Korman, 1977). It is said that work behavior is guided by motivation, will and ability are the factors that interact to yield motivation and motivation then interacts with ability to yield high performance. The relationship between motivation and performance is explained diagrammatically figure number 1.



**Figure 1. Relationship between Motivation and Performance**

## 2. Literature Review

The motivational theories examined by Maslow (Maslow, 1954), Herzberg (Pareek Udai, 1974), Vroom (Vroom, 1964), Alderfer (Aswathappa, 2002) and Hackman (Beck, 2003) relate need gratification to motivation and job satisfaction and they consider performance as the end result. However, Lawler and Porter (Beck, 2003) postulate reversely that job performance leads to job satisfaction (Refer Figure 2).



**Figure 2. The Lawler and Porter Model**

Some empirical studies by Dr Dennis Rose (2004), Vicente Gonzalez-Roma, Lina Fortes-Ferreira and Jose M. Peiro (2009) find a very strong link between Organizational Climate and employee reactions such as performance, job satisfaction, absenteeism, commitment and participation. Judge and others (2001) and Sharon K. Parker (2007) find that employees' satisfaction affects their job performance. CelioAA Sousa, Willem F de Nijs, Paul HJ Hendricks (2010) examine performance systems in Universities and concluded role ambivalence as the critical factor for Job Satisfaction influence on Performance. The innovation plays a mediator role in the linkage between climate, Job Satisfaction and Performance (King, De Chermont, West, Dawson & Hebl, 2007). HRM policies and practices induce cognitive responses with consequences on behavior and in turn on performance outcomes viz. job satisfaction (Agarwal, Bose, Sundeeoa 2004). Some models have received more support than the others and research has not provided conclusive confirmation or discontinuation of any model.

Hence these theoretical postulates, which are unresolved, are re-examined and the study focuses on testing the degree and direction of the relationship between Performance and Job Satisfaction with intervening variables such as job relations, commitment, role conflict, value system, motivation and organizational climate and with socio-economic variables such as salary, age, gender, caste, education and job experience. The study is presented in three steps. First, Performance as dependent variable and its interrelation with other intervening variables, Second, Job Satisfaction and its interrelation with other intervening variables and Third, interrelationships between Performance and Job Satisfaction.

### **3. Methodology**

As the main aim of our research study is the analysis of 'Behavioral dimensions of Women at Work' in comparison with the males, performance and job satisfaction form components and the manufacturing and service sector is treated as the frames of reference. All the women and men employees of the manufacturing sector working in the state of Andhra Pradesh constitute the universe. And some specific groups such as software professionals, doctors and teachers are also included from the service sector for the purpose of comparing the professions. The simple random procedure was adopted for drawing the sample with representation for both men and women; further care has been taken to cover all levels in the hierarchy. The sample drawn from the above universe constitutes 928 employees of which 570 are the females and 358 are the males who belong to 13 public sector and 5 private sector organizations. The analysis is done based on percentages, weighted means, and multiple regressions.

The validity and reliability of the questionnaire is pretested on a sample through a pilot study on a sample of 100 and some standard questionnaires are consulted (Siha, Jai, 1990) were used in Likert 5 point scale format. A questionnaire construct with 31 items on Organizational Climate, 15 items on Commitment, 19 items on Job Satisfaction, 12 items on Performance, 6 items on Role Conflict, and 19 items on Values is administered to collect the necessary data. The questionnaire is distributed to 1500 sample and the response rate is 61.87 per cent which is considered as reasonable.

Data collection at macro level, low employment of females in the private sector and lack of authenticated data on female employment are the limitations in this study.

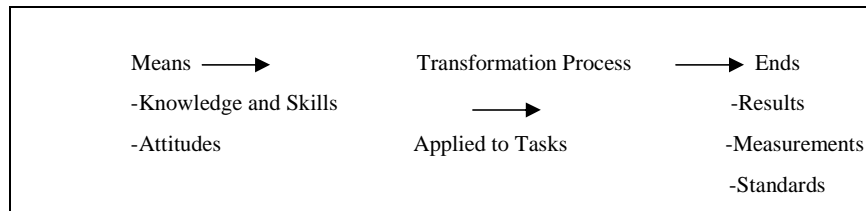
### **4. Data Analysis**

The descriptive statistics show mean age of females (x: 35.23 years) and males (x: 39.03) as significant. The mean age difference of females (x: 39.21) and males (x: 40.07) in the public sector is also significant. However, the mean ages difference of males (x: 30.48) and females (x: 29.35) in private sector is very low. The table 8 shows the level wise, gender wise and sector wise distribution of the sample.

#### **4.1 Performance**

Organizations have been utilizing control mechanisms to maintain and improve performance since the inception of the industrial society. However, present day trends show that managements shift from control approach that involves concentration only on work techniques to developmental approach, a strategy harnessing the potential of all the employees, a shift towards streamlining of

attitudes, values and beliefs leading to commitment and performance. The performance of work task is treated as a relationship between means and ends as shown below in figure 3. (Beck, 2003).



**Figure 3. Relationship between Means and Ends**

As to how the employee has applied his aptitude and attitudes to a task under the influence of time and place, machinery, superiors, peers, subordinates and customers would affect the performance process that results in outcomes of behavior and integration with organizational efficiency and goals and its assessment forms basis for further development. If the employee feels ease within the transformation process it leads to developmental adjustments and his career progression.

In this study, performance level of the employees is assessed from their perception towards their job knowledge, punctuality, and achievement of organizational objectives, effectiveness in planning and achieving targets, decision-making power, and discipline and inters dependability in work.

The data on job performance level (Table 1) indicate that on average it is to an extent of 3.14 (x). The female-male perceptual difference towards performance is marginal (females x: 3.13, males x: 3.16; t: 0.88). Sector-wise information also shows no variation between the males and the females. However, the females of the private sector perform better (x: 3.18) than the public sector females (x: 3.09) and the difference is significant (t: 2.04). Position-wise analysis indicates that only in case of junior managers the difference is significant in between the public and private sectors (public sector, x: 3.11; private sector, x: 3.26; t: 2.17).

When multiple regression is measured, performance as dependent variable and the organizational factors as independent variables, it is evident that commitment (t:2.145), job satisfaction (t:3.934), role conflict (t:2.780), value system (t:3.232) and motivation (t:2.685) seem to have positive impact on performance while job relations (t:-1.821) and organizational climate (t:1.436) have no significant impact (Table 2). The power of equation is: 0.126.

The effect of socio-economic variables (Table 3) on job performance through multiple regression model reveals that salary (t:3.052) has positive impact confirming that higher salary level is associated with higher performance and caste

(t:-3.194) has negative impact implying that lower performance is associated with reserved caste groups. Other variables are found to be not significant.

#### **4.2 Job Satisfaction**

Job satisfaction is a set of favorable and unfavorable emotional feelings with which an employee views his work and organization. It depends on actual experience of an employee at work and values or desires that employee brings to the work place.

Motivation and job satisfaction may be said as inter-related individual and organizational constructs. While motivation is expending effort to satisfy a goal, job satisfaction refers to gratification of need in a state of contentment. Motivation is treated as a drive to achieve job satisfaction, which is the outcome. It may be said that motivation leads to job satisfaction.

Job satisfaction theoretically is referred to the attitudes of single employee and in practice the research studies focus on the aggregate feelings of the employees to measure their satisfaction. The aspects of job satisfaction are job content factors such as pay and nature of job and job context factors such as superior-peer-subordinate relationships, human resource management and work climate. Job satisfaction is a dynamic phenomenon that emerges out of the employees' reaction to organizational processes and has spill-over effect on life satisfaction. It is also expected that when employees grow older their level of job satisfaction may decrease as promotions are less frequent and they would be under the influence of realities of retirement.

The empirical studies on job satisfaction indicate that gender and overall work satisfaction are unrelated (Mahopadhyay, S., 1980); age and designation have positive influence on job satisfaction while education has negative impact (Glenn, N. *et. al.*, April, 1977). Hammer (1978) reports that union membership is associated with more job satisfaction.

In this study, the employee satisfaction in job is measured from the perception of the employees towards job factors such as job nature, amount of variety in work, opportunities for using skills and abilities, opportunities for up-gradation of skills and promotion, recognition for work, opportunities for participation, responsibilities and authority in work, pay, work design, security in job, evaluation procedures, subordinate-peer-superior relations, management policies, facilities at work, retirement benefits and etc.

The data on job satisfaction (Table 4) indicate that the employees have job satisfaction to the extent of 3.54 (x) which is moderate and higher than the performance level. The difference is significant (t: 82.54 at one per cent level). The females express that they are slightly more satisfied (x: 3.56) than the males (x: 3.50) but the difference is not significant (t: 1.62). While the private sector employees (x: 3.61) are significantly more satisfied (t: 2.63) than the public sector

employees (x: 3.51), sex wise differences are not noticed. However, the female group of private sector (x: 3.64) is significantly more satisfied (t: 2.53) than the female group of the public sector (x: 3.52). Multiple regression analysis about impact of organizational variables on job satisfaction (Table 5) indicates that commitment (t: 10.022), performance (t: 3.934) and motivation (t: 11.06) have significant positive impact on job satisfaction while role conflict (t: - 3.143) shows significant negative influence when regressed with job satisfaction. The power of equation is 0.606.

When socio-economic variables are regressed with job satisfaction (Table 6) it is confirmed that salary (t: 3.634), age (t: 4.182) have significant positive influence while job experience (t: - 4.134) has negative impact on job satisfaction. The gender, caste and education reveal no influence on job satisfaction. The unionization is found to have no impact on job satisfaction, ( $R^2$ : 0.001 and t: 1.083).

#### **4.3 Performance and Job Satisfaction**

Under the theoretical postulates of Maslow, Herzberg, Vroom, Alderfer, Hackman and Lawler the linkages between performance and job satisfaction is examined. It is said that the aggregate effect of ability and will is motivation, and the ability is related to performance while will is to job satisfaction. The dilemma whether performance leads to job satisfaction or job satisfaction leads to performance is unresolved and controversial. When this relationship is assessed, the data under the study (Table 7) reveal that just majority of the employees (50.86%), more females (56.67%) than the males (41.62%) express that performance and job satisfaction are inextricably intertwined and interdependent. This trend is clear in females (56.67%) while in males highest proportion (41.62%) are for this new postulate and others are divided between other two earlier theoretical propositions of performance and job satisfaction. Sector-wise, while private sector shows clear trend to the new postulate of intertwined nature of performance and job satisfaction (54.85%), the highest proportion of the public sector employees (48.97%) also subscribe to the new idea of interdependency of performance and job satisfaction indicating the overall acceptance of the new proposition. The weighted average also indicates that all those who perform well are satisfied but all those satisfied do not perform well. The implication is that job performance always leads to job satisfaction and job satisfaction does not lead necessarily to performance.

#### **5 Conclusion**

The performance level of the employees (x: 3.14) is significantly lesser than their job satisfaction level (x: 3.54). It is true in case of both the females (performance, x: 3.12 and job satisfaction, x: 3.56) and the males (performance, x: 3.16 and the

job satisfaction,  $x: 3.50$ ). The analysis leads to state that all those performing well are satisfied and all those satisfied do not perform well indicating that performance leads to job satisfaction and job satisfaction does not lead necessarily to performance. This empirical evidence supports the theory of Lawler and Porter. While in case of performance, job commitment, job satisfaction, role conflict, value system, and motivation indicate significant positive influence, in case of job satisfaction, commitment, performance, motivation have significant positive impact but role conflict has significant negative influence. These results indicate that the employees manage role conflict in relation to performance but not in case of job satisfaction. The effects of socio-economic variables indicate that in case of performance, salary has significant positive influence and reserved caste groups show lesser performance and it is an indication to organizations to introduce special measures to maintain performance of reserved categories. In case of job satisfaction, while salary and age show significant positive impact, the experienced employees are significantly less satisfied indicating their state of frustration. Moreover, the highly experienced employees are critical of the organizational systems which indicate that their potential is not best utilized by the organizations. Gender is found to have no influence either on performance or job satisfaction.

The impact of organizational climate, work design and other group factors like job commitment are found to be significantly influencing factors on performance and job satisfaction. Interestingly, employees (50.86%) agree that the performance and job satisfaction act in continuous cyclical process directing the organizations to concentrate both on individual factors such as motivation and commitment and group factors such as work design and organizational climate involving job relations, human resource management and industrial relations. The effect of unionism is neutral, supporting the 'unitary approach' which is now adopted by the contemporary organizations. The individual psychological factors relating to motivation and quality of work life enhance both performance and job satisfaction to an optimum level for achieving organizational effectiveness. Finally, it is evident that the highest concentration on performance improvement is necessary to maintain the organizational climate. Some future studies are required at the micro level to assess the strength of relationship.

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**Table 1. Mean Analysis (x) of Job Performance**

Job Position	Public Sector			Private Sector			Total Males	Total Females	Total Employees
	M	F	Total	M	F	Total	M	F	Total
1. Senior Manager	3.31	3.49	3.42	3.25	3.23	3.24	3.28	3.39	3.35
2. Middle Manager	3.33	3.23	3.28	3.28	3.23	3.23	3.22	3.22	3.26
3. Junior Manager	3.06	3.16	3.11	3.39	3.24	3.26	3.09	3.20	3.16
4. Supervisor	3.23	3.05	3.13	2.91	2.79	2.86	3.18	3.03	3.10
5. Worker	3.13	3.10	3.11	3.03	3.10	3.08	3.09	3.10	3.09
6. Clerical Staff	3.10	3.00	3.03	3.19	0	3.19	3.12	3.00	3.04
7. Doctors, Nurses, Teachers	3.09	2.99	3.03	3.12	3.28	3.23	3.10	3.09	3.09
8. Total	3.16	3.09	3.12	3.15	3.18	3.17	3.16	3.13	3.14

Note: M- Male F-Female

**Table 2. Multiple Regression Results: Impact of Organizational Variables on Performance**

S. No.	Independent variable	Regression coefficient	t – value
1.	Job relations	-0.197	-1.821
2.	Commitment	0.083	2.145**
3.	Job satisfaction	0.106	3.934*
4.	Role conflict	0.152	2.780*
5.	Value system	0.058	3.232*
6.	Motivation	0.097	2.685*
7.	Organizational climate	-0.048	-1.436

Intercept: 18.596;  $R^2$  : 0.126; F : 20.158

\* Significant at 1% level

\*\* Significant at 5% level

**Table 3. Regression Results: Impact of Socio – Economic Variables on Performance**

S. No.	Independent variable	Regression coefficient	t – value
1.	Salary	0.429	3.052*
2.	Age	-0.085	-0.630
3.	Gender	-0.437	-1.004
4.	Caste	-1.043	-3.194*
5.	Education	-0.198	-0.561
6.	Job experience	0.281	1.446

Intercept: 82.433; R<sup>2</sup> : 0.026; F : 4.463

\* Significant at 1% level, \*\* Significant at 5% level

**Table 4. Mean Analysis of Job Satisfaction**

Job position	Public sector			Private sector			Total Males	Total Females	Total Employees
	M	F	Total	M	F	Total			
1. Senior Manager	3.70	3.77	3.74	3.93	3.62	3.78	3.82	3.72	3.76
2. Middle Manager	3.48	3.61	3.54	3.84	3.71	3.73	3.54	3.66	3.61
3. Junior Manager	3.46	3.41	3.43	3.71	3.86	3.84	3.48	3.62	3.57
4. Supervisor	3.57	3.57	3.56	3.59	3.08	3.40	3.57	3.53	3.55
5. Worker	3.57	3.65	3.61	3.24	3.43	3.39	3.44	3.49	3.48
6. Clerical Staff	3.42	3.47	3.45	3.87	0	3.87	3.49	3.47	3.48
7. Doctors, Nurses, Teachers etc.	3.51	3.51	3.51	3.02	3.66	3.47	3.39	3.56	3.50
8. Total	3.49	3.52	3.51	3.53	3.64	3.61	3.50	3.56	3.54

Note: M-Males F-Females

**Table 5. Multiple regression Results of Organizational Factors on Job Satisfaction**

S. No.	Independent variable	Regression coefficient	t – value
1.	Job relations	0.055	0.420
2.	Commitment	0.045	10.022*
3.	Performance	0.156	3.934*
4.	Role conflict	-0.208	-3.143*
5.	Value system	0.016	0.727
6.	Motivation	0.457	11.061*
7.	Organizational climate	-0.046	-1.127

Intercept: 1.788; R<sup>2</sup> : 0.606; F : 204.48

\* Significant at 1% level, \*\* Significant at 5% level

**Table 6. Multiple regression Results: Impact of Socio – Economic variables on Job Satisfaction**

S. No.	Independent variable	Regression coefficient	t – value
1.	Salary	0.896	3.634*
2.	Age	0.986	4.182*
3.	Gender	0.814	1.067
4.	Caste	0.281	0.491
5.	Education	0.434	0.702
6.	Job experience	1.410	-4.134*

Intercept: -19.023; R<sup>2</sup> : 0.053; F: 8.136

\* Significant at 1% level, \*\*: Significant at 5% level

**Table 7. Relationship between Performance and Job Satisfaction**

Nature of Influence	Public sector			Private sector			Total Males	Total Females	Total Employees
	M	F	Total	M	F	Total			
1. Your performance is due to your job satisfaction	62 21.45	48 14.12	110 17.49	16 23.19	24 10.43	40 13.38	78 21.79	72 12.63	150 16.16
2. Your job satisfaction is due to your performance	81 28.03	96 28.24	177 28.14	21 30.43	41 17.83	62 20.74	102 28.49	137 24.04	239 25.75
3. Both	129 44.64	179 52.65	308 48.97	20 28.99	144 62.61	164 54.85	149 41.62	323 56.67	472 50.86
4. No answer	17 5.88	17 5.00	34 5.41	12 17.39	21 9.13	33 11.04	29 8.10	38 6.67	67 7.22
5. Total	289 100	340 100	629 100	69 100	230 100	299 100	358 100	570 100	928 100

Note: M – Male F-Female

\* Figures in decimals are percentages

**Table 8. Distribution of the Sample (Percentages are given immediately after actual)**

Job position	Males			Females			A	B	C
	Private Sector	Public Sector	Total Males	Private Sector	Public Sector	Total Females			
Senior manager	4 5.80	4 1.38	8 2.23	4 1.74	7 2.06	11 1.93	8 2.68	11 1.75	19 2.05
Middle Manager	11 15.94	57 19.72	68 18.99	52 22.61	46 13.53	98 17.19	63 21.07	103 16.38	166 17.89
Junior Manager	9 13.04	79 27.34	88 24.58	72 31.30	80 23.53	152 26.67	81 27.09	159 25.28	240 25.86
Supervisory Staff	7 10.14	45 15.57	52 14.53	4 1.74	45 13.24	49 8.60	11 3.68	90 14.31	101 10.88
Worker	22 31.88	34 11.76	56 15.64	81 35.22	34 10.00	115 20.18	103 34.45	68 10.81	171 18.43
Clerical Staff	9 13.04	47 16.26	56 15.64	0 0.00	94 27.67	94 16.49	9 3.01	141 22.42	150 16.16
Others	7 10.14	23 7.96	30 8.38	17 7.39	34 10.00	51 8.95	24 8.03	57 9.06	81 8.73
Total	69 100	289 100	358 100	230 100	340 100	570 100	299 100	629 100	928 100

**A: Total Private Sector Employees**

**B: Total Public Sector Employees**

**C: Total Employees**

**Others: Doctors, Paramedical Staff**