

Effect of job satisfaction on employee performance



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Introduction

Nowadays, it is very difficult to find dedicated employees who could be relied on when the going gets tough. It takes an encouraging supervisor to motivate an employee to stay on his job position and to do his job well.

Likewise, it takes a committed worker to persist in his job no matter how difficult it may be, as long as he is properly motivated and satisfied with his job.

Just what makes a worker motivated to do his job well? What makes him satisfied in his job? This paper attempts to investigate the aforementioned questions within a certain corporation, Reliance Industries, Ltd. It will take on a qualitative study. It will be employing the use of questionnaires and a focus group interview to probe into the issues of job motivation and job satisfaction and if this translates to performance and efficiency.

Research Objectives:

The objectives of the study will be:

- To examine the strategies that organisations use to motivate their employees
- To explore the relationship between employee motivation and job satisfaction.
- To examine organisational performance and efficiency.
- To examine organisational performance and efficiency entails.
- To examine the impact of employee job satisfaction and motivation on organisational performance and efficiency.

Statement of the Problem: “ How does employee job satisfaction and motivation affect his performance and efficiency in the organization?”

The study will seek to answer the following questions:

- What are the strategies that organisations use to motivate their employees?
- What is the correlation between employee motivation and job satisfaction?
- What is organisational performance and efficiency?
- What does organisational performance and efficiency entail?
- What is the impact of employee job satisfaction and motivation on organisational performance and efficiency?

Research Methodology

Data collection will be carried out by use of questionnaires. A focus group interview shall be implemented so that a selected group of employees can give in-depth answers to issues pertaining to job satisfaction and motivation and how it affects their own performance and efficiency. It will also draw out much information from the thorough review of literature, so analysis of the results of the questionnaire and interview will be done in the backdrop of a rich tapestry of motivation models and principles.

Descriptive research design will then be used where qualitative analysis will be made basing on the variables that aim at examining the impact of employee job satisfaction and motivation on organisational performance and efficiency. This is because descriptive methods are quite effective in identifying concrete socio-economic issues such as the impact of employee

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job satisfaction and motivation on organisational performance and efficiency (Silverman 1993; Beverley 1998; Strauss and Corbin 1990).

Significance of the Study

The study aims to benefit organizational development purposes, specifically the human resources department. A thorough review of literature on motivation shall be done explaining theories, models and principles of how an individual is encouraged to do something for himself and for others. This research will enlighten employers on how to motivate their employees so they do better in their jobs and result in job satisfaction on the part of the latter. It becomes an win-win situation for everyone concerned if motivation is appropriate and effective and will elicit initiative on the part of the employee.

Chapter Two

Review of Literature

Motivation comes from the enjoyment of work itself and from the desire to achieve goals set by the person (Dawson, 2009). Each individual has different goals. Some are financial, like working longer hours for extra income or exerting more effort just to push sales. Some set their sights on a promotion of rank believing that if they do well on their jobs and accept the challenge of more responsibilities that eventually, they level up to a position of more power and authority. This paper argues the need for employers to understand how their workers are motivated and how they can use such information to produce better results for the organization.

Knowledge of employee motivation is an advantage for employers. When this knowledge is applied, it becomes a win-win situation for both parties since the employees are motivated to pursue shared organizational goals while the employer encourages the productivity in his organization.

Handy (1999) reports that the initial goals of motivation research was to encourage individuals to provide better service to their employers by exerting more effort and maximizing their talents at work. Having a well-motivated workforce may be equivalent to better work productivity and success in product salability in the market. Additional advantages are lower level of absenteeism and staff turnovers because the employees are satisfied with their work. This also means that training and recruitment costs are lowered because work positions are always reliably staffed (Dawson, 2009).

Douglas McGregor's Theory X and Y gained much attention in the 1960's. He claimed that an individual falls under either of 2 categories, X or Y. The X individual needs a lot of controlling, directing, coercion and threat just so he gets work done. On the other hand, individuals under Theory Y do not see work as tedious and instead, commits to the goals they have set. Meeting these goals becomes the reward in itself. The average individual stays in the middle ground. He prefers to be directed and avoids responsibility as much as he can. However, when left with no choice, he learns to accept it and carry it out. Further, even if imagination or creativity is widely distributed across the population, individual potentials of people are only partially used in work (Dawson, 2009). This now begs the question of how employers can find employees who fall under the Theory Y category, those who are motivated enough to give their best to the job.

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Other early motivation theories include the Satisfaction Theory, the Incentive Theory and the Intrinsic Theory. The Satisfaction theory posits that a satisfied worker works even harder and proves his loyalty to the organization he belongs to by staying longer there. Who would want to leave a work environment that provides satisfaction? If one is happy there, there would be little no motivation to leave, and utmost motivation to stay on. The Incentive theory claims that an individual will increase his efforts to obtain a reward, which are mostly compensation packages such as salary increases or access to more company benefits. The Intrinsic theory is culled from Maslow's theory of Hierarchy of Needs. He categorized human needs as hierarchal from the basic physiological needs moving to safety, belongingness and love, esteem and finally self-actualization. Maslow contends that these needs serve as motivators (Handy, 1999). For example, a man is motivated to work to earn money for his family to provide for their basic needs of food, clothing and shelter. However, as the man becomes richer and is able to meet his and his family's physiological and safety needs, he ensures that his higher needs are likewise met. As one level of needs is met, the individual's needs move up to the next level until he has met most of his needs and just strives for self-actualization. As an application to work, an employee likewise moves up the organizational ladder and strives to reach the highest position he can achieve. At that point, he is earning enough money, has gained enough belongingness and recognition and as a reflection of his need for self-actualization, is motivated to leave a legacy behind.

In relation to Maslow's Hierarchy of Needs theory, a real-life example from the international company, IKEA, is illustrated. This Scandanavian-based

company is known to be the largest supplier and manufacturer of furniture worldwide. In 2004, IKEA in Denmark took the initiative to give their entire checkout staff a 25% raise. IKEA has more of them than any other group and it meant a sizeable increase in total monthly overhead expenses. However, it was a business decision that delighted the checkout staff. It follows that happy employees are bound to create positive results for the company (Kjerulf, n. d.). One is lower employee turnover. This provides tremendous savings for the company of time and money recruiting new staff. It also means that the longer workers stay with a company, the more experienced they become and the more they identify with the company. Hence, the company develops a more experienced and loyal staff. Being so, they provide better service, gaining higher customer satisfaction. The company's reputation of providing high quality of service to its customers is spread rapidly by word of mouth, thereby incurring more sales and profit for the company.

Although IKEA incurred a humongous expense with the implementation of the raise, it paid itself within six months. Analyzing why this worked for IKEA, Kjerulf gives three reasons. The first is that the raise obviously gave the staff a significant improvement in their standard of living. The recipients were the least paid in the company, so a 25% raise made a huge difference in terms of their quality of life. Secondly, the salary increase gave people recognition. IKEA acknowledged that they were the most important group of employees since they are the only employees customers are likely to talk to at the end of the sale because customers help themselves with the products anyway. This acknowledgement makes the checkout staff feel valued and trusted.

Finally, IKEA promoted the value of fairness. The recipients of the raise were suddenly paid as well as other employees, and even higher than the market average of their counterparts.

So it is not really the salary increase that motivated the employees. More than that, they gained much in terms of self-esteem and the feeling of being valued as a worker. Albert Martens, one of IKEA's HR heads posits that giving financial incentive to staff does not actually increase the motivation of a worker who values customer-focused attitude more than money. Because they feel important due to such great service given them, customers come back not only for the quality of IKEA's products but for the kind of service they get from the staff. The staff in turn, gets intrinsically rewarded by this (Whitehead, 2006).

According to Judge et al. (2001) the happier people are in the workplace, the more satisfied they are. Weiss (2002) and Rain et al. (1991) concur with this argument that employee job satisfaction and employee motivation are clearly linked. Rain et al. (1991) and Fried and Ferris (1987, pp. 287-322) agree with Porter (1997) that human resources are the most important assets that any organisation can boast to own and to maintain because people utilise and turn the organisation's resources into products that the organisation needs in order to perform and to efficiently and effectively meet the needs of its customers.

Workers expect some sort of " psychological contracts" from their employers. Consciously or unconsciously, they anticipate more than the benefits and compensation that the job usually presents. Workers expect

support from management, work that is challenging and interesting and communication that is open and honest. These non-monetary rewards have become very significant to the motivation of workers. Of course their economical needs have to be fulfilled (as in the basic physiological and security needs in Maslow's Hierarchy of Needs), however, their socio-emotional needs have to be given attention as well (as in the sense of belonging and esteem needs referred to by Maslow). Lester, Clair & Kickul (2001) contend that the implication of this is that from the beginning, employers do not only discuss the worker's compensation package also emphasize the aspects of the company that will be intrinsically satisfying to the workers.

Money and other status symbols like higher job positions and titles, more spacious and opulent offices, and the like do not really increase one's motivation (Kohn, 1999). This may seem unbelievable, but each time a person is extrinsically-rewarded for doing something, it reduces their intrinsic motivation. Employers need to remember that intrinsic motivation spurs an individual to perform well and to high standards because the person does something on his own volition and commits to doing his best in the task (Kjerulf, n. d.).

It is essential that employers realize the importance of such psychological contracts! They should keep in mind that all employees desire work that is meaningful, recognition and credit for such work, creative freedom and opportunities for personal growth. As a start, open and honest communication must be established and maintained in the organization. This must include encouragement and boosting of self-esteem of workers. Lack of <https://assignbuster.com/effect-of-job-satisfaction-on-employee-performance/>

communication may suggest to employees that the employer is susceptible to breach their psychological contract.

Porter (1997) asserts that job satisfaction is a key indicator of how employees feel about their jobs and a predictor of work behaviours such as organisational loyalty, absenteeism and employee turnover. Fried and Ferris (1987, pp. 287-322) concur with Porter's view that job satisfaction can partially mediate the relationship of personality variables and deviant work behaviours. According to Weiss (2002, pp. 173-194) and Porter (1997), there exists a huge correlation between job satisfaction and productivity.

Job satisfaction amongst employees of Reliance Industries as a result of effective motivation packages has increased growth due to the commitment that workers exercise. According to Reliance Industries Limited (2010), this has come as a result of various motivation packages such as competitive compensation packages and world-class exposures that offer employees opportunities to learn and experience the world. Porter (1997) states that one source of an organisation's competitive advantage is job satisfaction. Reliance Industries Limited recognises this and that is the reason why the company walks an extra mile to ensure that employees are satisfied on the job and this has enabled it to attract and retain excellent talent that places the company at a more competitive position that has enabled it to invest in innovative and lucrative ventures in areas such as Information Communication Technologies (ICTs), bio-technology-led research, life sciences and many more (Forbes 2010; Reliance Industries Limited 2010).

Investment of more time and effort in the establishment and sustenance of healthy relationships with workers keeps employers updated of their workers' progress in both personal and professional areas.

Motivating workers can be a challenge for leaders. However, it is well worth the time and effort in the end, as the workers themselves will bear fruits for the organization.

Introduction About Chosen Organisation (Reliance Industries)

Reliance Industries Limited was founded in 1966 by Dhirubhai Ambani, the Indian industrialist and was the pioneer in the introduction of financial instruments such as fully convertible debentures into the Indian stock markets (Forbes 2010). It is alleged by critics that the success of Reliance Industries Limited at the top position in terms of market capitalisation is the ability of the founder to manipulate the levers of a controlled economy to its advantage. The major subsidiaries and associates of Reliance Industries Limited include Reliance Petroleum Limited (RPL); Reliance Life Sciences; Reliance Industrial Infrastructure Limited (RIIL); Reliance Institute of Life Sciences (Rils); Relicord; Reliance Solar; Reliance Clinical Research Services (RCRS); Reliance Logistics (P) Limited (Cable News Network 2010).

Reliance Industries Limited has 3 million shareholders and 1 out of every 4 investors in India is a Reliance shareholder (Cable News Network 2010). This makes it the company the organisation in which most stock is widely held in the whole world. According to Forbes (2010), the subsidiaries and associates of Reliance Industries Limited are the best performers in the Indian stock market. By market value, Reliance Industries Limited is the largest private <https://assignbuster.com/effect-of-job-satisfaction-on-employee-performance/>

sector company in India with an annual turnover of US\$ 44 billion and profit of US\$ 3. 6 billion for the year ending in March 2010 and assets valued at US\$ 43. 61 (Forbes 2010).

The company is ranked at 264th position in the Fortune Global 500 list in 2009 and at the 126th position in the Forbes Global 2000 list in 2010 (Cable News Network 2010; Forbes 2010). Reliance Industries Limited is one of the main players in the oil and petrochemicals industry in India. Although the company's main focus is oil, it has diversified its operations in recent times as a result of severe differences between the founder's sons, Mukesh Ambani and Anil Ambani after the company was divided between them in 2006 (Cable News Network 2010).

Chapter Three

Methodology

Strauss and Corbin (1990) stated that qualitative research is any kind of research that produces findings not arrived at by means of statistical procedures or other means of quantification. Glesne (1999) stated that qualitative researchers seek out a variety of perspectives; they do not reduce the multiple interpretations to a norm. Strauss and Corbin (1990) claimed that qualitative methods can be used to better understand any phenomenon about which little is yet known. They can also be used to gain new perspectives on things about which much is already known, or to gain more in-depth information that may be difficult to convey quantitatively, or where the researcher has determined that quantitative measures cannot adequately describe or interpret a situation.

a. Questionnaires

The use of questionnaires as a means of collecting data from the research participants, with an aim in obtaining their personal views on job satisfaction and motivation and how it affects their performance and efficiency has been selected for this particular research. (Campbell et al., 2004) describe questionnaires as: "...a very versatile data-gathering method; they are cheap, easy to administer, whether it be to three people or 300, and can be used to gather a great variety of data of both quantitative and qualitative nature." (Campbell et al., 2004, p. 146). Cohen et al. (2000) also praise the use of questionnaires for their efficiency. They allow an efficient use of the researcher's time, as they can collect a significant amount of information in one attempt, rather than conducting interviews over a period of weeks. Gillham (2000) also highlights that questionnaires make efficient use of the respondent's time, as they can complete the questionnaire at a time that is suitable to them and does not require the researcher and respondent to match free periods of time to conduct the research. Cohen et al. (2000) and Gillham (2000) emphasize the usefulness of questionnaires for ensuring the participants anonymity, which in this study, may be requested due to its very sensitive and controversial nature. If the respondents cannot be identified, they may be more willing to write about issues and opinions more openly than they would in a face-to-face situation. It could be argued then that questionnaires are therefore most likely to generate more truthful answers as there is no personal contact with the interviewer.

However, a disadvantage of using questionnaires is that the only data collected is a variety of tick boxes and brief responses, which means the

data tends to have more breadth than depth. This results from the lack of an interviewer to prompt for further information or more detail in their answers, and they cannot interpret questions for the participant who is unclear about what is being asked. This may result in each participant having to decipher what they are being asked independently and may resort to their own subjective understanding of the questions.

The following questions will be asked in the questionnaires and will be discussed in detail in a focus group interview conducted later:

- Are you satisfied with your job right now? Why or why not?
- What motivates you to do your job well?
- What are the strategies that your organisations use to motivate their employees?
- Do you think employee motivation leads to job satisfaction? Explain.
- How do you define organisational performance and efficiency?
- What does organisational performance and efficiency entail?
- How would you rate yourself in terms of job performance and efficiency?
- What do you think is the impact of employee job satisfaction and motivation on organisational performance and efficiency?

b. Interviews

To pursue the questions in depth, a selected group of participants who answered the questionnaires will be asked to join a focus group interview.

The interview method involves questioning or a discussion of issues with one

or more people. It is useful to collect data which may not be accessible through observation or questionnaires (Blaxter et al, 2006).

Robson (2002) points out how the interview is a flexible and adaptable research tool. In face to face interviews, there is the possibility of following up interesting responses. Frey and Mertens-Oishi (1995) comment how respondent participation can be enhanced by the interviewer sensitively guiding the questioning, and being able to answer any questions which the respondent may ask. Oppenheim (1992) suggests that the response rate is higher in interviews than in questionnaires, due to the fact that participants become more involved.

c. Qualitative Content Analysis of Literature

The content analysis of findings from several studies in the review of literature is another great source of a wealth of information for this current study. Content analysis is “ a research technique for making replicable and valid inferences from texts (or other meaningful matter) to the contexts of their use” (Krippendorff, 2004, p. 18). Constructs researched on and analyzed may be derived from existing theories or practices, the experience or knowledge of experts and previous research (Krippendorff, 2004). Content analysis aims to provide knowledge, new insights, a representation of facts and a practical guide to action (Elo & Kyngas, 2008).

Qualitative content analysis flows from a humanistic tradition. Replacing hypotheses associated with quantitative research methods are open questions that guide the research and influence the data that are gathered (White and Marsh, 2006). The researcher reads through the data and

analyzes them thoroughly to identify concepts and patterns. He or she may discover patterns and concepts that emerge but were not foreshadowed but are nevertheless important to consider and report.

For this study, available literature already reports data which has been gathered and analyzed by competent researchers in the field. The researcher is in a position to compare existing literature and discern which information will best answer the questions pertaining to this current research study.

Procedure

Firstly, permission to conduct the research should be sought from the rightful authorities of Reliance Industries Limited by way of written correspondence. The letter includes the aims and objectives of the study and the methodology to be used. The company will also be assured that they will be furnished a copy of the final research paper.

Questionnaires will be distributed to the employees of the company either by hand or by email. Demographic data of the participants shall be collected like their gender, age, civil status and length of time they have served with the company.

A small group of 7 to 10 employees shall be randomly selected from the pool of participants to engage in a focus group interview. This small group interview will be to follow up on their responses in the questionnaire and to further probe into their insights regarding motivation and job satisfaction and how these affect their performance and efficiency in their jobs.

The focus group interview will be audio-recorded and transcribed in verbatim. The interview questions already stated above will be asked of the participants to guide the flow of the interview and the participants will take turns answering them and responding to others' answers as well. An interviewer will be hired to facilitate the interview and may ask follow up questions to clarify some answers. This interviewer will be briefed beforehand on the objectives of the research and how to conduct the focus group interview to elicit candid responses from the participants. The participants are ensured of the confidentiality of their responses as their real names will not be used in reporting the responses as data. This occasion is to give students the opportunity to elaborate and freely express their insights with regard to student-teacher relationships. The focus group discussions are believed to add pertinent information to the study.

Data Analysis

Responses from the questionnaires and focus group interview will be culled and sorted according to themes that may surface (ex. motivations, company strategies to motivate employees, etc.). Each theme will be analyzed with the backdrop of the information gathered from the literature review.