Employee Job Satisfaction and Job Performance: A Case Study in a Franchised Retail-Chain Organization

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Abstract: This study examines the relationship between job satisfaction and job performance among the employees. Job satisfaction is being discussed in term of its nine facets: pay, promotion, supervision, fringe benefits, contingent rewards, operating procedures, co-workers, nature of works and communication. On the other hand, job performance is being viewed in the aspects of contextual performance and task performance. The result of the study found that the two variables (job satisfaction and job performance) are correlated to each other and the relationship is significant.

Keywords: Employees, job performance, job satisfaction, organization, relationship

INTRODUCTION

Achieving a high level of employee performance is considered the common goal for many organizations. According to Pushpakumari (2008), employee’s satisfaction is the gateway to the success of an organization. This is because employees who exhibit a higher level of satisfaction tend to put more effort in their jobs that may then lead to better job performance. Hence, for an organization to achieve a higher level of performance, a satisfying working context is required.

Armstrong (2006) described job satisfaction as the attitude and feeling employees have towards their job. The feelings and attitudes are divided into two categories which are the positive and negative attitudes. Pleasant feelings and positive attitudes tend to show that employees are satisfied while negative and unpleasant feelings exhibit dissatisfaction of employees (Armstrong, 2006). Briefly, job satisfaction refers to how employees feel about the job and to which extent the value of the job is consistent to the employees’ needs.

Motowidlo (2003) claimed that job performance is “the total expected value to the organization of discrete behavioral episodes that an individual carries out over a standard period of time”. Usually employees who are able to perform better (high performers) will have higher priority in being hired compared to those low performers. This is because organizational success is usually based on the organizational performance which is largely depending on the performance of every single employee in the company (Pushpakumari, 2008). Highly performing employees are needed to attain organizational goals (high level of productivity) and to keep the company in achieving competitive advantages (Sonnenstag and Frese, 2002). In order to achieve high productivity in an organization, the organization firstly needs to discover methods that can be used to improve the employee’s performance. According to Pushpakumari (2008), a great effort is necessary for the employees to attain high performance in jobs. When the employees are satisfied with their jobs, they tend to be motivated, are willing to put more effort and commit more in their jobs. This then leads to the attainment of the organization’s goals. In simple words, employees’ satisfaction plays an important role towards the success of an organization, particularly in achieving higher level of employee’s job performance.

Problem statement: An organization will not work without the contribution from the employees as the employees could lead the organization to a better position in the highly competitive market nowadays. Thus, it is reasonable to explain why employees are viewed as one of the important assets to an organization (Daft and Marcic, 2011). Since employees are so vital to an organization, it is important to understand how the satisfaction of the employees can affect their job performance which is directly linked to organization performance.

Several researches have been conducted which proved that various factors can be used to explain the effectiveness of the employee’s performance in an organization. Those factors are like personality (Tett and Burnett, 2003), self-monitoring (Barrick et al., 2005; Day et al., 2002), intrinsic motivation (Koestner et al., 2002), as well as autonomy (Morgeson et al., 2005).
Judge et al. (2001) had done a qualitative and quantitative review on the job satisfaction-job performance link and based on past studies, they came up with seven models that display the relationship between job satisfaction and job performance among the employees. According to their review, the link of job satisfaction and job performance can occur in various ways such as:

- Job satisfaction causes job performance
- Job performance causes job satisfaction
- Job satisfaction and job performance are reciprocally related
- The relationship between job satisfaction and job performance is spurious
- The relationship between job satisfaction and job performance is moderated by other variables
- There is no relationship between job satisfaction and job performance
- Alternative conceptualizations of job satisfaction and/or job performance

This analysis highlights that the link between job satisfaction and job performance vary. A common concern of whether job satisfaction is positively or negatively related to job performance or even no relationship occur in between is still left in an ambiguous state. Therefore, current study aims to investigate the relationship between job satisfaction and job performance.

**LITERATURE REVIEW**

**Job satisfaction:** Job satisfaction is a positive emotional state that comes from the feeling of pleasure that an employee finds from his or her current job (Spector, 1997; Locke, 1976). It is the way the employees perceive their jobs (McShane and Von Glinow, 2005). Spector (1997) mentioned that job satisfaction is “simply how people feel about their jobs and the different aspects of their jobs. It is the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs”. According to Moorhead and Griffin (2004), “job satisfaction is the extent to which a person is gratified or fulfilled by his or her work”. Hence, if the employees are satisfied with their jobs, they tend to exhibit a lower absent rate, higher commitment in order to generate a positive outcome for the organization and also would stay longer in the organization. In contrast, employees who are dissatisfied with their jobs tend to have a higher absent rate and experience stress that could affect the effectiveness of other colleagues, besides having a higher possibility of turning to another company.

Job satisfaction is also being viewed as the “pleasurable emotional state resulting from the appraisal of one’s job as achieving or facilitating the achievement of one’s values” (Abu-Saad and Hendrix, 1996) or an emotional state that is obtained from the experiences in performing the job. When the employees have high levels of job satisfaction at work, a pleasurable emotional state (Bartolo and Furlonger, 1999) and positive reaction towards the organization (Feinstein, 2002; Oshagbemi, 2000) can be yielded.

Spector (1985) categorized job satisfaction into nine dimensions namely:

- Pay
- Promotion
- Supervision
- Fringe benefit
- Contingent rewards
- Operating procedures
- Co-workers
- Nature of work as well as
- Communication

The first dimension-pay-can be considered as the amount of money that is paid to an employee for the work that he or she has done. According to Heery and Noon (2001), pay or remuneration is the “payment for work, which can assume a number of different forms, including a basic wage or salary, supplementary cash payments, such as shift pay and overtime pay and benefits in kind”. Pay satisfaction refers to the employee’s attitude or how the employee thinks about the pay received. It will depend on the difference between the pay that they expect and pay that they actually acquire (Cobb, 2004).

Satisfaction in terms of promotion is referred to the employee’s satisfaction with fairness of company policy and administration on reassigning an employee to a higher-level job due to a particular reason (Cobb, 2004). Supervisor is “a front-line manager who is responsible for the supervision of employees” (Heery and Noon, 2001). The job scope for a supervisor is to assign work to the employees fairly, provide advice and feedback to the employees regarding their job performance and evaluate employees’ performance on the job as well as fill in the appraisal form for them (Resheske, 2001).

Fringe benefits refer to the indirect financial payments or compensations beyond the employee’s regular salary given to the employee such as employer-paid insurance, vacations, paid holidays, subsidized cafeterias, company cars, disability income protection, retirement plans and others (Dessler, 2013). Satisfaction in terms of co-workers refers to the degree to which the employees like their colleagues in the company and how great is the relationship formed between them. Cobb (2004) defined co-workers satisfaction as the satisfaction level of the employees with their colleagues regarding work related interaction. Lastly, satisfaction of employees in terms of communication is defined as the satisfaction where employees gain from the communication within the organization (Spector, 1997).
Job performance: Researchers (Roe, 1999; Kanfer, 1990) stated in their studies that in order to define job performance, one should know how to distinguish it into two different aspects which are the behavioral (action) aspect and also the outcome aspect. Both of these aspects are somehow related but they are not fully similar. The outcome aspect of job performance represents the consequence or result generated by the employee’s behavior. Job performance is defined as the proficiency with which job incumbents perform activities that are formally recognized as part of their jobs; activities that contribute to the organization’s technical core either directly by implementing a part of its technological process, or indirectly by providing it with needed materials or services. “Technical or task activities are comprised of:

- Transformation of raw materials into goods and services produced by the organization
- Activities which support the core such as planning and coordination, maintenance and also development (Raman, 2010; Borman and Motowidlo, 1993)

In simple words, tasks performance is defined as the employees’ proficiency (use of technical skill and knowledge) in generating products or services or outcomes that directly or indirectly contribute to the technical core of the company. It is also the issue of employees’ effectiveness in performing duties that are formally under their responsibility and contribute to the organization’s technical core (Cook, 2008). In contrast, contextual performance is the effort given by employees that are not directly associated with their main task function and it is not written formally in the job description yet it plays an important role in defining performance. It includes activities that can lead to effectiveness of a company even though those activities are out of the range of their specific task (Borman and Motowidlo, 1993).

Relationship between job satisfaction and job performance: Judge et al. (2001) conducted a meta-analysis on the relationship between job satisfaction and job performance whereby the relationship of these two variables were presented in many ways. Thus, Judge et al. (2001) came out with an integrative model of the relationship between job satisfaction and job performance. Based on this model, job satisfaction could exert a causal effect on job performance. There were also moderators (such as personality/self-concept, autonomy, norms, moral obligation, cognitive accessibility, aggregation and also level of analysis) that influenced the relationship. On the other hand, behavioral intentions, low performance as withdrawal and positive moods were those variables that could mediate the job satisfaction-job performance link.

In addition, the relationship between job satisfaction and job performance could be held the other way around as job performance could also exert a causal effect on job satisfaction. The moderating variables in this model like performance-reward contingency, job characteristics need for achievement, work centrality and aggregation could affect and moderate the strength of relation between job satisfaction and job performance. While success and achievement, task specific, self-efficacy, goal progress and a positive mood could have mediating effects towards this job performance-job satisfaction correlation.

Ahmad et al. (2010) examined the interdependency between job satisfaction and performance among 310 employees (includes both workers and managers) of 15 advertising agencies of Islamabad, Pakistan. Performance was measured based on employees’ quality of work, productivity and also problem solving skills. Results indicated a very weak relation between job satisfaction and performance and there was no significant relation between job satisfaction and performance.

Wright et al. (2007) determined the relationship between job satisfaction and job performance and the role of employee Positive Well-Being (PWB) as a moderator in this relation. Research was conducted on 109 managers employed by the customer services organization at the West Coast of the United States. Job satisfaction of the participants was measured in terms of the degree of satisfaction with work itself, co-workers and also supervision while the indicator for job performance was goal emphasis and the job performance of each participant was evaluated by their immediate manager. Research concluded that job satisfaction was correlated with job performance whereby all the three dimensions of job satisfaction were correlated with performance. Other than that, they also found that PWB was associated with performance ratings and PWB moderated the relation between job satisfaction and job performance. It meant that performance was at its highest level when employees reported high scores on PWB and job satisfaction.

Pushpakumari (2008) investigated the impact of job satisfaction on job performance among 237 respondents from 20 private sector organizations covering 5 industries in Sri Lanka. These 5 industries included Banking, Ceramics, Milk powder, Insurance and Newspaper. Rewards in the basis of intrinsic and extrinsic types were used to evaluate employees’ job satisfaction whereby employees’ job performance was measured based on the effort extended to the job. The findings indicated that positive and significant relationship occurred between satisfaction and performance for managers and non-managers.
Fig. 1: Conceptual framework of the study

Berghe and Hyung (2011) explored the job satisfaction-job performance link and determined the impact of job satisfaction on job performance on 119 respondents. These respondents were employed by company X (an international company in the service industry) and they were from the three largest offices of company X which operated at Finland (58 respondents), Sweden (25 respondents) and Denmark (12 respondents). Atmosphere Questionnaire that consisted of six categories was used in this study. The result of the study showed that there was a modest to weak correlation between job satisfaction and job performance and the causal direction was not found.

Hussin (2011) studied the relationship between job satisfaction and the job performance among 115 employees from Trade winds Group of Companies in Klang Valley. Job satisfaction of the employees was assessed in five dimensions namely pay, promotion, work itself, supervision and co-workers. The analyzed data discovered that a positive correlation occurred between the dimensions of job satisfaction such as promotion, work itself, supervision and co-workers with job performance and only one of the job satisfaction dimensions-pay was excluded from this result. It was important to note that there was a significant difference between position and job performance. Lastly, the study gave support to show that job satisfaction dimensions (pay, promotion, work itself, supervision and co-workers) lead to the contribution of 17.8% in increasing the job performance in the organization.

Conceptual framework of the study: Figure 1 illustrates the conceptual model of this study. It indicates the two variables in this study: job satisfaction and job performance. Job satisfaction was measured in nine facets:

- Pay
- Promotion
- Supervision
- Fringe benefit
- Contingent rewards
- Operating procedures
- Co-workers
- Nature of work as well as
- Communication

On the other hand, the dependent variable-job performance will be explored in two dimensions namely task performance and contextual performance. These dimensions are used mainly in the Western context (Sledge et al., 2011), thus it is important to find out whether it could have the same outcomes in the Malaysian context.

RESEARCH METHODOLOGY

This study utilized a questionnaire survey for data collection. Based on the above model, the two main variables under study are job satisfaction and job performance. Although the earlier research studies have shown the linkage between job satisfaction and job performance, the link is ambiguous. A quantitative research design thus provides statistical relationship between these two variables.

Population and sampling: According to Elmes et al. (2012), population is the whole set of individuals/objects/elements on which the findings of the study is generalized while sample is a smaller number of individuals who are chosen from the population in order to represent the entire population. This means that the population represents all the individuals who are qualified to be chosen as the respondents for the research and sample is the respondents who are selected to be involved in the research.

This study was conducted on a branch of a large franchised retail-chain organization located in Kepong, Wilayah Persekutuan. The population of the study is represented by the 1419 stores throughout Malaysia.
Due to cost and time constraint, convenience sampling method was applied to identify stores within Kepong, Wilayah Persekutuan. Twenty-four stores were identified whereby all of the full time employees who are currently working at these stores were taken as the sample (n = 77) for this research because of the small number of employees. According to Black (2009) participants selected by the convenience technique are chosen upon the convenience of the researcher whereby the willingness and availability of the participants to be involved in the study are the factors taken into account. For those that are conveniently available to provide information needed, research is conducted on this part of the population in convenience sampling (Sekaran and Bougie, 2010). The questionnaires were then being distributed to 84 full time employees whereby, 77 copies were returned.

Data collection: Questionnaire was being used to collect the primary data in order to determine the relationship between job satisfaction and job performance among the employees who work at the twenty-four stores within Kepong area, Wilayah Persekutuan, Kuala Lumpur. The questionnaire consisted of three sections with a total number of 64 items. The first section of the questionnaire was used to collect demographic data of the respondents. The second section was adopted from the Job Satisfaction Survey (JSS) established by Spector (1985). The 36 items of JSS is divided into nine facets, namely pay, promotion, supervision, fringe benefits, contingent rewards, operating procedures, co-workers, nature of work and communication with four items in each facet. Finally the third section of the questionnaire measured job performance. This instrument was adopted from the 21-item instrument established by Williams and Anderson (1991) for measuring task and contextual performance.

RESULTS

Two types of statistics are used to analyze the data collected namely descriptive statistics and inferential statistics. Demographic data as well as the level of job satisfaction and job performance of the employees were analyzed using descriptive technique while inferential technique is applied in analyzing data related to the relationship between job satisfaction and job performance.

Demographic details of the respondents: A total of 77 full time employees participated in the survey. Overall, the majority of the respondents were female (50.7%), between the ages of 20 to 39 years old (81.8%), identified their ethnicity as Malay (75.3%) and not married (76.6%). In terms of educational background and salary, majority of the respondents were secondary educated (68.8%) and earning between RM1000 to RM1500 (46.8%), (63.6%) of the respondents were working for more than 50 h/week.

Level of job satisfaction and job performance among the employees: The first objective of the study is to determine the level of job satisfaction among the respondents. The Table 1 displays the job satisfaction level by the total mean score derived from the nine facets of job satisfaction dimensions.

The level of job satisfaction is divided into three main levels which are low, moderate and high. Table 1 displays the level of job satisfaction among the full time employees under study. The overall job satisfaction of the respondents is at moderate level (m = 4.15, S.D. = 0.732). The highest level of job satisfaction is taken by the co-workers dimension (m = 4.56, S.D. = 0.835), follows by nature of works (m = 4.51, S.D. = 1.002), supervision (m = 4.40, S.D. = 1.000), promotion (m = 4.23, S.D. = 0.947), communication (m = 4.09, S.D. = 1.039), pay (m = 4.06, S.D. = 0.977), contingent rewards (m = 3.99, S.D. = 1.106) and operating procedures (m = 3.85, S.D. = 1.006). The respondents were least satisfied with the fringe benefit dimension (m = 3.62, S.D. = 0.945).

The second objective of the study is to determine the level of job performance among the full time employees under study. The results are shown in Table 2.

Job performance results are divided into three main levels as well which are low, moderate and high. The overall job performance of the respondents is at high level (m = 4.60, S.D. = 0.640). Contextual performance level (m = 4.68, S.D. = 0.720) is higher than task performance (m = 4.51, S.D. = 0.769). Hence, it can be considered that the respondents perceived high level of job performance.

<table>
<thead>
<tr>
<th>Table 1: Level of job satisfaction</th>
<th>Dimensions</th>
<th>S.D.</th>
<th>Mean score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay</td>
<td>0.977</td>
<td>4.06</td>
<td></td>
</tr>
<tr>
<td>Promotion</td>
<td>0.947</td>
<td>4.23</td>
<td></td>
</tr>
<tr>
<td>Supervision</td>
<td>1.000</td>
<td>4.40</td>
<td></td>
</tr>
<tr>
<td>Fringe benefits</td>
<td>0.945</td>
<td>3.62</td>
<td></td>
</tr>
<tr>
<td>Contingent rewards</td>
<td>1.106</td>
<td>3.99</td>
<td></td>
</tr>
<tr>
<td>Operating procedures</td>
<td>1.066</td>
<td>3.85</td>
<td></td>
</tr>
<tr>
<td>Co-workers</td>
<td>0.855</td>
<td>4.56</td>
<td></td>
</tr>
<tr>
<td>Nature of works</td>
<td>1.002</td>
<td>4.51</td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>1.039</td>
<td>4.09</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>0.732</td>
<td>4.15</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 2: Level of job performance</th>
<th>Dimensions</th>
<th>S.D.</th>
<th>Mean score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task performance</td>
<td>0.769</td>
<td>4.51</td>
<td></td>
</tr>
<tr>
<td>Contextual performance</td>
<td>0.720</td>
<td>4.68</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>0.640</td>
<td>4.60</td>
<td></td>
</tr>
</tbody>
</table>

S.D.: Standard deviation
between job satisfaction and job performance among the full time employees under study. The results are shown in Table 3.

Table 3 presents the result of Pearson’s Correlation analysis regarding the relationship between job satisfaction and job performance among the employees. The result shows that the job satisfaction-job performance relationship is significant as the p-value of the variables (job satisfaction and job performance) is less than 0.01 and correlation is significant at the level of 0.01 (2-tailed). It is also found that there is a significant association between the job satisfaction and job performance of the employees \((r = 0.370)\). Furthermore, the correlation coefficient value also demonstrates that the direction of the significant relationship between job satisfaction and job performance is positive which could also be understood as the higher the job satisfaction, the higher the job performance of the employees. It can be concluded that there is a significant weak positive relationship between job satisfaction and job performance.

**DISCUSSION AND CONCLUSION**

The findings of this study revealed an overall moderate level of job satisfaction among the respondents. This suggests that in general, employees are satisfied with their job particularly in the dimension of co-workers. Out of the nine job satisfaction dimensions, the respondents have highest level of satisfaction in the relationships with co-workers. More than half of the respondents (63.3%) were working for more than 50 h/week, hence it can be suggested that co-workers are people whom the employees deal with the most at working place every day. According to Gu and Siu (2009) that encouragement, guidance, help and support from co-workers are important to promote a harmonious working culture that is needed for enhancing employee job satisfaction.

According to the results, nature of works is one of the job satisfaction dimensions that receive high satisfaction level among the employees. Examples of satisfaction with nature of work such as job challenge, autonomy, variety and job scope could work best in predicting employees’ job satisfaction. This is parallel to the research of Saari and Judge (2004) which encouraged the employers to enhance job satisfaction of employees by making the job itself as interesting and challenging as possible to the employees.

Another dimension which is supervision might also contribute to the moderate job satisfaction level as the employees are generally satisfied with the supervision they receive in their job. Relationship with the immediate supervisor as well as the perceived competencies and fairness of supervisor at managerial task could affect the satisfaction of the employees which might then lead to the good or bad feeling they have towards their job. This is supported by the research of Abdullah et al. (2009) which claimed that supervisors who have supportive personality will show their concern about the employees’ problem and take personal interest in the employees and all these supportive actions could lead to satisfaction of employees indirectly. In addition, study of Tierney et al. (2002) also found that employees turn to be extremely productive when they feel that the supervision given to them is sufficient enough and this boost up their satisfaction level at the same time.

Findings of current study also shows that the employees were dissatisfied with fringe benefits-the lowest mean among the nine facets of job satisfaction. This might be the reason to explain the moderate level of overall satisfaction among the employees. This statement is congruent with the study of Behera et al. (2011) that fringe benefits such as compensation in term of insurance, vacations and other benefits could affect the satisfaction level of employees. A survey by HR Focus (2007) has shown that compensation and other benefits were ranked as the most important factor in determining job satisfaction. Thus, it is believed that the dimension of fringe benefits is as important as the other dimensions such as pay, promotion, contingent rewards, operating procedures and communication in predicting job satisfaction (HR Focus, 2007).

Based on the results of current study, the job performance level among the employees is high. The high level of performance might be due to the employees are satisfied with what they have gained from their jobs and the company and that the employees are moderately satisfied with their jobs. This is congruent with a study by Pushpakumari (2008) whereby her study suggests that employees who are satisfied with their jobs were more willing to put extra effort into their jobs and this contributed to their good job performance.

From the findings of the study, it is clear that both task performance and contextual performance is also high in level. However, if both dimensions of job
performance are to be compared, the mean score for contextual performance is slightly higher than task performance. This means that the employees perform slightly better in contextual activities that are not directly related with their main function and not formally written in job description (Borman and Motowidlo, 1993). The high level of contextual performance could be understood by the good colleagueship formed between the employees in which they used to help each other while performing job and this is proven with the high satisfaction level of co-workers’ relationship dimension. Organ et al. (2006) supported this statement by claiming that “contextual performance is defined by those contributions that sustain an ethos of cooperation and interpersonal supportiveness of the group. Contextual performance can take the form of interpersonal facilitation (such as helping and good colleagueship) or job dedication”.

Based on the Pearson correlation analysis, the findings indicate that there is a significant weak positive correlation between job satisfaction and job performance among the employees. Positive correlation between job satisfaction and job performance can be understood as the increment of the employee job satisfaction could contribute to the increase of job performance at the same time. The result in current study is aligned with previous studies (Jinyevu, 2013; Miao, 2011; Hussin, 2011; Pushpakumari, 2008; Wright et al., 2007) which the results showed that job satisfaction was positively related to job performance of employees. This is because high level of employee job satisfaction can guarantee delivery of workers’ best efforts, thus lead to high quality of job performance (Hussin, 2011). In simple words, it means the higher the satisfaction, the higher the morale which then leads to high performance. Therefore, it is understandable that the employees are satisfied with their job and hence, their job performance is high.

When the employees are satisfied with what they received from their job, they tend to provide higher quality services to the customers who visit to their stores. Gu and Siu (2009) stated that the employee job satisfaction directly affects the mood and manner in which services are provided to the customers which ultimately influencing the satisfaction that customers gained from the transaction process. This has clearly exhibited the importance of the link between job satisfaction and job performance among the employees.

**Conclusion:** In conclusion, this research has successfully attained the three objectives of the study and contributes to the understanding of the importance of job satisfaction-job performance link among the employees. It is clear that these two variables (job satisfaction and job performance) are correlated to each other, whereby the dimensions of co-workers, nature of work and supervision are the main factors that can cause job satisfaction among the employees.

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