CHAPTER - I

CONCEPTUAL FRAMEWORK AND REVIEW OF LITERATURE

As a pivotal role of transferring business strategies into tactical decisions, any individual personnel or HR director, manager or officer will pay any of roles that will be dependent partly on the type and structure of the organization, its culture and the environment in which it exists (Armstrong, 1996). The nature of work and other pressures in society has been changing the attitudes of peoples towards the work itself. Therefore, unique talents among employees, including superior performance, high productivity, flexibility, innovation, and the ability to deliver high level of personal customer service are ways in which people provide a critical ingredient in developing an organization competitive position (Armstrong, 1996). Organizations have acknowledged the importance of human beings in an organization and intend to retain and develop talented people (Singh, 2002). In the age of specialization, motivating a worker and providing him the much needed job satisfaction is extremely important to enable him to realize his true potential and the worth to the organization (Dr. Padmakumar Ram, 2013). Robbins (2003) discovered that organizations with more satisfied workers are more effective than those with less satisfied workers. There are important reasons why we should be concerned with job satisfaction. Job satisfaction plays an important role for an employee in terms of health and well being (Kornhauser, 1965; Khaleque, 1981) and for an organization in terms of its productivity, efficiency, employee relations, absenteeism and turnover (Vroom, 1964; Locke, 1976; Khaleque, 1984). Happiness in the workplace leads to much higher levels of productivity. It increases employee morale: therefore employees are more willing to work harder to improve the company and its goals. According to a study by Syptak, Marsland, and Ulmer (1999), satisfied employees tend to be more productive, creative & committed to their employers. Rogers et al. (1994) points out that for service employees who frequently interact with customers, “it is very difficult to serve customers well when employees are unhappy and disgruntled about some aspect of their job” (p. 20). Karl and Peluchette (2006) found that satisfied
employees believed that their organization provided customer service that are reliable, responsive, empathetic and that employees were knowledgeable and able to instill confidence in customers.

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.

SECTION-I

JOB SATISFACTION, THEORIES AND SCALES OF JOB SATISFACTION

1.1 Job Satisfaction

Job satisfaction is a complex variable and influenced by situational factors of the job as well as the dispositional characteristics of the individual (Sharma & Ghosh: 2006). Different authors have different approaches towards defining job satisfaction. Hoppock defined job satisfaction as any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say I am satisfied with my job (Hoppock, 1935). Vroom in his definition on job satisfaction focuses on the employee in the workplace. Thus he defines job satisfaction as effective orientations on the part of individual toward work roles which they are presently occupying (Vroom, 1964). The most widely accepted explanation of job satisfaction was presented by Locke (1976), who defined job satisfaction as a “pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences” (p. 1304). Job satisfaction is the most widely investigated job attitude, as well as one of the most extensively researched subjects in Industrial/Organizational Psychology (Judge & Church, 2000). Actually job satisfaction shows the relation between human expectation and advantages taken from job (Willem, 2007). According to Frederick Herzberg (1968), job satisfaction is influenced by two set of factors. One he called the “hygiene” (dissatisfiers) factor, and another the “motivators” (satisfiers) factor. He said that once the hygiene issues are satisfied, then the motivators are the ones that create job satisfaction amongst
workers. The “hygiene” issues are company and administrative policies, supervision, salary, interpersonal relations and working conditions. The “motivators” on the other hand, are the work itself, achievement, recognition, responsibility and advancement.

The term job satisfaction refers to the attitudes and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006). Additionally, job satisfaction has emotional, cognitive and behavioral components (Bernstein & Nash, 2008). The emotional component refers to feelings regarding the job, such as boredom, anxiety, or excitement. The cognitive component of job satisfaction refers to beliefs regarding one’s job for example, feeling that one’s job is mentally demanding and challenging. Finally, the behavioral component includes people’s actions in relation to their work, which may include being tardy, staying late, or pretending to be ill in order to avoid work (Bernstein & Nash, 2008).

Rewards provided by the organization are evaluated by the individual. To the extent that the rewards are adequate and equitable, the individual achieves a level of satisfaction. The main objective of reward program is to motivate employees to achieve high level of performance (M.D. Pushpakumari, 2008). The rewards can be broadly categorized into two groups, namely intrinsic rewards and extrinsic rewards. These are defined as rewards that are part of the job itself (Gibson, Ivancevih and Donnelly, 1991). It had also defined as psychological reward that is experienced directly by an employee (Stoner and Freeman, 1992). Pay, promotions, interpersonal relationships, status and fringe benefits are some of the examples for extrinsic rewards. Responsibility, achievement, autonomy, personal growth, challenge, complete work and feedback characteristics of the job are some intrinsic rewards. According to Hirschfield (2000), intrinsic job satisfaction refers to how people feel toward the nature of the job tasks? while extrinsic job satisfaction how they feel about aspects of the work situation that are external to the job tasks? Rose (2001) viewed job satisfaction as a bi-dimensional concept consisting of intrinsic and extrinsic satisfaction dimensions. She further asserted that intrinsic sources of satisfaction depends on individual characteristics of the person, such as ability to use initiative, relations with supervisors, or the work that the person actually performs, all these are
symbolic or qualitative facts of the job while extrinsic sources of satisfaction are situational and depends on environment such as pay, promotion or job security; these are financial and other materials.

There are two types of job satisfaction based on the level of employees’ feelings about their jobs. The first, and most studied, is global job satisfaction, which refers to employees’ overall feelings about their jobs (e.g., “Overall, I love my job”), the second is job facets satisfaction, which refers to feelings about specific job aspects, such as salary, benefits, and the quality of relationships with one’s co-workers (e.g., “Overall, I love my job, but my schedule is difficult to manage”) (Mueller & Kim, 2008). Nash (1985) discovered that the nature of job satisfaction in the industrial world is attributed not only to one but many factors such as promotion, pay, package, supervision, work itself, work group and work condition.

The characteristics have been added to the more popular dimensions of job satisfaction assessment: the work itself, pay, promotional opportunities, supervision, and co-worker relations (Smith, Kendall, & Hulin, 1969). According to Locke (1976), this process becomes complex since the importance of work facets differs for each individual. For example, one employee may feel that pay rate is extremely important while another may feel that social relationships are more important. To explain the effects of these differences, Locke put forward the ideas of the range of affect theory. The hypothesis of this theory is that employees weigh facets differently when assessing job satisfaction (Locke, 1976).

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). Okpara (2002) stated in his study that job satisfaction is an outcome of different factors like pay, promotion, the work itself, supervision, relationships with co-workers and opportunities for promotions, out of these factors, pay is a very important factor. In the studies by Dwyer et al. (1987) and Jones (1986), better pay was found to lead to greater job satisfaction and lower employee turnover intention”. In the research carried out by
Brudney and Coundrey, (1993); Igalens and Roussel, (1999); and Tessema and Soeters, (2006); Sajuyigbe et al. (2013); they found that pay has significant impact on job satisfaction and performance. (Nguyen et al., 2003) concluded that job satisfaction is the result of promotion opportunities in the organization. Satisfaction in terms of promotion is referred to the employees’ satisfaction with fairness of company policy and administration on reassigning an employee to higher-level job due to a particular reason (Cobb, 2004). The finding of Sajuyigbe et al. (2013) agreed with other researchers that many people experience satisfaction when they believe that their future prospects are good. Locke (1985) studied that the work itself has positively correlated with the satisfaction of employee. Landy (1989) and Luthans (1998) reported that employees derive satisfaction from work that is interesting and challenging, and a job that provides them with status. Brunetto and Farr-Wharton (2002) concluded that supervision of the immediate manager increases the level of job satisfaction and performance. Supervision is a function of leading, coordinating and directing the work of others to achieve the predetermined goals. Okpara (2004) conducted the study of IT managers and found that job satisfaction among managers can be increased with the help of supervision. Sajuyigbe et al. (2013) noted that recognition of the achievements by the supervisors leads toward job satisfaction and performance. Relationship with supervisors and with co-workers is also important determinant of job satisfaction. James (1996) concluded that the working as a team has significant impact on the satisfaction level of employees as it affects their performance. Abegglen (1958) found during the study of Japanese workers that employment arrangement like lifetime employment and seniority system, job security leads to high commitment. The researcher found that work environment is an important determinant of job satisfaction of employees (Herzberg, 1968; Spector, 2008). Good working conditions such as cleanliness and attractive surroundings hearten employees to perform more effectively (Chughtai & Zafar, 2006). The work environment, in the different researches, was found to be better determinant of job satisfactions by the scholars (Forsyth and Copes, 1994; Reiner and Zhao, 1999; Ellickson and Logsdon, 2001; Carlan, 2007). Smith (1993) found in a study that autonomy of employees played a significant role in promoting job satisfaction.
As reported by HR Focus (2007), the “Society for Human Resources Management (SHRM) 2007, “Job Satisfaction Survey” has found that satisfied employees are more likely to stay with their employers and compensation and benefits were ranked equally as the most important ingredients of job satisfaction.

1.2 Theories of Job Satisfaction

Theory is a systematic grouping of interdependent concepts and principles resulting into a framework that ties together a significant area of knowledge (Weihrich & Koontz, 1999). Or more precisely a theory identifies important variables and links them to form ‘tentative propositions’ (or hypotheses) that can be tested through research (Newstrom, 2007). Several theories have been developed to explain the nature of job satisfaction. Since the late 1950s, many researchers have theorized the nature of job satisfaction, developed models, and carried out studies to test their models (Lacy and Sheehan, 1997). Job satisfaction theories are classified by researchers into content theories and process theories (Coomber and Louise Barriball, 2007). According to Lunenburg et al. (2008), content theories focus on the needs and factors that motivate behaviors, whereas process theories concentrate on the sources of behavior and the factors that affect the strength and direction of the behaviors. Content theories focus on identifying the needs, drives and incentives/goals and their prioritization by the individual to get satisfaction (Luthans, 2005:240). Process theories are more concerned with ‘how the motivation takes place?’ Similarly, the concept of ‘expectancy’ from ‘cognitive theory’ plays dominant role in the process theories of job-satisfaction (Luthans, 2005:246).

The two popular contents theories are Herzberg theory and Maslow theory.

Herzberg theory was developed by Herzberg et al. (1959). This theory which is also called Herzberg’s Two Factors theory is based on two types of needs, the need for psychological growth or motivating factors and the need to avoid pain or hygiene factors. Motivated factors are related to work itself for example, achievement, recognition, responsibility, advancement, and work itself. The hygiene factors are related to the work environment such as pay, working condition, supervision, company policy, and interpersonal relationship. Herzberg and his colleagues have claimed that hygiene factors will not make people satisfied; instead they will only
prevent them from being dissatisfied whereas motivating factors contribute towards job satisfaction and motivation.

Another better known theory is **Maslow’s (1954) hierarchical need theory.** Maslow’s theory consists of five levels of individual needs: physiological needs, social needs, safety needs, esteem needs, and self-actualization needs. Esteem and self-actualization needs are at the top level while safety, social and physiological needs are at the bottom level. Maslow believed that when a given level of need is satisfied, it is no longer act to motivate, thus, the next higher level of need has to be activated in order to motivate person.

**The popular process theories are Equity theory, Expectancy theory, Goel-setting theory, and job characteristics model.**

**J. Stacey Adams’s equity theory** (1963) suggests that employees weigh what they put into a job (input) against what they get from it (outcome) and then compare this ratio with the input-outcome ratio of other workers. If they find this ratio equal to that of the relevant others, a state of equity is said to exist (Robbins, 2005:58). It has been found that rewards increase employee satisfaction only when these rewards are valued and perceived as equitable by the employees (Perry et al., 2006).

**Vroom’s Expectancy Theory** (1964) asserts that people are motivated to work to achieve a goal if they believe that goal is worthy and there is the probability that what they do will help them in achieving their goals (Weirich & Koontz, 1999:470). Vroom’s theory is based on three major variables: valance, expectancy and instrumentality. It explains that motivation is a product of three factors: how much reward is wanted (valance), the estimate of probability that effort will lead to the successful performance (expectancy), and the estimate that performance will result in getting the reward (instrumentality) - explained as ‘Valance × Expectancy × Instrumentality = Motivation’ (Newstrom, 2007:115).

**Porter/Lawler Expectancy Model** (1968) is very popular explanation of the job satisfaction process. Porter and Lawler stress that ‘effort’ (force or strength of motivation) does not lead directly to ‘performance.’ It is rather moderated by the ‘abilities and traits’ and the ‘role perceptions’ of an employee. However, before this effort is translated into performance, the ‘abilities and traits’ and ‘role-perceptions’ of employee affect on the efforts used for performance.
**Edwin Locke’s Goal-Setting Theory (1968)** asserted that intentions can be a major source of motivation and satisfaction (Shajahan & Shajahan, 2004:95). Some specific goals (intentions) lead to increased performance, for example, difficult goals (when accepted) lead to higher performance than easy goals and that feedback triggers higher performance than no feedback.

According to **Hackman and Oldham’s Job Characteristics Theory (1980)**, a job characteristic is an aspect of a job that generates ideal conditions for high levels of motivation, satisfaction, and performance. More precisely, the model states that there are five core job characteristics (skill variety, task identity, task significance, autonomy, and feedback) which impact three critical psychological states (experienced meaningfulness, experienced responsibility for outcomes, and knowledge of the actual results), in turn influencing work outcomes (job satisfaction, absenteeism, work motivation, etc).

Numerous theories have been recommended so far but almost all begin with a succinct in Maslow’s idea (Butt et al., 2007; Sattar et al., 2010c; Saif et al., 2012). Herzberg’s theory is the most useful model to study job satisfaction (Kim, 2004; Karimi, 2008). But Getahun et al. (2007) have used it as a theoretical framework for assessing the police officers’ job satisfaction. However, a review of literature revealed criticisms of the motivator-hygiene theory (Karimi, 2008). For example the theory ignores individual differences and wrongfully assumes that all employees react in a similar manner to the changes in motivators and hygiene factors (Khalifa & Truong, 2010). **Clayton Alderfer’s ERG (Existence, Relatedness and Growth) theory (1969)** suggested a continuum of needs rather than hierarchical levels or two factors of needs. Alderfer's ERG theory differs from Maslow's Need Hierarchy insofar as ERG theory demonstrates that more than one need may be operative at the same time. Existence refers to our concern with basic material existence requirements; what Maslow called physiological and safety needs. Relatedness refers to the desire we have for maintaining interpersonal relationships; similar to Maslow's social/love need, and the external component of his esteem need. Growth refers to an intrinsic desire for personal development; the intrinsic component of Maslow's esteem need, and self-actualization need.
1.3 **Scales of Job Satisfaction**

There are different scales developed in the job satisfaction field. Some researchers used established scales to measure job satisfaction, while some developed their own. Perhaps the easiest way to assess the job satisfaction is to use one of the existing scales. Several have been carefully developed and in many studies, their reliability and validity have been established. Reliability refers to consistency in measurement: That is, if we repeatedly assess the job satisfaction of a person will we get the same number each time, assuming the person’s attitudes do not change? Validity concerns our interpretation of what a scale actually assesses: That is, does our job satisfaction scale assess people’s feelings concerning their jobs? It is not necessarily the case that a scale is reliable, as items can be confusing and lead to inconsistent responses by people. Furthermore, some scales might not assess what we intend to measure. If employees are concerned about supervisors’ seeing their responses to sensitive questions, they might not be honest on a questionnaire. Thus, responses will not reflect the true feelings.

There are many advantages to using an existing job satisfaction scales. First, many of the available scales cover the major facets of satisfaction. Often, these facets are those of interest in a satisfaction survey. Second, most existing scales have been used a sufficient number of times to provide norms. Comparisons with norms can help with the interpretation of results from a given organization. Third, many existing scales have been shown to exhibit acceptable levels of reliability. Fourth their use in research provides good evidence for construct validity. Thus one can have confidence that the scale will consistently measure the satisfaction facet of interest. Finally the use of an existing scale saves the considerable cost and time necessary to develop a scale from scratch. The major disadvantage of using an existing scale is that it will be limited to only those facets that the developers choose to place in their instrument.

**Some of the existing scales of job satisfaction are:-**

**Job satisfaction index:-** Job satisfaction index (JSI) created by Brayfield and Rothe (1951), measures the overall job satisfaction. The 18 items on the scale are scored using a 5-point Likert scale (ranging from 1 for strongly disagree to 5 for strongly agree) with a minimum score of 18 (low satisfaction) and a maximum score of 90 (high satisfaction).
of 90 (high satisfaction). The possible range of scores on the Job Satisfaction Index is 18 to 90 with a neutral score of 54.

**Job Descriptive Index:** JDI was originally developed by Smith, Kendal and Hulin (1969) to measure job satisfaction defined as “the feelings a worker has about his job” (p.100). This instrument has been revised in 1985, 1997 and most recently in 2009. JDI, a 72 item instrument measures five facets of job-related satisfaction: the work itself, pay, opportunity for promotion, supervision and coworkers. Each facet contain either 9 or 18 items and respondents are asked to fill the blank beside each item as follows “Y” (agreement), N (disagreement), and “?” (cannot decide).

**Minnesota Satisfaction Questionnaire:** The Minnesota Satisfaction Questionnaire (MSQ) is developed by Weiss et al. in 1967, which is designed to measure an employee’s satisfaction with their particular job. Method includes 100 items measuring 20 facets of job satisfaction.

**Long form MSQ:** Measures job satisfaction on 20 facets:

* Ability Utilization
* Achievement
* Activity
* Advancement
* Authority
* Company Policies
* Compensation
* Co-workers
* Creativity
* Independence
* Security
* Social Service
* Social Status
* Moral Values
* Recognition
* Responsibility
* Supervision-Human Relations
* Supervision-Technical
Variety
* Working Conditions

Long form MSQ uses the following five response choices: Very Satisfied, Satisfied, Neither Satisfied nor Dissatisfied, Dissatisfied, Very Dissatisfied.

Short form MSQ. Weiss et al. also developed the short version of the Minnesota Satisfaction Questionnaire (MSQ), a 5-point Likert-type scale with 20 items. This form consists of 20 items from the long-form MSQ that best represent each of the 20 scales. Factor analysis of the 20 items resulted in two factors—Intrinsic Satisfaction and Extrinsic Satisfaction.

Job Satisfaction Survey: The Job Satisfaction Survey (JSS; Spector, 1985) assesses nine facets of job satisfaction, as well as overall satisfaction. Nine facets are pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, coworkers, nature of work and communication. Each of the nine facet subscales contain four items and a total satisfaction score can be computed by combining all of the items. The scale contains 36 items and uses a summated rating scale format with six choices per item ranging from ‘strongly disagree’ to ‘strongly agree’. This format is the most popular for job satisfaction scales.

Many other job satisfaction scales have been developed besides the above scales discussed here. Many consulting firms have their own scales that they use when hired to conduct surveys.

SECTION-II

JOB PERFORMANCE AND MEASURES OF JOB PERFORMANCE

2.1 Job Performance

The most vital problem in a company is the job performance of its employees. 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 successfulness is usually based on the organizational performance which is largely depending on the performance of every single employee in the company (Pushpa Kumari, 2008). This made researchers to research more and more (Shokrkon et al., 2001). Kahya (2009) indicated that job performance has been studied as an important variable in industrial and organizational psychology literature.
The success or failure of any organization relies on individual’s job performance (Saetang et al., 2010). Highly performing individuals will be able to help organization to fulfill its goals (Dessler, 2011). Performance is total expectation of organization from separate behavior samples of each person during specific period of time (Motowidlo, 2003). Job performance is one of the significant indicators in assessing organizational performance (Wall et al., 2004). Muchinsky (2003) has suggested that job performance is the set of employee’s behaviors that can be measured, monitored, and evaluated at individual’s level. Viswesvaran and Ones (2000) have described job performance as “behaviors and outcomes that employees engage in or bring about that are linked with and contribute to organizational goals”. Schermerhorn (1989) has defined job performance as quality and quantity achieved by individuals or group after fulfilling a task. To support this, Motowidlo and Scotter (1994) have suggested that job performance should comprise of task performance and contextual performance. Borman and Motowidlo (1993, 1997) described a two-factor theory of job performance in which most jobs consist of task and contextual performance. Task performance refers to behaviors that are role prescribed, distinguish one job from another, and contribute to the technical core of the organization (Borman & Motowidlo, 1993; Campbell, McCloy, Oppler, & Sager, 1993). Contextual performance, on the other hand, is described as behaviors that support the broader organizational, psychological, and social environment in which the technical core operates (Borman & Motowidlo, 1993; Motowidlo & Van Scotter, 1994; Van Scotter & Motowidlo, 1996). Considering the Cox and Nkomo (1986) theory, job performance is classified as performance traits, task performance, and social behavior. According to Cox and Nkomo (1986), performance trait is a maximum effort of extension and work in a methodical way; task performance as a plan for the target achievement, achieve all organizational goals, optimize the use of resources; social behavior is relations with others, always helpful to others.

Historically, job performance was viewed as a single construct but researchers now agree that job performance is multidimensional factor (Austin and Villanova, 1992). Campbell (1990) has proposed eight dimensions of job performance which are job-specific task proficiency, non-job-specific task proficiency, written and oral communication, effort, maintaining personal discipline,
maintaining peer and team performance, supervision/leadership, and management/administration. Robbins (1998) has categorized the measurement of job performance into efficiency, effectiveness, and quality. According to Lee et al. (1999) efficiency refers to the workers’ output rate and the ability to achieve tasks before deadline, effectiveness refers to the workers’ goal accomplishment, and quality refers to workers’ error and complaint rate, managers’ satisfaction, customers’ satisfaction, and colleagues’ satisfaction.

Job performance is a set of behavior, which a person shows in relation to his job or, in other word, amount of efficiency gained due to the person job type (training, producing or servicing) (Rashidpour, 2000). According to Blumberg and Pringle (1982), three factors affect job performance. Namely ability variables (the requirement that helps to achieve the job performance), motivation variables (linked with employees to determine the job performance) and opportunity variables (work environment (temperature, noise level) group and leadership characteristics of the job) jointly affect performance. Schermerhon, et al. (1998) described performance as a reflection of three characteristics, which are performance related to capacity of an employee to perform, employees’ willingness to perform and organization support. If an employee lacks ability, the manager can provide training or replace the worker. If there is an environment problem, the manager can also usually make adjustment to promote higher performance. But if motivation is the problem, the manager’s task is more challenging. Individual behavior is a complex phenomenon and the manager may not be able to figure out why the employee is not motivated and how to change the behavior.

The term job performance can be used in many ways. Researchers in the area of organizational behavior have conceived job performance as an outcome of both the macro and micro organizational system. Industrial psychologist uses the term employee’s productivity in relation to job performance. So, job performance may be either related to the units of output or accomplishment of a specific task. Therefore, criteria for measuring job performance may be objective or subjective. There are at least three basic ways of collecting performance measures:
1. From the system output directly (objective records)
2. From workers self report (self rating)
3. From observation (supervisor or peer rating)

2.2 Measures of Job Performance

Measuring job performance is the systematic evaluation of the individual with respect to his performance on the job and his potential for development. Researchers developed many measures for appraising job performance. Out of these which one is to be used depends upon the specific set of circumstances. The rating scale method offers a high degree of structure for appraisals. Each employee’s trait or characteristic is rated on a bipolar scale that usually has several points ranging from "poor" to "excellent" (or some similar arrangement). The traits assessed on these scales include employee attributes such as cooperation, communications ability, initiative, punctuality and technical (work skills) competence. The nature and scope of the traits selected for inclusion is limited only by the imagination of the scale's designer, or by the organization's need to know.

Performance appraisal is a multistage process involving several activities, which can be administered using a variety of approaches. Some of these approaches are considered below, based on Einstein & LeMere-Labonte, 1989; and Monga, 1983.

Intuitive approach- In this approach, a supervisor or manager judges the employee based on their perception of the employee's behavior.

Self-appraisal approach- Employees evaluate their own performance using a common format.

Group approach -The employee is evaluated by a group of persons.

Trait approach- This is the conventional approach. The manager or supervisor evaluates the employee on the basis of observable dimensions of personality, such as integrity, honesty, dependability, punctuality, etc.

Appraisal based on achieved results- In this type of approach, appraisal is based on concrete, measurable, work achievements judged against fixed targets or goals set mutually by the subject and the assessor.
Behavioral method- This method focuses on observed behavior and observable critical incidents.

There are several techniques of performance appraisal, each with some strong points as well as limitations. Oberg (1972) has summarized some of the commonly used performance appraisal techniques.

Essay Appraisal Method

The assessor writes a brief essay providing an assessment of the strengths, weaknesses and potential of the subject. In order to do so objectively, it is necessary that the assessor knows the subject well and should have interacted with them.

Graphic Rating Scale

A graphic scale ‘assesses a person on the quality of his or her work (average; above average; outstanding; or unsatisfactory)’. Assessment could also be trait centered and cover observable traits, such as reliability, adaptability, communication skills, etc. Although graphic scales seem simplistic in construction, they have application in a wide variety of job responsibilities and are more consistent and reliable in comparison with essay appraisal. The utility of this technique can be enhanced by using it in conjunction with the essay appraisal technique.

Field Review Method

Since individual assessors differ in their standards, they inadvertently introduce bias in their ratings. To overcome this assessor-related bias, essay and graphic rating techniques can be combined in a systematic review process. In the field review method, 'a member of the HRM staff meets a small group of assessors from the supervisory units to discuss each rating, systematically identifying areas of inter-assessor disagreement.' It can then be a mechanism to help each assessor to perceive the standards uniformly and thus match the other assessors. Although field review assessment is considered valid and reliable, it is very time consuming.

Forced-choice Rating Method

Unlike the field review method, the forced-choice rating method does not involve discussion with supervisors. Although this technique has several variations, the most common method is to force the assessor to choose the best and worst fit statements from a group of statements. These statements are weighted or scored in
advance to assess the employee. The scores or weights assigned to the individual statements are not revealed to the assessor so that she or he cannot favor any individual. In this way, the assessor’s bias is largely eliminated and comparable standards of performance evolved for an objective appraisal. However, this technique is of little value wherever performance appraisal interviews are conducted.

**Critical Incident Appraisal Method**

In this method, a supervisor describes critical incidents, giving details of both positive and negative behavior of the employee. These are then discussed with the employee. The discussion focuses on actual behavior rather than on traits. While this technique is well suited for performance review interviews, it has the drawback that the supervisor has to note down the critical incidents as and when they occur. That may be impractical, and may delay feedback to employees. It makes little sense to wait six months or a year to discuss a misdeed, a mistake or good display of initiative.

**Management by Objectives**

The employees are asked to set or help set their own performance goals. This avoids the feeling among employees that they are being judged by unfairly high standards. This method is currently widely used, but not always in its true spirit. Even though the employees are consulted, in many cases management ends up by imposing its standards and objectives. In some cases employees may not like ‘self-direction or authority.’ To avoid such problems, the work standard approach is used.

**Work Standard Approach**

In this technique, management establishes the goals openly and sets targets against realistic output standards. These standards are incorporated into the organizational performance appraisal system. Thus each employee has a clear understanding of his duties and knows well what is expected of him. Performance appraisal and interview comments are related to these duties. This makes the appraisal process objective and more accurate. However, it is difficult to compare individual ratings because standards for work may differ from job to job and from employee to employee. This limitation can be overcome by some form of ranking using pooled judgment.
Ranking methods

Some of the important forms of ranking for performance appraisal are given below, based on Oberg, 1972; and Monga, 1983:

Alteration ranking method

The individual with the best performance is chosen as the ideal employee. Other employees are then ranked against this employee in descending order of comparative performance on a scale of best to worst performance. The alteration ranking method usually involves rating by more than one assessor. The ranks assigned by each assessor are then averaged and a relative ranking of each member in the group is determined. While this is a simple method, it is impractical for large groups. In addition, there may be wide variations in ability between ranks for different positions.

Paired comparison

The paired comparison method systematizes ranking and enables better comparison among individuals to be rated. Every individual in the group is compared with all others in the group. The evaluations received by each person in the group are counted and turned into percentage scores. The scores provide a fair idea as to how each individual in the group is judged by the assessor.

Person-to-person rating

In the person-to-person rating scales, the names of the actual individuals known to all the assessors are used as a series of standards. These standards may be defined as lowest, low, middle, high and highest performers. Individual employees in the group are then compared with the individuals used as the standards, and rated for a standard where they match the best. Each assessor constructs their own person-to-person scale which makes comparison of different ratings difficult.

Checklist method

The assessor is furnished with a checklist of pre-scaled descriptions of behavior, which are then used to evaluate the personnel being rated (Monga, 1983). The scale values of the behavior items are unknown to the assessor, who has to check as many items as she or he believes describe the worker being assessed. A final rating is obtained by averaging the scale values of the items that have been marked.
Behaviorally anchored rating scales (BARS)

This is a relatively new technique. It consists of sets of behavioral statements describing good or bad performance with respect to important qualities. These qualities may refer to inter-personal relationships, planning and organizing abilities, adaptability and reliability. These statements are developed from critical incidents collected both from the assessor and the subject.

Assessment centers

This technique is used to predict future performance of employees were they to be promoted. The individual whose potential is to be assessed has to work on individual as well as group assignments similar to those they would be required to handle where they promoted. The judgment of observers is pooled and paired comparison or alteration ranking is sometimes used to arrive at a final assessment. The final assessment helps in making an order-of-merit ranking for each employee. It also involves subjective judgment by observers.

Job performance estimate results are useful to take decisions on employee remuneration package, promotion, training for performance improvement, retention and termination (Piercy et al., 1998). A performance appraisal system could be designed based on intuition, self-analysis, personality traits, behavioral methods and result-based techniques. Different approaches and techniques could be blended, depending on the goals of performance appraisal in the organization and the type of review. For example, management by objectives, goal-setting and work standard methods are effective for objective coaching, counseling and motivational purposes.

SECTION-III

RELATIONSHIP BETWEEN JOB SATISFACTION AND JOB PERFORMANCE

The study relating to the relationship between job satisfaction and job performance is now become a research tradition in industrial-organizational psychology. The relationship between job satisfaction & job performance has been described as the “Holy Grail” of industrial psychologists (Landy, 1989). Empirical studies have produced several conflicting viewpoints on the relationship between job satisfaction & job performance. Locke (1970) has suggested that satisfaction is
primarily a result of performance and only indirectly a cause of performance. The strength of this relationship is said to depend on “……the degree to which performance entails or leads to the attainment of the individual’s important job values (without neglecting his other important values).” Locke found that emotions (such as satisfaction) do not usually determine behavior, because job behavior results from an individual’s own task goals. Sutermeister (1971) has stated a cyclical model of the satisfaction and performance relationship. Life style is viewed as an important determinant of level of aspiration, which, in turn, affects individual effort in the work situation. The cyclical model states that satisfaction and performance are causes of each other; however the closer (and presumably stronger) linkage runs from performance to satisfaction. Siegel & Bowen (1971) and Bagozzi (1980) suggested that job performance leads to job satisfaction but not the reverse. Keaveney and Nelson (1993) found a non-significant correlation coefficient between job satisfaction and job performance. Ravindran (2007) found that job satisfaction is non-significantly correlated with job performance. Harrison et al. (2006) revealed that the evidence supporting the satisfaction-performance relationship was stronger than the evidence supporting the performance-satisfaction relationships in terms of temporal sequencing. It is important to study the job satisfaction and job performance relationships for several reasons (e.g. Brief, 1998; Cropanzano & Wright, 2001; Judge et al.1995). For example, satisfaction is important for worker health and well-being, and organizations have control over job design features that influence both satisfaction (e.g. pay, procedural justice) and performance (e.g. resources, training).

One of the views about job satisfaction and performance can be summarized as: “Productivity of a happy worker is higher” (Robbins, 1999, pp.299-300). Many organizational theories are based on the notion that organizations that are able to make their employees happy will have more productive employees. Contented employees are productive or those who are satisfied with their work are likely to be better performers (Fisher, 2003; Saari and Judge, 2004). Job satisfaction leads to higher productivity, organizational responsibility, physical and mental health, so a person will work with better mood and will learn more skills and finally promotion in his performance (Coomber & Louise 2007). Other researches were done by Yi Han (2008), Iee et al. (2010), Chen et al. (2008), Zimmerma & Darnold (2009) and
positive relation between job satisfaction and job performance confirmed. The idea that satisfaction leads to better performance is supported by Vroom’s (1964) work which is based on the notion that performance is natural product of satisfying the needs of employees. Strauss (1968) commented, “Early human relationists viewed the morale – productivity relationship quite simple: higher morale would lead to improved productivity. Manjunath et al. (2008) exhibited job satisfaction of Agricultural Scientists is significantly correlated with their scientific productivity. Nimalathasan and Brabete (2010) carried out a study on job satisfaction and job performance. The findings revealed that there is a positive relationship between these two variables, that high level of fair promotion, reasonable salary system, appropriate work itself, and good working condition lead to high level of employees’ performance. In the study conducted by Prasanga and Gamage (2012) the findings indicates that job satisfaction is one of the most important factors in determining job performance, and leads to high performance.

The relationship between job satisfaction and job performance may be found on the basis of overall view as a single item measure or on the basis of different facets of job satisfaction and job performance. Equity theory would predict that employees will decrease effort to reduce inequity caused by underpayment (Adams, 1965; Lord & Hohenfeld, 1979; Werner & Mero, 1999). Therefore, there is a strong theoretical (e.g. Adams, 1965) and empirical support (Lord & Hohenfeld, 1979; Werner & Mero, 1999) that suggests a positive relationship between satisfaction with pay and with opportunities for promotion and task performance. If the social exchange is perceived in terms of interpersonal relationships on the job instead of with the organization or job itself, then employees may focus on their relationships with supervisors and co-workers. Lawler and Porter (1967)-a study by Lawler and Porter (1967) correlated satisfaction of managers’ needs with performance. All correlations were significant but low, ranging from .16 to .30. The researchers concluded that satisfaction of higher order need is more closely related to performance than satisfaction of lower order needs, but they fail to test for statistical differences between correlations. The correlations for the lower order security and social needs were .21 and .23 respectively, while the correlations for the higher order needs of esteem, autonomy, and self-actualization were .24, .18 and .30 respectively. The
differences between the correlations do not appear to be great enough to warrant their conclusion that higher order needs are more closely related to performance than lower order needs. **Anderson, C. H. (1984)** analyzed employee satisfaction and performance in retail stores of America. Analysis of the job dimension-job performance relationship indicated that autonomy and feedback from the job were significantly correlated with level of performance for this group of retail employees. **Anuar bin hussin (2011)** tried to determine the level of job satisfaction & job performance and to identify the relationship between job satisfaction components (which are pay, promotion, the work itself, supervision, & co-workers) and job performance among employees of Tradewinds Group of Companies. The study revealed that there was a positive relationship between job satisfaction components which were promotion, work itself, supervision and co-workers except for pay towards employee job performance. It proved that job satisfaction dimensions (pay, promotion, work itself, supervision and co-workers) can contribute to 17.8 percent (%) to increase the job performance in the organization. **Anitha (2011)** conducted study on job satisfaction of paper mill employees. This study analyzed that Job satisfaction is a general attitude towards one’s job, the difference between the amount of reward workers receive and the amount they believe they should receive. She concluded that the organizations need to modify the reward system of the employees and promotions must be given based on merit, educational qualification and experience, and if these factors are given little more care, the company can maintain good workers with high level of satisfaction, organizational commitment and involvement. This will in turn lead to effectiveness and efficiency in their work which leads to increase productivity.

**Al-Badayneh and Subhash (1993)** studied job satisfaction of a sample of 303 registered nurses in five government and five private hospitals. The study identified a strong relationship between nurses overall effectiveness and overall satisfaction, as well as a moderate relationship between nurses job satisfaction and job performance. **Knoop (1995)** found that job satisfaction leads to a number of consequences among nurses, more productivity, high quality of care and intent to remain in organization. **Garon & Ringl (2004)** explained that the low job satisfaction among nurses and the achievement of positive outcome such as a low patient fall rate are issues that affect
both quality and cost of patient care. They also explained that the low job satisfaction among nurses and the failure of hospitals and other institutions to implement interventions to improve job satisfaction contribute to the current nursing shortage problem. **Staw et al. (1994)** analyzed data collected through the University of Michigan’s Survey Research Center and found employee positive emotion was significantly related to work achievement in the form of supervisor ratings of performance (r=.16) and pay (r=.24). **Ololube (2006)** revealed that teacher related sources of job satisfaction seem to have a greater impact on teaching performance, as teachers are also dissatisfied with the educational policies and administration, pay and fringe benefits, material rewards and advancement. **Usop et al. (2013)** concluded that the teachers of Division of Cotabato City display a high level of performance. They were contented with their job satisfaction facets such as school policies, supervision, pay, interpersonal relations, opportunities for promotion and growth, working conditions, work itself, achievement, recognition, and responsibility. This implies that a teacher’s satisfaction with their job is also a productive one. Furthermore, if the teachers contented with their job, they will develop and maintain high level of performance. **Crossman and Abou-Zaki (2003)** explored the relationships between job satisfaction, individual job facets, socio-demographic variables and job performance in the Lebanese commercial banking sector. They found that the self-reported scores for each of the four measures of performance were on the higher side of the seven-point scale. They argued that these results may be skewed by the self-evaluation method with self-ratings are being inflated and colleagues performance under-rated.

The variability in reported relationships between job satisfaction and job performance may also be the effect of different conceptualizations and operationalizations of both job satisfaction and job performance. For example, it has been suggested that the relationship between job satisfaction and task performance varies depending on whether performance is defined in terms of task or contextual performance *(Organ, 1988)*. **Moorman (1993)** attributed a weak and modest link which has been found between job satisfaction and job performance was due to the measuring the wrong kind of performance. Although a relatively large number of empirical studies have assessed the job satisfaction and task performance relationship,
only a few studies have investigated the job satisfaction and contextual performance relationship.

Organ (1990) argued that the cognitive component of job satisfaction is defined by employees’ evaluations of fairness, which are derived in part from comparisons. Specifically, he stated that “one is satisfied to the extent that outcomes or conditions approximate some conception of ‘what they might have been’ – which in turn may be defined by social comparison processes, prior experience, or implicit promise” (Organ, 1990, p.56). Thus, it is the social comparison processes that represent social exchange and influence the relationship between job satisfaction and contextual performance. Specifically, if the target of the exchange is perceived to be with the organization, then employees may focus on their working conditions, pay and opportunities for promotion. , Moorman (1991) demonstrated that employees who perceived that they were treated fairly by their supervisors were more likely to engage in citizenship behaviors. Meta-analytic results by Kinicki et al. (2002) indicated a larger relationship between satisfaction with supervision and organizational citizenship behaviors (ρ = 0.45) compared to the other job satisfaction dimensions and organizational behaviors. Swaminathan & Jawahar (2013) studied that the job satisfaction at work has an influence on the level of organizational citizenship behavior and in turn on work performance. Samples from 252 faculty members in Tamil Nadu, India were used to obtain the empirical base for the study. Correlation and multiple regression analyses were used to interpret the data. The results demonstrate that there is a positive relationship between job satisfaction and factors that constitute the organizational citizenship behavior.

SECTION-IV
REVIEW OF LITERATURE AND MODEL OF THE STUDY

4.1 Review of Literature

Thomas and Nelson note that sometimes a literature review, rather than being just part of a study, can become a research study itself. The reliability and validity of results of individual studies continues to be doubtful creating confusion in the minds of researchers that whether these studies produce consistently generalizable findings. To give a clear direction to theories and practices in organizational behavior, it is necessary to integrate findings of different studies pertaining to various domains.
Accordingly, the present study proposes to integrate findings of studies in the area of job satisfaction and job performance.

**Slocum, JR. (1971)**

This study compares the need satisfaction of 87 first-line supervisors with 123 top and middle managers of a steel plant in central Pennsylvania and relates need satisfaction to job performance. A need satisfaction questionnaire was used to collect the data from managers in a steel mill. The purpose of this article was to reexamine the earlier findings relating need satisfaction to managerial levels and also examine the model posited by Porter and Lawler in terms of performance. The average correlations between security needs, social needs, esteem needs, autonomy needs, self actualization needs and First-line managers’ performance were found .13, .17, .17, .19, .24 respectively. And the average correlations between security needs, social needs, esteem needs, autonomy needs, self actualization needs and Middle-Top managers’ performance were found .11, .19, .26, .38, .39 respectively. Overall job satisfaction (sum of all need satisfaction) was positively and significantly related with the job performance (r = 0.42). The findings indicate and support for Porter and Lawler’s model relating need satisfaction to performance, but only partially support the hypothesis that satisfaction of higher order needs is more closely related to top managers’ performance than satisfaction of higher order needs for lower managerial personnel.

**Baird (1976)**

It was hypothesized that on stimulating jobs, satisfaction would be positively related to performance. To test the hypothesis, the Job Description Index was administered to 167 state-agency employees, and performance ratings were obtained from their supervisors. Job stimulation was determined by having three observers’ rate; they rate the jobs using the Job Diagnostic Survey (JDS). The correlations between work satisfaction, promotion satisfaction, pay satisfaction, people satisfaction, supervision satisfaction and performance of non stimulating jobs were .35, -.15, .28, .07, .21 respectively. And the correlations between work satisfaction, promotion satisfaction, pay satisfaction, people satisfaction, supervision satisfaction and performance of stimulating jobs were .01, .22, .24, .11, .26 respectively. Analysis of variance and correlation analysis revealed that the relationships between
performance and satisfaction were exactly opposite to those hypothesized. Satisfaction with work was correlated with performance only in non-stimulating jobs. It was suggested that the key variable in determining these relationships is the nature and use of feedback.

**Pestonjee et al. (1980)**

The study examined the effects of alienation on the job performance-job satisfaction relationship among a sample of 200 blue collar workers of a state owned spinning mill located in North India. The zero-order correlation between job performance and job satisfaction was 0.34. When job performance was predicted using both job satisfaction and alienation as independent variables, r increased to 0.374.

**Sundstrom et al. (1980)**

Three correlation studies examined relationships among architectural privacy, psychological privacy, job satisfaction, and job performance. Results of all three studies showed architectural privacy associated with psychological privacy. Both forms of privacy were associated with satisfaction with workspace and job satisfaction. Architectural privacy showed a limited, positive relationship with job performance in clerical and mechanical employees (r = 0.12).

**Anand & Sohal (1981)**

Relationship between the personal traits, job satisfaction aspect and different job performance measures were examined in three types of employees, namely, 116 scientists, 24 teachers and 22 extension workers of National Dairy Research Institute at Karnal and its three regional stations at Bombay, Bangalore and Kalyan. The relationships between traits like pay scale, education, institutional participation and recognition of the scientists with job performance was found to be positive. Work performance of the respondents was measured by measuring their performance on rationality in selection of research problem, sources of selection of research problem and their publications. The correlations between researchers’ job satisfaction and their rationality in selection of research problem, sources of selection of research problem, publication were .23, .26, .18 respectively. The correlations between teachers’ job satisfaction and their rationality in selection of research problem, sources of selection of research problem, publication were .43, .50, .19 respectively. And the correlations
between extension workers’ job satisfaction and their rationality in selection of research problem, sources of selection of research problem, publication were .24, .52, .05 respectively. The result shows that the satisfaction scores were significantly higher for teachers on each job satisfaction & job performance aspect than scientists & extension workers.

**Cummings et al. (1989)**

This article reports a study of 624 product managers from different 156 firms using a product management form of organization and some organizational behavior factors which contribute to their job satisfaction and job performance. These factors include centralization of decision making, job structure, job scope, role ambiguity and role conflict. Correlation coefficient between job satisfaction and job performance was 0.016. Job scope factors such as greater variety, greater identification with tasks, more autonomy and more feedback contributed directly to job satisfaction.

**Das (1991)**

The experimental research showed that the worker satisfaction-productivity and the worker job attitudes-productivity relationships were stronger for the individuals who had exhibited a higher growth need strength (GNS) than the subjects with a lower GNS in a repetitive production task enriched by the provision of production standards and feedback. Under high GNS, the correlation coefficient values between worker satisfaction and productivity in terms of quantity output were found to be statistically significant, whereas none of the values were significant under low GNS. The correlation coefficient values between worker job attitudes and productivity in terms of both quantity and quality output were significant under high GNS, whereas under low GNS none of the values were significant.

**Ellingson et al.(1998)**

This study investigated whether voluntarily or involuntarily pursuing temporary work is related to satisfaction and performance. The author took a sample of 174 temporary employees from a Midwestern temporary help service firm. The correlations between growth satisfaction, pay satisfaction, coworker satisfaction, supervision satisfaction, overall assignment satisfaction and performance were .25, .11, .26, .30, .30 respectively, it was anticipated that the relationship observed between these two variables would be specific to an assignment(i.e. that satisfaction
with one assignment would not be related to performance in another assignment). A correlation of .16 was computed between overall assignment satisfaction and the supplementary performance measure which was not significant. Analyses were conducted using the complex measure and a traditional classification. The results also suggest 4 conclusions: (a) a complex measure may be preferred over a dichotomous classification when operationalizing the decision to pursue temporary work, (b) individuals who are involuntarily pursuing temporary work may be less satisfied, (c) whether an individual voluntarily pursues temporary work appears to be unrelated to satisfaction levels, and (d) whether an individual is voluntarily or involuntarily pursuing temporary work is unrelated to performance.

Hossain (2000)

The study was designed with a view to investigating the satisfaction of commercial bank employees and its consequences on related issues. A total number of 440 commercial bank employees from both the private and the public sectors were randomly selected as sample for the study. The coefficient of correlation between job satisfaction and job performance of bank employees was 0.64. The results also revealed that the public sector bank employees were in a better position in terms of their job satisfaction than private sector bank employees and the executives were more satisfied than the non-executives. Moreover, banking employees in Bangladesh were highly dissatisfied with their salary, lack of fair promotional opportunity, low job status and absence of recognition for good work.

Yousef (2000)

This article investigated the potential mediating role of organizational commitment in the relationships of leadership behavior with the work outcomes of job satisfaction and job performance in a non-western country where multiculturalism is a dominant feature of the workforce. It also explored the moderating effects of national culture on the relationship of leadership behavior with organizational commitment, job satisfaction and job performance in such a setting. Results suggested (in support of many western studies) that those who perceived their superiors as adopting consultative or participative leadership behavior were more committed to their organizations, more satisfied with their jobs and their performance was high. The results also indicate that national culture moderates the relationship of leadership
behavior with job satisfaction. The subjects of this study were 430 individuals working in different organizations in the United Arab Emirates (UAE). The correlation coefficient between job satisfaction and job performance was found .16.

**Moshavi & Terborg (2002)**

The study investigated the role that human capital plays in explaining the job satisfaction and performance of contingent and regular customer service (CSRs). It was found that contingent CSRs had less human capital but higher job satisfaction than regular workers and human capital also mediated the relationship between work status and job satisfaction. But no performance differences were found between contingent and regular CSRs. Correlation coefficient between job satisfaction and job performance was 0.29.

**Janssen & Yperen (2004)**

The study investigated that the data from 170 employees of energy supplier Dutuch firm showed that the quality of leader-member exchange mediated positive relationships between a mastery orientation and leader-rated in-role performance, leader-rated innovative job performance and job satisfaction. In contrast, a performance orientation was negatively related to these outcomes. The results demonstrated modest mediation effects through mastery orientation in the regression analysis of in-role job performance and job satisfaction. The coefficient of correlation between job satisfaction and in-role job performance was 0.08 and between job satisfaction and innovative job performance was 0.09.

**Chong et al. (2005)**

The responses of 77 senior managers drawn from a cross-section of the Australian financial services sector, to a questionnaire survey were analyzed using a multiple regression technique. The result of the analysis, which was based on the composite score of budgetary participation as the independent variable, showed that the higher the intensity of market competition, the more positive is the relationship between budgetary participation and performance and job satisfaction. The correlation coefficient between job satisfaction and job performance was 0.313.
**Jayan (2006)**

He explored the role of predictive variance of emotional competencies, personality variables and job attitudes in job performance. The sample consisted of 204 middle level managers, who completed Emotional Competency Inventory Type A Personality Pattern, Job Attitudes Scale and Performance Rating (Self) Scale. Co-worker rating and Superior ratings for these managers were also obtained. Step wise regression analysis showed that $R^2$ increased from 0.1155 to 0.3369 with addition of each of the seven variables that contributed significantly to the prediction of job performance. Job satisfaction (a variable of job attitudes) was added to the equation in the sixth step, increased $R^2$ by 32.14%. Correlation between job satisfaction and job performance was 0.57. In case of job attitudes, only job satisfaction appears to predictive of managerial performance. The author expected that the different relationship between job attitude and job performance may be found in case of different levels of manager.

**Politis (2006)**

There are three major findings in this research. First, the relationship between self-leadership behavioural-focused strategies and job satisfaction is direct, positive and significant. Second, the relationship between job satisfaction and team performance is positive and significant. Finally, the results have clearly shown that job satisfaction mediates the relation between self-leadership behaviour-focused strategies and team performance. The correlations between intrinsic job satisfaction and non-financial team performance; between intrinsic job satisfaction and overall team performance were 0.43 and 0.35 respectively. And the correlations between extrinsic job satisfaction and non-financial team performance; between extrinsic job satisfaction and overall team performance were 0.36 and 0.43 respectively.

**Sharma (2006)**

The author studied the relationship between job satisfaction and teaching effectiveness in relation to emotional intelligence of secondary school teachers of U. P. Board of Secondary Education, Bihar, India. A random sample of 300 male and female teachers was selected for the study. The results show the positive and significant relationship between job satisfaction and teaching effectiveness ($r = 0.38$)
of the secondary school teacher. The author found that the sex is the moderator variable in the relationship between job satisfaction and job performance.

**Alvarez and Fitzpatrick (2007)**

In this study, secondary data from a nurses’ job satisfaction survey conducted at a large metropolitan hospital on the East coast was used for the variable job satisfaction. The National Database of Nursing Quality Indicators-Adapted Index of Work Satisfaction (NDNQI-AIWS) was used to measure nurses’ job satisfaction. The sample included 161 nurses from 12 adult acute medical and surgical units. The study used retrospective data collected by the Department of Nursing on patient fall rate. Reporting of fall occurrences was a major performance initiative of the hospital. The NDNQI-AIWS nurses’ overall job satisfaction score showed a moderate correlation with patient fall rate ($r=.46$). However, this correlation was not significant at the critical value of $p<.05$ (one-tailed). Three subscales showed a weak correlation with patient fall rate: task ($r=-.6$), RN-RN interactions ($r=.11$), and professional status ($r=.17$). Three other subscale scores showed a moderate correlation with patient fall rate: pay ($r=.45$), autonomy ($r=.46$). Only RN-MD interactions ($r=.65$) & decision making ($r = .57$) were the job satisfaction subscales that showed a significant positive correlation with patient fall rate ($p<.05$).

**Parker (2007)**

The author conducted two field studies to know the relationship between role orientation and job performance. The first study showed that within a relatively self-managing context, flexible role orientation predicted supervisory assessments of overall job performance as well as a change in job performance. The second study showed flexible role orientation predicted job performance in high autonomy jobs but not low autonomy jobs. In both studies, role orientation predicted performance more strongly than other work attitudes including job satisfaction, generalized self-efficacy, locus of control, and job aspiration. The author has expected that relationship between job satisfaction and job performance may be stronger in case of more complex jobs or when overall job satisfaction is measured rather than based on facets.

**Ravindran (2007)**

The study was undertaken to assess the motivational level of workers under RNTCP and the factors influencing the work output of human resource in Revised
National Tuberculosis Control Programme (RNTCP). The study was done among the 75 workers of RNTCP under District TB Centre in Calicut, Kerala. Job satisfaction and job stress were not directly influencing the work output, correlation coefficient between job satisfaction and work output was 0.03 and between job stress and work output was 0.01. Those employees who were having professional qualification, more years of service and those who were permanently employed showed low level of job satisfaction and their work output was also on the lower side.

Sandika et al. (2007)

The investigation was done to study the “Job Performance of Veterinary Officers and Veterinary Livestock Inspectors of Department of Animal Husbandry and Veterinary Service, Karnataka” Job satisfaction had positive and significant relationship with job performance of both VOs (r=0.5) and VLSs (r=0.713). Job involvement and job satisfaction of VOs and VLIs contributed more for job performance due to recognition for them, good relationship with superiors and subordinates. Further, age, education, job experience and trainings exhibited positive and significant relationship with job performance of VOs because their job performance was increasing chronologically with the related variables. Inadequate training, inadequate facilities like chemicals and medicines, inadequate conveyances facilities, lack of reward, recognition and appreciation for special achievement, low salary and lack of appropriate promotion scheme were identified as the major constraints in effective job performance.

Shah & Sharma (2007)

An empirical study was conducted by the author in order to gain an insight into the issues of Job Satisfaction (JS) and its impact on the Individual Performance (IP). Sample of 60 BPO employees from one of the BPO organizations were selected from Ahmedabad city. JS and IP were positively correlated (r = 0.39**). Communication, Fringe benefits and Variable pay were found to be significantly correlated with IP while Work conditions and Colleagues were not significantly correlated with IP. The author has expected that the relationship between JS and IP may be improved by providing training, job involvement and decision making power.
Suliman (2007)

This study has explored in the UAE and other Arab countries the role of organizational justice in influencing employees’ satisfaction and performance, the impact of satisfaction on self-rated and supervisor-rated performance, as well as examining the mediation role of satisfaction in justice-performance relationship. The results uncover that justice plays a significant role in affecting employees’ satisfaction and performance and that satisfied employees are higher performers than the less satisfied. In addition, only partial mediating role for job satisfaction was reported regarding the relationship between justice and performance.

Turner (2007)

The author studied about the correlation between job satisfaction and job performance of insurance agents. To gauge job satisfaction, statements from INDSALES (A scale created by Churchill, Ford and Walker (1974) were used, when the responses to all items on INDSALES were totaled and regressed against performance (commission) the resulting correlation was 0.196. However, when each of the dimensions of INDSALES was individually regressed against performance, there was wide variation in the resulting correlation. Correlations ranged from a respectable 0.368 for satisfaction with pay to an insignificant 0.16 for satisfaction with company policy and support. The author expected that the personal characteristics and tenure of the employee may effect on the relationship between job satisfaction and job performance.

Wright et al. (2007)

This research provides further clarification to the age-old quest to better understand the happy/productive worker thesis. Using data from 109 managers employed by a large (over 5000 employees) customer services organization on the West Coast of the United States, both job satisfaction (r = 0.36) and psychological well-being (r = 0.43) were associated with supervisory performance ratings. The authors found that psychological well-being moderates the relation between job satisfaction and job performance.
Pushpa Kumari (2008)

The author collected data from 223 respondents from twenty organizations limited to five industries relating to manufacturing and services industries in private sector in the economy in Sri Lanka. Three employee categories were considered as Professional, Managers and Non Managers. It was revealed that there was a positive and significant relationship between job satisfaction and job performance for managers \( r = 0.824 \) and non managers \( r = 0.568 \). But statistical test did not support to identify the significant relationship between job satisfaction and performance for professional \( r = 0.113 \). But there was a significant impact of job satisfaction and performance of all employees in private organizations \( 0.692 \). Employees who were in higher levels tended to derive more satisfaction from intrinsic rewards while, employees who were in lower levels tended to derive more satisfaction with extrinsic rewards.

Velnampy (2008)

The paper investigated the relationships between satisfaction, involvement and employee performance. The sample consisted of 220 employees from fourteen public sector organizations in Jaffna District, Sri Lanka. The results indicate that job satisfaction and involvement are correlated with performance. As compared to satisfaction job involvement has a greater impact on employee performance.

Al-Ahmadi (2009)

The study was conducted in 15 randomly selected Ministry of Health hospitals in Riyadh region, Saudi Arabia. The questionnaire was sent to all nurses (1834) in these facilities and 923 nurses responded. Both job satisfaction and organizational commitment were strong predictors of nurses’ performance. The correlation coefficient between overall job satisfaction and job performance was 0.31. Job performance was also found positively correlated with facet satisfaction including: Satisfaction with the job itself, supervision, relationships at work, satisfaction with pay and promotion opportunity and work conditions. But level of education was negatively related to performance, indicating that higher the level of education, the lower job performance of nurses. It was found that the national culture might impact on job performance and work attitude among nurses in Saudi Arabia.
Gu & Siu (2009)

The study provides an assessment of the Macao casino hotel workers’ performance and job satisfaction and offers useful insight on how work performance and job satisfaction may be improved. On-the-job training is proposed for the industry to boost job satisfaction and work performance. A survey was conducted among 892 Macao casino hotels employees. Performance variables like “Mandarin fluency”, “Difficulty in communication”, “Foreign language”, “Smile”, “Greet”, “Help”, “Mistake”, “No. of games”, and “Gaming skill” are all positively correlated with the employee overall satisfaction at the 0.05 or less levels except “Difficulty in communication” and “No. of Games”. Further, the highly significant and positive correlation between job satisfaction and “Tip” suggests that higher job satisfaction makes tip hustle less likely to occur. The two loyalty indicators, “Transfer” and “Quit” are both negatively significantly correlated with employee overall satisfaction, confirming that high job satisfaction helps enhance employee loyalty and lower employee turnover. The authors concluded that Macao casinos should step up on-the-job-training as a mechanism not only to improve employee job skills but also to boost job satisfaction and work performance.

Shokrkon & Naami (2009)

The sample of the study consisted of 400 factory workers of Ahvaz city of Iran. The results indicate that correlation coefficients between the five components of job satisfaction and the five components of each of the two measures of organizational citizenship behavior (OCB 1, OCB 2) were positive and significant. In addition, several correlation coefficients of job satisfaction, and its components, with the two measures of job performance were low but significant, although some of them were not significant. The authors concluded that if performance is measured in a limited manner as a quantitative or qualitative product, it will not have a strong relation with job performance.

Borgogni et al. (2010)

White collars (N = 1172) from the staff and line functions of an Italian privatized organization were administered a self-report questionnaire matched with their job performance rated by supervisors. Structural equation modeling supported the hypothesized relationships among variables, i.e. (a) self-efficacy was related to the
three components of perceptions of social context; (b) perceptions of social context mediated the relationship between self-efficacy and job satisfaction; (c) job performance was positively predicted by job satisfaction \((r = 0.15^{**})\); (d) finally, the relationship between organizational tenure and job performance became progressively negative as organizational tenure increased, misfit between the person and the organization for employees hired before privatization. The authors expected that training and feedback may improve the relationship between job satisfaction and job performance.

**Giri & Kumar (2010)**

The paper analysed the impact of organizational communication on job satisfaction and job performance. Data were collected from 380 employees working at different managerial levels in various organizations in India. It was found that organizational communication had a significant effect on job satisfaction and job performance of the employees. The analysis further indicated that the employees at different levels perceived job satisfaction differently. Thus, it can be inferred that in Indian organizations, job satisfaction and performance are very much dependent on the communication behavior of the organization. Coefficient of correlation between job satisfaction and job performance \((r^- = 0.42)\) was positive and significant.

**Abdullah et al. (2011)**

This paper performed job analysis of 80 personnel in the Nigerian construction industry, identified the level of job satisfaction of employees in small and medium sized firms, and examine the level of job performance of personnel, to investigate the relationship between job satisfaction and job performance of employees. And positive relationship was found between overall job satisfaction and job performance in small and medium sized firms \((r = 0.347)\).

**Nasir et al. (2011)**

The study investigated the relationship between job satisfaction and task performance among 450 employees of Behzisty organization in Central Provinces of Iran. The study also looked at the influence of gender, age, education, and tenure on the relationship between job satisfaction and task performance. The results found that there was a significant relationship between job satisfaction and task performance. It was also shown that gender and education moderated the relationship between job
satisfaction and task performance while age and tenure did not moderate the relationship between job satisfaction and task performance.

**Kappagoda (2012)**

The study was conducted to investigate the relationship among job satisfaction, organizational commitment and job performance of non-managerial employees in the commercial banks in Sri Lanka. The sample consisted of 400 non-managerial employees randomly selected from Systemically Important Banks. The results of the study indicated that there was a positive relationship between job satisfaction and job performance, job satisfaction and organizational commitment, organizational commitment and job performance. Organizational commitment was found to mediate the relationship between job satisfaction and job performance of non-managerial employees in the commercial banks in Sri Lanka.

**Khan et al. (2012)**

The study was conducted to find out factors that influence level of job satisfaction among the workforce of autonomous medical institutions of Pakistan and its effects on performance. The sample of the study was comprised of 200 doctors, nurses, administrative and accounts staff working in autonomous medical institutions in Punjab. The correlation coefficients between satisfaction with pay, promotion, job safety, working conditions, autonomy, co-workers, supervisor, nature of work, and performance were .11, .12, .13, .46, .17, .16, .13, .26 respectively. Results show that satisfaction with working conditions was significantly correlated with job performance & pay satisfaction was least correlated with job performance.

**Ziegler et al. (2012)**

The authors argued that job ambivalence (i.e. coexistence of positive and negative evaluations of one’s job) may moderate the relationship between job satisfaction and job performance. The study conducted with 65 managers from a large German information technology company showed that job satisfaction was a better predictor of job performance (i.e. higher satisfaction related to higher performance) when individuals experienced low job ambivalence, as compared to when individuals experienced high job ambivalence. The coefficient of correlation between job satisfaction and job performance was 0.08.
Fu & Deshpande (2014)

The study was conducted to examine the direct and indirect relationships among caring climate, job satisfaction, organizational commitment, and job performance of 476 employees working in a Chinese insurance company. Job satisfaction had significant direct impact on organizational commitment, through which it also had a significant indirect impact on job performance. Finally, organizational commitment had a significant direct impact on job performance. There was positive but insignificant correlation between job satisfaction and job performance ($r = 0.03$).

Imran et al. (2014)

The authors selected a sample of 200 employees from different public and private educational institutes of Pakistan and standardized questionnaires are completed by the employees. The results of the study indicate strong positive relationship between job satisfaction and performance whereas organizational commitment has strong positive relation with performance and attitude towards work. The correlation between job satisfaction and job performance was 0.372. The study also identifies significant impact of organizational commitment on job satisfaction of employees working in educational sector.

Olarewaju (2014)

The study investigated the influence of teachers’ job satisfaction on the job performance of secondary schools in Kwara state of Nigeria. Stratified random sampling technique was used to select 3000 respondents comprising of Principals, vice Principals, Heads of departments, and teachers. The findings revealed that teachers’ job satisfaction have positive influence on the teachers’ job performance in schools ($r = 0.66$). It was recommended that the government should make it a deliberate task to improve the status of teachers in the state. Finally job satisfaction of teachers should be improved by ways of higher salaries, conclusive working environment, and provision of educational facilities that will aid effective job performance in Kwara State.
**Met & Ali (2015)**

This quantitative study investigated the direct effect of monetary motivation on employees’ job performance and mediating effect of job satisfaction on the relationship between monetary motivation and employees’ job performance at oil and gas offshore production facilities in Malaysia. Data were collected using self administered survey questionnaire from convenience-sampled 341 employees of selected oil and gas companies in Malaysia. There was a significant direct effect of monetary motivation on employees’ job performance, and job satisfaction partially mediated the relationship between monetary motivation and employees’ job performance.

**Selvam & Chamundeswari (2015)**

The study investigated the relationship between motivation, job satisfaction and performance of teachers at the secondary level. Survey method was used to select a sample of 303 teachers at the secondary level. The results of the statistical analyses showed a significant correlation between motivation, job satisfaction and performance of teachers ($r = 0.92$). A significant difference was found between teachers in different categories of schools pertaining to motivation, job satisfaction and performance of teachers. The authors concluded that the female teachers are found to be significantly better in their motivation, job satisfaction and teaching performance compared to male teachers.

**Brayfield and Crockett (1955)**

They performed the first meta-analysis in regard to the relationship between job satisfaction and job performance and only obtained a weak correlation between the two variables of 0.15 from the 26 studies published up until then.

**Vroom (1964)**

Vroom reviewed 20 empirical studies of the performance-satisfaction relationship and found a median correlation of $r = .14$ between the two variables across the various studies, with correlations ranging from -0.31 to +0.86. The variables that moderate the relation between performance and satisfaction were employee higher order need strength and employee need for achievement.
Petty et al. (1984)

Petty provided a limited Meta analysis of the job satisfaction - job performance relationship. These authors confined their analysis to 16 studies that were published in five journals from 1964 to 1983. Higher and more consistent correlations between overall job satisfaction and performance were indicated than those previously reported. Relationships between job descriptive index measures of job satisfaction and performance were not as high or as consistent as those found between overall job satisfaction and performance. Petty reported a mean corrected correlation of 0.31 between the constructs.

Iaffaldano and Muchinsky (1985)

They analyzed 217 correlations from 74 studies. They found a substantial range in satisfaction-performance correlations across the job satisfaction facets, ranging from a mean “true score” correlation of 0.06 for pay satisfaction to 0.29 for overall job satisfaction. For their primary analysis they averaged the facets performance correlations and reported an average true score correlation of 0.17 between job satisfaction and job performance. In discussing their findings, the authors only made reference to the 0.17 correlation, concluding that job satisfaction and job performance were “Only slightly related to each other” and they also concluded that the link between performance and satisfaction was as an illusory correlation. ‘Illusory correlation’ had previously been defined by Chapman & Chapman (1969) as a perceived relation between two variables that we logically or intuitively think should interrelate, but in fact do not.

Brown & Peterson (1993)

A three-phase quantitative investigation of relationships involving salesperson job satisfaction was undertaken. First, the strength, valence and consistency of pairwise relationships were assessed by means of a meta-analysis. Second, methodological characteristics coded as moderator variables were used to account for variability in study effects. Finally, weighted mean correlations resulting from the analysis of pairwise relationships were used to evaluate a causal model of antecedents and consequences of job satisfaction. Coefficient of correlation between job satisfaction and job performance was 0.13. Systematic moderating effects of type of sale-force and operationalization of job satisfaction were found.
Brown & Peterson (1994)

The authors addressed a fundamental gap in understanding how sales performance and job satisfaction are determined in an investigation of the sales force of a direct-selling organization. Results indicate a direct positive effect of work-related effort on job satisfaction that was not mediated by sales performance. Weighted-mean correlations between performance-satisfaction was 0.15 for sales force studies and 0.20 for non-sales force studies. In the empirical study (sample size was 380 direct sales people who worked for a company that sells a durable product line door-to-door throughout the United States), the causal relationship between sales performance and job satisfaction became negligible when the effects of effort were controlled, whereas in the meta-analytic study (no. of studies are 11), a significant performance-satisfaction path still resulted after considering the effects of effort.

Judge et al. (2001)

Because of limitations in the prior analysis, a new Meta analysis was conducted on 312 samples. The true correlation between overall job satisfaction and job performance was estimated to be 0.30. Meta analysis was conducted by five facets in the job descriptive index (Smith, Kendall & Hulin, 1969) and found that the average corrected correlation was 0.18 a figure identical to Iaffaldano and Muchinsky’s (1985) overall estimate. Even with updated Meta analysis the facet substantially underestimate the relationship of overall job satisfaction to job performance.


The paper shows that the extant literature has not adequately conceptualized nor addressed the complex relationship which could exist between employee satisfaction and service performance quality. The study also focused on four key areas where there is limited empirical support and where further enquiries could be beneficial. These areas are: (1) the cyclical and mutual linkage between job satisfaction and service performance; (2) the role of macro and micro moderators; (3) the relative contribution of context and content satisfaction to service performances; and (4) further reconceptualisation of service performance.
Bowling (2007)

Nathan A. Bowling analyzed meta-analytic data came from both previously-published Meta analysis and from original meta-analyses. He suggested that the satisfaction-performance relationship is largely spurious. More specifically, the satisfaction-performance relationship was partially eliminated after controlling for either general personality traits (e.g. Five factor model traits and core self-evaluations) or for work locus of control and was almost completely eliminated after controlling for organization-based self-esteem.

Whitman et al. (2010)

The authors used meta-analytic methods (k = 73) to examine the satisfaction-performance relationship when both constructs were construed at the work unit level. The relationship between unit level job satisfaction and unit-level performance is significant ($\rho = 0.34$). Furthermore, the satisfaction-performance relationship was moderated by the strength of unit consensus performance criteria, industry type, and whether the sample was U.S. based. Results also indicate that unit-level OCB has a moderately strong relationship with unit-level performance. Only limited support was found for the notion that OCB is a route through which satisfaction has an impact on performance.

4.2 Model of the Study

On the basis of the review of literature, we may find three types of the relationship between job satisfaction and job performance i.e. (1) **there is direct relationship between job satisfaction and job performance** (Wanous(1974); Shore & Martin (1989); Wright & Crop anzano (2000); Panda (2001); Mathew(2003); Gbadamosi & Joubert (2005); Goris (2007); Edwards et al. (2008); Leach-Lopez et al. (2009); Nimalathasan & Brabete(2010); Goel (2011); Kappagoda (2012); Younes (2012); Jabeen (2013); Nair (2014); (2) **there is indirect relationship between job satisfaction and job performance**, where a third variable (mediator) maintains a link between independent variable (job satisfaction) and dependent variable (job performance). Like Kappagoda (2012) & Imran et al. (2014) found in their studies that organizational commitment mediates the relationship between job satisfaction and job performance; (3) **the relationship between job satisfaction and job performance is moderated by a third variable**, which is called moderator.
variable, that may be a qualitative (e.g., sex, race, class) or quantitative (e.g., level of reward) variable that affects the direction and/or strength of the relation between and independent or predictor variable (job satisfaction) and a dependent or criterion variable (job performance). Like Vroom (1964) revealed in his meta-analytic study about the variables that moderate the relation between performance and satisfaction that were employee higher order need strength and employee need for achievement. Pestonjee et al. (1980) revealed in their study that alienation moderates the relationship between job satisfaction and job performance. Das (1991) found in his study that correlation between job satisfaction and job performance will be higher when the individual growth need strength is stronger. Brown & Peterson (1993) found systematic moderating effects of type of sale-force and operationalization of job satisfaction. Judge et al. (2001) revealed that relationship between job satisfaction and job performance will be stronger in case of complex jobs. Wright et al. (2007) explained in their study that the psychological well being moderates the relationship between job satisfaction and job performance. Whitman et al. (2010) found that the satisfaction-performance relationship was moderated by the strength of unit consensus performance criteria, industry type, and whether the sample was U.S. based.

All studies which have collected for the research purpose show a direct relationship between job satisfaction and job performance. These all studies have collected with the first objective to synthesize their results and to find the true relationship between job satisfaction and job performance. With the second objective, the present study is an effort to find out the different moderator variables that affect the strength of the relationship between job satisfaction and job performance. Model of the study is as follow:-
Figure 1.1 shows that there is a direct relationship between job satisfaction and job performance but there are some factors which may affect the strength of the relationship between job satisfaction and job performance i.e. Sex- females may show significant correlation between job satisfaction & performance than males e.g. Hoppock (1935); Sharma (2006); & Nasir et al. (2011). Age- middle age group may
show significant relationship between job satisfaction and job performance than younger or older age group e.g. Nasir et al. (2011). **Occupation**- occupation may also determine the magnitude of association between job satisfaction and performance e.g. Hossain (2000). **Citizenship**- nationality of the sample may also determine the strength of the relationship between job satisfaction and job performance. **Job status**- it is found that permanently employed persons show insignificant correlation than temporary employed person e.g. Moshavi & Terborg (2002); Ravindran (2007). **Type of the Job**- it is frequently argued that the job satisfaction-performance relationship should be higher in more complexes & stimulating jobs e.g. Baird (1976); Judge et al. (2001); & Parker (2007). **Autonomy**- autonomy means freedom to do work. It is observed that with high degree of autonomy, the job satisfaction-performance relationship is significantly correlated e.g. Anderson, Carol H. (1984). **Measurement scales of job satisfaction and job performance; variable used for measuring job satisfaction and job performance** may determine the job satisfaction-performance relationship e.g. Organ (1988).