The Relationship between Job Satisfaction and Job Performance among Employees of Commercial Banks in Punjab City, Pakistan

by Uzma Tabassum, Bilal Khan, Abdul Wahid Sherani, Imran Khan

ABSTRACT

This study investigates the job satisfaction and job performance linkage among the employees of banks. The major determinants of job satisfaction are basically nine facets which are pay, promotion, supervision, fringe benefits, contingent rewards, operating procedures, co-workers, nature of works and communication. While in job performance is analyzed in the context of both task performance and contextual performance. The findings of this study revealed that job satisfaction and job performance have weak correlation and is significant.

1. Introduction

Complex environment and work pressures in the society are bringing huge changes in the behaviors and attitudes of people during their working hours. In this complex environment it is much and more needed for an organization to give maximum benefits to its employees for their satisfaction to make them realize how much their potential is important for the organization. On the basis of the vital requirement of job satisfaction and job performance for the organization, it is therefore important to describe the relation between both job satisfaction and job performance. As much as the importance of job satisfaction and job performance is required in the manufacturing organizations, it is important in service industry or organizations as well. Therefore, this study mainly focuses on the relationship between job satisfaction and job performance in the banking sector organizations in Punjab city.

Job satisfaction and job performance both play vital role in the success of every organization. In this era, both job satisfaction and job performance are the major critical factors to be considered in the managerial decision making process in order to lead organizations towards its goals. Most of the researches have been conducted and proven that both job satisfaction and performance are closely related with each other and have greater positive and negative impact on the organizational overall productivity and performance.

It is always of high priority of every organization to increase the productivity and efficiency with the help of high level performance. Satisfied work forces is the only source through which high level of performance can be achieved by an organization. Satisfied workers always try to bring increment in their job performance and improve their performance more than needed. To
accomplish the organizational objectives, every organization struggles to give maximum satisfaction to its employees.

Motowidlo (2003) explains that job performance is the totality of all those expected behaviors that individuals bring to their working environment and give values to the organization. Those employees who are considered as the high performers usually get the chances of hiring earlier in the organization as compared to the low performers. Therefore, the success of every organization is based on the performance of employees jobs (Pushpakumari, 2008). The higher the performance of employees, the higher the chance for getting the maximum productivity (Sonnentag and Frese, 2002). For every organization, that wishes to increase its productivity, they need to find out all those methods through which they can increase the performance of their employees. Pushpakumari (2008) stated that for the achievement of high performance, employees need to work hard. Satisfied employees are motivated; when they are motivated they will work hard, will be committed to the organization and will achieve the goals of the organization as well.

According to the Arham Abdullah, Abdulquadri Ade Bilau, Wallace Imoudu Enegbuma, Akinbode Musibao Ajagbe, and Kherun Nita Ali (2011) and Skibba (2002), in this era job satisfaction is an important factor for study. First of all, the foremost priority should be given to the employee satisfaction in the studies. Those employees who feel satisfaction in doing their jobs will be physically and mentally both satisfied. Second point is that when the level of satisfaction of employees is higher, the higher will be their productivity for the organizations. Happy employees will give more than more productivity and less absenteeism and turnover rate will also be decreased. The third point is that job satisfaction has positive impacts on their working relationships in which they perform well for the attainment of goals and objectives.

1.1 Aims of Study

Job satisfaction has an immense impact on the performance of the employee. The existing body of literature provides evidence that the satisfied worker is the most productive worker. The main aim of this study is:

- To examine relationship between job satisfaction (Intrinsic and Extrinsic Job satisfaction) and employee performance.
- To determine that either intrinsic job satisfaction and extrinsic job satisfaction is more effecting employee performance in commercial banks of Punjab city
- To determine whether there is a positive relationship between the job satisfaction and performance of employee.

2. Literature Review

It has always been of great priority of the researchers to conduct researches on the relationship between job satisfaction and job performance. The Hawthorne studies created for the first time the human relations movement in the sanctified search for the relationship. Brayfield and Cockett
(1955) conducted a research on the relationship between job satisfaction and performance but their research concluded that no relation existed between the two factors. Herzberg, Mausner, Peterson and Chapwell (1957) concluded from their research study that job satisfaction is interrelated with specific work behaviors while they also concluded that job dissatisfaction is related with some other work behaviors as well.

After two decades an analyst conducted another research on job satisfaction in which they expressed that job satisfaction is not related with productivity (Locke, 1976). The earlier conceptions about satisfaction and performance are more different from the conceptions subsequently given in other researchers. In the early researches, researchers found that satisfaction is the reason to increase the productivity but after some time it was suggested that there is no relation between satisfaction and productivity and found that good performance is the cause of more productivity (Locke, 1970; Porter & Lawler, 1968). Therefore, to understand the reasons behind the satisfaction of employees, the nature of work is the first and foremost place to work on for researchers. Many researches are conducted and found in their findings that if employees are dissatisfied, they will quit their jobs or they will be absent from their job as compared to the satisfied employees. (e.g., Hackett & Guion, 1985; Hulin, Roznowski, & Hachiya, 1985; Kohler & Mathieu, 1993).

Arham Abdullah, et.al. (2011) investigated a relation between job satisfaction and performance in a study in which they selected 150 respondents as their sample for the study in the construction organizations in Nigeria. After the analysis it was concluded that a positive relationship between both job satisfaction and job performance among the employees of construction companies was existed and the relationship was also significant.

Haslina Binti Bujang (2011) studied a research in which she studied the relationship among the employees of private universities and colleges in Kuching, Malaysia about evaluating the relation between job satisfaction and job performance. The result of this research presented that job satisfaction and performance were interrelated with each other with the factors pay, work itself, promotion, supervision and co-workers. In a research study Nimalathasan and Brabete (2010) studied the relation between job satisfaction and work performance of employees working in the banking sectors in Jaffna Peninsula, Sri Lanka and they took a sample composed of 60 respondents that job satisfaction and performance both were interrelated positively.

There are different other researches which are conducted on examining the individual factors (pay, work itself, promotion, supervision, and co-worker) of job satisfaction and their impacts on the performance of employees. Edwards et al. (2008) studied the different facets of job satisfaction and task and contextual performance. In this study the sample was of 444 respondents and this research was carried out in the manufacturing plant in southeastern Texas in the United States. After the analysis in this study positive relation was found between the work itself and job performance. Furthermore the significant relation was found between promotion and job performance.

Du and Zhao (2010) conducted research on the employees of enterprises to know the relation between pay satisfaction and job performance. The study was composed of 126 respondents and
the result showed that significant linkage was found between the pay and performance. Shokrkon and Naami (2009) conducted another study on the relationship between job satisfaction and organizational citizenship behavior in Ahvaz factory. 400 workers were selected as sample for this study and significant relation was found between satisfaction and supervision and job performance.

Fiaz Mahmood Qamar and Qadar Bakhsh Baloch (2011) performed another study in the private and public sector hospitals in Peshawar. The sample size selected for this study was 113 doctors, out of which 59 doctors were selected from public hospitals and 54 were selected from the private sector hospitals. The result of this study showed that both promotion and job performance are linked with each other. The response of the doctors was mostly that promotion policy play positive role on their performance during their working hours.

Job satisfaction in different researches is used as dependent and independent variables. The researches showed that job satisfaction as a dependent variable is related to gender, age, intelligence, race, education and various personality traits. Job satisfaction as an independent variable was correlated with productivity, absenteeism, accidents and turnover.

Job satisfaction is the feelings of an individual towards his/her job. In other words, the emotional behavior of an individual towards the job in the organization. Satisfied individuals show positive behavior towards their jobs and dissatisfied individuals always show negative behaviors towards their jobs. Luthans (1985) states in his definition about job satisfaction that job satisfaction is the happy feelings that he/she derives from his/her personal experience or job or appraisal of about job. Job satisfaction is the positive perception of employees in which they think about the important things they have accomplished. Job satisfaction is the attainment of an individual's needs from the work he/she performs in the organization (Saiyaden, 1993). Organ and Hammer (1991) defined job satisfaction is the combination of complex concepts like cognition, emotion and tendencies.

It is an important issue in the organization due to which many researchers have brought their focus on job satisfaction to study in their research (Lu et al., 2005). Researchers have conducted several researches on job satisfaction and helped the management to give maximum satisfaction to the employees. An analyst says that job satisfaction is the positive feelings of an employee regarding the working environment. Satisfied employees will always give maximum production and performance to the organization while unsatisfied employees show lower productivity and performance to the organization.

Luthans (2007, p.141) defines job satisfaction as the positive emotions of an employee in the organization about the job he performs and the experience he/she gains from his/her job. Satisfied employees show their positive commitment and higher performance to the organization which lead the organization towards the success (Spector, 2003). Variety of researches have been conducted on job satisfaction and organizational commitment in which they have proven the close relations between both terms.
For a better understanding of job satisfaction, it is important to find out and consider all the personal features of employees in the organization (Churchill et al., 1976; Staw and Ross, 1985; and Ferris, 1987). Okpara brought five main components to be considered as important factors in job satisfaction that is, pay, promotion, supervision, work itself and co-workers.

It is concluded from the above definitions that job satisfaction is an important variable. That is why there is no specific method of measuring job satisfaction. There are several ways taken from the literature through which job satisfaction can be measured. A questionnaire is one of those methods through which job satisfaction can be measured with different facets of the job.

Various factors have positive and negative impacts on job satisfaction. Luthans (1985) identified variety of factors which determine job satisfaction, they are pay, promotion, supervision, work itself, workgroup, and working conditions. Further, job satisfaction is an important factor for management to consider. The higher the level of job satisfaction of employees the higher will be their productivity. While on the other side, if the job satisfaction of employees is lower it will negatively impact the job productivity. To analyze the outcomes of job satisfaction, the analysis should be broken down into different variables. Those variables are productivity, turnover, absenteeism and other factors like accidents, grievances, physical and mental health.

To attract qualified and expert people to the organization the reward programs are used in order to get those expert and skilled employees to achieve the organizational objectives. Those rewards given to the employees in the organization are examined by the employees with their work and performance. If the rewards system is organized and effectively managed it will increase the level of job satisfaction of employees. These rewards can be classified into mainly two categories which include intrinsic and extrinsic rewards. Intrinsic rewards are psychological rewards and they are directly met by the employees. These rewards are included in the job itself (Gibson, Ivancevih and Donnelly, 1991).

Stoner and Freeman, (1992) defined intrinsic rewards in such a way that they are psychological rewards which are experienced by the employees in the organization. Extrinsic rewards are provided and set by the supervisors and specific work group and they are external rewards to the job (Gibson, Ivancevih and Donnelly, 1991). Extrinsic rewards include pay, promotion, interpersonal relationships, status and fringe benefits. While in intrinsic rewards achievement, autonomy, personal growth, challenge, complete work and feedback characteristics are included.

The dependence of performance is based on perception, values and attitudes. Many variables are available to influence job performance. Performance is the ability of an employee or skills and efforts that he/she uses in a specific situation (Porter and Lawler, 1974). An employee that uses performance at the work place is called job performance. To increase the performance of organization and employees, it is important to bring the willingness of employees the efforts they use during their jobs. As much as the effort of employees is increased the better performance is resulted.
2.1 Job Satisfaction and Performance Relationship

Critical assessment has been made on the relationship between job satisfaction and performance in many organizations. The results of these researches were mixed. Cummings (1970) found three important points in the relationship between job satisfaction and performance, they are satisfaction causes performance, performance causes satisfaction and rewards cause both performance and satisfaction. Many researchers found these three views in their results. Mirvis and Lawer (1977) conducted a research and the findings showed that there is relationship between job satisfaction and performance.

Kornhanuser and Sharp (1976) conducted almost 30 researches in industrial sectors to identify the connection between job satisfaction and performance. The results of many researches in this sector showed that there is a positive relationship between job satisfaction with that of performance. Katzell, Barret and Porker (1952) conducted a research on job satisfaction and its relation with turnover and quality of production, and the results expressed that job satisfaction is not connected with turnover and quality of production.

Smith and Cranny (1968) examined a study in which they found that job satisfaction of employees is related with the efforts of employees, with their commitment and intention. In a research study in Western electric studies (1966) based on Relay Assembly test room described that the employee productivity is increased with the help of increasing job satisfaction. Porter and Lowler 1969 the employees' efforts are affected by the level of satisfaction of employees and this will be increase their performance which will lead them towards rewards. Carroll, Keflas and Watson (1964) found in a research study that both job satisfaction and productivity affect each other. The efforts used by the employees may increase their performance and bring crucial relationship with the satisfaction. David, Joseph and William (1970) state that employees work under a specific reward system which affect their satisfaction and performance relationship.

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<thead>
<tr>
<th>Job Satisfaction</th>
<th>Job Performance</th>
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<tr>
<td>1. Pay</td>
<td>1. Task performance</td>
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<td>2. Promotion</td>
<td>2. Contextual performance</td>
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<td>3. Supervision</td>
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<td>4. Fringe benefits</td>
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<td>7. Co-workers</td>
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<td>9. Communication</td>
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Berghe and Hyung (2011) conducted a study on the linkage between job satisfaction and job performance in which the total number of respondents selected was 119 and these respondents were employed by company X which was an international company and was in the service industry. These respondents were from the three biggest offices of X company. The largest offices were composed of Finland and 58 respondents were selected from this office, 25 respondents were from Sweden and 12 were chosen from Denmark office as respondents for this study. In this research Atmosphere Questionnaire was used which includes six various categories. The results found in this research showed that a weak relation existed between job satisfaction and performance and also no causal direction existed.

Hussin (2011) studied also the relation between job satisfaction and performance in Klang Valley in different companies of Trade Winds Group of companies in which 115 were elected as respondents for this study. In this research the five dimensions used for measuring job satisfaction were pay, promotion, work itself, supervision and co-workers. The result of this research proved that job satisfaction and job performance are correlated with each other on the basis of four different dimensions of job satisfaction which were promotion, work itself, supervision and co-workers while pay was not included in this result. It needs to be considered that position and job performance were different from each other. At last, the result of this study revealed that 17.8% increase occurred with the help of job satisfaction and its dimensions like pay, promotion, work itself, supervision and co-workers in job performance.

3. Hypothesis

- H1: There is relationship between employee job satisfaction and job performance.
- Ho: There is no relationship between employee job satisfaction and job performance.

4. Research Methodology

The main purpose of this chapter is to give deep information on the methodology of research which will be used to find the relationship between employee job satisfaction and job performance in the banking sector in Punjab, Pakistan. The systematic process of research which includes the research methodology, variables measurement, data collection through questionnaire, population and sample size selection, and tools for data analysis are also discussed in this chapter.

4.1 Population and sample of study

Bull (2005) defined population in such words that population refers to all those elements, members and cases which are required to be considered by the researcher in the study. For this study, the population is all those employees working in the banks in Punjab city in Pakistan. The preliminary population of study was almost more than 50,000 which is based on different banks and their different branches in Punjab. Afterwards, the supporting and lower staff like office
assistants, operators and technicians were separated from the population of study. They were separated from the study because they could not meet the purpose requirements of this study. The exclusions made the total population up to 40,000.

4.2 Sampling

The primary purpose of this study was to examine the relation between employee job satisfaction and job performance in banking sector, specifically in Punjab city in Pakistan. The available resources and time for studying the whole population does not allow us to collect data from the total selected population. Therefore, keeping in view the generalizability of our study, the sufficient number of sample size 280 employees will be sent the structured questionnaire in order to collect the needed data for the study. While the valid number of questionnaires were 260.

It is proven from the literature review, that sampling techniques are classified into different types like random sampling, stratified sampling, judgment sampling, quota sampling, cluster sampling and snowball sampling. Singh (2006) states the sample should be the representative of the whole population and it must be free from subjective or cognitive biasness. Random sampling is selected by the author for this study because it meets both the necessities.

Singh (2006) says as much as the sample size is larger the higher the chances will be of acceptance for any statistical application which emphasizes that the larger sample size is more than 30 respondents. The larger the sample size the minimum will be standard error. Saunders et al. (2000) focus on achieving higher response rate because it makes sure that the sample is representative. 280 respondents have been chosen for this study in order to collect data from.

Karsten (2008) says there are different examples of facet free questionnaires which are used by authors in different researches like Job Diagnostic Survey (JDS), the Job Descriptive Index (JDI), the Job Satisfaction Survey (JSS), The Michigan Organizational Assessment Questionnaire, the Minnesota Satisfaction Questionnaire (MSQ), and the Job in General Scale (JIG). For measurement this research takes benefits from the MSQ and its short form will be used for data collection because it is clear and easy to understand. It is also to be considered that to get high response rate the author minimized the number of questions in order to manage it.

5. Correlation between Employee Job Satisfaction and Job Performance

The below table 5.7 shows the correlation between job satisfaction and job performance among the employees of banks. The table states that Task performance has weak relation with job satisfaction because the correlational value is 0.261 but this relation is significant at 90% confidence interval because the p-value is greater than 0.05 and less than 0.10. On the other hands, Contextual performance has also weak relation with job satisfaction because correlational value is 0.279 and it is significant at 0.01% which is also less than the 0.05.
### Correlations

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<tr>
<td><strong>n</strong></td>
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<td>260</td>
<td>60</td>
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<tr>
<td>Sig. (2-tailed)</td>
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<td>.000</td>
<td>.279**</td>
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<td>Pearson Correlation</td>
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<tr>
<td>Task_Performance</td>
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<tr>
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<td>.279**</td>
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**. Correlation is significant at the 0.01 level (2-tailed).**

### 6. Conclusion

Job satisfaction and job performance are both very vital determinants for the success and effectiveness and efficiency of organization. These factors are considered as central for the researches in decades. Many researches contributed many concepts to the knowledge of understanding job satisfaction and job performance. These variables are important to be considered in decision making by the management of different industries in order to gain the desired goals and objectives of the organizations. This study was guided by the following vital research questions.

- What is the relationship between job satisfaction and employee performance in commercial banks of Punjab city?
- What has more effects intrinsic job satisfaction and extrinsic job satisfaction on employee performance in commercial banks of Punjab city?
- Is there relationship between job satisfaction on employee performance in commercial banks of Punjab city?

In this study, the positivist view has been utilized because it describes that scientific research gives knowledge. The primary data collected for this study was using a pre-structured questionnaire and distributed among the employees of banks in Punjab. The total number of questionnaire distributed was 280 while the returned questionnaires were 60 out which invalid 8 questionnaires were excluded and 260 questionnaires were used for the data analysis in this study.
SPSS software version 20 was used for the data analysis in this study. The Findings of this study expressed that job satisfaction and job performance have weak relation but significant. The determinants for job satisfaction were pay, promotion, supervision, fringe benefits, contingent rewards, operating procedure, coworkers, nature of work and communication. While in job performance there were two determinants used for the evaluation that is task performance and contextual performance.

6.1 Implication of Study

The results that have been derived as findings from this research have implication in both theory and practice in the area of job satisfaction and job performance. The findings shows that both job satisfaction and job performance are interrelated with each other at significant level. Getting understanding about the relationship existing between job satisfaction and job performance in banks in Punjab city, this research will fill the gap by giving proper and empirical based research will give knowledge at the graduate level of education. This research can help the top management in banks to use the factors of job satisfaction that gives more productivity and performance from the employees in return in their decision making. This study will help the top management in selecting the best factors for job satisfaction that give maximum satisfaction to the employees of banks and they can get the desired performance level from their employees if employees are fully satisfied.

From the results of this study it is understood that there is positive weak relationship existing between employee job satisfaction and job performance in banking sector employees. So the management should consider both factors very critically in order to gain the organizational goals and objectives, and these factors will be the reason behind the success of banking sectors in Punjab.

6.2 Recommendations for Further Research

1. The most important limitation of this study which is to be considered is that of sample size because the small sample size can lead to the problem of probability of sampling error. Therefore, future researches conducted on larger sample sizes is recommended.

2. As the sample size is smaller in this research and the number of females participated in this sample was very low, the findings might not be generalized to the whole population in Punjab.

3. The third limitation of this study is that there are only two factors taken for finding the relationship between job satisfaction and job performance; it is needed to consider other variables including job satisfaction and performance.

4. The current study gave findings about the overall job satisfaction; further researches are required to be conducted on the individual factors of job satisfaction and then evaluating their relation with job performance so the information will be rich enough.
5. Another limitation is that in this study is the use of quantitative techniques and tools but further researchers are needed in which the same variables are taken but both quantitative and qualitative techniques can be used for the collection of data and analysis.

6. The analysis unit for this study is based on individuals; it is important to use multi-level approaches as well.

7. For further researches some structural variables might be surrounded.

Besides the above limitations, this research can give much and more knowledge in implications for researchers and practitioners.

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