



## Organizational Behaviour

Elixir Org. Behaviour 118 (2018) 50899-50908

Elixir  
ISSN: 2229-712X

### Effects of Job Satisfaction on Employee's Performance

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#### ARTICLE INFO

##### Article history:

Received: 16 April 2018;

Received in revised form:

18 May 2018;

Accepted: 29 May 2018;

##### Keywords

Job Satisfaction,

Employee Performance.

#### ABSTRACT

The research reported in this thesis was on "Effects of job satisfaction on employee's performance". The purpose of research was to study the various factors that have been significant in determining employee performance and their importance with respect to the employees of Pakistan. The secondary data was collected by Internet and also from the material printed by different Scholars from all over the world. The primary data was gathered by floating questionnaires in Hassan leather industry Sheikhupura, Pakistan. SPSS was applied to analyze the gathered information through running Correlation tests on the variables in the study. The reliability of the data was measured with the help of the Cronbach's Alpha value which too was calculated using the SPSS software. The findings provided an insight and estimation towards the impact of financial and Non-Financial reward system on employee's performance. All the variables have been found to be significant in determining employee's performance. The paper elaborates the characteristics and implications regarding the variables in detail to give a picture and a base for further research.

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#### Introduction

##### 1.1 Overview

The exploration reported in this proposition was on "Effect of job satisfaction on employee performance". The motivation behind exploration was to study the different variables that have been noteworthy in confirming representative execution and their vitality concerning the workers of Pakistan. The auxiliary information was gathered by Internet and likewise from the material printed by distinctive Scholars from everywhere throughout the internet.

This topic "Effect of job satisfaction on employee performance" amalgamates the factors of job satisfaction that are a cause and source of increasing employee performance. The primary reason for this study is to highlight the factors that are the motivators for the employees and help them perform at their best, in order to help and facilitate the organization in the future so they know the means to adopt so they can make their employees performance better. This research will be useful in order to motivate the employees and eliminate those factors that are a source of employee dissatisfaction. As it is quite evident that competition is increasing day by day and to deal with the competition the companies have to face a lot of pressure to keep up, survive and overcome the obstacles and in order to do so the organizations come up with different types of solutions. The main aim of this research is to present a deep understanding of the employee performance. The factors or entities that are a cause of satisfaction and are the motivators that fuel the employees to perform the best they can and produce the maximum output and do their best effort. Employees are considered to be the members who play a key role in an organization or company. The management strategies of many organizations and companies invest heavily in their employees.

So they can get or obtain maximum productivity and efficiency from them. As promoting an employee to the best of his capabilities is beneficial for both the organization and the employee himself.

##### 1.2 Background

Job satisfaction refers to an emotional state of positivity with arousals from a job experience. Employee satisfaction, also called "job satisfaction" (Wang, 2005). The satisfaction level comes under measurement which depends upon how good or how bad was the job. The element of satisfaction and/or dissatisfaction depends on the impact it has on the employees (Locke, 1983). "Job satisfaction is how content is an individual about his or her job, employees with high level satisfaction they are more adaptive and appraised at regulating then the employees with low job satisfaction".(Cooper & sawaf,1997).Whereas the term Employee performance is also referred as job performance it is what he or she contributes to the company and on which scale it also refers to the means of measure of work done by the employee which can be either good or bad, poor or worse, high or low. Work showed the importance of the intrinsic and extrinsic rewards that they are the factors that are a cause of achieving the maximum output and are the means of raising the moral of the employees as they have a direct effect on the productivity as well as the employee performance (Yazici, 2008). "Job performance is how an individual does his or her job, and as job performance is influenced by the ability that how emotions facilitate performance, as it can be used in positive and negative ways to improve performance".(George & brief, 1996). It cannot be falsified that as the employees report the fulfillment on their needs through their jobs they experience a higher level of mental (psychological) health. (Pearson, 2008).

### 1.3 With respect to the world

In the recent years it has come to light a growing interest in the study of job satisfaction amongst the employees working in a wide range of companies in the U.S.A., Britain and other developed countries. In Europe numerous determinants impact satisfaction of employees, however some EU-overviews show the same result: A correlation of work satisfaction (measured on a scale from 1 "not in any way fulfilled" to 4 "exceptionally fulfilled") in Europe shows that the normal level of satisfaction in most nations is high. In this case it could be distinguished that the level of work satisfaction differs at national level. Denmark is the nation with the most fulfilled workers in normal. Second is the United Kingdom, accompanied by Norway, Switzerland and Austria. On the other hand, there are numerous Eastern European nations with a low level of work satisfaction in normal. The nations with the most reduced work satisfaction are Lithuania, Bulgaria, Romania, and Greece and at last Turkey, which is extremely striking, it has by far the most noticeably bad results. It is quite evident that the higher the welfare of a nation is, the higher it's G.D.P (Gross domestic product) is and the more improved and developed it is, the higher is the job satisfaction in average. In a few nations it is not a surprise that the workers are fulfilled by their employment due to their sound economy and low unemployed rates.

### 1.4 With respect to Pakistan

The relationship between job satisfaction and employee performance at work has been one of the broadly investigated concepts in the field of management in connection to distinctive professions, however in Pakistan not many studies have investigated this notion. There have been a few studies but they have shown various entities that are a cause of employee dissatisfaction. As Pakistan is an under developed country and has a lot of crisis so job satisfaction is seen very little with the people of Pakistan which is due to various reasons social, economic, political etc. As Pakistan faces political instability and other problems hence it is a common practice amongst employees to switch jobs etc. Some companies and organizations try to take measures to facilitate the employees but they become restricted to a certain limit because of the rising economic crisis in the country.

### 1.5 Research Question

What is the effect of job satisfaction on employee performance?

#### Significance of the study

There are many factors that are a cause of job satisfaction which may include benefits, coworker relationships, work conditions, job security, work flexibility, recognition, importance, workload, work content, salary, work life balance, learning, autonomy, skills, challenges, prestige, advancement, supervision, commute and may more. Job satisfaction is exceptionally critical for an association on the grounds that it helps representatives to perform better or perform poor, in light of the fact that high work satisfactions heads specialist with better execution which is an exceptional sign for the association and low work satisfaction is disturbing for the organization, it is imperative for the organization and manager to know how fulfilled are the workers with their employment, it's extremely significant for any organization to think about the issue they confront and after that taking active measures to take care of the issue. This issue has an extraordinary essentialness since for each

organization workers are the human asset and each organization need to supervise it well in light of the fact that they are one of the key members of a company.

The fundamental driver of the exploration is to uncover the satisfaction level of the worker in the organization, economic slowdown and inflation makes workers more anxiety full so this makes them disappointed with the work due to low compensation so this research will help in uncovering some primary variables which might influence them.

#### Literature Review

The literature review is a representation or the presentation of previously available literature by researchers. The main aim of this research is to present a deep understanding of the employee performance. The factors or entities that are a cause of satisfaction and are the motivators that fuels the employees to perform the best they can and produce the maximum output and do their best effort. There have been studies in the past that have shown that management system tools, leadership styles and job designs are a cause of influence to the employee performance.

Pugno & Depedri (2009) Reported that job performance is initiate to be positively related to job satisfaction. They also pointed out that the key elements that are of great importance are the intrinsic motivations and also self-esteem which help in explaining both job satisfaction as well as job performance. And suggest that the employers can find other means like friendly actions, other than only going for incentives to control or enhance performance of the employees.

M.D. Pushpakumani (2008) Work showed that if the employee or worker is satisfied and happy he will be a productive worker. A satisfied workforce will lead to a friendly and healthy atmosphere in the organization which will help them perform at their best. This study also highlights the influences of entities like age, sex and experience of the employees on the level of job satisfaction and also evaluates that which rewards may they be intrinsic or may they be extrinsic determine the employees job satisfaction.

Aftab & Idrees (2012) Reported in their study about job satisfaction and its link to employee performance through highlighting the banking sector of Pakistan and have opted two models to further define the relationship between these two. Which were the Herzberg's two-factor theory and Role-based performance scale. They also used demographic factors like age, gender, expenses and salary to show the background of the respondents and concluded that a positive relationship exists between job satisfaction and job performance.

Ryan & Deci (2000) they presented the view point that employees who are motivated more are self driven with contrast to the employees who are less motivated hence the variation in performance comes to measure in these scenario's also. Employee performance is also termed as job performance it is what he or she contributes to the company and on which scale it also refers to the means of measure of work done by the employee which can be either good or bad, poor or worse, high or low. Job performance can be influenced by the individual's ability to use emotions and perform. Many employees use their emotions either positive or negative to gain advantage in order to improve performance. They also talked about the high role of performance and its influence on the work performed by the employees.

Bruce & Trencce (1997) Job satisfaction in terms of power can be seen in two dimensions horizontally as well as vertically in this case you give the employees the opportunity to participate and give suggestions that not only is a means of motivation but also gives the employees the feeling of being a part of the organization or company. This gives them a sense of motivation and ensures them the authority to make decisions. This study works around both the vertical effects and the horizontal effects on the performance of the employees which can be highlighted through their output, productivity as well as the existence of satisfaction in them. The results forecasted through this study presented that power has a significant role or it can be said that it has a noticeable effect on employee satisfaction.

Heilman & Block (1992) conjugated the view that the means to measure job satisfaction is through three items 1. Like to work in a company 2. Like the job 3. Satisfied with the job, responses were taken by the employees on these items. In order to measure job satisfaction. To insure what are the basic means that allows the employees to work and perform better basically the motivators present.

Cf. Lam et. al (2002) Employee turnover basically refers to the rate, number or the percentage of employees who leave a company or organization and are replaced by new ones this phenomenon is termed as employee turnover. This article highlights the negative relationship between the intention to leave and job satisfaction, and also says that these demand consideration as the intention to leave is the actual entity that reasons towards turnover and turnover is a serious problem. This study portrays that how employee turnover is a factor that leads to workers dissatisfaction and lowers and banishes their level of commitment to the firm or company.

Babakus B.J (1998) presented the effect that commitment has on the quality of work, its outcome as well as the employee effectiveness. These are a few factors that have to be carefully examined in the light of a microscope in order to avoid such critical problems that can be the reason for employees to leave or have an intention to leave an organization.

Morelan R.I (2001) derived that level of trust is the bond that is developed amongst the employees and the managers it's the degree to which the employees can open up and share with the managers and have a belief that they are in safe hands and will not be disappointed with any kind or breach. The element of Socialization within an organization or company holds great importance as it develops a level of comfort and develops a healthy organizational culture which share all values necessary to facilitate both the managers and the employees in the healthiest way possible. Hence to say that the existence of a good social environment increase the employee performance and raises job satisfaction level is appropriate and correct.

Dick , R. v. & Kerschreiter, R (2007) The work groups allow employees to come together and work together that helps them to know each other and hence improves their relations and ultimately that leads to a more friendly environment that further leads to an effective and efficient job performance and eventually employees feel satisfied. This study showed that higher will be the level of trust amongst the employees and the managers the higher will be the level of satisfaction also as they go hand in hand in situations and ultimately increase efficiency and effectiveness. The rewards or perks that are of importance to an employee which in

return produce motivation in them to work and also increase their performance they include fringe benefits, the increment in their salary which refers to a set pay or an amount that a person receives on the basis of the work he does and how much work he does this term is referred to as salary and bonuses which are of great deal to the employees and is a highly appreciated motivator to them.

David B ,Balkin,Rodger and W.Griffeth (1993) Reported that there is a direct relation or connection between salaries and employees performance. The more the salary will be the more will the employee be satisfied with his job and also the benefits too have great importance which include perks like retirement benefits for the employees. The increase or increment in the salaries and bonuses have a great impact on employee satisfaction but it defiantly does not mean that it is a resolution to all his or her issues.

David B ,Balkin,Rodger and W.Griffeth (1993) Fringe benefits are basically an amalgamation of perks, benefits, privilege, premium that an employer gives to an employee on the basis of his effective and efficient work its basically a means of rewarding the employee. They reported that there was a direct relation or connection between salaries and employees performance. The more the salary would be the more would the employee be satisfied with his job and also the benefits too have great importance which include perks like retirement benefits for the employees. They reported that fringe benefits are of great importance when it comes to rewarding the employees as they are a means of satisfaction of the employees and result in to an effective presentation of performance from the employee.

Anderson & Milkovich tsui, (1999) Promotion is a term that itself is self-explanatory which means advancement, which can be either in terms of salary or designation or any benefits. The movement in organizations has been an important or debatable topic for a long time promotion is considered as one of the most important means of employee appraisals as it definitely increases the job satisfaction or the employee satisfaction level and hence it effects and increases the employee performance altogether.

Baklin (2003) Work load refers to the amount of work allotted to an employee. Work load is such a factor that varies in situations in some it makes the employees feel good and in other situations or occasions makes them feel stressed and they do not want to work. So in order to insure smooth sailing the managers should be aware of how much pressure to put on employees so they can handle it easily.

Maslach & Goldberg (1998) reported that that vacations are stress releasers and are a source of repayment that are a cause of increase in satisfaction. Vacations have shown to be the factor that lessens work stress and burnout. The term burnout is strongly linked with work stress as it a merchandise of emotional exhaustion that is incorporated in ongoing work stress. Vacations refers to taking or going on holidays. The study dictates that the expectancy theory puts forward a view that motivation is dependent on the factor of desire of the expected outcome of the situation. If the desired outcome is of significant worth to the employees then the employees are motivated to work hard and try to perform at their best. According to the expectancy theory both elements motivation and satisfaction are closely linked to one another.

Lam, Chen and Schaubroeck (2002) Coworker relationship this term broadly refers to the relationship the employees have with one another or the relationship all the

associates, colleagues or fellow workers have with one another.

The environment provided to the employees has an influence on their performance, the environment matters a lot if the environment is calm and nice which results into a relaxed and peaceful and healthy environment which is beneficial for both the employees and the firm as well which results in to excellence in performance by the employees. Through research it has been shown that the quality relationship between the managers and the employees have a huge influence on the job.

Morelan R.I (2001) talked about the importance of the element of socialization as it has a great value which in an organization is an important part of its culture, values in order to insure a working environment that not only proves to be beneficial for the employees but for the whole company. The author also highlights the importance of attitudes both inside and outside the company and its positive and negative effect on the elements of job satisfaction and employee performance.

Clark (2005) Job security is a term that depicts the assurance or probability of a person will keep his or her job. When talking about job security as a perk it hold great importance as it is not just a motivator for an employee but it is also a means of assurance to the employee that the company honors him as a part of it and wants his services and wants him to serve them this is what job security is basically identified as. According to the international survey results it was shown that job security is one of the highlighters that is considered as one of the most valued ingredient by the workers. But job security is not just limited to the workers or the employees but it also incorporates the wellbeing of the company or the organization.

Yousef (1998) some studies have also laid down the foundation of the beliefs that job security has a positive relation to the elements like organizational commitment and also job performance or employee performance. Whereas the presence of job insecurities has been found to have a negative or underlining effect on wages.

Mas and Moretti (2009) pointed out the limitations that are seen in the study of job satisfaction, that it is quite hectic and difficult finding a gauge or measure of effort or productivity. While productivity can be quantified in jobs such as supermarket cashiers by the means of observing how fast they go through customers in a checkout line.

Engellandt and Riphahn (2004) highlighted the difference in the efforts put by the workers who are temporary and the workers who are permanent. Their study presented the view that workers who are with temporary contracts tend to provide more effort where as the workers with permanent contracts tend to provide less effort in work.

Martin (1995) Leadership also plays an essential role when it comes to motivation of the employees. The affective the leader the better the results or the outcome can be expected. In this study the author has not only presented the view that affective leadership has a positive impact and on the employees performance but also highlighted leadership as a means to job satisfaction. As an employee shares a good environment with his managers or higher ups there is an assurance of a healthy and productive work or job performance. Leadership is considered as one of the important types of motivators when it comes to employee performance and job satisfaction.

## Methodology

### 3.1 Research Type

The research conducted was both qualitative as well as quantitative. This sort of strategy includes expansive extent of questioning plus subjective elucidation. The exploration intends to highlight the critical impact of employment satisfaction on worker execution or performance. A qualitative research best serves the reason in light of the fact that the theme has real dependence on the information about what impact job satisfaction has on the execution and yield of the representatives.

### 3.2 Data type and Research Period

The data used for the research was primary data. For the gathering of primary data, a survey questionnaire was formulated and circulate amongst the sample audience. The Research span of this study was from October 2013 and will conclude by April 2014.

### 3.3 Population and Planned Sample

The total population was all the employees working in the Hassan leather factory. The sample size was of 100 employees out of 732 employees in the organization.

### 3.4 Choice of Sampling Techniques

Random sampling was the best technique for this research as the questionnaires filled by the employees were not targeted to a specific department.

### 3.5 Research Hypothesis

H<sub>1</sub>: There is a significant relationship between job satisfaction and employee performance.

H<sub>2</sub>: There is a significant relationship between benefits and employee performance.

H<sub>3</sub>: There is a significant relationship between co-worker relationship and employee performance.

H<sub>4</sub>: There is a significant relationship between workload and employee performance.

H<sub>5</sub>: There is a significant relationship between level of trust and employee performance.

H<sub>6</sub>: There is a significant relationship between promotions and employee performance.

H<sub>7</sub>: There is a significant relationship between salary and employee performance.

### 3.6 Instrument Description

Instrument	Creators	Year	No. Of Items
Job satisfaction	Brayfield and Rothes	2002	4
Employee performance	Ettenson & Morris	1998	3
Benefits	Cornwell	1991	5
Co-worker relationship	O Driscoll	2000	4
Work load	Steve Babson	2001	3
Level of trust	Tami A. Beo	2001	4
Promotion	Peter R. Mills	2001	4
Salary	Jerry Janson	1999	3

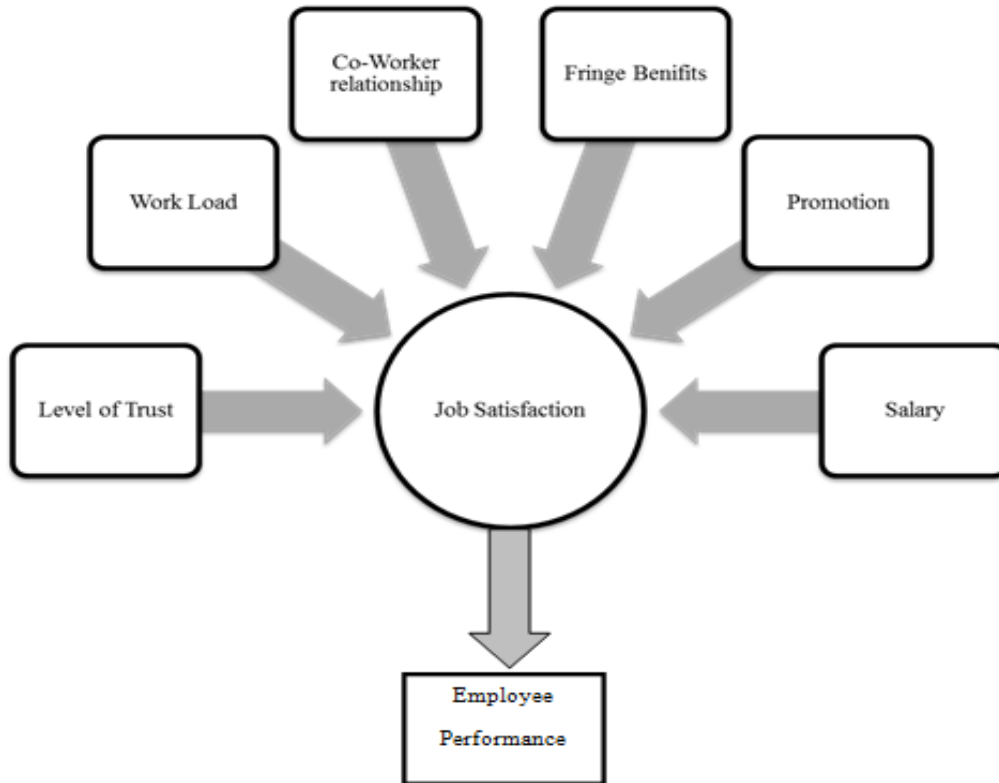
### 3.7 Techniques

The techniques that were used for the purpose of conducting the research were that SPSS software was used to analyze the gathered information through running Correlation tests on the variables in the study. The reliability of the data was measured with the help of the Cronbach's Alpha value which too was calculated using the SPSS software.

### 3.8 Data Analysis

The statistical software utilized for the investigation and analysis of the data was SPSS. SPSS was used both for the correlation analysis of the collected data as well as to test the data for reliability and validity through Cronbach.

### Theoretical Framework



### 3.9 Data Interpretation

Interpretation of the data is one of the last steps of the research process and accompanying it is the reporting of the results concluded from the interpretation of the data. To interpret the data, different graphs, tables and pie charts were utilized in order to aid in visual representation of the data or information.

### Results and Analysis

#### 4.1 Cronbach Alphas:

In statistics, Cronbach's is a coefficient of internal consistency. It is commonly used as an estimate of the reliability of a psychometric test for a sample of examinees. It is a measure of internal consistency, that is, how closely related a set of items are as a group.

Tavakol and Dennick (2011), in their editorial in the *International Journal of Medical Education* wrote that acceptable values of alpha are ranging from 0.70 to 0.95. A maximum alpha of 0.90 has been recommended. A low alpha is due to poor correlation between items whereas a very high alpha suggests that some items are redundant.

The Cronbach's alpha value for all variables comes out to be 0.924 where the standard benchmark score is that of 0.7.

A 5-point Likert scale item from 'strongly disagree' to 'strongly agree' was used in the questionnaire. Cronbach's alpha reliability test was run on a sample size of 100 respondents.

This signifies that both the dependent and independent variables are closely related to each other and results obtained from the sample population are consistent with each of the variable. This also proves that the results obtained are reliable and are credible with reference to the questions asked to carry out the research. For detailed information and graphical representation of the answers refer to table 4.2 of appendix B.

#### 4.2 Correlation testing:

Correlation is a term that refers to the strength of a relationship between two variables.

A strong, or high, correlation means that two or more variables have a strong relationship with each other while a weak, or low, correlation means that the variables are hardly related.

Correlation coefficients can range from -1.00 to +1.00. The value of -1.00 represents a perfect negative correlation while a value of +1.00 represents a perfect positive correlation. A value of 0.00 means that; there is no relationship between the variables being tested.

Thompson (1984) in his article *Canonical correlation analysis: Uses and interpretation* wrote that the ranges of correlation coefficient are value falling between the ranges of 0.00 to 0.4 signifies poor correlation while 0.4 to 0.5 indicated moderate correlation. 0.5 to 0.9 indicates a strong correlation between two variables.

The correlation coefficient between employee performance and job satisfaction is 0.972 which is high and it shows that there is a strong correlation between the two variables and they have a strong relationship with each other. This interprets that higher the job satisfaction higher will be the employee performance.

The correlation coefficient between employee performance and benefits is 0.536 which is moderate and it shows that there is a moderate correlation between the two variables and they have a moderate relationship with each other. This interprets that benefits moderately affect the performance of the employees.

The correlation coefficient between employee performance and co-worker relationships is 0.450 which is moderate and it shows that there is a moderate correlation between the two variables and they have a moderate relationship with each other. This interprets that co-worker relationships moderately affect the performance of the employees.

The correlation coefficient between employee performance and workload is 0.340 which is low and it shows that there is a poor correlation between the two variables and

they have a weak relationship with each other. This interprets that workload poorly affect the performance of the employees.

The correlation coefficient between employee performance and level of trust is 0.351 which is low and it shows that there is a poor correlation between the two variables and they have a weak relationship with each other.

This interprets that level of trust poorly affect the performance of the employees.

The correlation coefficient between employee performance and promotion is 0.387 which is low and it shows that there is a poor correlation between the two variables and they have a weak relationship with each other. This interprets that promotion poorly affect the performance of the employees.

The correlation coefficient between employee performance and salary is 0.412 which is moderate and it shows that there is a moderate correlation between the two variables and they have a moderate relationship with each other. This interprets that salary moderately affect the performance of the employees. For detailed information refer to table 4.3 of appendix B.

#### 4.3 Hypothesis testing:

- H1: There is a significant relationship between job satisfaction and employee performance.

As  $P\text{-value} < 0.05$  hence we accept the alternate hypothesis and reject the null hypothesis. This proves that there is a significant relationship job satisfaction and employee performance. It is how content is an individual about his or her job, employees with high level satisfaction they are more adaptive and appraised at regulating then the employees with low job satisfaction. (Cooper & sawaf, 1997). This conclusion also corresponds with the study by Brayfield and Rothes (2002) about the level of correspondence between job satisfaction and employee performance.

- H2: There is a significant relationship between benefits and employee performance.

As  $P\text{-value} < 0.05$  so we accept the alternate hypothesis, which says that there, is a significant relationship between benefits and employee performance. Rewards which are important to the employee which in return motivates them to work and increase performance which include fringe benefits, increase in salary and bonuses (Dick , R. v. & Kerschreiter, R2007). Fringe benefits are important incentive that affects the performance of the employee (Anderson & gerbing1988).

- H3: There is a significant relationship between co-worker relationship and employee performance.

As the  $P\text{-value} < 0.05$ , so we accept the alternate hypothesis which says that there is a significant relationship between co-worker relationship and employee performance. To increase the work group which in return increase the performance as every employee get to know each other and improves relation on the working and floor which makes the environment more friendly as team works always increase the efficiency.( Dick , R. v., & Kerschreiter, R. 2007). About the socialization in the organization and the work groups which increase the performance and satisfaction if handled correctly (Morelan R.I 2001).Attitudes in and around the organization and their effects on the job satisfaction and performance (Brief A.P 1998).

- H4: There is a significant relationship between workload and employee performance.

As  $P\text{-value} < 0.05$  so we accept the alternate hypothesis which states that there is a significant relationship between workload and employee performance. The work load which makes an employee feel good and on occasions feel stressed and don't want to work so managers should know how much pressure an employee can handle (Baklin 2003).Job performance is influenced by the individual employee ability to use emotions to perform, employees use positive and negative emotions to their advantage in improving the performance (George & brief, 1996).

- H5: There is a significant relationship between level of trust and employee performance.

As  $P\text{-value} < 0.05$  so we accept the alternate hypothesis which states that there is a significant relationship between level of trust and employee performance. About the socialization in the organization and the work groups which increase the performance and satisfaction if handled correctly (Morelan R.I 2001). The work group which in return increase the performance as every employee get to know each other and improves relation on the working and floor which makes the environment more friendly as team works always increase the efficiency . (Dick , R. v., & Kerschreiter, R.2007). Trust between coworkers and managers higher the level of trust will increase the level of satisfaction (Organ d.w 1994).

- H6: There is a significant relationship between promotions and employee performance.

As  $P\text{-value} < 0.05$  so we accept the alternate hypothesis which states that there is a significant relationship between promotions and employee performance. Involve advancement in terms of designation, salary and benefits, and in some organizations the type of job activities may change a great deal. Mobility in organization has been a topic of importance for a quite a time, and it has been examined for diverse perspective (Anderson, milkovichtsui, 1999). An extensive qualitative of the employment practices of a particular organization, and a considerable portion of her analysis was devoted to promotion decisions and systems (Kantar, 1997)

- H7: There is a significant relationship between salary and employee performance.

As  $P\text{-value} < 0.05$  so we accept the alternate hypothesis which states that there is a significant relationship between salary and employee performance. Rewards which are important to the employee which in return motivates them to work and increase performance which include fringe benefits, increase in salary and bonuses (Dick , R. v. & Kerschreiter, R2007). It was found that salaries have a connection with employees performance more the salary more employee is satisfied with his job and the benefits too which includes retirement benefits(David B.Balkin,Rodger W.Griffeth,1993). The increments in salaries and bonuses affect highly on employee satisfaction but it does not mean that it fulfills all his issues. You can only get the best possible outcome from your employees when they improve the overall climate of the organization.(Barry M .Staw , Robert I. Sutton, Lisa H. Pelled,1994).

#### 4.4 Demographics:

**Gender:** Out of total 100 respondents, 6 were female and 94 were male. The representation is shown in appendix C.

**Age bracket:** Most of the respondent in the sample were in the age bracket of 20 to 30. Out of 100 respondents, 46 were in the age bracket of 20 to 30 whereas 39 were in the age bracket of 30 to 40. 8 respondents were of the age bracket of 40 to 50 whereas only 7 respondents were from the age

bracket of 50 to 60 and no respondents were above 60. The representation is shown in appendix C.

**Income:** Out of sample of 100 respondents, 52 respondents were of the income bracket of 15000 to 25000 whereas 18 respondents were of the income group of 25000 to 35000, 22 respondents were of the income group of 35000 to 45000 and only 8 respondents were of the income bracket of 45000 above. The representation is shown in appendix C.

**Educational Background:** Out of sample of 100 respondents, 30 respondents had an educational background of bachelors, 11 respondents were of the educational background of masters whereas 59 were of other educational backgrounds and no respondents were of PhD background and MPhil backgrounds. The representation of it is shown in appendix C.

#### 4.5 Conclusion

The rationale of the research was to find the effect of job satisfaction on employee performance. After analyzing the results of the model estimates collected from the survey, it is safe to conclude that financial and non-financial benefits have a direct impact on the overall performance of employees at their jobs. More benefits (both financial and non-financial) can result in a better performance by the company workers. Pakistan should allow their employees to have more bonuses, salaries and fringe benefits if they want their employees to work at their full performance well. Thus the overall concept that bonuses are more effective to bring workers to high potentials may be 100% true in case of Pakistan.

It is observed that employees when paid well tend to be more loyal towards the company and its management than those who are under paid. The profitability of the company depends directly on the effective working and management of the employees, so special attention has to be paid to what they want if the company wants to survive in the long run.

The theoretical framework of the study consists of one dependent variable which is employee performance whereas the independent variables being job satisfaction, benefits, promotion, salary, co-worker relationship, level of trust and workload and through this study it has been proven that there is a significant relationship between all the independent variables and the dependent variable.

SPSS and Amos statistical software were used to analyze the data, with the help of tables and charts. Reliability of the scale of questionnaire was tested first, and then bivariate correlations were run on the response data to quantify the results.

Limitation to the study is as follow:

- The research was conducted within the geographical boundaries of Sheikhpura in the Hassan leather industry.
- The respondent may have misreport which may not give the clear picture.
- Questionnaires were filled by the employees of the organization.
- The respondents may not be in the best of their moods while filling out the questionnaires.
- The response may vary between employees working in different departments.

#### 4.6 Recommendations

Hassan leather industry is a large exporting organisation and there are a lot of concerns which affect the performance of the employees and have in turn affected the organisations health. There are a lot of factors that influence the employee and how the parameters of job activity show variations. I

believe that if Hassan leather industry needs to keep their employees motivated they first of all need to improve the pay packages with improvising their fringe benefits.

On the other hand, incentives and bonuses at the yearend or term end will also help them to work with more determination. Furthermore, promoting the employee to the best of his capabilities is also a very necessary. Hassan leather industry is believed to help grow its employees through training programs.

Appreciation is the key driving factor to make the employee feel related to the company and its objectives. As the problem which was identified by the manager which was loads of work and health and safety issues, Hassan leather industry needs to keep their employee in safe environment and this can be done through proper safety measures and offering proper medical assistance if any injury occurs so that employees feel that they are in safe working environment, other external factors such as inflation and economic slowdown are uncontrollable but company could assist their employees through making them aware of the situation.

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## APPENDICES

## Appendix A: Questionnaire

The questionnaire has been designed to know the satisfaction level of the employees in the organization and their effect on the performance.

1	2	3	4	5
Strongly agree	Agree	neutral	Disagree	Strongly disagree

## Job satisfaction (Brayfield and Rothes 2002)

I feel fairly satisfied with my present job	1	2	3	4	5
Most days I am enthusiastic about my work	1	2	3	4	5
Each day of work seems like it will never end	1	2	3	4	5
I find real enjoyment in my work.	1	2	3	4	5

## Employee performance (Ettenson&amp; Morris, 1998)

Overall I am satisfied with my current position in the company	1	2	3	4	5
The company clearly communicates its goals and strategies to me	1	2	3	4	5
I receive enough opportunity to interact with other employees on formal level	1	2	3	4	5

## Benefits (Cornwell, 1991)

If I do good work I will be rewarded	1	2	3	4	5
I get what I need to do my job well	1	2	3	4	5
I have enough freedom in my position	1	2	3	4	5
Company pays for the vacations	1	2	3	4	5
My level of performance increases after vacations	1	2	3	4	5

## Coworker relationship (O Driscoll 2000)

My co-workers give helpful information and advice	1	2	3	4	5
My co-workers have sympathetic understanding	1	2	3	4	5
My co-workers give clear and helpful feed back	1	2	3	4	5
My co-workers give practical assistance	1	2	3	4	5

## Work load (Steve Babson 2001)

I am satisfied with my current work load	1	2	3	4	5
Are you satisfied with the current intensity of work	1	2	3	4	5
Considering the current work intensity of your job and the value you create for the company, how do you feel about your current level of compensation	1	2	3	4	5

## Level of trust (Tami A. beo 2001)

I can be truly myself within our team and within the company I work in	1	2	3	4	5
I am completely open with myself and my colleagues without any filters.	1	2	3	4	5
I am comfortable being vulnerable with my team members about my mistakes and fears.	1	2	3	4	5
It is easy for me to accept and acknowledge the feedback from my colleagues especially when they mirror my areas for improvement.	1	2	3	4	5

## Promotion (Peter R. Mills 2001)

I believe that favoritism is not an issue at the workplace when it comes to promotions/bonuses	1	2	3	4	5
I am always involved in important decisions that affect my work	1	2	3	4	5
The company retains its most valuable employees	1	2	3	4	5
I have the authority to make all the decisions necessary to do my job efficiently	1	2	3	4	5

## Salary (Jerry Janson 1999)

I am satisfied with the current salary	1	2	3	4	5
I am satisfied with the paid bonuses	1	2	3	4	5
I am satisfied with the Overtime payments	1	2	3	4	5

## General Information

Gender  Male  Female

Age  20-30  30-40  40-50  50-60  60 and Above

Educational Background  Bachelors  Masters  PhD  M Phil  Other

Income  15000-25000  25000-35000  35000-45000  45000 and above



## Appendix B: Tables

Table 4.2. Reliability Statistics.

Dependent variable	Independent variable	Cronbach's alpha
Employee performance	Job satisfaction	0.924
	Level of trust	
	Benefits	
	Co-worker relationship	
	Workload	
	Promotion	
	Salary	

**Scale: ALL VARIABLES****Case Processing Summary**

		N	%
Cases	Valid	100	100.0
	Excluded <sup>a</sup>	0	.0
	Total	100	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.924	30

Table 4.3. Correlation Testing.

**Correlations**

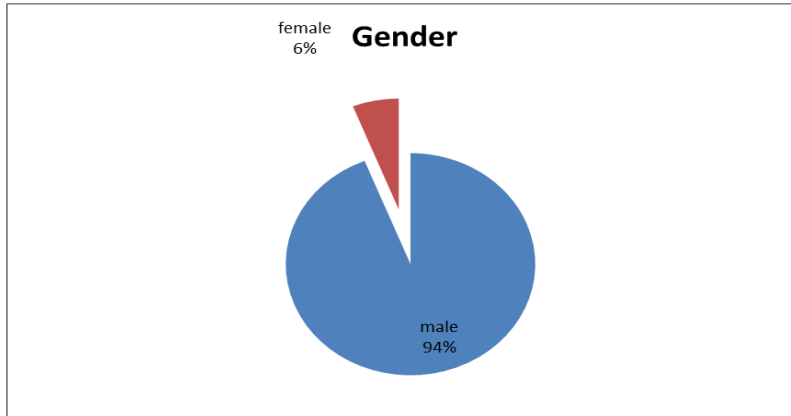
		jobsatisfaction	benefits	coworkerrelationship	workload	leveloftrust	promotion	salary	employeeperformance
jobsatisfaction	Pearson Correlation	1	.526**	.463**	.331*	.370**	.393**	.429**	.972**
	Sig. (2-tailed)		.000	.000	.001	.000	.000	.000	.000
	N	100	100	100	100	100	100	100	100
benefits	Pearson Correlation	.526**	1	.588**	.388**	.615**	.743**	.627**	.536**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000	.000
	N	100	100	100	100	100	100	100	100
coworkerrelationship	Pearson Correlation	.463**	.588**	1	.447**	.543**	.304**	.909**	.450**
	Sig. (2-tailed)	.000	.000		.000	.000	.002	.000	.000
	N	100	100	100	100	100	100	100	100
workload	Pearson Correlation	.331*	.388**	.447**	1	.582**	.409**	.331*	.340**
	Sig. (2-tailed)	.001	.000	.000		.000	.000	.001	.001
	N	100	100	100	100	100	100	100	100
leveloftrust	Pearson Correlation	.370**	.615**	.543**	.582**	1	.646**	.487**	.351**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000	.000
	N	100	100	100	100	100	100	100	100
promotion	Pearson Correlation	.393**	.743**	.304**	.409**	.646**	1	.224	.387**
	Sig. (2-tailed)	.000	.000	.002	.000	.000		.025	.000
	N	100	100	100	100	100	100	100	100
salary	Pearson Correlation	.429**	.627**	.909**	.331*	.487**	.224	1	.412**
	Sig. (2-tailed)	.000	.000	.000	.001	.000	.025		.000
	N	100	100	100	100	100	100	100	100
employeeperformance	Pearson Correlation	.972**	.536**	.450**	.340**	.351**	.387**	.412**	1
	Sig. (2-tailed)	.000	.000	.000	.001	.000	.000	.000	
	N	100	100	100	100	100	100	100	100

\*\* . Correlation is significant at the 0.01 level (2-tailed).

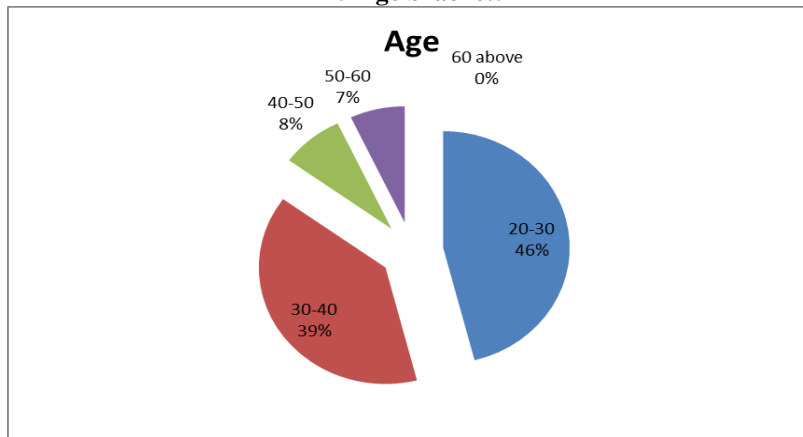
\*. Correlation is significant at the 0.05 level (2-tailed).

Appendix C- Graphs:

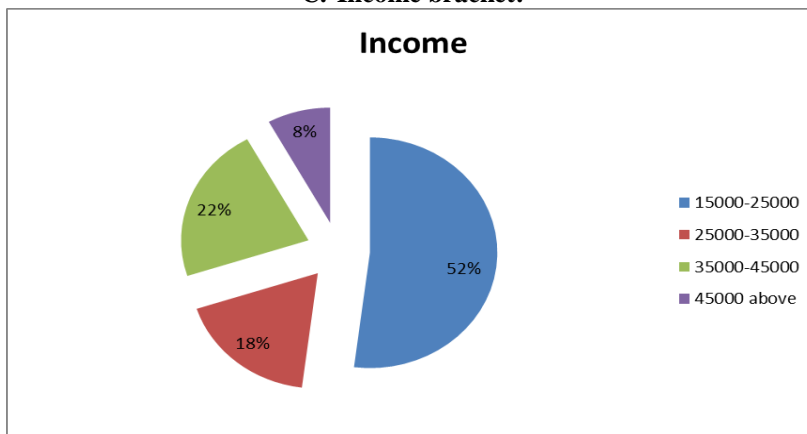
A. Gender:



B. Age bracket:



C. Income bracket:



D. Educational background:

