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IMPACT OFJOB SATISFACTION ON EMPLOYEE PERFORMANCE IN IT INDUSTRY

Dr. Kiran Kumar Yadav Nukanaboina
Project Manager
Wipro Technologies
Bengaluru
Email: mail2kky@gmail.com

Abstract

This research was conducted to investigate the impact of job satisfaction (Communication, Recognition, Work and workplace, Benefits and rewards, Supervisor and management) affect performance of IT employees. The data of this study was quantitative collected through questionnaire from 268 respondents from different IT companies of Bengaluru city. The results of the current study reveal that there is a significant positive relationship between job satisfaction with employee performance. The study also discusses the recommendation for future research.

Key words: Communication, Recognition, Work and workplace, Benefits and rewards, Supervisor and management, Job Satisfaction and employee performance.

Introduction

The term Job satisfaction is furnished as the attitude of content; an employee possesses in hisor her current position in an organization. In the last few decades, a number of scholarlystudies have been conducted using the workers' satisfaction as a central research variable. Ithas to be regarded as an obligatory attribute which is very frequently measured byorganizations in order to ensure the existence of an affectionate approach of employeestowards the duties and responsibilities they deal with. Despite of the world-wide urges forconsidering employees as a human asset of the organization, the prevailing scenario of profitoriented business is neither providing a fair remuneration system nor extending welfareoriented move towards its employees, often. Therefore, the turnover rate has alarminglyincreased in most of the industries in all the levels of employments. Here comes thesignificance of guaranteeing a level headed state of job satisfaction among the employees ofany organization, which in turn may land in organizational effectiveness.

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Literature Review

According to the researches' outputs available so far, job satisfaction level is exposedmaximum in the jobs like Physical Therapists, Authors, Psychologists, Fire fighters, Teachers,Educational Administrators, Painters, Sculptors, etc. The professions where the jobsatisfaction is observed with least significance are Laborers (excluding those in constructionfield), Clothing salespersons, Furnishing Salespersons, Packagers, Food preparers, Foodservers and material handlers, etc. (Ayub, N., &Rafif, S. (2011). [1]

Evidently, job satisfaction, is been constituted with numerous facts and the major dimensionsto this regard are pay, the work itself, promotions, supervision, work group, and workingconditions mentioned in a study about the relationship in between job satisfaction and jobperformance has a controversial history (Luthans 1985). [2]

Saari and Judge (2004). Soonafter the disposals by the Hawthorne studies, the world wide researchers interpreted thehappy worker, as a productive worker. In the earlier days of researches, a weak or somewhatinconsistent relationship was presumed in between job satisfaction and performance. [3]

An employee stayed back in an organization for a long tenure was observed as investingmentally and physically in a better manner rather than a younger employee. Extensiveresearches could thereby prove a positive correlation between professional experience andjob satisfaction (Lim and Teo, 1998) [4]. Even though the same inference could be matched upby the research of Smith et al, (1969), he could also conclude at the fact of highestsatisfaction experienced by the workers with an experience of less than six months. In hisstudy, Morgan et al (1995) brought to a close that there is a correlation between these twovariables and job satisfaction seems to be greatly reduced in the older employees with manyyears of professional experience. [5]

Another important demographic feature is the hierarchical level to which the employeebelongs. According to the researches people who work at higher levels of management aremore satisfied. Oshagbemi (1997) observed a positive correlation between job satisfactionand the hierarchical level to which an employee belongs to. In 2003, O Pors reached the sameattention-grabbing end of finding a lesser degree of satisfaction among the lower tieremployees, and the reasons being the lack of freedom and autonomy. [6]

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According to Skibba (2002) the underlying theory of reciprocal model is that if thesatisfaction is extrinsic in nature, then it leads to performance, and the performance leads tosatisfaction, in case of an intrinsic quality in satisfaction. Also she speaks about therelationship in between job performance and job satisfaction as a follow up of socialexchange theory, in which the job performance is to be regarded as a return by the employeeto the organization from which they get their satisfaction. This study also reminds that, to thebest of industrial psychologists' belief, there is no relationship between job satisfaction andjob performance; although it is revealed that a positive mood would lead to higher levels ofboth the features. [7]

A survey was conducted in 2006 on 7939 business units in 38 countries and showed thatcustomer satisfaction, profitability, turnover of staff and less work mishaps were due to ahigher satisfied and engaged staff Bin, A. S. (2015). an engaged and a satisfied employee, most probably would be an organizationallycommitted one and he or she tends to be the top performer of the organization always. Whenan employee is engaged they serve customers better and therefore contribute more to theorganization's ongoing profitability. [8]

Alina Hyz (2010) argues points out the lack of correlation between the demographiccharacteristics such as age, gender, years of experience and educational level of respondents.These variables are independent of each other, whereas exception exists in employee'sposition in the organization and access to organizational decision making. As long as theenhancement in the position of an employee occurs, his or her satisfaction from the job alsoincreases, due to greater benefits, autonomy, more creative works etc. Also, it is observedthat well-educated employees are characterized significantly by a lower state of satisfactionwith respect to their salary. Recognition, autonomy, working with groups, prospects, clarityof responsibilities, relationships with co-workers and cooperation with the department ofhuman resources are those factors showing a positive correlation with job satisfaction with aconsiderable varying intensity.[9]

In a survey conducted by Anuar Bin Hussin in Trade Winds Group of Companies in KlangValley, it made known a positive relationship between job satisfaction components whichwere promotion, work itself, supervision and co-workers except for pay towards employeejob performance. Also the study noted a significant difference between position and jobperformance. The job satisfaction dimensions, like pay, promotion, work itself, supervisionand co-workers can surely contribute to 17.8 percent increase the job performance in theorganization. Shaju, M., &Subhashini,

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D. (2017). comes out with an inference matching to thesame, among job performance and aforesaid dimensions.

Dr. Padmakumar Ram (2013) wraps up after a public sector study in India, as no associationbetween job facet satisfaction and overall job satisfaction. Out of the six measures of jobperformance, the single one which reflected a noticeable concern with overall job satisfactionwas 'passenger complaints'. No association was found between salary and overall jobsatisfaction, in the case of low and medium income groups. Nevertheless, for high incomegroups, a negative association between these entities could observe. [11]

By using a model that incorporates the main constructs from agency theory andorganizational psychology, Markus Christen, Ganesh Iyer& David Soberman (2006), finds anegative, direct effect of effort and a positive, direct effect of job performance on jobsatisfaction. Conflicting findings in the earlier researches are argued as the result ofinconsistency in both the measurement and the definition of constructs across studies that donot fully account for all the relationships between constructs. Here comes the need todistinguish clearly between factors that represent employees' inputs in a work relationship(i.e. effort) and those that represent their outputs (i.e., job performance). [12]

Allison Laura Cook (2008) in a research work with many potential causal models, explainthis correlation, one possibility is that the satisfaction-performance relationship is actuallyspurious, advocating the correlation is due to common causes of both constructs. Commoncauses in this study include the job complexity and cognitive ability, in association with thepersonality traits, like Conscientiousness, Extraversion, Agreeableness, and coreself-evaluations. The meta-analytic correlation matrix, through its structural equationmodeling, suggests a residual correlation of .16 between job satisfaction and performance. [13]

Research Gap

Research Problem

Organizations at this cutthroat epoch, is in a strong intention of hiring of and retaining themost suitable employees. In order to accomplish this purpose, performance evaluation hasbecome a strong necessity for both the employees and employers in different senses. Onevaluating employees in consonance with their professional and social aspects, numerouspsychological and behavioral features are also to be accounted into. In a competitive businessenvironment prevails all over the globe, this process of evaluation has emerged into asuperior dimension of assisting and managing the

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performance of employees. This approachinvariably estimates the worthy contributions of an employee on the whole and therebyacknowledges the imperative relationship of performance with employees' psychologicalfactors like job satisfaction, emotional intelligence, organizational citizenship behavior, workmotivation, professional integrity, etc.

This research tries to identify the impacts of job satisfaction dimensions on job performanceof employees of the IT Industry. It investigates the relationship between thedimensions of job satisfaction and the job performance of the respondents and thereby tocross check whether the former influences the latter in a positive sense or not.

Research Objectives

1. To identify the dimensions of job satisfaction in IT industry.
2. To measure the impact of job satisfaction dimensions on employee performance in IT industry.

Research Hypothesis

Ho1: There is no significant relationship between job satisfaction dimensions on employee performance.

- $H0_{1.1:}$ There is no significant relationship between work and workplace on employee performance.
- $H0_{1.2:}$ There is no significant relationship between supervisor and management on employee performance.
- $H0_{1.3:}$ There is no significant relationship between benefits and rewards on employee performance.
- $H0_{1.4}$: There is no significant relationship between recognition and employee performance.
- $H0_{1.5}$: There is no significant relationship between communication and employee performance.

Research Methodology

Sampling Procedure for Research

The study is proposed to be conducted among employees in IT industry of Bengaluru city. The study adopts convenience sampling to collect the responses of the employees in . The

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questionnaire is distributed personally to the employees and the soft copy also is floated to all the contacts of employees in turn. Employees who have been full time employees with at least 8 months of work experience in the selected IT companies were taken as sample. 723 questionnaires were mailed to employees and received 325 filled questionnaires. Out of 325 questionnaires 268 were useful with full information in all aspects. Hence the sample size of this study is 268 employees.

Research Tools

All the survey responses were coded into Microsoft Excel 2010 spreadsheet, verifying for missing data and inconsistently filled-in questionnaires. The data coded were transferred to SPSS and analyzed employing reliability analysis, defined variables and, all sorts of descriptive statistics of the responses were calculated. Testing the hypotheses was done, using SPSS 20.

The following statistical tools were used for data analysis:

- Reliability & Validity Test
- Exploratory Factor Analysis (EFA) and
- Multiple Linear Regression

Data Analysis & Results

Reliability & Validity Test

Table: 1. Reliability Test

Cronbach's Alpha	Number of Items
0.762	14

The internal consistency of the questionnaire of 14 questions with a value of the Cronbach's Alpha is 0.762, which shows that data is 76.2% reliable and valid.

Exploratory Factor Analysis

Table: 2. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.870
Bartlett's Test of Sphericity	Approx. Chi-Square	3347.716
	Df	190
	Sig.	.000

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Before proceeding for factor analysis the eligibility of the data has to be tested by conducting KMO- Bartlett‘s test. This test is a measure of sampling adequacy and multivariate normality among variables. The KMO value in this study is 0.870> 0.5 which says that the sample taken is adequate. Bartlett's Test of Sphericity value is 0.000 < 0.05, indicate multi normality among variables. Hence Factor Analysis is considered as an appropriate technique for further analysis of the data.

Table: 3.Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.618	33.090	33.090	6.618	33.090	33.090	3.299	16.494	16.494
2	2.127	10.637	43.727	2.127	10.637	43.727	2.806	14.031	30.526
3	1.601	8.003	51.730	1.601	8.003	51.730	2.561	12.803	43.328
4	1.319	6.596	58.326	1.319	6.596	58.326	2.352	11.762	55.090
5	1.214	6.071	64.396	1.214	6.071	64.396	1.861	9.306	64.396
6	1.016	5.078	69.474						
7	.776	3.881	73.355						
8	.694	3.470	76.825						
9	.559	2.796	79.621						
10	.499	2.496	82.116						
11	.482	2.411	84.527						
12	.467	2.333	86.860						
13	.432	2.161	89.021						
14	.394	1.970	90.992						
15	.385	1.927	92.919						
16	.348	1.742	94.661						
17	.323	1.616	96.276						
18	.292	1.462	97.739						
19	.258	1.290	99.028						
20	.194	.972	100.000						

Extraction Method: Principal Component Analysis.

On the basis of Varimax Rotation with Kaiser Normalization, five factors have been extracted. Each factor is constituted of all those variables that have factor loadings greater than 0.5. 20 variables were clubbed into five factors. These five extracted factors explained 64.396 per cent of the variability.

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Table: 4. Rotated Component Matrix[a]

	Component				
	1	2	3	4	5
Many of our rules and procedures need to be streamlined	**.803**				
I like the people I work with	**.780**				
I like doing the things I do at work	**.754**				
I have too many duties and responsibilities	**.746**				
My department or agency has the right people and skills to do its work	**.588**				
My supervisor is quite competent in doing his/her job.		**.853**			
My department or agency practices high standards and ethics		**.804**			
My supervisor shows interest in my feelings and acknowledges my concerns.		**.784**			
My supervisor shows interest in my feelings and acknowledges my concerns.		**.592**			
I would like to work more/less hours			**.802**		
I do not feel that the work I do is appreciated.			**.787**		
My performance evaluation provides me with meaningful informationabout my performance			**.610**		
I am not satisfied with the benefits I receive.			**.605**		
I feel I am being paid a fair amount for the work I do.					
I have the opportunity to give input on decisions affecting my work				**.728**	
As it plans for the future, my department or agency asks for my ideas.				**.712**	
I know how my agency measures its success.				**.621**	
I would like to see employee recognition and appreciation by managementand my fellow employees					**.781**

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I would appreciate management recognition on my anniversary.					**.649**
Communications seem good within this organization.				**.520**	**.611**

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 9 iterations.

Multiple Linear Regression

In order to access the impact of job satisfaction dimensions on employee performance, enter method of multiple linear regressions was applied.

Table: 5. Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.740[a]	.548	.542	.665	1.962

a. Predictors: (Constant), Communication, Recognition, Work and workplace, Benefits and rewards, Supervisor and management

b. Dependent Variable: Employee Performance

- **R:** R represents the multiple correlations co-efficient with the range lies between -1 and +1. Since the R-value is 0.740 means that there is a high positive relationship between the job satisfaction dimensions and employee performance.
- **R Square:** R^2represents the coefficient of determination which lies between 0 and 1. Since the R square value is 0.664 i.e. 66.4 per cent of the explained variation is there in the performance of the IT employees.
- **Durbin-Watson statistic:** From the table 5, the Durbin-Watson statistic value is 1.962 It is closer to the standard value 2. So, that the assumption has almost certainly been met

Table: 6. ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	202.457	5	40.491	91.606	.000[b]
	Residual	167.082	378	.442		
	Total	369.539	383			

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a. Dependent Variable: Employee Performance
b. Predictors: (Constant), Communication, Recognition, Work and workplace, Benefits and rewards, Supervisor and management

The ANOVA table 8, reveals that the F statistics of the regression model is statically significant at 0.05 levels implying the goodness of fit of the regression equation. (Model is statistically significant).

Table: 7. Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.468	.160		2.925	.004
	Work and workplace	.175	.037	.210	4.685	.000
	Supervisor and management	.222	.040	.249	5.509	.000
	Benefits and rewards	.170	.036	.199	4.685	.000
	Recognition	.169	.037	.178	4.518	.000
	Communication	.166	.039	.179	4.291	.000

a. Dependent Variable: Employee Performance

The table 7, denotes standardized regression coefficients which show the strength of impact and its positive/negative direction. It also comprises of t and significant values to validate the hypothesis framed to measure the significant impact of job satisfaction dimensions on employee performance.

The multiple regression equation of this model is: $Y = MX + C$

$$Y\ (Employee\ Performance) = 0.210\ (\text{Work and workplace}) + 0.249\ (\text{Supervisor and management}) + 0.199\ (\text{Benefits and rewards}) + 0.178\ (\text{Recognition}) + 0.179\ (\text{Communication}) + 0.468\ (Constant)$$

$H0_{1.1}$: There is no significant relationship between work and workplace on employee performance.

Table 7, shows Beta value as 0.210 which indicates positive impact of work and workplace on employee performance. Since t, value is 4.685 and sig. value is 0.000 which is less than 0.05 hence

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work and workplace has a significant impact on employee performance. Hence, null hypothesis $H0_{1.1:}$ stating that there is no significant relationship between work and workplace on employee performance is rejected.

$H0_{1.2:}$ There is no significant relationship between supervisor and managementon employee performance.

Table 7, shows Beta value as 0.249 which indicates positive impact of supervisor and management on employee performance. Since t, value is 5.509 and sig. value is 0.000 which is less than 0.05 hence supervisor and management has a significant impact on employee performance. Hence, null hypothesis $H0_{1.2:}$ stating that there is no significant relationship between supervisor and management on employee performance is rejected.

$H0_{1.3:}$ There is no significant relationship between benefits and rewards on employee performance.

Table 7, shows Beta value as 0.199 which indicates positive impact of benefits and rewards on employee performance. Since t, value is 4.685 and sig. value is 0.000 which is less than 0.05 hence benefits and rewards has a significant impact on employee performance. Hence, null hypothesis $H0_{1.3:}$ stating that there is no significant relationship between benefits and rewards on employee performance is rejected.

$H0_{1.4}$: There is no significant relationship between recognition and employee performance.

Table 7, shows Beta value as 0.178 which indicates positive impact of recognitionon employee performance. Since t, value is 4.518 and sig. value is 0.000 which is less than 0.05 hence recognitionhas a significant impact on employee performance. Hence, null hypothesis $H0_{1.4:}$ stating that there is no significant relationship between recognition on employee performance is rejected.

$H0_{1.5}$: There is no significant relationship between* communication *and employee performance.

Table 7, shows Beta value as 0.179 which indicates positive impact of communication on employee performance. Since t, value is 4.291 and sig. value is 0.000 which is less than 0.05 hence communicationhas a significant impact on employee performance. Hence, null hypothesis $H0_{1.5:}$ stating that there is no significant relationship between communication on employee performance is rejected.

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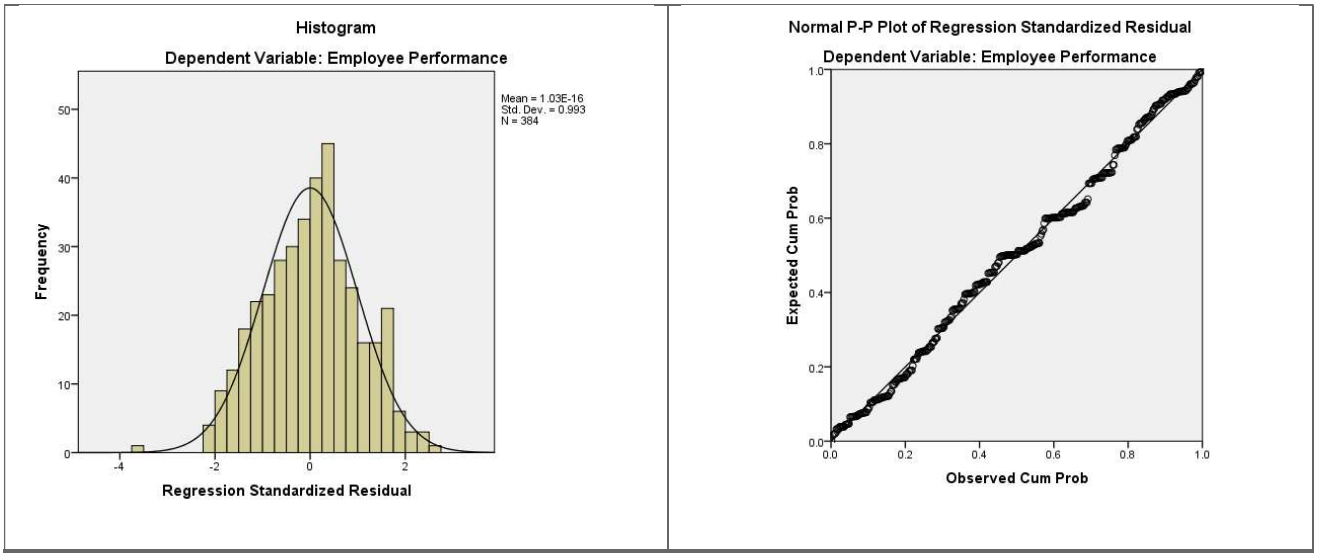
Histogram and P-P plot for Normality test



In figure-1, shows a histogram with normal overlay of the distribution of the residuals. Normal P-P plot, the distribution is considered to be normal to the extent that the plotted points match the diagonal line.

Table: 8. Multiple Regression Result Summary

Ho1: There is no significant relationship between job satisfaction dimensions on employee performance.		
Sub-Hypothesis	**Sig.**	**Remark**
$H0_{1.1}$: There is no significant relationship between work and workplace on employee performance.	0.000	Rejected
$H0_{1.2}$: There is no significant relationship between supervisor and management on employee performance.	0.000	Rejected
$H0_{1.3}$: There is no significant relationship between benefits and rewards on employee performance.	0.000	Rejected
$H0_{1.4}$: There is no significant relationship between recognition and employee performance.	0.000	Rejected
$H0_{1.5}$: There is no significant relationship between communication and employee performance.	0.000	Rejected

Suggestions

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The present study proposes a model of the impact of job satisfaction on the employee performance. The study found that communication, recognition, work and workplace, benefits and rewards, supervisor and managementare impacting significantly the employee performance. Therefore, IT Companies HR managers should focus on the above factors to enrich job satisfaction of IT employees.

Conclusion

The study investigated the impact of job satisfaction on performance of IT employees, concluded that work to supervisor and managementhad the highest impact on performance of the IT employees followed by communication, recognition, work and workplace, benefits and rewards.

Recommendation for further research

This research study has substantial scope for extension in terms of depth as well as breadth. Hence such areas are presented below:

- The present study confines itself to IT companies only and does not cover other industries. Thus the further study may be undertaken on other industries to identify relevant determinants.
- The study focused on the job satisfaction and employee performance of the IT professionals. Further research may be conducted on the job satisfaction and employee performance in other cities of India.
- Further research is recommended by carrying out a comparative study among the south Indian cities because the residents in other parts of the country may have different causing factors and employee performance in IT industry.

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