



IMPACT OF JOB SATISFACTION ON INDUSTRIAL PERFORMANCE

Manisha Sharma
M.Com, MBA, Ph.D.
Kashipur, Uttarakhand

Received : 15/06/2017

1st BPR : 18/06/2017

2nd BPR : 21/06/2017

Accepted : 25/06/2017

ABSTRACT

The topic, "Impact of Job Satisfaction on Industrial Performance" is not only of paramount importance but is also relevant in the modern era of mental revolution and industrial democracy. Job satisfaction is related to various aspects of workers' behavior which have important bearing on any work organization. There is need to establish relationship between job satisfaction and turnover, absenteeism and performance. In fact, job satisfaction is an individual's complex reaction towards his job. It is a resultant fling of satisfaction which the worker achieves by gaining from the job what he expects from it to satisfy his needs. Job satisfaction is a complex set of variables and is governed to a large extent by perceptions and expectations. Any discrepancy between aspirations and perceptions accounts for dissatisfaction. Through this paper a sincere effort has been made to establish relationship between job satisfaction and industrial performance.

Keywords : absenteeism, performance, satisfaction, psychologically, expectations, apperception, comprehensive.

INTRODUCTION

Undoubtedly a person undertakes some job to satisfy its needs which may vary from individual to individual, culture to culture and area to area. But satisfaction of needs is essential both for physical survival as well as providing person with pleasure and comforts. If the workers fail to get satisfaction of wants and pleasure in work, dissatisfaction creeps in. low job satisfaction is a sign of fall in efficiency of an enterprise. It results in strikes, slow downs, absenteeism and turnover. It may also be a part of grievances, low productivity, disciplinary problems and other organizational difficulties. On the other hand, high job satisfaction of workers produces favorable results. It is a positive sign for the industry resulting in improvement in overall performance are the active factor of production, hence may not be neglected and their satisfaction is conducive to the prosperity of the enterprise.

Obviously job satisfaction significantly contributes to labor productivity and moral. An industrial organization can be substantially benefited if it cars to develop general individual attitudes in its personnel that can effectively contribute to job satisfaction. If an organization inappropriately discovers attitudes on factors related to the job, it can take necessary steps to prevent bad situations and thereby improve the job satisfaction of its workers.

Victor H. Vroom¹ examined the relationship between job satisfaction and certain aspects of job behavior, viz., "turnover absenteeism, accidents and job performance." He found that the higher an employee's satisfaction, the less apt he is to leave his job; there is little relationship between the amount of job satisfaction and degree of work absenteeism: there is negative or no relationship between accidents and job satisfaction since there is considerable evidence to show that most accidents are caused simply by



chance factors; and that job satisfaction has no sample relationships with actual job performance. Thus, while each of the categories considered by Vroom is concerned with job related behaviors and job satisfaction, none of these seems to be directly related to actual job performance, i.e., how well the employee actually accomplishes the job assigned to him.

Although the general 'human relations' notion is that a satisfied worker is a more productive worker, **R.M. Stogdill**² has noted that the "the 'outputs' of organizations are group integration, production and morale. Further, satisfaction of individual expectations results in group integration and cohesiveness but is not necessarily related to production. Instead, both morale and production will only be related to satisfaction when the conditions which will lead to high morale and production are also those which lead to the reinforcement of worker expectations."

IMPACT OF JOB SATISFACTION

Job satisfaction has a variety of effects. These effects may be seen in the context of an individual's physical and mental health, productivity, absenteeism and turnover. All these exert impact on the performance of the industrial unit. First we discuss all these four elements as under-

1- PHYSICAL AND MENTAL HEALTH

The degree of job satisfaction affects an individual's physical and mental health. Since, job satisfaction is a type of mental feeling, its favorableness or un-favorableness affects the individual psychologically which ultimately affects his physical health. For example, **Lawler**³ has pointed out that drug abuse, alcoholism and mental and physical health from psychologically harmful jobs. Further, since a job is an important part of life, job satisfaction influences general life satisfaction. The result is that there is spillover effect which occurs in both directions between job and life satisfaction.

2- PRODUCTIVITY

There are two views about the relationship between job satisfaction and productivity-

- (1) a happy worker is a productive worker,
- (2) a happy worker is not necessarily a productive worker.

The first view establishes a direct cause-effect relationship between job satisfaction and productivity; when job satisfaction increases, productivity, increases; when job satisfaction decreases, productivity decreases. The basic logic behind this is that a happy worker will put more efforts for job performance. However, this may not be true in all cases. For example, a worker having low expectations from his job may feel satisfied but he may not put his efforts more vigorously because of his low expectations from the job. Therefore, this view does not explain fully the complex relationship between job satisfaction and productivity.

The other view, that is, a satisfied worker is not necessarily a productive worker, explains the relationship between job satisfaction and productivity. Various research studies also support this view. This relationship may be explained in terms of the operation of two factors: effect of job performance on satisfaction and organizational expectations from individuals for job performance.

3- ABSENTEEISM

Absenteeism refers to the frequency of absence of a job holder from the work place either unexcused absence due to some avoidable reasons or long absence due to some unavoidable reasons. It is the former type of absence which is a matter of concern. This absence is due to lack of satisfaction from the job which produces a 'lack of will to work' and alienates a worker from work as far as possible. Thus, job satisfaction is related to absenteeism.



4- Employee Turnover

Turnover of employees is the rate at which employees leave the organization within a given period of time. When an individual feels dissatisfaction in the organization, he tries to overcome this through various ways of defense mechanism. If he is not able to do so, he opts to leave the organization. Thus, in general case, employee turnover is related to job satisfaction.

JOB SATISFACTION AND PERFORMANCE

There is high degree positive correlation between job satisfaction and performance of an industry as job satisfaction plays a significant role in the organization. Therefore, managers should undertake concrete steps to improve the level of job satisfaction of their workers. These steps may be in the form of job redesigning to make the job more interesting and challenging, improving quality of work life, linking rewards with performance, and improving overall organizational climate.

When we talk of performance, it involves level of net worth, profitability, production or sales and work force. If all these variables are on growth one may conclude that there is improvement in performance. On the other hand, if there is decrease in all these variables, the performance would be deemed to be decreased. Productivity is the key factor i.e. indicator of performance as increase in productivity leads to increase in production which in turn results in increase in sales, profitability and hence net worth. In general, there is belief that job satisfaction and profitability go hand in hand and higher the job satisfaction higher the productivity and vice versa. However, this is not true in all cases and job satisfaction and productivity may not go together.

MEASUREMENT OF JOB SATISFACTION

Job satisfaction can be measured by collecting job satisfaction information. Such information may be collected through job satisfaction opinion or attitude survey. Though all these tend to be used interchangeably, a distinction can be made in attitude and opinion survey. In attitude survey, measurement is scaled according to some set of values, whereas opinion counts and classifies answers. All these indicate the level of job satisfaction in an organization on the basis of which job satisfaction can be measured.

JOB SATISFACTION SURVEYS

Collecting information about job satisfaction through job satisfaction survey is quite common for researchers and organizations engaged in elevating the level of job satisfaction. Since the job satisfaction information is collected through the use of some questionnaires, different types of questionnaires can be used. These can be classified into three groups: objective, descriptive and projective. Objective survey presents both a question and choice of answers of in such a way that the worker merely has to mark the answer of his choice. Such questions may be in the form of multiple choices – very high, moderate, low, very low or 'true', 'false' or 'yes', or 'no' etc. The respondent may put a tick mark on appropriate answer.

INDICES OF JOB SATISFACTION

Besides collecting information specially for measuring job satisfaction, management can use certain indicators for measuring job satisfaction. There may be several such indicators which can be used for inferring the state of job satisfaction. These are –

- (1) Worker turnover
- (2) Productivity
- (3) Absenteeism and tardiness
- (4) Fatigue and monotony
- (5) Grievances



- (6) Need for discipline
- (7) Waste and scrap
- (8) Quality record

OTHER SOURCES OF INFORMATION

There may be various other sources of getting information which can be directly relevant to job satisfaction measurement. Since an organization collects information for various purposes and often information collected for one purpose may be used for other purposes also, various information sources can be integrated to have comprehensive view of job satisfaction. A basic advantage of such sources is that information is readily available and one has only to pick the relevant information. The various such sources may be as follows:-

- (1) Reports of counseling
- (2) Exit interviews
- (3) Accident reports
- (4) Training records
- (5) Medical reports
- (6) Suggestion systems
- (7) Complaint box systems

CONSEQUENCES OF JOB SATISFACTION

Job satisfaction is an integral component of organizational health and an important element in industrial relations. The level of job satisfaction seems to have some relation with various aspects of work behavior such as accidents, absenteeism, turnover and productivity. It is generally assumed that satisfied workers are more productive. The consequences of job satisfaction are given below:-

- (1) Since job satisfaction is a type of mental feeling, its favorableness or un-favorableness affects the worker psychologically which ultimately affects the physical health.
- (2) Job satisfaction is related to absenteeism. Lack of satisfaction from the job produces a lack of will to work and alienates a worker from work as far as possible.
- (3) Other things remaining the same, job satisfaction reduces employee turnover.

PERFORMANCE EVALUATION

The impact of job satisfaction is visible on four items physical health, absenteeism, turnover and productivity which collectively form performance. To judge the performance a random sample of 2 large, 5 medium and 5 small enterprises was taken. These industrial units were named A,B,C,.....L. A score chart showing scores of these four items was prepared and 115 workers were interviewed in all. To evaluate the performance Likert's 5 point measuring scale has been used as under :-

Work Behavior :	Very High	High	Average	Low	Very Low
Score :	5	4	3	2	1

These work behaviors are qualitative facts hence, scoring techniques has been taken to be suitable as under such cases quantitative data are not available and on the other hand the workers did not provide true information. With the help of the above scoring scale qualitative facts relating to work behavior have been quantified. Undoubtedly this technique is subjective in place of being objective in which it is difficult for the researcher to remain unbiased. In spite of all the complexities and drawbacks necessary precaution has been undertaken in making objective the data collected. The scores received are relatively more reliable not in absolute form. Each element of work behavior has been assigned score and in this way average score has been arrived at by dividing the total of scores by 4. **Table 1** reveals the scores of work behavior given as under:-



Table 1
Work Behavior Score Chart

Name of Industrial unit	Physical Health	Absenteeism	Turn over	Productivity	Total Score	Average Score
A	3	3	2	4	12	3.00
B	3	2	1	4	10	2.5
C	2	2	2	3	9	2.25
D	4	2	3	4	13	3.25
E	4	1	1	2	8	2.00
F	3	1	2	2	8	2.00
G	4	2	2	3	11	2.75
H	3	3	2	3	11	2.75
I	2	2	1	2	7	1.75
J	3	2	2	2	9	2.25
K	4	2	1	4	11	2.75
L	3	1	2	3	9	2.25

The best standard of performance of a business firm is its profitability. As the industrial units selected in sample did not provide profitability data, other parameters have been adopted. After taking into consideration all the factors composite growth rate has been found suitable which consist of three important growth factors- turnover or sales, number of workers employed and capital invested. First, growth rate of sample units for the whole life for each performance variable has been calculated. To arrive at composite growth rate, average of three performances variable growth rats has been taken as given in the following table:-

Table 2
Performance of Sample Industrial Units : Composite Growth Rate

Name of Industrial unit	Average Sales	Annual Growth Rate (in%)		Composite Growth Rate (in%)
		Work Force	Capital	
A	80	16	42	46
B	45	9	18	24
C	62	12	22	32
D	54	10	26	30
E	74	14	29	39
F	36	7	14	19
G	42	8	22	24
H	38	8	23	23
I	28	6	20	18
J	26	6	7	13
K	34	8	6	16
L	30	6	12	16

RELATIONSHIP BETWEEN WORK BEHAVIOR AND PERFORMANCE

To assess the relationship between work behavior (i.e., job satisfaction impact elements) and performance correlation has been computed between work behavior, average score and composite



growth rates of individual industrial units. To compute the degree of correlation between both the variables Karl Pearson's coefficient of correlation (r) and Spearman's rank difference correlation coefficient (R) have been computed as given in the following table:-

Table 3
Correlation between Work Behavior and Performance

Name of Industrial unit	Work Behavior (Average Score)	Performance (Composite Growth Rate)
A	3.00	46
B	2.50	24
C	2.25	32
D	3.25	30
E	2.00	39
F	2.00	19
G	2.75	24
H	2.75	23
I	1.75	18
J	2.75	13
K	2.75	16
L	2.25	16

Karl Pearson's coefficient of correlation (r) = +0.32

Spearman's rank difference correlation coefficient (R) = +0.29

It has been found that there is moderate positive correlation between work behavior and performance of the sample industrial units. Here, rank difference correlation coefficient is more suitable as the factors of job satisfaction may not be measured quantitatively in more accurate form. Karl Pearson's coefficient of correlation is fit for the quantitative data only. It may be concluded that the role of job satisfaction in the performance of the sample units is not much significant. Other factors, like use of upgraded methods of production, managerial skill and competence as well as machinery of latest technology to exert heavy impact on the performance. But in spite of all these facts importance of job satisfaction may not be ignored.

REFERENCES

- Vroom Victor H., 'Work and Motivation', John Wiley, New York, 1964
- Stogdill, R.M., 'Individual Behavior and Group Achievement', Oxford, 1959
- Lawler, E.E., "Measuring the Psychology Quality of Working Life" L.E. Davis and A.B.Cherns (Eds). The Quality of Working Life, New York : Free Press, 1975

