



JOB SATISFACTION AND EMPLOYEE PERFORMANCE: A THEORETICAL REVIEW OF THE RELATIONSHIP BETWEEN THE TWO VARIABLES

Muna Ahmed Alromaihi, MBA Student, University of Bahrain, Kingdom of Bahrain

Zain Abdulla Alshomaly, MBA Student, University of Bahrain, Kingdom of Bahrain

Dr. Shaju George, Assistant Professor, Department of Management & Marketing, College of Business Administration, University of Bahrain, Kingdom of Bahrain

Abstract: *In today's increasing competitive environment, organizations recognize the internal human element as a fundamental source of improvement. On one hand, managers are concentrating on employees' wellbeing, wants, needs, personal goals and desires, to understand the job satisfaction. And on the other hand, managers take organizational decisions based on the employees' performance.*

The purpose of this study is to identify the factors influencing job satisfaction and the determinants of employee performance, and accordingly reviewing the relationship between them. This study is an interpretivist research that focuses on exploring the influence of job satisfaction on employee performance and vice, the influence of employee performance on job satisfaction. The study also examines the nature of the relationship between these two variables.

The study reveals the dual direction of the relationship that composes a cycle cause and effect relationship, so satisfaction leads to performance and performance leads to satisfaction through number of mediating factors. Successful organizations are those who apply periodic satisfaction and performance measurement tests to track the level of these important variables and set the corrective actions.

Keywords: *Satisfaction, Performance, Organizational behavior, Employee behavior, Productivity*

INTRODUCTION

In today's increasing competitive environment, Organizations face a lot of challenges. Indermun and Bayat (2013) stated that many organizations are struggling to be strong competitor to achieve its goals and objectives. Workforce now days are the organizational key success factor, therefore organizations put a lot of thought and effort to discover the



degree of employee satisfaction in order to enhance their productivity and attain overall organizations objectives (Indermun & Bayat, 2013). Therefore, organizations are concerned about the relations between employee and the level of satisfaction and considered to be critical issue in relation with organization performance and improvement.

Locke (1976) defined employee satisfaction as “[...] a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience.” There are many factors affect employees job satisfaction. Job satisfaction derives from intrinsic factors that are related to work itself or extrinsic factors which are related to instrumental values (Watson, 2012). While Aziri (2011) mentioned that job satisfaction is under the influence of many factors such as: The nature of work, salary, advancement opportunities, management, work groups and work conditions.

Understanding job performance for each employee is essential as organizational decisions are based on individual performance (Sonntag, Volmer, & Sychala, 2008), leading to an organizational success. Performance is defined as "behavior that accomplishes results" (Armstrong & Taylor, 2014) or whether an employee is doing well at his job or not (Javed, Balouch, & Hassan, 2014).

Employee performance is influenced by lots of determinants. Folami et al. (2005) used a job context model that classified the determinants into four groups, the individual factors, the task characteristics, the economic factors, and the organizational context.

Skibba (2002) stated that the relationship between job satisfaction and job performance is one of the most researched areas in organizational psychology sector. There are lots of researches tested the impact of job satisfaction on employee performance. Most of them indicated that there is an impact of job satisfaction on employee performance and there is an impact of employee performance on job satisfaction (Skibba, 2002). But, rarely of them emphasize on whether the impact is direct or indirect.

Accordingly, an explanatory interpretivist study is conducted to capture the reality of the relation between job satisfaction and employee performance in greater details. Numerous secondary data collection sources have been covered to get close understanding of the research subject and to look at previous researchers' work in the same domain.

This research paper composed of first, the literature review, where job satisfaction and performance aspects are demonstrated according to other researchers. Second, the



methodology chapter, where the research method and data sources are explained. Third, discussion and findings, where the relationship is examined and the hypothesis are discussed. Finally, the conclusion and recommendations.

LITERATURE REVIEW

1. Job Satisfaction in Literature

it's crucial to the management in order to improve organizational overall performance to understand job satisfaction (Putman, 2002). The definition of Job satisfaction is described by many authors. Some of the most commonly definitions are described in the text below.

Robert Hoppock made a huge contribution in defining job satisfaction and suggests important professional guidance in a time when job satisfaction research was in its early stages (Cucina & Bowling, 2015). Hoppock as cited in Aziri (2011) was one of the firsts who brought the term job satisfaction in to attention. He defined job satisfaction as “any combination of psychological, physiological and environmental circumstances that cause a person truthfully to say I am satisfied with my job”.

Job satisfaction was defined by Locke (1976) as “a pleasurable or positive emotional state resulting from the appraisal of one’s job and job experiences”. Saiyadain (2009) defined Job satisfaction as the “End state of feeling”. The Feelings could be either positive or negative depending on whether needs are satisfied or not (Saiyadain, 2009).

Job satisfaction is “a positive feeling about a job, resulting from assessing and evaluating its characteristics” (Robbins & Judge, 2013). People, who have positive feelings about their job, hold a high level of job satisfaction, while People, who have negative feelings about their job, hold a low level of job satisfaction (Robbins & Judge, 2013). Armstrong et al. (2014) defined Job satisfaction as “the attitudes and feelings people have about their work”. He stated that the indication whether a person is satisfied or dissatisfied depends on his attitude toward his job, a person who feels and think positively toward his job, then he’s satisfied and vice versa.

It is crucial to understand and recognize the human element in any organization. A successful organization usually sees an average worker as the root source of quality and productivity gains. Such organizations do not look to capital investment, but to employees, as the fundamental source of improvement(Gupta, Kaur, Gupta , Jain , & Sharma, 2012).



Job satisfaction is considered as one of the main factors that affect efficiency and effectiveness of business organizations. Now days' organizations and managements are concentrating on employees' wellbeing and focusing on understanding their wants, needs, personal goals and desires.

Satisfied employee is a happy employee and a happy employee is a successful employee. The importance of job satisfaction specially emerges to surface if had in mind the many negative consequences of job dissatisfaction such a lack of loyalty, increased absenteeism, increase number of accidents etc. (Aziri, 2011).

Job satisfaction has significant effect on organizational measures, such as customer satisfaction and financial measures. Hence achieve organizational success and competitiveness (Saari& Judge, 2004).

Spector (1997) lists three perspectives explaining the importance of assessing job satisfaction. First, the humanitarian perspective, organizations should be aware toward the importance of treating employees fairly and with respect. Second, utilitarian perspective, job satisfaction or dissatisfaction can have great influence on the employees' behavior which will affect the functioning and activities of the organization's business. Therefore, job satisfaction will result in positive behavior and vice versa, dissatisfaction from the work will result in negative behavior of employees. Third, job satisfaction may serve as indicators of organizational activities. Through job satisfaction evaluation in different organizational units, organizational unit changes that would boost performance could be made (Spector, 1997).

Job satisfaction is under the influence of a series of factors. Spector (1997) stated that Job satisfaction facets include: reward such as pay or fringe benefits, coworkers or supervisors, nature of work itself and the organization itself. While Aziri (2011) mentioned that job satisfaction is under the influence of many factors such as: The nature of work, salary, advancement opportunities, management, work groups and work conditions.

Many researches have discussed the Herzberg's two-factor model or motivation-hygiene theory which illustrates two factors that affect job satisfaction, intrinsic job satisfaction factors or the motivator satisfaction factors and extrinsic job satisfaction factors or preventing dissatisfaction factors. Intrinsic factors are derived from achievement, recognition, responsibility, advancement, growth, and the work itself. Although their



absence was not necessarily dissatisfying, when present, they could be a motivational force. While the hygiene factors or the extrinsic factors are supervision, working conditions, co-workers, pay, policies and procedures, job security, status, and personal life. They are not necessarily satisfying, but their absence could cause dissatisfaction (Aziri, 2011; Fugar, 2007).

Armstrong et al. (2014) has mentioned three levels of influencing factors that affect job satisfaction: first, the intrinsic motivating factors which relate to job content, especially the five dimensions of jobs or the job characteristics model: skill variety, task identity, task significance, autonomy and feedback. Second, the quality of supervision: supervision is the most important determinant of worker attitudes. Third, success or failure: success obviously creates satisfaction; on the other hand failure will definitely create dissatisfaction. When a person works hard and uses his maximum capabilities to prove to himself and to the others that he is capable, success and have the potential, it will boost his feelings and give him satisfaction. While another person who constantly fails to fulfill the tasks as it should be, it will create dissatisfactory emotions (Armstrong & Taylor, 2014).

According to Gupta et al. (2012) Job satisfaction is affected by four main variables: First, the individual factors, second, the social factors, third, the cultural factors. Last factor but not least is the organizational and environmental factors (Gupta, Kaur, Gupta, Jain, & Sharma, 2012).

Further variables that affect job satisfaction are psychological empowerment (Al-Hosam, Ahmed, Ahmed, & Joarder, 2016). Employee empowerment refers to the extent to which employees are having the incentive to carry responsibility and make decisions without referring to the management (Michailova, 2002). Flexible work arrangement (FWA) is another variable that can affect job satisfaction. FWA can be defined as "the extent of flexibility about the work timing, work location and how much one works" (Chen, 2015).

2. Employee Performance in Literature

Understanding the performance of each employee is essential as the crucial management decisions are based on individual performance (Sonnentag, Volmer, & Sychala, 2008), leading to an organizational success. Performance is defined as "behavior that accomplishes results" (Armstrong & Taylor, 2014). Individual job performance is defined as "things that people actually do, actions they take, that contribute to the organization's goals" (Campbell



&Wiernik, 2015). Moreover, performance behaviors are "the total set of work related behaviors that the organizations expect the individual to display" (Griffin, 2005).

Lots of researchers examine two types of individual job performance. First one is the task performance (Kappagoda, 2012) or the in-role performance (University of Minnesota Libraries Publishing, 2015), and the other is the contextual performance (Kappagoda, 2012) or the organizational citizenship behaviors (OCBs) (University of Minnesota Libraries Publishing, 2015). However, some researchers identified new types of job performance that is going to be defined in the following.

Robbins et al. (2013) listed three major types of behavior that constitute performance at work. The first one is task performance which is "performing the duties and responsibilities that contribute to the production of a good or service or to administrative tasks". The second type is citizenship which is the "actions that contribute to the psychological environment of the organization, such as helping others when not required, supporting organizational objectives, and treating co-workers with respect". While counter-productivity - as negative behaviors - are the "actions that actively damage the organization. These behaviors include stealing, damaging company property, and behaving aggressively toward co-workers (Robbins & Judge, 2013).

Sonnentag et al. (2008) added "adaptive performance" to the task performance and contextual performance, which refers to the flexibility and proficiency of integrating new learning experiences (Sonnentag, Volmer, & Spsychala, 2008).

The performance is a multi-dimensional concept that consists of two aspects: the behavioral (process) aspect and the outcome (result) aspects (Armstrong & Taylor, 2014). The behavioral aspect refers to "what people do at work", while the outcome aspect refers to the "results of the individual's behavior" (Sonnentag, Volmer, & Spsychala, 2008). Numerous studies have been conducted to differentiate between different aspects of job performance according to Sonnentag et al. (2008) and Campbell & Wiernik (2015). The importance of job performance extended to include both dimensions of the performance (Armstrong & Taylor, 2014).

The importance of job satisfaction and performance of the employees is not limited to a particular organization, whilst it is important for any types of organizations in the economy (Kappagoda, 2012). Working hard is essential for achieving the organizational goals and



objectives especially within the ever changing and evolving environment (Maulabakhsh, 2015).

All types of performance are crucial for the organization's interest. Kappagoda (2012) studied job satisfaction and its impact on task and contextual performance in the banking sector. He concluded that the job satisfaction and the task performance of the bank staff has a great impact on customer satisfaction and "ultimately they affect to achieve sustainable superior performance" (Kappagoda, 2012). Also, Paul (2016) concluded that because employee are the ones who interact with the customers in day to day basis and carry out the whole operations, their performance surely will maintain customer satisfaction (Paul, 2016). Contextual performance or citizenship enhances the organization's social network and the psychological environment that support technical task (Kappagoda, 2012).

In an environment of tension and division of labor- such as health care - the performance of employees is an important challenge, because it is closely related to aspects of effectiveness, quality, knowledge management, financing and development of the organization (Platis, Reklitis, & Zimeras, 2015).

It is interesting to note that any improvement happens in the individual level would contribute to a transformation in the organizations and community's levels as well. For example, spreading positive emotions among different elements of the chain or individuals, can transform organizations into more cohesive, more moral and more harmonious social organizations (Moccia, 2016).

University of Minnesota Libraries Publishing (2015) illustrates the major predictors (determinants) of job performance as: perceptions of organizational justice and interpersonal relationships, stress, and work attitudes, particularly job satisfaction. While Campbell & Wiernik (2015) argued that the direct determinants of performance are role-specific knowledge, skill, choice behavior regarding the direction, intensity, and duration of effort. However, Folami et al. (2005) used a job context model that classified the determinants into four groups, the individual factors, the task characteristics, the economic factors, and the organizational context.

Sonnentag et al. (2008) confirms that performance is a dynamic construct and that performance fluctuates within individuals and changes over time. So, the managers in the



organization need to apply periodical performance measurements or performance appraisal. There are lots of methods which can be used to assess the individual work performance but "there is no ultimate criterion or even one best way" (Campbell & Wiernik, 2015). Some of them is rating, samples, simulations, proxies and technology-enhanced assessment (Campbell & Wiernik, 2015). The existence of several measurement methods indicates the importance of capturing the level and kind of employee performance.

3. The Relationship Between Job Satisfaction and Employee Performance

There are lots of researches tested the impact of job satisfaction on employee performance. Most of them indicated that there is an impact of job satisfaction on employee performance since, there is a large impact of the job satisfaction on the motivation of workers, and the level of motivation has an impact on productivity, hence also on performance (Aziri, 2011). Kappagoda (2012) highlighted that the job satisfaction is one of the factors that affects the improvement of the task performance and conceptual performance.

Indermun and Bayat (2013) agreed that there is an undeniable correlation between job satisfaction and employee performance. They suggest that psychological and physical rewards have significant impact on job satisfaction. They believed that employees should be rewarded and motivated to achieve job satisfaction, which will eventually lead to a significant, positive impact on the efficiency and effectiveness of employees and thus, better overall performance (Indermun&Bayat, 2013).

Employee empowerment and work place environment have significant positive relationship to job satisfaction. Therefore, when an employee is given autonomy in business decisions and when he is given favorable and clean environment then his satisfaction level will rise. Accordingly, his performance level will rise too (Javed, Balouch, & Hassan, 2014).

According to Awan et al. (2014) There is a positive relationship between job satisfaction and employee performance with respect to pay package, security level, and the reward system. Employees' performance is best when they are satisfied with their pay package, feel secure about their job, and satisfied with the reward system (Awan &Asghar, 2014).

Job Satisfaction has a great influence on employee performance. Satisfied employees are valuable to their organizations because they perform better and they contribute to the overall goals and success of an organization, unlike dissatisfied employees who considered as a burden for any organization (Shmailan, 2016).



At the same time, there are some recent research evidence indicates that satisfaction may not necessarily lead to individual performance improvement (Aziri, 2011) especially in the volunteer work (Pugno&Depedri, 2009).

A lot of researchers argued that employee performance itself affects employee's level of job satisfaction. For example, Sonnentag et al. (2008) based their in-depth performance study on the idea that high performance results in satisfaction, feelings of self-efficacy and mastery. Job performance causes job satisfaction because job performance affects self-esteem (Pugno&Depedri, 2009). According to Platis et al. (2015) a large number of factors influence employee performance one of them is the job satisfaction.

And some researchers suggested that employee performance does not affects their level of satisfaction. Pugno et al. (2009) examines the relationship between job performance to job satisfaction by considering the roles of economic incentives such as reward and promotions. He ended up with a negative route from job performance to job satisfaction (Pugno&Depedri, 2009). Some researchers examine both job satisfaction and job performance together as one variable. Funmilola et al. (2013) discovered that job satisfaction dimensions jointly and independently predict job performance. While Folami et al. (2005) studied a job context model assumes that both performance and satisfaction are outcomes of same factors.

RESEARCH OBJECTIVES AND HYPOTHESES

The objectives of this study are:

1. To identify the factors influencing job satisfaction.
2. To identify the determinants of employee performance.
3. To review the relationship between job satisfaction and employee performance.

In order to achieve the study objectives, these are research hypotheses:

H1: Job satisfaction has a significant influence on employee performance.

H2: Employee performance has a significant influence on job satisfaction.

H3: Job satisfaction has a direct influence on employee performance and vice versa.

METHODOLOGY

To capture the reality of the relation between job satisfaction and employee performance in greater details, the interpretivist approach is employed in conducting this study all the way through reaching the research objectives. This method represents a better way to



cover vast amount of data and "gather non-numerical data to help explain or develop a theory about a relationship" (Heffner, 2016). Also, it is suitable for exploring hidden reasons behind complex social processes such as inter-firm relationships or behavior (Bhattacharjee, 2012).

Accordingly, three hypotheses have been defined based on the literatures. First two hypotheses assume the existence of the relationship between job satisfaction and employee performance. The third hypothesis assumes the nature of the influence whether it is direct or indirect.

This study is an explanatory research in nature, so it uses secondary data collection sources. Secondary data which "has previously been collected and tabulated by other sources" (Bhattacharjee, 2012) were used to get close understanding of the research subject and to look at previous researchers' work in the same domain. Text books, internet-based resources and electronic databases were used to find the necessary scientific background, journals, and articles.

To ensure the reliability of the study, lots of researches have been covered and the latest have been considered in this research. Farther more, different sectors have been included in this research such as banking, accounting and medical sectors. It is a good way to ensure that the results stand up on rigorous base.

DISCUSSION AND FINDINGS

The relationship between job satisfaction and employee performance has two directions. Thus, to examine the relationship, two assumptions or questions must be discussed. First, job satisfaction impact on employee performance. Second, employee performance impact on job satisfaction. Taking into consideration the factors and determinants which affect each variable.

Organizations would do well if they themselves investigate this significant relationship (Indermun&Bayat, 2013). Therefore, the job satisfaction and employee performance relationship has been the object of much researches. Robbins and Judge (2013) have indicated that job satisfaction has influence on employee productivity, absenteeism, and turnover. Job satisfaction affect organizational efficiencies, increase profitability and competitive advantages (Baylor, 2010).



Indermun et al. (2013) stated that Job satisfaction has a great influence on employee behavior. It affects the way the employees perceive their job and their organization. Lots of research evidence indicate the strong relationship between job satisfaction and employee performance and the great influence of job satisfaction on performance. Indermun and Bayat (2013) research showed strong correlation between job satisfaction and employee performance. They suggest that psychological and physical rewards have significant impact on job satisfaction. They believed that employees should be rewarded and motivated to achieve job satisfaction, which will eventually lead to a significant, positive impact on the efficiency and effectiveness of employees and thus, better overall performance (Indermun&Bayat, 2013).

Javed et al. (2014) agreed that job satisfaction affects employee performance. Employee's productivity is influenced by the level of employee satisfaction; thus, in turn impact on job performance. By discussing employee empowerment issue, its clearly appears that empowerment and work place environment have significant positive relationship to job satisfaction. Therefore, when an employee is given autonomy in business decisions and when he is given favorable and clean environment then his satisfaction level will rise. Accordingly, his performance level will rise too.

The high level of fair promotion, reasonable pay system appropriate work itself and good working condition leads to high level of employees' performance. In other words, employee's job satisfaction has positive impact on their performance. Existing alterative also proved this research conclusion. (Balasundaram&Brabete, 2010).

According to Gupta et al. (2012) and Shmailan (2016) there is large impact of job satisfaction on employee performance. Job satisfaction affect motivation of workers, while the level of motivation has an impact on productivity, and hence also on performance of business organizations. In addition, Platis et al. (2015) indicated that a large number of factors influence employee performance one of them is the job satisfaction. Kappagoda (2012) highlighted that the job satisfaction is one of the factors that have influence on the improvement of the task performance and conceptual performance.

At the same time, there are some recent research evidence indicates that satisfaction may not necessarily lead to individual performance improvement (Aziri, 2011) especially in the volunteer work (Pugno&Depedri, 2009). But since there are lots of researches tested the



impact of job satisfaction on employee performance and almost all of them indicated that there is an impact of job satisfaction on employee performance. The exceptional cases will not be generalized and the impact of job satisfaction and dissatisfaction on employee performance does exist. Accordingly, confirming the study first hypothesis:

H1: Job satisfaction has a significant influence on employee performance.

Once the influence of job satisfaction on employee performance has been proved, the other question still remains unanswered, which is: does employee performance has a significant influence on job satisfaction? The relationship between job satisfaction and job performance is not new in the psychology literature (Pugno&Depedri, 2009). A lot of researchers argued that employee performance itself affects employee's level of job satisfaction.

Sonnentag et al. (2008) based their in-depth performance study on the idea that high performance results in satisfaction, feelings of self-efficacy and mastery, where high performing employee most probably get promoted, awarded and honored and their career improvements are much better than those of moderate or low performing employees. Job performance causes job satisfaction because job performance affects self-esteem (Pugno&Depedri, 2009).

Aziri (2011) discussed models of job satisfaction which clearly show the positive relationship between job performance and job satisfaction. Some models express that the employee performance directly influences job satisfaction and some models express that employee performance has impact on his/her satisfaction through rewards (Intrinsic, Extrinsic). He places a special importance on the impact of rewards on job satisfaction. The researcher main idea is that employees in their work environment are under the influence of factors that cause either job satisfaction or dissatisfaction. Therefore, "the factors are divided into factors that cause job satisfaction (motivators) and factors that cause job dissatisfaction (hygiene factors)" (Aziri, 2011).

When researchers shifted the focus from job satisfaction, "which mainly relates to cognition", to a more general conception of happiness, "which mainly relates it to emotions and affect", a clear result has been obtained according to Pugno et al. (2009) that happy people are more successful on the job and vice versa. This conclusion is supported by Moccia (2016). Achievements or performance result in feeling happy, pleased, engaged or



feel meaningful, that in turn, result in employee satisfaction. Moccia (2016) concluded that the higher the level of happiness and positive emotions of workers, the stronger the link between job satisfaction and performance and other results (Moccia, 2016).

Moreover, according to Moccia (2016) organizational changes result in changes in the workplace that can positively or negatively influence the health, safety, and well-being of employees, which indirectly lead to a satisfied employee. Hence, performance indirectly influence satisfaction through enhancing the workplace especially "happiness" atmosphere.

The relationship between job satisfaction and job performance was investigated extensively long time ago, until an authoritative survey published in the 1980s concluded that the relationship was not quantitatively noticeable (Pugno&Depedri, 2009). Consequently, some researchers suggested that employees' performance does not affect their satisfaction or at least this assumption is not applicable in all cases.

Pugno et al. (2009) examines the relationship between job performance to job satisfaction by considering the roles of economic incentives such as reward and promotions. They suggested that relationship between job satisfaction and job performance should be studied within a framework where the two variables are clearly defined, and the interrelationship with other variables is carefully considered. The study ended up with a negative route from job performance to job satisfaction in some cases. When work effort is specifically addressed through self-reported evaluation, then a negative relationship is found. However, the same researchers indicated that negative relationship is weakened in the case of high occupational levels, and existence of team support (Pugno&Depedri, 2009). Some researchers examine both job satisfaction and job performance together as one variable. Funmilola et al. (2013) discovered that job satisfaction dimensions jointly and independently predict job performance. These researcher's testes the impact of pay, promotions, supervision, work field and working condition on both job satisfaction and employee performance (Funmilola, Sola, &Olusola , 2013). While Folami et al. (2005) studied a job context model assumes that both performance and satisfaction are outcomes of same factors. These factors are individual, economic, and organizational context and task characteristics. Thus, ignoring the relationship between satisfaction and performance or explicitly indicating the strong relationship between the two variables from both sides.



Since lots of researchers agreed on the strong relationship between employee performance and job satisfaction, in addition to weakening the argument about the negative route from job performance to job satisfaction, hence the second hypothesis is confirmed:

H2: Employee performance has a significant influence on job satisfaction.

Based on Nash (1985), Spector (1997), Rose (2003), Maniram (2007), Fuger (2007), Aziri (2011), Gupta et al. (2012), Watson (2012), Armstrong et al. (2014), Chen (2015) and A-Hosam et al. (2016) it can be concluded that the factors affecting job satisfaction are: individual factors such as personality, education, intelligence, age, marital status, achievement, recognition, growth, success, responsibility, orientation to work, the ability to work independently and creatively work conditions. Social factors such as relationships with co-workers, group working and norms, opportunities for interaction and informal relations, relationship with head of department (lower management), relationship with top management or supervision, prompt feedback and communication received from management and seniors, participate in decision making, autonomy, empowerment, the amount of praise received for outstanding efforts, the opportunity to voice your opinion. Farther more, cultural factors like the nature and size of organization, formal structure personnel policies and procedures, nature of work (skill variety, task identity, task significance), technology and work organization, supervision and styles of leadership, management systems, trainings provided, recognition for work done, flexibility of rules and procedures and working conditions. organizational and environmental factors which relates to economic, social, technical, governmental influences, pay or salary, remuneration received, prospects for promotions, upward movement and benefits staff receives.

The key determinants of employee performance can be clearly viewed from Folami et al. (2005) point of view. Folami et al. (2005) used a job context model that classified the determinants into four groups, the individual factors such as the employee education and experience, the task characteristics such as task identity and significance, the economic factors such as reward and opportunity cost, and the organizational context such as the organizational structure and the environmental uncertainty (Folami& Jacobs, 2005).

Consequently, job satisfaction and employee performance shares the same factors and determinants. These factors and determinants are grouped into individual, cultural, social,



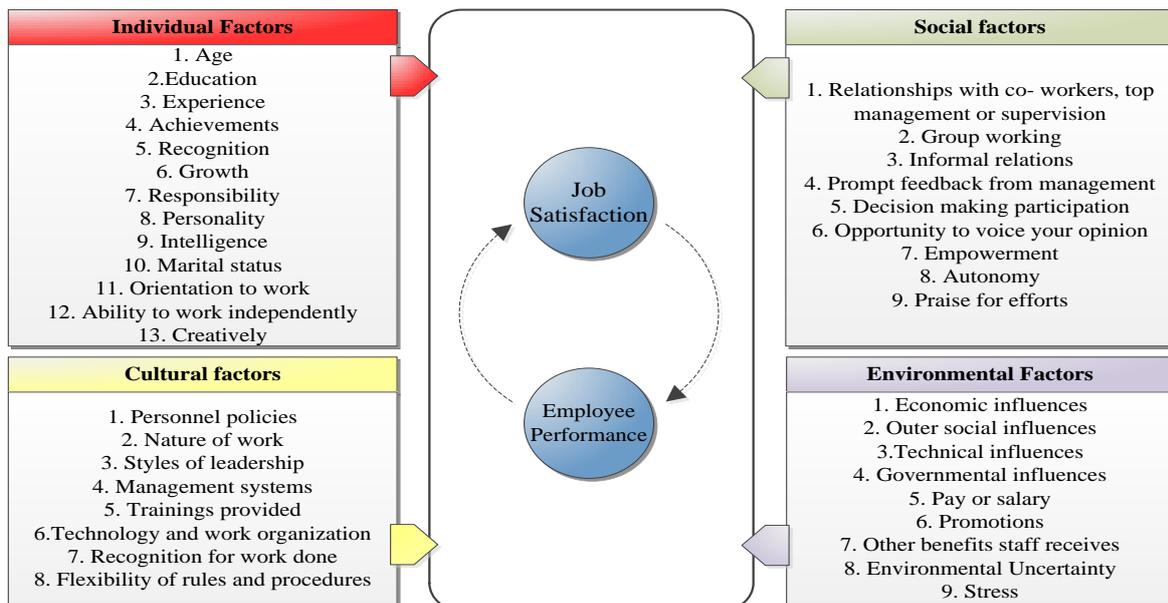
organizational or environmental factors according to Gupta et al. (2012) and Folami et al. (2005). Making each one of the variables a factor for the other.

Focusing on the nature of the relationship between job satisfaction and job performance, shows that sometimes satisfaction has influence on performance through productivity (Aziri, 2011), absenteeism, turnover (Robbins & Judge, 2013), or even through happiness at work (Gupta, Kaur, Gupta, Jain, & Sharma, 2012). Also, performance may affect satisfaction through reward (Aziri, 2011) or through creating positive workplace (Moccia, 2016).

Therefore, the existence of some mediating factors set in the middle between job satisfaction and employee performance proves that job satisfaction has indirect influence on employee performance and employee performance has indirect influence on job satisfaction. Hence, the third hypothesis has not been confirmed:

H3: Job satisfaction has a direct influence on employee performance and employee performance has direct influence on job satisfaction.

The Cyclic Relationship Between Job Satisfaction and Employee Performance



Accordingly, the research ended up with the following research model. This model simplifies the relationship between job satisfaction and employee performance. It shows the common factors which influence the relationship between the two variables. These factors are individual, cultural, social, organizational or environmental factors. Moreover, the model shows the dual direction of the relationship that, as illustrated, composes a cycle cause and effect relationship. The dotted line between the two variables indicate that both variables



have indirect influence on one another. So, satisfaction leads to performance and performance leads to satisfaction through mediating factors.

CONCLUSION AND RECOMMENDATIONS

In today's increasing competitive environment, organizations face a lot of challenges. Indermun and Bayat (2013) stated that many organizations are struggling to be strong competitor to achieve its goals and objectives. Workforce now days are the organizational key success factor, therefore organizations put a lot of thought and effort to discover the degree of employee satisfaction in order to enhance their performance and attain overall organizations objectives (Indermun&Bayat, 2013).

On one hand, job satisfaction is considered as one of the main factors that affect efficiency and effectiveness of business organizations, because job satisfaction has significant effect on organizational measures, such as customer satisfaction and financial measures (Saari& Judge, 2004). On the other hand, understanding job performance for each employee is essential as important organizational decisions are based on individual performance (Sonntag, Volmer, & Sychala, 2008), leading to an organizational success.

Both job satisfaction and employee performance has their own factors and determinants. Some of them are individual, cultural, social, organizational and environmental factors according to Gupta et al. (2012) and Folami et al. (2005). Making each one of the variables a factor for the other.

This explanatory interpretivist study is conducted to capture the reality of the relation between job satisfaction and employee performance in greater details. Numerous secondary data collection sources have been covered to get close understanding of the research subject and to look at previous researchers' work in the same domain.

The researcher under the project limited duration managed to prove that job satisfaction has a significant influence on employee performance and employee performance has a significant influence on job satisfaction. Regarding the nature of the relationship, the study proves that both variables have an indirect influence on one another through mediating factors and ended up with a model that illustrated a cycle cause and effect relationship between the two variables.

The findings of the study may be limited because the research indicated the indirect influence through just highlighting the mediating factors that stand in the middle between



job satisfaction and employee performance. This research is explanatory in nature so it relies on explaining the phenomena more than gathering empirical data. Hence, for further research, researchers need to focus on identifying the middle factors between job satisfaction and employee performance and quantitative methods are suggested.

Based on the research findings, the researchers recommend managers to pay attention on providing employees with satisfying rewards and benefits since they are the most common effective factors on job satisfaction. Also, managers must ensure creating a work atmosphere full of happiness as much as possible because happiness found as a mutual factor that positively affect satisfaction and performance. The organization need to increase the training and development programs that boost the level of task performance and satisfy employees different needs. The important of job performance extended to include both the behavioral aspect and the outcome aspects, and both task and contextual performance. Therefore, the decision makers needed to consider them when they are evaluating the performance. Finally, periodic satisfaction and performance measurements test must be applied to track the level of these important variables and set the corrective actions.

REFERENCES

1. Al-Hosam, A., Ahmed, S., Ahmed, F., & Joarder, M. (2016). Impact of transformational leadership on psychological empowerment and job satisfaction relationship : acase of Yemeni Banking. *Binus Business Review*.
2. Armstrong, M., & Taylor, S. (2014). *Armstrong's handbook of human resource management practice* (13 ed.). London: Michael Armstrong. Retrieved 10 15, 2016.
3. Awan, A., & Asghar, I. (2014). Impact of employee job satisfaction on their performance... a case study of banking sector in Muzaffargarh district, Pakistan. *Global Journal of Human Resource Management*, 2(4), 71-94.
4. Aziri, B. (2011). Job Satisfaction: A Literature Review. *Management Research and Practice*, 3(4), 77-86. Retrieved 10 11, 2016.
5. Balasundaram, N., & Brabete, V. (2010). Job satisfaction and employees work performance: case study of peoples bank in Jaffana Peninsula, Sri Lanka. *Article in Management & Marketing*, 43-47. Retrieved October 11, 2016.
6. Baylor, K. (2010). The Influence of Intrinsic and Extrinsic Job Satisfaction Factors and Affective Commitment on the Intention to Quit for Occupations Characterized by



- High Voluntary Attrition. *Nova Southeastern University NSUWorks, H. Wayne Huizenga School of Business and Entrepreneurship.*
7. Bhattacharjee, A. (2012). *Social Science Research: Principles, Methods, and Practices* (2 ed.). Florida, USA: Textbooks Collection. Retrieved 10 26, 2016.
 8. Campbell, J., & Wiernik, B. (2015). The Modeling and Assessment of Work Performance. *The Annual Review of Organizational Psychology and Organizational Behavior, 2*, 47 - 74. Retrieved 10 14, 2016.
 9. Chen, Y. (2015). The link between flexible work arrangements and employee work outcome: a multilevel model. *The State University of New Jersey.*
 10. Cucina, J., & Bowling, N. (2015). Robert Hoppock: Early Job Satisfaction and Vocational Guidance Pioneer. *The Industrial-Organizational Psychologist, 53*(2), 114.
 11. Dailey, R. (2012). *Organisational Behavior*. Edinburgh Business School Heriot-Watt University.
 12. Folami, L., & Jacobs, F. (2005). The Joint Effect Of Task Characteristics And Organizational Context On Job Performance: A Test Using SEM. *Journal of Business & Economics Research, 3*(7), 25-40. Retrieved 10 6, 2016.
 13. Fugar, F. (2007). Fredrick Herzberg motivation-hygiene theory revised: the concept and its applicability to clergy. *Journal of science and technology, 27*(1).
 14. Funmilola, O., Sola, K., & Olusola, A. (2013). Impact Of Job Satisfaction Dimensions On Job Performance In A Small And Medium Enterprise In Ibadan, South Western, Nigeria. *Interdisciplinary Journal of Contemporary Research in Business, 4*(11), 509-521. Retrieved 10 11, 2016.
 15. Griffin, R. (2005). *Management* (8 ed.). New York: Houghton Mifflin Company.
 16. Gupta, K., Kaur, S., Gupta, P., Jain, L., & Sharma, S. (2012). Impact of Job Satisfaction on Employee Performance, a Challenge for HR Managers in Changing Environment. *International Journal of Scientific Research and Reviews, 1*(3), 88-95.
 17. Heffner, C. (2016). *Qualitative Research*. Retrieved 10 26, 2016, from AllPsych.
 18. Indermun, V., & Bayat, M. (2013). The Job satisfaction-Employee performance relationship: a theoretical perspective. *International journal of Innovative Research in Management, 11*(2), 1-9.



19. Javed, M., Balouch, R., & Hassan, F. (2014). Determinants of Job Satisfaction and its Impact on Employee Performance and Turnover Intentions. *International Journal of Learning & Development*.
20. Kappagoda, S. (2012). Job Satisfaction And Its Impact On Task And Contextual Performance In The Banking Sector In Sri Lanka. *1st International Conference on Management and Economics 2012*. Sahiwal: COMSATS Institute of Information Technology. Retrieved 10 14, 2016.
21. Locke, E. (1976). *The handbook of Industrial and Organisational Psychology*. New York, Wiley.
22. Maniram, R. (2007). An investigation into the factors affecting job satisfaction. KwaZulu Natal Further Education and Training College – SWINTON CAMPUS. Retrieved October 12, 2016.
23. Maulabakhsh, A. (2015). Impact of Working Environment on Job Satisfaction. *2nd Global Conference on Business, Economics, Management and Tourism*.23, pp. 717 – 725. Prague: Procedia Economics and Finance. Retrieved 11 1, 2016.
24. Michailova, S. (2002). When common sense becomes uncommon: participation and empowerment in Russian companies with Western participation. *Journal of World Business*.
25. Moccia, S. (2016). Happiness At Work. *Psychologist Papers*, 37(2), 143-151. Retrieved 11 1, 2016.
26. Nash, M. (1985). *Managing Organizational Performance*. Jossey-Bass, an Francisco, CA. Retrieved October 11, 2016.
27. Paul, T. (2016). *Job Satisfaction of National Bank Limited: A Case Study of Kaliakoir Branch, Gazipur*. Internship Report, University of Dhaka, Department of Management, Dhaka. Retrieved 11 1, 2016.
28. Platis, C., Reklitis, P., & Zimeras, S. (2015). Relation between job satisfaction and job performance in healthcare. *Procedia - Social and Behavioral Sciences*(175), 480 - 487. Retrieved 10 12, 2016.
29. Pugno, M., & Depedri, S. (2009). Job performance and job satisfaction: an integrated survey. Retrieved 10 11, 2016.



30. Putman, D. (2002). Job Satisfaction and Performance Viewed From a Two Dimensional. *The Journal of Defense Software Engineering*.
31. Robbins, S., & Judge, T. (2013). *Organizational behavior* (15th ed.).
32. Rose, M. (2003). Good deal, bad deal? Job satisfaction in occupations. *Work, Employment and Society*, 17(3), 503–530.
33. Saari, L., & Judge, T. (2004). Employee Attitudes and Job satisfaction. *Human Resource Management*, 43(4), 395–407. Retrieved November 19, 2016.
34. Saiyadain, M. (2009). *Human Resource Management* (4th ed.).
35. Shmailan, A. (2016). The relationship between job satisfaction, job performance and employee engagement: An explorative study. *Issues in Business Management and Economics Original Research Article*, 4(1), 1-8.
36. Skibba, J. (2002). Personality and job satisfaction.
37. Sonnentag, S., Volmer, J., & Spychala, A. (2008). Job Performance. (B. Julian, Ed.) *SAGE*, 1, 427- 447. Retrieved 10 14, 2016.
38. Spector, P. (1997). *Job Satisfaction: Application, Assessment, Causes and Consequences*. London.
39. University of Minnesota Libraries Publishing. (2015). *Principles of Management* (2015 ed.). Minneapolis: University of Minnesota.
40. Watson, T. (2012). *Sociology, Work and Organization*. London: Routledge.