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The Impact of Job Satisfaction, Job Attitude and Equity on Employee Performance

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Abstract:

Studies conducted in the past related to employee performance adopts few variables in their studies, for instance, many studies concentrate on job satisfaction and performance while ignoring other important aspect like job attitude and equity. Therefore study adopts the combination of job satisfaction, job attitude and equity as the independent variable to employee performance from previous empirical and theoretical studies. The study seeks to come up with a conceptual framework that will serve as a basis for understanding how job satisfaction, job attitude and equity influence performance of employees in the workplace. Based on the reviewed literature, the study concludes that there is a positive relationship between job satisfactions, job attitude, and equity in the performance of an employee an organization.

Keywords: *Employee performance, job satisfaction, job attitude, equity and organization*

1. Introduction

Employee performance has always been a major challenge in organizational management. Adopting effective ways to motivate employees to achieve and deliver higher job performance as well as increase the organizational competitiveness is the main objective of every business organization (Lee & Wu, 2011). Employee performance is instrumental to organizational growth and profitability. The employees are regarded as the major business resources that facilitate the daily activities and operations of an organization (Mudah, Rafiki & harahap, 2014). Similarly, Omolayo, & Oluwafemi, (2012) asserted that organizational effectiveness and efficiency depends on how effective and efficient the employees in the organization are. In order to achieve higher employee's performance, effective motivational tools should be adopted by managers of organizations as the performance of employees determine the level of organizational performance in general.

Understanding the level of employee satisfaction and attitude towards their assigned tasks and responsibilities as well as the level of fairness and equity between them will help managers of organization in carrying out their collective responsibilities more effectively. Job satisfaction is seen as a combination of positive or negative feelings that workers have towards their work, when an individual is employed in a business organization, the employee brings with it the needs, desires and experiences which determine expectations that he has dismissed. Job satisfaction represents the extent to which expectations are and match the real awards (Aziri, 2011).

In most cases today most employees feel less satisfied with their jobs which result of poor job attitude, thereby affecting the overall performance of the organization. Those who perceive justice in their organization are more likely to feel satisfied with their job and feel less likely to leave and feel more committed to their job (Arti, Kuldeep& Ekta, 2009).

However, such dissatisfaction and poor attitude may be as a result of a feeling of inequity among the employees. This therefore implies that employee's performance can be determined by level of employee satisfaction on the job which will serve as a catalyst on the employee attitude resulting to equity and fairness. According to (Vandenabeele, (2009) positive emotions such as a feeling of satisfaction would bring about higher performance, especially when regarding performance as being broader than simple task performance. It's also pertinent to note that good pay package conducive working environment and equal level playing ground among employees can bring about a positive job attitude and their combination will also determine the performance of employees in their workplace.

This study, however, seeks to identify the relationship between job satisfactions, job attitude, and equity on employee performance, thereby emphasizing on their respective significance and influence on employee performance.

2. Literature review

2.1. Employee Performance

Employee job performance has always been an important concern for managers of organizations (Kelidbari, Dizgah, & Yusefi, 2011). Similarly, employee performance is an important building block of an organization therefore, factors that lay the foundation for high

performance must be analysed critically by the organizations for them to succeed (Abbas & Yaqoob, 2009). Also, Wu & Lee, (2011), defined job performance as employees' overall performance in meeting the expected quality and achievement of tasks under the policy and time requirements of the organization. Similarly Liao, Lu, Huang & Chiang (2012), define job performance as the benchmark for promotions, redundancy, rewards, punishments, reviews and salary adjustments. Ahmad & Shahzad (2011), also argue that employee performance represents the general belief of the employees about their behaviour and contributions towards the success of the organization.

Anitha (2013) defines employee performance as an indicator of financial or non-financial outcome of the employee that has a direct relationship with the performance of the organization and its success and further mentioned working environment, leadership, team and co-worker relationship, training and career development, compensation programme, policies and procedures and workplace wellbeing as well as employee engagement are major factors that determine employee performance. However, a study conducted by Alagaraja & Shuck (2015), aimed to explore existing perspectives of organizational alignment and employee engagement in order to understand factors associated with enhancing individual performance argue that employee performance can be enhanced through training and development.

Based on the above the above definitions therefore, employee performance can be referred to as the extent in which an employee carry out assigned duties and responsibilities. It entails the level of efficiency and effectiveness of an employee towards accomplishing assigned task.

Furthermore, Thomas & Feldman, (2010) adopted measures of employee performance as core task performance, which includes in-role performance, safety performance, and creativity, followed by citizenship performance, categorized into both targets-specific and general organizational citizenship behaviours and lastly, counterproductive performance that consists of general counterproductive work behaviours, workplace aggression, substance use, tardiness, and absenteeism.

Moreover, employee performance brings about innovation performance and firm performance as a whole, in such a way successful effort of satisfied, motivated, and committed human resources generate innovative ideas for new products or services and improve quality performance, operating performances, and customer satisfaction directly (Sadikoglu & Zehi 2010).

Employee performance is, therefore, paramount in order to achieve organizational objective. The employee needs to be motivated accordingly in such a way that it will bring about higher satisfaction thereby enhancing employee and organizational productivity.

2.2. Job Satisfaction and Employee Performance

Job satisfaction is one of variables of paramount importance in the field of organizational behaviour and psychology, it simply means one's general attitude to the job (Chen, Zhao & Liu, 2012). Job satisfaction represents one of the most daunting areas being faced by today's managers when it comes to managing their employees. Also, Tansel & Gazioğlu, (2010) further stated that job satisfaction is a primary policy priority in any organization. Previous studies have demonstrated an unusually large impact on the job satisfaction on the motivation of workers, while the level of motivation has an impact on productivity, and hence also on performance of business organizations (Aziri, 2011).

Job satisfaction is defined by Robbins & Judge, (2013) as "a positive feelings about one's job resulting from and evaluation of its characteristics. Armstrong, (2006) defines job satisfaction to the attitude and feelings individuals towards their work. While positive and favourable actions towards the job shows a level job satisfaction, negative and unfavourable attitudes towards the job indicate job dissatisfaction. Job satisfaction is a worker's sense of success and achievement on the job. It is perceived to be directly linked to productivity as well as to personal well-being.

Job satisfaction implies doing a job one enjoys, doing it well and being rewarded for one's efforts (Aziri, 2011). Job satisfaction plays a critical role in relations to employee performance, and to some degree on employee's wellbeing and to the organizations in relations of its productivity, efficiency, employee relations, absenteeism and turnover (Dugguh & Dennis, 2014). Job satisfaction can, therefore, be seen as the point in which an employee feels contented and fulfilled with assigned duties and role as well as the laid down policies of the workplace as it relates to a promotion, salaries, training, leave and other rewards.

Rose, Kumar, & Pak, (2011) in a study aim to examine the relationship organizational learning, organizational commitment, job satisfaction and work performance using a sample of public service managers in Malaysia conclude that organizational learning was found to be positively related to organizational commitment, job satisfaction, and work performance. Similarly, Raza, Rafique, Ali, Mohsin, & Shah, (2015) also conduct a study with the objective of examining the connection between job satisfaction and sales person performance with adaptive selling behaviour of organizations, reveals that that there is a strong association of sales person performance and job satisfaction.

Therefore, Job satisfaction can be considered as one of the major factors when it comes to efficiency and effectiveness of employees. In reality the new managerial paradigm which makes a necessity that employees should be treated and considered primarily as human beings that have their own wants, needs, and personal desires are a very good indicator for the importance of job satisfaction in contemporary companies. When analysing job satisfaction the logic that a satisfied employee is a happy employee and a happy employee is a successful employee (Aziri, 2011).

2.3. Job Attitude and Employee Performance

Job attitudes play a vital role and function in influencing the work behaviours of employees' in organizations. Therefore, the need to understand, measure, and enhance employee attitudes is significant for the organizations of today. As individuals have personalities, so, too, do organizations. Organizations, like people, can be categorised and viewed as rigid, friendly, warm, innovative, conservative

or otherwise. Such traits, as well, can serve as factors to predict attitudes and behaviours of the people within these organizations (George & Jayan, 2013).

Liao et-al, (2012) define job attitude as be a set of attitude and thoughts toward work, and such attitudes and thoughts are reflected in the form of work involvement and organizational commitment. Based on this definition, therefore job attitude can be viewed as actions and inactions of employee towards their work. Josephat & Ismail, (2012) in a study aimed at measuring job and work attitude of an employee in an organization, found that there are five factors which influence employee job and work attitude. These are satisfaction, independence, teamwork, freedom of expression and supervisory relationship.

However, in a study conducted by Liao et-al, (2012) aims to explore whether there was a significant correlation between work values, work attitude and job performance with the moderating role of leadership of employees in the green industry in Taiwan finds out that work attitude of employees in the green energy industry has a mediating effect on their work values and job performance.

Moreover, Pandey, Soodan, & Jamwal (2014) in an attempt to explore employee's attitude towards job related factors in rural intervention organizations in India finds out that there is a significant relation of employee productivity and factors which are related to the job. A positive attitude strengthens employee performance, thereby encouraging creativity and productivity. Therefore, if employees have more positive attitudes to the organization their productivity rises and, everything else being equal, the organization will be more resourceful and effective (George & Jayan 2012).

Based on the above literature, one can therefore, assert that job attitude consist of a certain behaviour or action which employee portrays in regards to his/her job and such action or behaviour may have an influence how such employee carry out assigned responsibility thereby determining the performance of the employee.

2.4. Equity and Employee Performance

Adams' theory of equity asserts that employees strive for equity among themselves and other workers. Equity is realised when the ratio of employee outcomes over inputs is equal to another employee outcomes over inputs (Adams, 1965). Robbins, (2013), argues equity theory identifies that individuals are concerned not only with the total amount of rewards they receive for their efforts, but also with the connection of this amount to what others collect. They make a verdict as to the relationship between their inputs and outcomes and the inputs and outcomes of others. Equity theory envisages that employees gauge the fairness of rewards by matching outcomes with inputs. Outcomes consist of salary, base pay, incentives, benefits, working conditions, or anything received in exchange for services. Inputs comprise education or expertise, effort expended, and other contributions employees believe should be rewarded (Day, 2015).

In a study conducted by Aidla, (2013) aimed at examining how perception of negative inequity at work influence individual behaviour at work adopted fairness, unfairness and situation as indicators for measuring inequity. However, the study concludes that employees change their outcome when they experience inequity which can result in decreased performance. In most cases, if managers simply talked with their subordinates and explained what was needed at a given time to get a certain level of performance, or how a given amount of monies was dispersed, their employees would be more likely to comprehend and neither reduce their output nor intend leaving the organization (Bell & Martin, 2012).

Sharma, Borna & Steams, (2010) suggests that if employees value fair treatment by the organization and perceive that they are indeed treated fairly, they will be committed to the organization and thus feel obliged to reciprocate by providing something of value in return. Similarly, Nadiri, Tanova, (2010) suggest that the fairness of personal outcomes that employees receive may have more impact on their performance and turnover intentions.

Gino and Pierce (2009) opined that distress in a perceived inequity can lead to a different emotional reaction that motivate individual to dishonestly favour or hurt others which further shows that negative inequity may produce feelings of envy towards referent other, and these feelings, might motivate individual to hurt the referent other through dishonest behaviour. Conversely, positive inequity, may generate guilt that, in turn, might motivate the individual to dishonestly help the referent other. This, however, shows that both over reward and under reward create an emotional feeling between workers in an organization.

Therefore, equity emphasizes on the need for an employee to be given fair treatment and judgement concerning contributions and effort made by the employee towards attaining overall organizational objective. This implies that such perceived equity may tend to boost the performance of the employee, thereby developing a sense of belonging in the workplace.

Therefore, to summarise equity in relation to employee performance, one can assert that what employee perceived as equity that is fairness in the workplace might enhance employee performance while on the other hand what is perceived as unjust and unfair may hinder employee performance.

2.5. Theoretical Framework

Victor H. Vroom's Expectancy Theory (1964) is adopted in order to support the literature for the study. Expectancy theory argues that the strength of one's propensity to behave in a certain way depends on the expectation of the outcome the behaviour or action as well as how attractive its (Robbins et-al, 2013). Vroom's theory is centred on the conviction that employee effort will result in performance and performance will lead to rewards (Vroom, 1964).

However, expectancy theory is a cognitive process theory of motivation that is based on the idea that employees perceive that there are links between the effort they put forth at work, the performance they achieve from that effort, and the rewards they obtain from their effort and performance, (Lunenburg, 2011). Further, Robbins & Judge (2013) suggested that expectancy theory focuses on three relationships that includes, effort- performance relationship, performance- reward relationship and personal goal relationship.

Therefore, expectancy theory supports the assertion that the employee performs based on an expected outcome and depending on the outcome of such performance, the level of job satisfaction is determined. This implies that if an employee performance and expected result, it will enhance his/her job satisfaction, thereby increasing the level of performance of an employee. Also, as mentioned employee effort on the job determine performance and in such situation the employee expects a reward from the organization which will determine the level of satisfaction. By implication higher rewards result in higher job satisfaction and increased performance level, whereas lower rewards demoralises an employee, thereby resulting to job dissatisfaction which will bring about decreased performance.

The level of satisfaction or dissatisfaction derived from a particular job also has a great influence on employee behaviour. This implies that employees whose effort and performance meet their expected reward may tend to have a higher job satisfaction and positive job attitude, on the other hand employees whose effort and performance does not meet their expected reward, develop a negative behaviour which can hinder their performance.

Furthermore, empirical studies conducted by (Vandenabeele, (2009), conclude that there is positive relationship between job satisfaction and employee performance. Aidla, (2011), in an empirical paper aimed at finding out how inequity influence behaviour suggests that there is a positive relationship between equity and employee performance. Another study conducted by Liao et-al, (2012) using an empirical approach also finds out that there is a positive relationship between job attitude and employee performance.

Based on the above theory and empirical studies conducted, the preposition of the study is thus presented below.

- Preposition 1: There is a positive relationship between job satisfaction and employee performance.
- Preposition 2: There is a positive relationship between job attitude and employee performance.
- Preposition 3: There is a positive relationship between equity and employee performance.

2.6. Research Framework

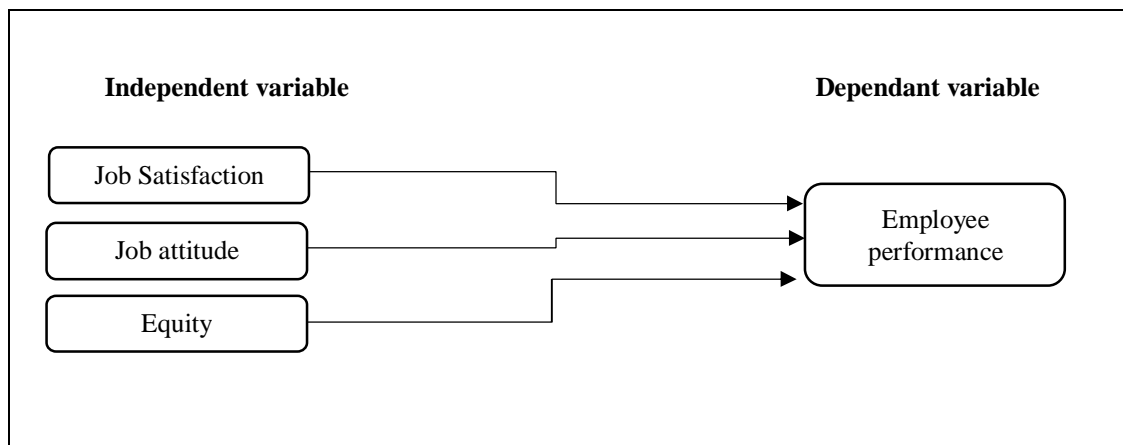


Figure 1

Source: (Vandenabeele (2009), Aidla (2011) & Liao et-al (2012)

3. Conclusion and Discussion

Employees with high level of performance tend to be more efficient and effective in carrying out their respective roles. They embrace their work and workplace wholeheartedly and render services required by them timely. This, however, shows that both their intrinsic and extrinsic values has been met by the organization.

Further, it is generally believed that employee performance can be determined by the employee's level of job satisfaction, attitude on the job as well as perceived fairness as asserted in the study of (Vandenabeele, (2009), & Liao et-al, (2012)). Such factors are interrelated to one another in such a way that one may lead to the other, for instance, higher level of satisfaction on the job may eventually result to good or positive job attitude which will result in higher performance. Likewise, in a situation where by an employee perceives equity in the workplace, it may also lead to higher performance on the other round if the employee perceives inequity or unjust treatment by the employer than it may tend to result to decrease in productivity of the employee (Aidla, 2011).

The study, therefore, concludes that the employee should be given top priority in organizational decision making due to the fact that they have a very important role to play in achieving organizational goals and objectives. Fairness should consider when it comes to issues like promotion, pay, recognition, and other important factors, so that employers will remain motivated thereby increasing productivity level.

Furthermore, the study will make managers and organizations to further recognize the significance of employees in the workplace and ensure that employees are satisfied with their jobs through just and fair treatment that will bring about positive job attitude.

However, one of the limitations of the study is that it did not adopt any empirical measures to weigh the reliability and validity of the findings. Therefore, further studies can use empirical analysis to test the validity and reliability of the concepts discussed in the study.

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