

Job Satisfaction and Employee Performance: Evidence from the Banking Sector of Istanbul

Muhammad Muzammil Ghayas¹, Muhammad Abbas²

¹Lecturer, IQRA University, muzzammilghayas87@gmail.com

²Student, IQRA University, abbasdhodiya@gmail.com

ARTICLE DETAILS	ABSTRACT
<p>History <i>Received: January 2021</i> <i>Available online: June 2021</i></p> <p>Keywords <i>Employee Performance</i> <i>Job Satisfaction</i> <i>Coworkers' Attitude</i> <i>Supervisor's Support</i> <i>Promotional opportunities</i></p>	<p>Purpose: This research seeks to explain the association between Job Satisfaction facets and Employee Performance in the banking sector of Istanbul.</p> <p>Methodology: To measure job satisfaction, we used 6 variables; these include Compensation, Coworkers' Attitude, Nature of Work, Supervisor's Support, Promotional Opportunities, and Communication. Whereas, Employee Performance has been used as the dependent variable in this research study. Two separate instruments were used for measuring the variables used in the study. In this regard, 350 sets of questionnaires were distributed to the employees of Istanbul's banking sector and their supervisors. 306 useable sets of questionnaires were received and were used for the study. The statistical techniques that were used are the Confirmatory Factor Analysis and Multiple Regression Analysis.</p> <p>Findings: Results indicate that job satisfaction facets namely promotional opportunities, nature of work, co-workers' attitude, compensation, supervisor's support, and communication have a significant association with employee performance</p> <p>Conclusion: This study concludes that job satisfaction is a multi-facet construct. Furthermore, these facets are found to be related to employee performance. Hence, managers in the banking sector of Istanbul should focus on enhancing the level of job satisfaction for increasing employee performance</p>

1. Introduction

Globalization has made the business world more complex than what it was ever before. Therefore, businesses are facing the challenge of survival (Khan, Ghayas & Kashif, 2019). This situation has made the process of building a competitive edge a bit complex. Hence the art of sustaining a business has become much more difficult than it had ever been before. While finding the ways to create a competitive edge; the businesses recognized the importance of the human resources. Arguably, happy and satisfied employee can be proven as the biggest asset of an organization. Koustelios (2001) argued that as people spend more time in work and it provides the basis of their lives, thus, job satisfaction has become an important research area. Therefore, increased level of job satisfaction is believed to have been encouraging the employees to carry out their work activities in an effective manner. Hence increasing levels of job satisfaction can be proved to be helpful while trying to enhance the employee productivity which in turn can be helpful in the quest to build a sustainable competitive edge.

On the other hand, researchers have favored the view that job satisfaction is not something that can be studied in isolation and thereby tried to find its determinants. A number of job satisfaction facets have been identified by the previous researchers (Al-Ahmadi, 2002; Chen, 2006; Salleh, Nair & Harun, 2012; Rahman & Long, 2014). Many dimensions of job satisfaction have been discussed in previous research which includes dimensions such as promotion, supervisor support/leader support, colleague support, compensation and many other factors that have been discussing in different studies (Pantha 2020). Therefore, this research aims to study the association between the previously identified job satisfaction facets and the employee performance, where, employee performance suggests that how well a worker performs there in terms of productivity and effectiveness, having a good productivity and effectiveness level reduces the errors in production and increase the overall productivity of the firm (Vorina, Simonič, & Vlasova, 2017).

A great number of researchers have analyzed job satisfaction (Halcomb & Bird, 2020; Wang, Xu, Zhang, & Li, 2020; Labrague, Nwafor, & Tsaras, 2020). Few have even studied the relationship between job satisfaction and employee performance (Badrianto & Ekhsan, 2020). However, to the best of researchers' knowledge, no research has been conducted that seeks to explain the relationship between job satisfaction facets and employee performance in Istanbul's banking sector. Therefore, this research seeks to explain the relationship between job satisfaction facets and employee performance in Istanbul's banking sector.

The study will be helpful in making the HR professionals understand that how different facets of job satisfaction affect the employee performance in Istanbul's banking sector. This understanding will be helpful in analyzing the importance of different facets of job satisfaction and their role for enhancing the employee performance.

2. Literature Review

2.1. Job Satisfaction

Koustelios (2001) argued that work is the basis of one's life because when the time spent at work is compared with the time spent on other things, it can be seen that people spend most of the time at work. Therefore, satisfaction at work is important for any individual. Hence, researchers (Toropova, Myrberg, & Johansson, 2021) have studied job satisfaction as one of the most important determinants of work related outcomes.

On the other hand, there are two ways to measure job satisfaction. The first way is to measure the overall job satisfaction, whereas, others argue that there are a number of aspects of one's job which may motivate or demotivate the employees. Hence, they argue that job satisfaction should be measured in terms of these factors of job rather than measuring it in terms of overall job satisfaction.

2.2. Facets of Job Satisfaction

Since, researchers have asserted that there can be two ways of measuring job satisfaction which are measuring the overall job satisfaction or measuring it through different aspects of one's job which may motivate or demotivate the employees. Hence, they argue that job satisfaction should be measured in terms of these factors of job rather than measuring it in terms of overall job satisfaction. Furthermore, since it is assumed that measuring different aspects of job provides better picture than that of measuring the overall job satisfaction, therefore, the study measures the job satisfaction in terms of its facets.

In this regard, six job satisfaction facets have been identified in the previous researches. Since satisfaction or dissatisfaction with monetary rewards/compensation is the first thing that comes into minds when we talk about job satisfaction, therefore it was an obvious that the researchers (Saba, 2011; Toker, 2011; Yvonne, Rahman and Long, 2014) have used compensation while studying job satisfaction. Supervision or the supervisor's support is another factor that is important at work. The support of supervisor is also considered to be a matter that makes the employees satisfied or dissatisfied with their jobs, thereby it has also been studied extensively (Al-Ahmadi, 2002; Chen, 2006; Malik et al. 2010; Yvonne, Rahman & Long, 2014). Having friendly supervisors is not only beneficial for the employee but also for the organization (Prakasch & Ghayas, 2019). On the other hand, abuses done by the supervisors may force the employees to leave the organization (Ghayas & Jabeen, 2020). Promotional Opportunities are also supposed to be an important factor while talking about job satisfaction (Koustelios, 2001; Joseph, Ng, Koh, & Ang, 2007; Azeem, 2010; Yvonne, Rahman & Long, 2014). Working with friendly people i.e. Co-Workers' Attitude is also supposed to have been affecting the job satisfaction (Gu & Siu, 2009; Saba, 2011). The task we do at our jobs are also argued to be an important factor, therefore, Nature of Work (Lam, Baum & Pine, 2001; Toker, 2011; Salleh, Nair & Harun, 2012) has also been studied by the previous researchers as a JS facet. Whereas, communication in an organization also plays an important role while analyzing the job satisfaction, therefore, communication has also been included in the job satisfaction researches (Ali & Haider, 2012; Saleem, Majeed, Aziz & Usman, 2013).

2.3. Job Satisfaction and Employee Performance

A large number of researchers (Petty, McGee & Cavendar, 1984; Iaffaldano & Muchinsky, 1985; Shore & Martin, 1989) have advocated that there is a significant association between the job satisfaction and the employee performance. It is because of the fact that happy and satisfied employees are thought to be inculcating the sense in the of belonging among the employees. This in turn helps motivates the employees to

perform well. Furthermore, since we are measuring the job satisfaction in terms of six different factors, therefore we propose that facets of job satisfaction have significant relationship with employee performance.

3. Methodology

To avoid the common method bias, two separate instruments were adapted. The first instrument consisted of twenty-four items as was used for measuring the dimensions of job satisfaction. These items were adapted from the Job Satisfaction Survey developed by Spector (1985). Whereas, the second instrument consisted of four items, these items were adapted from Farh and Cheng (1997) and were used for measuring employee performance. The items were measured on a likert scale where 1 = Strongly Disagree and 5 = Strongly Agree.

As far as sampling technique is concerned, purposive sampling technique was used and the data were only collected from those employees of banking sector of Istanbul who have been working with the same organization for at-least one year. This is done so because it takes time to make perception about the job which results in satisfaction or dissatisfaction with one's job. Furthermore, managers are also required to have some time prior to making perception about the performance of their employees.

In the first stage 350 instruments were distributed among the employees of banking sector of Istanbul for measuring the job satisfaction. From among these 350 employees, 321 filled and returned the instrument. Whereas, in the second stage of the study, respective supervisors of those 321 employees were contacted and were asked to fill the second instrument for measuring the performance of those employees who have already filled the first instrument. From these 321, supervisors, 306 filled and returned the second instrument. Hence, there were a total of 306 pairs of instruments.

4. Results & Discussions

Principal Component Factor Analysis with varimax rotation was used to explore the underlying factors in this study. Results of factor analysis are given below:

Table.4.1. Rotated Component Matrix Karachi Data

Items	1	2	3	4	5	6	7
COMP 1		0.849					
COMP2		0.783					
COMP3		0.821					
COMP4		0.811					
CA1				0.816			
CA2				0.887			
CA3				0.789			
CA4				0.837			
NW1						0.814	
NW2						0.856	
NW3						0.789	
NW4						0.814	
SS1	0.753						
SS2	0.815						

SS3	0.845	
SS4	0.866	
PO1		0.895
PO2		0.844
PO3		0.812
PO4		0.719
COM1		0.851
COM2		0.817
COM3		0.873
COM4		0.912
PER1		0.821
PER2		0.712
PER3		0.699
PER5		0.711
<hr/>		
KMO = 0.811		
<hr/>		

Source: Author's own elaboration

Seven factors were extracted after applying the EFA. From these seven factors, six were the facets of job satisfaction. These six factors are used as the independent variables in this study, whereas, the last one is the dependent variable employee performance. The KMO was used to test the sample adequacy. Since, the KMO value was 0.811 which is above 0.5 level hence no issue with the sample adequacy.

Table.4.2. Internal Reliability of Instrument

Variable Name	No. of items	Cronbach
Compensation	04	0.865
Coworkers' Attitude	04	0.832
Nature of Work	04	0.812
Supervisor's Support	04	0.795
Promotional Opportunities	04	0.791
Communication	04	0.842
Employee Performance	04	0.755
<hr/>		
* Cronbach alpha 0.7 or above as the criteria for internal reliability		
<hr/>		

Source: Author's own elaboration

Reliability was tested through Cronbach's alpha test. As the Cronbach alpha values for the variables are greater than 0.7, therefore it is concluded that the measures used for the study are reliable.

Table.4.3.Regression Results

Variable Name	Beta (β)	p-value	VIF
Constant	0.185	0.041	
Compensation	0.294	0.015	1.098
Coworkers' Attitude	0.168	0.018	1.075
Nature of Work	0.184	0.034	1.184
Supervisor's Support	0.262	0.031	1.269
Promotional Opportunities	0.385	0.045	1.782
Communications	0.095	0.043	1.945
Adjusted R ² = 0.425		F-Statistics = 9.778	Sig = 0.00

Source: Author's own elaboration

Table-.4.3 suggests that the value of Adjusted R square is 0.425 for the regression model. This can be interpreted as 42.5% of variance in the dependent variable can be explained by independent variables. Furthermore, since the significance value of F in ANOVA is 0.000 that is less than 0.05, this depicts that all independent variables used in this study are accurate and authentic for explaining the dependent variable. The F value also represents that right model had been selected to test the relationships. The F value of this model is 9.778 which is higher than 3.5, this suggests that the model is statistically fit. Furthermore, VIF values of less than 10 indicate that there is no issue of multicollinearity in the data. Table 2 also depicts the significance of independent variable on dependent variable. The p-value of all the independent variables used in the study are less than 0.05, indicating that all the independent variables used in the study have significant relationship with the dependent variable. Furthermore, the β coefficients are positive, this indicates the presence of positive association between the dimensions of job satisfaction and the employee performance in Istanbul's banking sector.

Promotional opportunities has the highest β coefficient, hence pointing to the fact that the promotional opportunities is the most important variable while predicting the employee performance and thereby affects the employee performance the most. Compensation has the second highest β coefficient which is followed by the supervisor's support, therefore, it is concluded that the promotional opportunities, compensation and the supervisor's support are the most important facets of job satisfaction while predicting the employee performance. Whereas, nature of work, coworkers' attitude communication are the other factors that have significant association with the employee performance. Communication is found to be having the least value of the β coefficient.

5. Conclusion & Recommendations

This study aims to explain the association between facets of job satisfaction and employee performance in Istanbul's banking sector. This in turn will help in better understanding the determinants of employee performance in Istanbul's banking sector. In this regard, six job satisfaction facets are regressed against the employee performance. Results demonstrated that the studied job satisfaction facets namely compensation, communication, co-worker's attitude, promotional opportunities, supervisor's support and nature of work have significant association with employee performance. This point to the fact that any increment in these aspects will lead towards enhancing the level of employee performance among the employees. Hence, it is concluded that job satisfaction

is important in enhancing the level of employee performance. Hence, the study provides the framework for the enhancing the employee performance.

Since, all the dimensions of job satisfaction studied in the research are found to be positively associated with employee performance; therefore, it is proposed that HR professionals in Istanbul's banking sector should concentrate on the studied job satisfaction factors for enhancing the levels of employee performance among the banking sector employees of Istanbul. It is further recommended that managers must emphasize on promotional opportunities as they have been found to be a significant predictor of job satisfaction and its β coefficient value is higher than that of other facets of job satisfaction.

References

- Al-Aameri, A.S. (2000). Job Satisfaction and Organizational Commitment for Nurses. *Saudi Medical Journal*, 21(6), 531-535.
- Al-Ahmadi, H.A. (2002). Job Satisfaction of Nurses in Ministry of Health Hospitals in Riyadh, Saudi Arabia. *Saudi Medical Journal*, 23(6), 645-650.
- Ali, A. & Haider, J. (2012), Impact of inter organizational communications on employee job satisfaction – Case of some Pakistani Banks. *Global Advanced Research Journal of Management and Business Studies*, 1(10), 38-44.
- Ashraf, M.A., Joarder, M.H., & Al-Masum, R. (2008). Job Satisfaction of Employees in the Mobile Phone Corporates in Bangladesh: A Case Study. *Working Paper Series*, 22(1), 1-16.
- Azeem, S.M. (2010), Job Satisfaction and Organizational Commitment among Employees in the Sultanate of Oman, *Psychology*, 1, 295-299.
- Bozeman, B. and Gaughan, M. (2011), Job Satisfaction among University Faculty, Individual work and Institutional Determinants, *The Journal of Higher Education*, 82(2), 154-186.
- Chen, C.F. (2006). Job satisfaction, organizational commitment and flight attendants' turnover intentions: A note. *Journal of Air Transport Management*, 12, 274-276.
- Farh, J.L., & Cheng, B.S. (1997). Modesty Bias in Self-Rating in Taiwan: Impact of Item Wording, Modesty Value and Self-Esteem. *Chinese Journal of Psychology*, 39, 103-118.
- Fornell, C. & Larcker, D.F. (1981), Evaluating Structural Equation Models with Unobservable Variables and Measurement Error: Algebra and Statistics. *Journal of Marketing Research*, 18(3), 382-388.
- Ghayas, M. M., & Jabeen, R. (2020). Abusive Supervision: Dimensions & Scale. *New Horizons*, 14(1), 107-130.
- Gonzalez, J.V. & Garazo, T.G. (2006), Structural relationships between organizational service orientation, contact employee job satisfaction and citizenship behavior. *International Journal of Service Industry Management*, 17(1), 23-50.
- Gu, Z. & Siu, R.C. (2009). Drivers of Job Satisfaction as related to Work Performance in Macao Casino Hotels. *International Journal of Contemporary Hospitality Management*, 21(5), 561-578.
- Iaffaldano, M.T. & Muchinsky, P.M. (1985). Job Satisfaction and Job Performance: A meta-analysis. *Psychological Bulletin*, 97, 251-273.
- Joseph, D., Ng, K.Y., Koh, C., & Ang, S. (2007). Turnover of Information Technology Professionals: A Narrative Review, Meta-Analytic Structural Equation Modeling, and Model Development. *MIS Quarterly*, 31(3), 547-577.

- Kabir, N.M.M. & Parvin, M.M. (2011), Factors affecting employee job satisfaction of pharmaceutical sector. *Australian Journal of Business and Management Research*, 1(9), 113-123.
- Khan, M. M. S., Ghayas, M. M., & Kashif, S. (2019). Why firms fail to sustain? Evidence from Dow Jones Index. *South Asian Journal of Management Sciences*, 13(1), 116-136.
- Koustelios, A.D. (2001). Personal Characteristics and Job Satisfaction of Greek Teachers, *The International Journal of Educational Management*, 15(7), 354-358.
- Lam, T., Baum, T., & Pine, R. (2001). Study of Managerial Job Satisfaction in Hong Kong's Chinese Restaurants. *International Journal of Contemporary Hospitality*, 13(1), 35-42.
- Malik, M.E., Nawab, S., Naeem, B., & Danish, R.Q. (2010). Job Satisfaction and Organizational Commitment of University Teachers in Public Sector of Pakistan, *International Journal of Business and Management*, 5(6), 17-26.
- Mosadeghrad AM, Ferlie E, & Rosenberg D (2008). A study of the Relationship between Job Satisfaction, Organizational Commitment and Turnover Intention among Hospital Employees. *Health Services Management Research*, 21, 211-227.
- Pantha, S. (2020). A Study On Employee Job Satisfaction in The Banking Sector in Nepal. *Centria University of Applied Sciences*
- Petty, M.M., McGee, G.W. & Cavender, J.W. (1984). A meta-analysis of the relationship between individual job satisfaction and individual performance. *Academy of Management Review*, 9, 712-721.
- Prakasch, J. N., & Ghayas, M. M. (2019). Impact of Servant Leadership on Turnover Intentions in Banking Sector of Karachi. *RADS Journal of Business Management*, 1(1), 22-30.
- Saba, I. (2011). Measuring the Job Satisfaction Level of the Academic Staff in Bhawalpur Colleges. *International Journal of Academic Research in Business and Social Sciences*, 1(1), 12-19.
- Saleem, S., Majeed, S., Aziz, T., & Usman, M. (2013). Determinants of Job Satisfaction among Employees of Banking Industry at Bahawalpur. *Journal of Emerging Issues in Economics, Finance and Banking*, 1(2), 150-162.
- Shore, M.L., & Martin, H.J. (1989). Job Satisfaction and Organizational Commitment in Relation to Work Performance and Turnover Intentions. *Human Relations*, 4(7), 625-638.
- Spector, P.E. (1985). Measurement of Human Service Staff Satisfaction: Development of the Job Satisfaction Survey. *American Journal of Community Psychology*, 13(6), 691-713.
- Toker, B. (2011). Job Satisfaction of Academic Staff: An Empirical Study on Turkey. *Quality Assurance in Education*, 19(2), 156-169.
- Toropova, A., Myrberg, E., & Johansson, S. (2021). Teacher job satisfaction: the importance of school working conditions and teacher characteristics. *Educational review*, 73(1), 71-97.
- Vorina, A., Simonič, M., & Vlasova, M. (2017). An Analysis of the Relationship Between Job Satisfaction and Employee Engagement. *Original Scientific Paper*, 243-262.
- Yvonne, W., Rahman, R.H.A., & Long, C.S. (2014). Employee Job Satisfaction and Job Performance: A Case Study in Franchised Retail-Chained Organization, *Research Journal of Applied Sciences, Engineering and Technology*, 8(7), 1875-1883.