The relationship between job satisfaction, job performance and employee engagement: An explorative study

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Successful organizations know that employee satisfaction, performance and employee engagement are crucial. This research was conducted to examine what contributes to a satisfied employee by examining a number of factors such as job fit, good communication, appreciation and clear objectives. The study will also look at the roles of the organization and individual in employee satisfaction. Job performance, another key success factor for organizations, will also be examined. The link between employee satisfaction and performance findings will be illuminated and related examples of what can be done to improve both variables will be provided. Finally, this study discusses employee engagement which combines the above topics and much more including definitions, organizational success, and how to develop a successful employee engagement program. This study will also provide compelling information that will help to understand the advantages of having satisfied and high performing employees as well as using the power of employee engagement to be competitive and profitable.

Key words: Employee satisfaction, job performance, job satisfaction, employee engagement.

INTRODUCTION

There has been a great deal of research conducted on how organizations can become more competitive and profitable. Part of that research indicates that there are three factors that successful companies share: job satisfaction and strong performance for employees as well as engagement with the business. Job satisfaction can come from allowing employees to be self-directed and strong relationship with fellow workers (Lin, 2007). Sometimes this requires a tweaking of organization goals to boost employee motivation (Kivininiemi et al., 2002). In Arab countries, there is defiance and leaders blocking the importance of letting people have a say and their ideas, even if it can improve organizational performance (Al Raisi et al., 2011). In the Arab world, it is very difficult to change the culture and there is distaste in changing their idea. They want to keep things as they are (Al Raisi et al., 2011).

Performance as defined by Campbell (1990) is “what the organization hires one to do and do well”. Performing employees help leaders to create excellent organizations. There are factors that impact on job performance; one is education. According to Ng and Feldman (2009), having the right education can have a strong positive effect on employee job performance. There are times when a new employee is a good fit for a void that the organization needs to fill and improves performance in that job (Muchinsky and Monahan, 1987). If a person is in the right job, there is a direct link to performance (Edwards, 1991). There is more commitment, satisfaction, and motivation for the employee and better overall performance for the employee (Li and Hung, 2010).

Employee engagement is a broad topic that discusses the symbiotic relationship between employees and the
organization. It also links employee satisfaction and performance. Engaged employees have a level of commitment and emotional attachment to the organization (Demovsek, 2008). Employees develop a bond with an organization and that creates better business. If that emotional connection to their career, relationships with other employees and the organization are present, they perform better and serve the organization better (Scarlett Survey).

The objective of this study is to answer the following research questions:
1) Study and understand the factors influencing employee satisfaction and job performance.
2) Determine the correlation between job satisfaction and performance and employee engagement.

**Contribution of the study**

The following are the contributions that this research study provides:

1. Help organizations understand the importance of having the right people in the right position.
2. Encourage organizations to increase the level of employee satisfaction and performance.

Provide organizations and staff with information on the benefits of having high employee engagement and how engaged staff contribute to success.

**Literature Review**

**Employee satisfaction**

Successful organizations depend on the high performance of their employees to meet their objectives. In order to achieve their strategic aims and keep their competitive advantage, their employees must perform at high levels (Lado and Wilson, 1994; Dessler, 2011). Organizational behavior philosophers believe that it is also crucial to have the right employees for the right jobs (Kristof-Brown et al., 2005). The person-job fit is important because it determines whether or not the employee is well-suited for the job (Zheng et al., 2010) and whether the employee will be committed and productive to the organization (Rousseau and McLean Parks, 1992).

Examining job performance as a concept can be done in a number of ways including the ability of an employee to achieve their targets and organizational standards (Eysenck, 1998; Maathis and Jackson, 2000; Bohlander et al., 2001). Campbell (1993) defined performance as "synonymous with behavior which is something that a person actually does and can be observed". According to Campbell (1990), employees are hired to perform with efficiency and effectiveness (Azir, 2011). Organizations need to understand that employees have their own requirements and personal wishes that need to be considered. This can determine if the employee feels positive or negative about the organization and needs to be treated individually (Schermernorn, 2010). How satisfied an employee is with his or her job depends on their values and motives (Siddika, 2012).

Researches in the past have examined a number of elements that can affect job performance. Jaramilao et al. (2005) and Al Ahmad (2009) showed that a crucial element is employees’ commitment to their job. There is also a strong connection between being satisfied at their job and their performance (Gu and Chi, 2009). Sarmiento and Beale (2007) and Al Ahmad (2009) studied the connection between education and job performance and obtained a surprising result which was a negative connection. Ng and Feldman (2009) found the opposite that education was a positive influence on job performance. Other studies by Karatepea et al. (2006) and D’Amato and Zilstra (2008) found that a person’s self-motivation and efficiency has a positive effect on job performance.

The theoretical concepts of fit according to Kilchyck (2009) states that “either the supplementary versus complementary view or demands-abilities versus supplies view is also known as supplies-values fit”. In an earlier research conducted by Muchinsky and Monahan (1987), they indicated that work can be divided into two extents of which “the first is the supplementary versus complementary while the second is the demand-abilities versus needs-supplies”. When a person’s distinguishing traits are similar to their organizational environment, then it is a supplementary fit (Sekiguchi, 2003). The fit is complementary when the traits of an individual fill the vacuum or emptiness of an organization thus broadening the organization’s capabilities (Muchinsky and Monahan, 1987).

Research in the 1990’s focused on the person-job fit with regard to the employee’s wishes (employee related) and organizational mandates (job related). Edwards (1991) determined that employees with high person-job fit produce better results. There are a number of variables for person-job fit identified in the 1990’s researches (Caldwell and O’Reilly, 1990; Edwards, 1996), including commitment to the job (Behery, 2009; Kristoff - Brown et al., 2005), job satisfaction (Erdogan and Bauer, 2005; Kristoff - Brown et al., 2005) performance and personality (Erdogan and Bauer, 2005).

Organizations must meet their strategic aims and advantage in the marketplace by employing and keeping high performing employees (Lado and Wilson, 1994; Dessler, 2011). In SMEs, the level of high performing individuals is lower because in many cases their employees may not have the right skills (Saleh and Ndubisi, 2006) and the ability to perform at high level standards (Aris, 2007). Successful organizations make sure that there is a good match between the employee and the job (Kristof-Brown et al., 2005). SME tends to experience lower production by employees. It may be necessary to see if there is not a good
Employee fit for the job or there are other reasons like not having the right skills that creates the lower performance (Edwards, 1991). Lawrence (2004) found that the right person-job fit may also be tied to the knowledge and skill set of the employee. Not having the right skills may contribute to lack of employee engagement.

Employee performance

According to Gallup, employees who are highly engaged in their organization produce high levels of customer care, retention, productivity and generate higher profits (Luthans and Peterson, 2002). The poll also revealed that employees the bottom 25% had lower sales, more issues with customers and increased staff turnover vs the top 25% who had much higher and positive scores (The Gallup Organization, 2004). Those employees that have a rational commitment are less likely to be top producers. It is in employers’s best interest to have as many “true believers” as they can (Buchanan, 2004). These people tend to produce more for the organization than those who have low engagement and may contribute to a loss.

The Gallup Organization did a survey in 2004 on the effects of engaged and unengaged workers. In the UK, unengaged workers cost their companies $64.8 billion a year. In Japan, the loss in productivity was $232 billion due to a low engagement ranking of 9%. An engaged employee or employees can be valuable assets to the organization when it comes to competitive strength (Joo and Mclean, 2006). Productivity and employee retention increases with employee engagement (Lad and Wilson, 1994).

In 2006, a groundbreaking survey of 664,000 employees globally was conducted on employee engagement by the Society for Human Resource Management (SHRM). The study revealed that there was a differential of 52% for increased operational income from those organizations who had poorly engaged employees and those having highly engaged employees. Another survey was conducted in 2006 that surveyed on 7939 business units in 38 countries and showed that customer satisfaction, profitability, turnover of staff and less work mishaps were due to a higher satisfied and engaged staff (Norwack, 2006). Engaged and satisfied employees tend to be top performers who are committed to the organization (Woodruffe, 2006; Lockwood, 2006). When an employee is engaged they serve customers better and therefore contribute more to the organization’s ongoing profitability.

Employee engagement

Employee engagement is an “emergent working condition and a positive cognitive, emotional and behavioral state directed toward organizational outcomes” (Shuck and Wollard, 2009). Another definition describes employee engagement as the readiness of workers and their skills to help their organization be successful by being flexible in different situations (Perrin's Global work study, 2003). Shuck and Wollard (2009) also define employee engagement as a growing working state in which the employee's perceptions, feelings and behaviors are aimed as the desired organization results. One more definition comes from Maslach et al. (2001) who views employee engagement as an energetic state of involvement with personally fulfilling activities that enhances one’s sense of professional efficacy.” Thier opposites are “burnout dimensions of exhaustion, cynicism and inefficacy (Maslach and Leiter, 2008). Employee’s connection and commitment to the organization are also key to employee engagement (Demovsek, 2008).

True engagement occurs when all employees in an organization are passionate about the business strategy and are committed to it its success (Right Management, 2006). Employees have more than work satisfaction, they are gratified to serve and are promoters of the products and brand name. There is evidence that employee engagement increases productivity and overall performance, creates a better and more productive work environment, reduces non-attendance and employees leaving (Caplan, 2013). In a study in the GCC countries it was discovered that when employees are engaged, they tend to produce more and put in more effort to help their organizations (Singh et al., 2012). There are however challenges faced by employers to determine what employee engagement is and what values create it as there are many theories that are unclear concerning the subject (Saks and Gruman, 2014).

Studies were conducted in 2010 in India to determine the levels of engagement of employees during that year (Blessing and White, 2011). Their research revealed that 37% of the employees were engaged. These numbers varied among gender, job functions, structure and size of organizations. Older and married employees were more engaged than their younger counterparts. There was also a correlation between industry and engagement. Banking employees had low engagement and those working in healthcare and chemicals were highly engaged. Having the right success factors in the job were seen as motivators by Indian managers. The first was having a career development path including training (28%), being able to do what an employee does best was second (21%) and the final was challenging work (15%) (Blessing and White, 2011).

It is clear from the research that employee job satisfaction is essential to employee engagement. In India, Blessing White (2011) conducted a survey to determine employee engagement among employees. The results revealed that 37% were engaged in India and this level varied across India as “they also vary across organizations, organization size, gender, workplace structure, and functions. Younger employees are less engaged as compared to older and married employees. Employees in healthcare and chemicals had maximum engagement levels.
Table 1. Top motivators for employee engagement

<table>
<thead>
<tr>
<th>Motivator</th>
<th>Description</th>
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<tbody>
<tr>
<td>Trust and integrity</td>
<td>Employees believe that the leaders of the organization are listening to them</td>
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<tr>
<td>Care and meet their needs</td>
<td>Leaders are trustworthy and lead by example</td>
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<td>Nature of the Job</td>
<td>How involved and independent employees are</td>
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<td>The link between employees and organizational performance</td>
<td>Employees understand what is expected of them in terms of performance</td>
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<td>Career growth opportunities</td>
<td>Opportunities for employees to progress and get promoted.</td>
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<tr>
<td>Pride about the company</td>
<td>How the self-esteem of workers is increased by working for the organization</td>
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<tr>
<td>Co-workers/Team members</td>
<td>How they feel about their team, their work and the organization</td>
</tr>
<tr>
<td>Employee development</td>
<td>How much effort the organization puts into developing their people</td>
</tr>
<tr>
<td>People's relationship with their leadership</td>
<td>The value of the relationship between leaders and employees.</td>
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</tbody>
</table>

Source: Author (2015).

while banking and financial services had the least.”

In those surveys, managers of Indian firms showed three factors that determined employee engagement:

1. Career development activities and training 28%
2. More opportunities to do what one does best 21%
3. More challenging work 15%

Further, it is determined that the when employees are content, it could be beneficial for management to improve employee enhancement through a new program. According to the Journal of Economic Development, Management, IT, Finance and Marketing (2012) the following are suggestions to improve engagement:

1. Communication activities
2. Reward schemes
3. Activities to build the culture of the organization
4. Team building activities
5. 

In order to achieve employee engagement, there must be employee performance. There is proof that employees who are engaged are better workers and top performers.

Gibbons (2006) in 12 different research studies concluded the following to be top motivators for employee engagement as shown in Table 1. Identification with the organization and emotions can be essential factors in employee engagement (Towers Perrin, 2003). Being part of an organization, being stimulated and acknowledged creates a sense of engagement. Emotions and the feelings of personal satisfaction also create stronger engagement. Other research suggests that there is also a constructive effect on employee engagement due to happy customers, high production, staff retention, the success of the organization and strong earnings (Richman, 2006; Baumruk, 2004). In order to have employee engagement, there must be ‘meaningful business results and performance in many organizations’ (Harter et al., 2002).

There is a research that found that employee engagement is the degree to which employees are focused and immersed in their jobs (Saks, 2006). According to his research, there are “two types of employee engagement: job engagement and organizational engagement”. How engrossed employees are with their own performance is job engagement. Organizational engagement is the “extent to which an individual psychologically present as a member of an organization”.

Organizational commitment has as significant impact on over all employee engagement. As this type of commitment increases, so does employee engagement (Schaufeli and Salanova, 2007). This can also contribute to overall job satisfaction, better performance, less days off, better health, proactivity and more motivation. Organizational commitment has two components that impact on engagement (Hakanen et al., 2006; Saks, 2006; Demerouti et al., 2001; Maslach et al., 2001; Brown and Leigh, 1996) and need to be addressed. They are continuance commitment and normative commitment.

An interesting theory was developed by Konrad (2006) that engaged employees are those who are involved in the creation and application of workplace processes and workplace change. His research also found that engagement of employees reduced employee turnover. Effective management also made a difference in high performance by involving their employees their jobs (Ruth and Ruth 1998). There are other factors as well that influence employee engagement including proper selection of employees, effective training, sharing of power, sharing information and reward systems for good performance systems, Vance and Mathieu, (1999). Having a participative work environment was also important to employee engagement.

The effectiveness of human resource management (HRM) and the “context of high involvement work practices” according to Boon et al. (2005) and Saima (2011) can significantly influence employee engagement. (HRM) practices were studied and their effectiveness in employee
engagement reviewed. It was determined that teamwork, empowerment, reward and communication had a very positive effect on engagement. An organization’s willingness to care for her employees strongly influences engagement.

Effective communication with employees, as Saunders (2008) indicated makes them feel as if they are part of the organization and valuable. Listening to employees effectively is an effective way to make people feel more engaged. According to CIPD (2011), if an organization truly listens to their employees, they will feel more valued and this can be a strategic instrument for employee engagement. In the research by Daprix and Faghan (2011), transparent communication is critical for employee engagement and employees trust in management. This contributes also to a positive corporate culture. Strategic HRM should view communication as a key role for them. The employee engagement program according to Shuck (2011) must be championed by HR and connect business goals to employee performance. This is done by attracting the right employees and making the environment positive so employees want to stay. HR can facilitate the process by providing assistance to managers to ensure that employee engagement is effectively implemented (Shuck, 2010).

There must be a connection between HR and the line managers for this to succeed Johnson (2004). Transparency and fair policies from HR must be understood by line managers (Truss et al. 2012).

HR, when implementing employee engagement must make sure that the workforce strategies are connected to the strategic goals of the organization. The HR experts will be asked to create better employee engagement and if necessary intervene to improve efforts (Truss et al., 2012). It is important for management and HR to have good communication and understanding of policies and procedures (MacLeod and Clarke, 2009; Brooks, 2010). In another research by Gatenby et al. (2008), it was concluded that HR policies and procedures have an unequivocal effect on employee engagement. Understanding must be present at all levels of the organization. Employees and their managers both have a uniform accountability in order for successful engagement to occur (Khan, 1990).

Employee engagement is ‘a positive, fulfilling, work-related state of mind that is characterized by vigor, dedication and absorption’ (Schaufeli et al., 2002). Research has found that it is not a short term condition and is more a “persistent and pervasive affective-cognitive state that is not focused on any particular object, event, individual, or behavior” (Schaufeli et al., 2002). Engagement is not seen as a mindset but rather someone being engrossed in their job and performing well on it (Alan Saks, 2006).

There has been additional focus of late on whether or not satisfaction can be seen as an independent variable for employee engagement (Riordan et al., 1997; Valentine and Fleischman, 2008). On one hand research claims that employee performance, success of the organization and profitability result in employee engagement (Bates, 2004; Richman, 2006; Saks, 2006). Newer research suggests that there is a decline in employee engagement thus more disengaged employees (Gross, 2010).

In a research conducted my Mary St Bernard Johnson (2010), she determined that organizations need to have leaders who have excellent abilities at achieving their core if the organization is to be a global player in the economy. The team leadership must be engaged to produce excellent performance. To be engaged, there must be commitment from the top of the organization. Engagement can be a very long process for organizations (Markos and Sridevi, 2010). They also believe that poor management leads to disengaged employees and a lack of commitment. Their research also found a way to solve this problem by taking the following engagement steps:

1. Start it on day one
2. Start it from the top
3. Enhance employee engagement through two-way communication
4. Give satisfactory opportunities for opportunities for development and advancement
5. Give employees appropriate training
6. Have a strong feedback system
7. Build a distinctive corporate culture
8. Focus on top performing employees

Recent research conducted by Sakovska (2012) believes that “employee engagement is influenced by three conditions: meaningfulness, safety and availability”. In her research, she also found that if employees like their job and find it significant they will be more self-directed and motivated to grow in the organization.

A study was conducted on banks with regards to employee by Perrin (2004) and he found that what drives employee engagement are the emotional feelings the employees have regarding their organization and how they become “ambassadors” on their behalf. There was a great deal of need to improve further engagement and only three factors received 50% of the responses. Two of them (training and development) produced excellent results in employees who had “3.74 higher operating margin and 2.06% higher net profit margin than average”.

Sharma et al. (2010) believe that organizations and their staff have a synergetic bond in which they are both dependent on each other to achieve their desires. Engagement must then be an on-going process instead of a one individual event (Sharma et al., 2010). Their research also concluded that fairness and acknowledgement are important to getting commitment. Two other important factors are career development and remuneration. Having good communication channels and a positive organizational culture can also influence employee engagement (Swatee et al 2012). Another survey indicated that some employees find more motivation in their work life than their personal life (Pradeep et al., 2011). Research also found that there is a link between employee engagement and strong
business performance (Bhatt, 2012).

METHODOLOGY

The methodology of this study is exploratory in nature and is deemed appropriate for the purpose of this research. The research methodology used in this paper is based on review of literature and focuses mainly on literature on employee job satisfaction and employee engagement. The purpose is to offer an overview of significant literature published on these topics as an initial investigation that may lead to further research and contribution in these fields. The review aims to provide an understanding of issues, unresolved questions and difficulties and highlights some factors that may contribute to the success of job satisfaction for employees and its connection to employee engagement.

FINDINGS

1. Employee satisfaction is directly linked to employee engagement.
2. Employee satisfaction makes good business sense and increases productivity and career enhancement.
3. Employee engagement can vary country to country.
4. It is good for management to understand what motivates their employees and what they need as individuals.
5. Poor employee engagement can cause organizations to have lower profit margins, poor customer service, high employee turnover and decreased competitive edge.
6. Engaged employees are looking for meaningful work, safety and available superiors.
7. Engaged employees become “ambassadors” for their organization.
8. Having an employee engagement plan is important but can take time to develop.
9. Objectivity and recognition are essential to organizational commitment from employees.

RECOMMENDATIONS

Several recommendations are put forward from this research thus:
1. Use information from this research to develop a detailed plan of how to create an employee engagement plan.
2. Do a more exhaustive examination of different countries to determine best practices for employee engagement and the effects of culture.
3. Conduct pilot projects to measure employment in emerging nations and regions like the GCC.

Conclusions

This study examined the relationship between employee satisfaction and performance. The literature confirms that satisfied employees do perform better and contribute to the overall success of an organizations. On the other hand, employees who are not satisfied do not perform well and become a barrier to success. The research suggests that this is a global phenomenon and by focusing on improving satisfaction and performance, organizations can be more successful. It is in the best interest for them to determine ways to improve employee satisfaction. One sure way is to make sure that the right people are selected for the right jobs. If this is not done, both satisfaction and performance will suffer.

Employee engagement can also contribute to organizational success. Having satisfied employees who perform better and are in the right jobs, helps foster engagement. Having employees who are present and committed are also key factors. Engaged employees want good communication with their superiors, work that has meaning for them and motivates them, and it is a safe place to work. On the other hand, unengaged employees demonstrate poor customer service, lack of commitment and poor performance. Their participation is lack luster, they do not excel and do not care about the success of the organization. Engaged employees produce better financial results, are proud of their organization and demonstrate enthusiasm. It makes financial and motivational sense to foster employee engagement.

Employee engagement is a process and cannot be created in a day. According to the research, good organizations put processes in place to ensure engagement and increase it. These include planning, employee input and satisfaction, strong communication and an understanding of what motivates employees. Engaged employees are challenged in a positive way, allowed to have some autonomy, feel valued and respected. There are opportunities for personal and professional growth including promotions. Commitment and communication is a two-way between management and staff.

Successful organizations understand the benefits of happy staff, excellent performance and employees being engaged. There is, in most cases, better financial performance and a motivated workforce. The literature contained in this study clearly underscores these concepts and gives the reader a sense of the importance of fostering employees in this way. Understanding these principles can be the difference between success and failure.

Further research

There may be some opportunities for future research based on the information in this study. It is clear that employee satisfaction is key and that job fit is an effective tool to foster job satisfaction. A research study may be developed that asks successful organizations how they find the right job for the right person and turn that into a satisfied employee. The research could also focus on in depth
strategies that employers use to increase satisfaction. There may also be a need to further examine the cultural effects of employee engagement and determine the positive and negative cultural environments role. This would be beneficial in areas where there has been some negative response by organizations to employee engagement. The Gulf Cooperative Countries may be an interesting research area. There has been resistance to these changes and there may be an opportunity to educate the region in a positive way.

Finally, there is another opportunity for research based on the process of developing an employee engagement plans for an organization. This could come from a more exhaustive research of how exactly organizations have embraced employee engagement, developed effective plans and continued to improve as needed. Other organizations and the academic community could also benefit from this research.

Competing interests

The author declare that they have no competing interests.

REFERENCES


