THE RELATIONSHIP BETWEEN JOB SATISFACTION AND EMPLOYEE PERFORMANCE: AN HRM LITERATURE PERSPECTIVE

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Abstract

Job satisfaction and employee performance are two crucial aspects that are interrelated in human resource management. Research shows that there is a positive correlation between job satisfaction and employee performance, where satisfied employees tend to show higher productivity, stronger levels of commitment, and lower absenteeism. However, the literature also indicates that this relationship is influenced by various other factors, such as intrinsic motivation, personal values, and work environment conditions. Therefore, management needs to consider the broader context to ensure sustainable improvements in employee performance. Contemporary approaches emphasise the importance of an integrated strategy, which not only increases job satisfaction but also creates a supportive work environment to achieve optimal performance. An effective HRM strategy will take into account both psychological and structural aspects to maximise employee performance and thus have a positive impact on the whole organisation.

Keywords: Job Satisfaction, Employee Performance, HRM Literature.

Introduction

Since the era of globalisation and increasingly fierce business competition, human resources (HR) have become a very important asset for every organisation. Human resources (HR) are individuals who work and contribute to the organisation through their various roles and responsibilities (Kollmann et al., 2020). HR encompasses all employees, from top management to operational workers, who bring their skills, knowledge and abilities to bear on achieving organisational goals. In the context of HR management, the term also encompasses the various practices and policies implemented to effectively manage employees, including recruitment, training, development, performance appraisal, and compensation (Nurjanah et al., 2020).

HR is the most valuable asset for any organisation, as the performance and success of the organisation largely depends on the quality and productivity of employees. Effective HR management can increase motivation and job satisfaction, which has a direct impact on improving individual performance and, ultimately, overall organisational performance. In addition, quality HR can provide a competitive advantage through innovation, initiative, and adaptability to market changes (Ali &

Anwar, 2021). Therefore, investment in HR development, including education, training, and employee welfare, is critical to ensure long-term growth and sustainability of the organisation (Harini et al., 2020).

Optimal employee performance is considered as one of the determining factors for the company's success in achieving goals and increasing competitiveness. Therefore, it is important for companies to understand the factors that influence employee performance. One factor that is often studied in the field of human resource management (HRM) is job satisfaction (Roberts & David, 2020).

Job satisfaction refers to whether or not an employee is satisfied with their job, which includes various aspects such as working conditions, wages, relationships with superiors and co-workers, and career development opportunities. Existing research shows that job satisfaction can have a direct effect on employee motivation, productivity, and employee turnover rates (Feng & Savani, 2020). However, despite the vast literature discussing the relationship between job satisfaction and employee performance, the results obtained often show variations. Some studies indicate a significant positive relationship, while others find that the relationship is not always conclusive or sometimes even negative. This difference can be caused by various factors, such as differences in cultural context, industry type, and research methodology design (Prasetya et al., 2023).

Thus, further research is needed to clarify the relationship between these two variables from various perspectives, including the human resource management (HRM) approach. Reviewing relevant literature can help in identifying factors that play a role in the relationship between job satisfaction and employee performance, as well as provide insights into how companies can implement strategies to effectively improve both aspects.

Therefore, this review aims to further investigate the relationship between job satisfaction and employee performance by reviewing various literatures in the field of HRM, so as to contribute to the improved understanding of theory and practice in organisational management.

Research Methods

The study in this research uses the literature method. The literature research method, or literature study, is an approach to research that involves collecting, evaluating, and analysing previously published information on a particular topic. This approach focuses on reviewing various sources such as books, scientific articles, reports, and academic publications to gain a comprehensive understanding of the topic (Setiowati, 2016); (Syahran, 2020). The purpose of literature research is to identify trends, relationships, or research gaps in a particular field of study, as well as to inform theoretical frameworks and hypotheses that will be tested in further research. In practice, a researcher usually maps the relevant literature, criticises the methodology

that has been used by previous studies, and compiles new syntheses or arguments based on existing findings, so as to make a significant contribution to the development of science in related fields (Helaluddin, 2019).

Results and Discussion

Job satisfaction and employee performance are two important concepts in the field of HRM that are interrelated and influence each other. Job satisfaction refers to the extent to which employees are satisfied with their jobs, based on various factors such as pay, working conditions, relationships with superiors and co-workers, and career development opportunities. Employee performance, on the other hand, encompasses the level of effectiveness and efficiency with which an employee carries out his or her duties and responsibilities to achieve organisational goals (Hajiali et al., 2022).

Many factors influence job satisfaction, including a conducive work environment, clarity of roles and objectives, organisational culture, and work-life balance. Good communication with management, opportunities for career growth and development, and recognition and reward for achievements are also important elements. Effective management must understand and manage these factors to create a positive and pleasant working atmosphere for employees (Brunelle & Fortin, 2021).

Research in the field of HRM has shown that there is a positive relationship between job satisfaction and employee performance. Satisfied employees tend to be more motivated, more energised, and more productive in performing their tasks. They also show higher commitment to the organisation and have lower absenteeism and turnover rates. In contrast, employees who are dissatisfied with their jobs may exhibit negative behaviours such as decreased performance, lack of motivation, and even a desire to leave the organisation (Khaskheli et al., 2020).

From an HRM perspective, it is important for managers to proactively manage employee job satisfaction to ensure optimal performance. This can be done through various strategies such as providing constructive feedback, conducting training and development programmes, offering incentives and rewards, and creating a supportive and inclusive work environment. Managers should also be sensitive to employees' needs and aspirations, and ensure that they feel valued and recognised for their contribution to the organisation (Solomon et al., 2022).

Thus, in order to achieve organisational goals, the relationship between job satisfaction and employee performance cannot be ignored. Effective management in managing aspects of job satisfaction will have a direct impact on improving employee performance, which in turn will increase productivity and organisational success (Purwanto, 2020). Therefore, a holistic and integrative approach to HR management is necessary to create a positive work environment, improve employee happiness and well-being, and achieve the desired outcomes for the organisation as a whole.

Factors that affect job satisfaction and employee performance

Working conditions and the work environment play an important role in determining the level of employee satisfaction and performance. A safe, comfortable, and supportive work environment can increase employee motivation and productivity. Adequate facilities, cleanliness, adequate space, and appropriate technology greatly influence employees' ability to work effectively. In addition, factors such as lighting, room temperature, and the availability of adequate work equipment also influence how satisfied and productive an employee is in carrying out their duties (Soto-Rubio et al., 2020).

The relationship between employees and superiors and co-workers is also an important factor affecting satisfaction and performance. Harmonious relationships, open communication and good co-operation can create a positive work environment and boost employee morale. Effective leadership also plays a role; a boss who is able to provide clear direction, constructive feedback, and support to their team will increase employee satisfaction and performance. Conversely, poor relationships and conflict between employees can lower morale and work effectiveness (Saputra & Mahaputra, 2022).

Fair and competitive compensation is one aspect that greatly affects job satisfaction. Decent salaries, allowances, bonuses, and other incentives can be strong motivators for employees. Dissatisfaction with compensation can lead to major job dissatisfaction and encourage employees to seek opportunities elsewhere. In addition, recognition of employees' hard work and contributions through financial or non-financial rewards can significantly improve their satisfaction and performance (Paais & Pattiruhu, 2020).

Opportunities for career development and advancement also affect employee satisfaction and performance. Training programmes, further education, and promotion and career development opportunities help employees feel valued and assured of their future in the organisation. Employees who see clear career prospects tend to be more motivated and enthusiastic at work, and they will be more likely to give their best performance. Management that focuses on employee career development will create a more dynamic and accomplished work environment (Purwanto, 2020).

Work-life balance is another important factor that affects employee satisfaction and performance. Employees who feel that they have sufficient time for family, recreation, and other personal activities will be happier and more satisfied with their jobs. Excessive stress and sustained work pressure can result in burnout and reduce work effectiveness (Badrianto & Ekhsan, 2020). Therefore, organisations need to provide flexibility, adequate leave, and support employees' mental and physical well-being to achieve a healthy balance between work and personal life.

By understanding and managing these factors, organisations can create a more productive and fulfilling work environment for employees, which will ultimately improve the overall performance of the organisation.

Conclusion

The relationship between job satisfaction and employee performance has been a major focus in Human Resource Management (HRM) literature for many years. In general, research shows that there is a significant positive correlation between job satisfaction and employee performance. Satisfied employees tend to be more productive, have a higher commitment to the company, and are less absent. Job satisfaction develops from a variety of factors including working conditions, relationships with superiors, involvement in decision-making, and rewards for achievement.

However, some literature also suggests that this relationship is not always direct or linear. Other factors, such as intrinsic motivation, personal values, and work environment, also play an important role in mediating or moderating the relationship between job satisfaction and employee performance. For example, although an employee may be satisfied with their job, their performance may still be affected by weak management or lack of resources. Therefore, it is important for management to consider the broader context in improving employee performance.

In addition, contemporary approaches in HRM literature emphasise the importance of tailoring strategies to align with the needs of individuals and groups within the organisation. Such an approach focuses not only on improving job satisfaction but also on developing a supportive work environment. Thus, a successful HRM strategy will integrate psychological and structural aspects to maximise employee performance, which will ultimately have a positive impact on the whole organisation.

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