

## A Review of the Impact of Job Satisfaction On Employee Performance in Government Owned Enterprises

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### ABSTRACT

There was a time when it was considered sound economic policy for government to establish and invest in corporation and enterprises. It was then agreed that government owned enterprises were better for stimulating and accelerating natural economic development rather than private initiative. This research therefore aimed at investigating, identifying, analysis and presenting research findings on the Impact of Job Satisfaction on employee performance. The major finding of the research is that promotion has a significant relationship with job satisfaction, there is relationship between salary and job satisfaction and conducive environment contribute to job satisfaction among employee in government owned enterprises. The importance of qualified manpower in the social, political and economic development of any nation can hardly be over emphasized. No nation is known to have attained and sustained high level of economic growth and development without ample supply of manpower. Of all the factors that unlock the forces of economic and development, a country's human resources is the most vital because without, it all the other factors have to wait. (Nwachukwu 1988, p-128). Positive changes in the quality of work force according to Nwachukwu, account for rapid economic development that has taken place in advanced countries, Kuznet in Nwachukwu once observed that "the major capital stock of an industrially advance country is not its physical equipment; it is the body of knowledge amassed from tested findings and discoveries of empirical science, and the capacity and training of its population to use this knowledge". Simply put, motivation can be understood as the forces of response to the existing needs of the organism.

**Keywords:** Motivation, Satisfaction, Employee, Government

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## 1. INTRODUCTION

The importance of qualified manpower in the social, political and economic development of any nation can hardly be over emphasized. No nation is known to have attained and sustained high level of economic growth and development without ample supply of manpower. Of all the factors that unlock the forces of economic and development, a country's human resources is the most vital because without, it all the other factors have to wait. (Nwachukwu 1988, p-128) Positive changes in the quality of work force according to Nwachukwu, account for rapid economic development that has taken place in advanced countries, Kuznet in Nwachukwu once observed that "the major capital stock of an industrially advance country is not its physical equipment; it is the body of knowledge amassed from tested findings

and discoveries of empirical science, and the capacity and training of its population to use this knowledge". At the organization level, the essence of any manpower programme is to enhance the welfare of workers by maximizing their skills as well as the quality and quality of their employment opportunity and by so doing add to their economic strength (Nwachukwu *ibid*). Thus, all employee programme are aimed at human resource development and utilization bearing in mind that a well-motivated and satisfied manpower is an asset to an organization, which enhances productivity. In a real sense, three important elements, money, man and material make up any business enterprises. While each of these elements is particularly importance in any organization, it is however the people or the human element that is often responsible for the success of an organization.

It is not uncommon to experience a situation where competing firms buy materials in the same market, secure their money from the same sources and employ their personnel in the same area, yet one company emerges as being more productive and profitable than the other. A study of such circumstances more often than not reveals that the difference in the performance is due to the fact that one company has a more "satisfied" work force, hence more productive. With this illustration, people/manpower determine the success of enterprises. A well-known management theorist, Rensis Likert concludes, "All the activities of any enterprises are initiated and determined by persons who make up that institution, underscores the importance of employee function. Plant, offices, computers, equipment and all else that a modern firm uses are unproductive except for human effort and direction. Of all the tasks of management, managing the human component is the central and most important task because, all else depend on how well is done" (Likert quoted in Iyayi 1989, p.151). Personnel/employee administration is that organization or enterprises function which is especially concerned with the management of the human component in organizations.

This human component pervades the entire organization and because of this, it follows that the performance of the personnel, or at least an important part of it, devolves on all individuals and managers who in one way or another have responsibility for the performance of one or more subordinates in the organization. The management function of leading, directing and motivating are all personnel functions, which all management must perform. A manager who fails in any of these respects is also likely to fail in the performance of his/her primary responsibility even if such responsibility is for production, accounting or marketing (Iyayi *ibid*). The fact that all managers perform personnel functions is however, not to imply that they are all personnel managers. In every organization, there is a distinct department or section that is specifically charged with the responsibility of initiating and formulating policy as well as providing advice, service and control of all personnel matters. Thus, although the people designated as personnel managers perform all the personnel functions of all managers, they in addition, usually have broad human skills, and specific technical skills for dealing with people oriented problems in the organization. The personnel manager usually applies his/her technical skills in dealing with issues that arise in the following major areas: employment, training and development, transfer, promotion and lay off, wage and salary administration, health and safety, discipline and discharge, industrial and labour relations, employee benefits and services, and personnel and behavioural research.

The above, constitute staff conditions of service, which is the hub of personnel management and on which depends industrial peace, industrial expansion and the general well being of the staff and the organization ( Abah 1997, p.238). Staff conditions of service vary from business to business, from industry to industry and more significantly from government owned businesses to privately owned ones and among government and private business enterprises, which in turn accounts for the wide difference in job satisfaction and employee performance in the various organizations. It is based on the foregoing that this study dwelt on the impact of job satisfaction on employee performance with special emphasis on government owned enterprises in Nigeria. Nigeria, like many other countries of the developing world became vigorously involved in accelerating the wheels of economic and industrial development of her economy. She became actively involved in the establishment of public enterprise and government businesses covering a large complex spectrum of public utility, infrastructure facilities, strategic enterprises, industries and commerce.

Since independence in 1960, the country has either inherited or established such organizations as the Nigerian Railway Corporation, Nigerian Airways, among many other corporations. However, the management of these companies over the years has left much to be desired. For instance, the Nigerian Airways according to the Director General of Bureau of public enterprise is a bankrupt company. Management influences and determines the performance of employees. But many managers in Government Owned Enterprises in Nigeria are either lacking in the elementary principles of organizational behaviour or are not given the free hand to run their firms. They do not know how to identify employees' goals and link rewards to motivate employees. It has been observed that all the work-related Nigerians possesses factors necessary for productivity. The only thing lacking is the supervisory/managerial abilities to harness these talents.

The objectives of the study are;

1. To identify the role of promotion on job satisfaction among staff.
2. To determine effect of salary on job satisfaction among staff.
3. To identify the important of conducive environment on job satisfaction.

## 2. LITERATURE REVIEW

According to Igboeli, (1990: 137) the word motivation comes from the latin word- movere which means to move. It is a general term that refers to all those inner forces such as desires, drives or motives wishes, and so forth, which kindle, direct and sustain behaviour toward a goal. Molokwu (1993:92) defines it as a process of stimulating people to action in order to achieve desired goals or accomplish a desired task. It also refers to efforts made to satisfy the basic physical, psychological, economic, emotional, spiritual, political, mental drive or need of the individual either in group or as a person. It is a synthesis of how employees think and feel about their jobs, their working conditions, their supervisors, their organization and fellow workers. Furthermore, motivation is understanding the needs or urges which prompt people to do things and provide ways of helping them satisfy these needs through the organization, while at the same time harnessing their contribution to satisfy the organizational needs.

Productivity and motivation of employees are subjects of considerable concern to management, both of government and private organizations all over the world. As managing involves the creation and maintenance of an environment for the performance of individuals working together in groups towards the accomplishment of common objectives. It is obvious that a manager cannot do this without known what motivates peoples. The basic element characteristics in people is the potential energy to behave in many different ways. Whatever stimulates this energy need is the issue here. There is an inter-relationship between job satisfaction/dissatisfaction and motivation. The important point is that job satisfaction and dissatisfaction are affected by different sets of factors and have different effects on employee's motivation and performance. It is a phenomenon most fundamentally based in the physiological state of the individual. In simple terms motivation can be understood as the forces of response to the existing needs of the organism. It is important for every manager to bear in mind that employees come to an organization with their needs, desires and motivations already determined. Furthermore, the content to which workers expend energy in working towards the corporate goal depends on how well their personal needs for job security, interest status and prestige can be achieved. In this perceptive, the challenge to management, therefore is to recognize and understand the impact of the various motivational tools that exist. These tools include:

1. Increase in wages and salaries
2. Providing job security
3. Promoting workers as and when due devoid of favouritism
4. Job enrichment

5. Objective testing and appraisal
6. Increase responsibilities
7. Authority and accountability
8. Understanding or realizing the subordinate's goals aspirations
9. Provision of welfare services and recreational programmes.
10. Staff development programme within and outside the company
11. Recognition of labour unions and management associations
12. Fringe benefits- leaves allowance, housing, bonus etc
13. Effective communication listening to employees' views.
14. Staff participation in decision making especially in matters concerning them.
15. Good working environment for efficient performances of workers

When the above tools of motivation are carefully manipulated by the organization, they will result in conducive psychological climate in which workers feel good and happy with the company, identifying with the goals and feeling motivated enough to make the invested capital, plants and materials function for the realization of the organizational goals.

### 2.1 Optimum Motivaton

Ejiofor (op cit p.210) has set out four conditions that must be met in the application of the instrumentality theory for optimum motivation, namely:

- i. The employer/organization must hold out rewards desired by the worker
- ii. The worker must perceive that the desired reward can be obtained only through the execution of more effort on his part.
- iii. The reward must be achievable, and as immediately as possible.
- iv. The worker must be mentally and physically able to strive for the reward.

The questions now are: Can the employer/organization hold out rewards? Is it willing to give out reward as immediately as they have been genuinely earned? Does the worker perceive that the desired reward can be obtained only through the exertion of greater effort on his part? To the extent that these questions are answered positively, to that extent are workers motivated.

There is a view on motivation that some people have a compelling drive to succeed for the sake of succeed alone. David Mc-Clelland (1961) in Uzoma op cit) has been the primary advocate of this view and he has named these "need to achieve" the "n-Ach) motive.

After years of research, Mc-Clelland described high achievers as:

- i. People who seek to do things better
- ii. People who seek situations where they can attain personal responsibility for finding solution to problems
- iii. People who dislike succeeding by chance
- iv. People who seek out opportunity where their desires to achieve will not be thwarted.
- v. People who seek and use concrete, measurable feedback of the results of their actions.
- vi. people who develop comprehensive plan to help them attain their goals.

The findings of the research conducted by Oloko (1977) suggest that the Nigerian worker does not perceive that his advancement depends much on how hard he works. Majority of those he interviewed were of the view that workers were promoted “mostly for being bosses” favourites” while few believed that promotion was based exclusively on skill and effort. These findings are in reality negation of the postulations of the instrumentality theory. In place of hand work, the Nigerian sees fate and favouritism as the path to successes. In the words of Pita Ejiofor, the Nigerian “follows the rational path, the road he believes led others to their gold mines. He assuges fate and the gods by offering sacrifices wearing success claims, attending spiritual churches and joining secret societies and social clubs (Ejiofor op cit. 2-4). If rewards could be seen as inputs, and motivation as outputs, then there appears to be what Ejiofor calls “the missing link in the motivational efforts of many of our employers/organizations, which do not bring about the desired motivation output, from the initiation reward inputs. The result therefore, is that while enjoying many Nigerians are still not motivated to produce. Why is it so? What is the missing link in the motivational chain? Vroom’s Expentancy Theory (1964) throws much light on this. He explains that motivation depends not just on the outcome desired by the worker, but also on the instrumentality of effort. That is the relationship perceived by the worker between his own effort (hard work, honesty, loyalty, putting oneself last) and the desired outcome (promotion, commendation, salary, movements, modals, trophics, and recognition in the community) Building on vroom’s theory, Pita Ejiofor identified four critical variables in workers motivation from which he later drew up the preconditions for instrumentality.

## 2.2

### Importance of Motivation

For the purpose of this study, the researcher has advanced the underlisted as the importance and need for motivation in an organization.

1. Motivation engages job satisfaction, which is effective relation of feelings by an employee on how happy or satisfied he is with his job supervisors, co-worker, pay. Pay and his current and future career progress and potentials.
2. Motivation assists managers to understand the needs or urges which prompt people to do things and provides ways of helping them to satisfy these needs through the organization, while at the same time harnessing their contribution to satisfy organizational needs.
3. Motivation of employees brings about job satisfaction and reduces the rate of labour turnover and absenteeism.
4. Employees feel that they are important members of the organization and that their contribution is important towards the attainment of the firms goals.
5. It eliminates industrial crisis by the workers out of dissatisfaction of one kind or another.
6. It brings about employees commitment to the achievement of the organizational goals.
7. It guarantees high productivity
8. It enables late workers to put in his best performance in the organizations work.
9. It could generate lasting harmony in the organization between worker and employers.

## 3. EMPLOYEE SATISFACTION

Employee satisfaction is the aim of most managers. The contention is that a satisfied employee has a better attitude to work than a dissatisfied employee. It was once believed that satisfaction would lead to higher productivity. Research findings point to the fact that satisfied employee is not necessarily productive. Thus, there is no consistent correlation between productivity and job satisfaction. (Ivancevich, 1970, p.139-151). Studies show, however, that job satisfaction correlates negatively with increased absenteeism rate, labour turnover and poor morale.

Commenting on the lack of correlation between employee satisfaction and productivity, Kahn observed that no significant relationships were discovered between any of the indexes of satisfaction and the productivity of the work group. In other words, employees in highly productive work groups were no more likely than employees in low producing group to be satisfied with their job and the company, or with their financial and status reward (Kahn 1960 p.277). These studies consistently point out that a satisfied employee does not out produce an unsatisfied employee but they do not claim that satisfaction is the cause of low productivity or poor attitude to work. An employee who is satisfied and motivated is an ideal employee. What satisfies employees is many and varied. Factors such as gender, position, personal characteristics of the job holder level of education, income level, supervision, relationship with coworkers, size of the work group, job content, to mention but a few, are some of the major factors that influences employee job satisfaction.

Employee job satisfaction is influenced by the equitable distribution of organizational favours. Perceived inequity affects employee job satisfaction. The ability of an employee to perform his work up to expected standards influences job satisfaction. cAn employee who is capable of performing an assigned task derives intrinsic reward from it, as he is capable of accomplishing something. He sees himself as having some control over his environment and may perceive himself as an achiever. This reward increases when the organization recognizes his contribution and gives him added incentive in the way of promotion or other privileges. If the employee believes that what he receives is equal to what other employees who have achieved level of productivity are entitled, he derives satisfaction. Extrinsic reward includes all forms of format recognition, promotion, advancement, pay, amenities, fringe benefits, and a pat on the back. These originate from the organization.

Intrinsic reward is an inner feeling of satisfaction originating from work well done, achievement, personal growth, status or power possessed and informal recognition. This inner warmth a form of self-gratification is very sustaining. Many employees will stay in the organization if they are denied extrinsic reward but possess intrinsic reward. Where the latter is lacking, the employee is very likely to leave the organization, or become very tanty, play truancy and characteristically, show a very poor attitude to work. Satisfaction is very closely related to absenteeism and labour turnover (Nwachukwu op cit p.201). Nwachukwu posits that job satisfaction is important because it influences absenteeism and tardiness and to a less extent, turnover of labour but not performance. It costs a lot of money to recruit and train employees therefore no company can survive continuous high turnover of employee or unexcused absenteeism. Job satisfaction affects staff turnover to an extent because turnover is also influenced by availability of alternative job opportunities. A dissatisfied employee does not resign his position unless another equally attractive position is available. Job performance can lead to job satisfaction. Job performance on the other hand, is a factor of other variables such as technology ability supervision and motivation.

#### 4. RECOMMENDATION

If the benefits of job satisfaction are to be achieved and if it is to make its fullest impact in increasing productivity in government owned enterprises like other firms that induce job satisfaction among their employees. It will be necessary to make the following recommendation:

1. Government owned enterprises should see increase/prompt payment as a motivation factor, that can increase productivity in the organization.
2. Government should use employee inputs as a criteria for promotion of workers, because most of these workers in government are idle.
3. Government should make the working environment conducive, so that the workers, can see their working environment as their second home.
4. Government owned enterprises should adopt management by objective in which employee should be part in decision making of the organization so that all hands will be on deck.
5. The structure of the organization should be restructure so that there will be cordial relationship between the employees and employer.
6. Working conditions should be improved and sustainable to enhance performance.
7. Management should be sensitive to the difference in needs and values among the employee. Every individual is unique and will respond differently to attempts to motive him or her.
8. Management should be sensitive to employees, complaints about low pay and unchallenging work. Too often management delude them into thinking that employees dissatisfaction can be lessened by painting work area piping in music, giving out a few more words of praise, or giving people longer work breaks.

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