

## The Factor of Job Satisfaction That Influences Employee Performance

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### ABSTRACT

This study delves into the multifaceted interplay among workplace environment, compensation, job descriptions, and job security, investigating their collective influence on employee performance. The survey questionnaire was utilized to gather data using a qualitative method, providing thorough insights into the relationships between workplace factors and employee outcomes. The results indicate a strong correlation between the work environment, compensation, job scope, job security, and employee performance. Specifically, the factors that affect employee satisfaction have a moderate relationship with performance at work, with  $r = .666$ ,  $p < 0.05$ ,  $r = .313$ ,  $p < 0.05$ , and  $r = .201$ ,  $p < 0.05$ . Work environment and compensation are reported as the highest factors of job satisfaction that influence employee satisfaction. It is because a supportive, valued, and respected work environment increases employee engagement, improving output and performance. Strong motivators are also the competitive and equitable wage packages. Employee commitment to their jobs increases when they see that their efforts have been compensated. It helps to reduce the turnover rate and promotes continuous good performance.

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### 1. Introduction

Job satisfaction can be related to a person's overall perspective about their work. It refers to how positively or negatively employees feel about their work (Dziuba et al., 2020). Job satisfaction may refer to the perception of the employee on how they are treated at work. It refers to how a person feels about their position at the organization. According to Ertekin and Avunduk (2021), job happiness affects the development of performance shown by the employee.

Employees will feel fulfilled if their work and themselves are in harmony. Even though technology is developing rapidly, human resources continue to be crucial. Asserts that the human factor is crucial to the accomplishment of a task. He claimed that regardless of the ideal plans, organizations, supervision, and research, the company will only produce as much as possible if the employees can carry out their responsibilities with interest and enjoyment. In essence, each person's level of satisfaction varies depending on the values that are applied to him. How a person feels about their task is also a measure of job satisfaction. So, expectations of employees and what they get from their employment are generally associated with job satisfaction. Job satisfaction among employees is important for organizations and their members. Employees' job satisfaction affects business growth. Understanding the factors behind employees' job satisfaction is essential (Inuwa, 2016).

### *1.1 Problem Statement*

Satisfied employees are crucial for an organization's effectiveness and, eventually, its long-term success at the

organizational level. Job satisfaction arises when the employees know they have a rising career, secure employment, and a great work-life balance arrangement. Employees will feel content with their jobs and organizations because they fulfill their expectations. Job satisfaction is when employees have positive or adverse feelings toward their jobs. It is the perception of how well or poorly experienced individuals are treated at work. Job happiness has an impact on the development of employee performance. Nevertheless, some issues need to be addressed, such as job satisfaction directly affecting employee performance. It was revealed that most of the workforce wanted to be happier with their assigned tasks and duties, working environment, and present incentive programs. Moreover, it has been determined that staff performances have decreased from time to time throughout the previous three years. Employee performance during the previous three years was roughly 83%, 77%, and 68%, respectively, declining. This is due to poor employee job satisfaction (Rodrigo et al., 2022).

### *1.2 Research Objective*

This research embarks on the ensuing objectives:

- i. To determine the relationship between job satisfaction and employee performance.

## **2. Literature Review**

### *2.1 Factors of Job Satisfaction*

The first factor that can influence job satisfaction is the work environment. The work environment can determine the important factor that can be considered in the elements of job satisfaction that impact employee performance in the organization. A welcoming and encouraging work environment is essential for satisfaction. The work environment has numerous elements that may affect an employee's mental and physical well-being. Maintaining employee focus and productivity across various tasks involves an excellent workplace environment. Good compensation packages and a trustworthy and honest relationship between management and staff are the indicators of a good workplace required by the employee (Bayar & Öztürk, 2017). Also, sustainable human resources management greatly influences employee satisfaction and work performance (Elangovan et al., 2023).

Besides that, compensation is a factor in job satisfaction. Compensation refers to the sort of reward given to a person for the work they do, whether it be in monetary or non-monetary form, is referred to as compensation. Compensation may also be the advantages gained through money or other rewards when work is completed (Elangovan et al., 2023). When financial incentives drive an employee's motivation, compensation frequently has a significant role in retaining them with a company. The business's remuneration package determines why employees stay employed (Aliyu, 2023). People give their time, expertise, and knowledge in exchange for payment because they value and require it to cover their living expenses and other connected costs. In summary, compensation may be crucial for individuals to sustain their lives over the long run.

Besides, a job description refers to a short and accurate written statement that defines the primary needs of a certain position. Job titles, duties, tasks, and responsibilities are examples of the job scope. It states what the prospective employee has to do when he gets the following job placement (Sutoro, 2020). The benefits of job scope include the ability to increase worker productivity, lessen role ambiguity, mitigate the impacts of overlapping responsibilities at work, and, in certain situations, prevent individuals from emphasizing areas of their jobs that are not properly described in a job description. A job with a broad scope and advancement opportunities improves performance and job satisfaction (Chung & Ahn, 2019). Based on the passage, gaining satisfaction from one's work is critical for improving an employee's performance.

The other factor in job satisfaction is job security. Job security gives a haven for employees, encouraging them to stay with the company for their whole working lives. Employees who feel unsafe prioritize keeping their existing jobs above advancing their careers, preventing them from getting promoted, stagnating on current projects, and impacting their long-term career prospects (Nemteanu et al., 2021). As a result, an employee's loyalty to the company and work performance are linked to job security and satisfaction.

### *2.2 Employee Performance*

Hermira and Yosepha (2019) explained employee performance as the result of working together to complete specific, well-defined organizational tasks. These tasks will be evaluated based on predetermined goals, objectives, and measurements. Employees are considered valuable resources of any organization, and



Marital Status	Married	27	42.2
	Single	37	57.8
Total			100
Age	25 years and below	25	39.1
	26-35	27	42.2
	36-45	12	18.8
	46 years and above	0	0.0
Total			100
Race	Malay	35	54.6
	Chinese	20	31.2
	Indian	9	14.0
Total			100
Years of Service	1-5 years	37	57.8
	6-10 years	24	37.5
	11 years and above	3	4.6
Total			100
Level of The Position	Lower	46	71.8
	Middle	10	15.6
	Upper	10	15.6
Total			100

Table 1 shows that males comprise 70.3% of respondents, while females comprise 29.7%. For marital status, 42.2% of those surveyed are married, and 57.8% of responders are single. The data analysis shows that 39.1% of respondents are under 25, 42.2% are between 26 and 35, and 18.8% are between 36 and 45. Most respondents were Malay (54.6 %), Chinese (31.2%), and Indian (14.0 %). Regarding the number of years of employment, 57.8% of the respondents had worked for the company for 1 to 5 years, 37.5% for 6 to 10 years, and 4.6% for 11 years or more. In the meantime, for the level of position, 71.8% of respondents came from the lower-level position, 15.6% from the middle-level position, and 15.6% from the upper-level position.

#### 4.3 Result Research Objective 1

The principal objective is to examine whether work environment, compensation, job scope, and job security are related to employee performance.

Table 2. Correlation Analysis

Variables	Pearson Correlation	Sig.	N
Work Environment	.666	.000	64
Compensation	.666	.000	64
Job Scope	.313	.000	64
Job Security	.201	.000	64

Referring to the above table presents that there is a significant positive relationship between the factors of job satisfaction (work environment, compensation, job scope, and job security) and employee performance at  $r = .666$ ,  $p < 0.05$ ,  $r = .666$ ,  $p < 0.05$ ,  $r = .313$ ,  $p < 0.05$ , and  $r = .201$ ,  $p < 0.05$ . The significance level of identifying a meaningful correlation among all the variables means the significant value of the correlation level between job satisfaction and employee performance in an organization is less than 0.05.

#### 4.4 Summary of Hypotheses

Table 3. Summary of Hypotheses

Hypotheses	Results
1. Employee environment has a significant positive relationship with employee performance.	Accepted

2. Compensation has a significant positive relationship with employee performance.	Accepted
3. Job scope has a significant positive relationship with employee performance.	Accepted
4. Job security has a significant positive relationship with employee performance.	Accepted

Based on Table 3, there is a summary of hypotheses to investigate the relationship between job satisfaction factors and employee performance at Lembaga Kemajuan Ikan Malaysia (LKIM) in Kemunting Kuantan Pahang. The study found that all the impacts of job satisfaction, including work environment, compensation, job scope, and job security, have a major beneficial impact on how well employees perform.

## 5. Conclusion

Good workplace environment factors can aid in increasing employee job satisfaction. The organization's retention rate increases with increasing job satisfaction. The work environment is a major factor in inspiring people to complete organizational tasks. Workplace environments may refer to the location and area surrounded by tangible and intangible assets such as ventilation, noise levels, parking lots, buildings, and the office setup (Al-Omari & Okasheh, 2017). On the other hand, policies, incentives, regulations, work relationships, work culture, supervisor support, and coworker compatibility are all considered intangibles. This organization's working environment impacts employee performance since it can influence the employees to comfortably remain in the workplace and focus on carrying out their duties. It is also considered to be the aid provided by the employer to assist the employee in completing the work assigned and achieving the goals.

Aside from that, compensation can be described as the payment that employee receives in exchange for their services to the company. Compensation can be divided into two categories: direct and indirect. It refers to bonuses, profit sharing, overtime pay, recognition rewards, and health benefits. Compensation substantially affects employee performance based on the employee's productivity, discipline, and commitment while working (Thapa, 2023). It is crucial to prove the organization's goals and objectives to employees and let them know what and how they want to prioritize the work assigned and ensure good results. Employees appreciate the compensation, encouraging them to improve their work efforts.

In addition, the job description refers to the formal document that lists the obligations, qualifications, abilities, and expectations related to a certain position within an organization. It is a comprehensive manual for employers and employees, giving them a clear idea of the position's duties and the qualifications needed to accomplish them (Karlina & Heriyanto, 2022). A well-defined job description explains the roles, responsibilities, and expectations. Clear expectations help employees understand what is required of them, reducing ambiguity, and enabling them to focus on key tasks and goals. When employees know what is expected, they are more likely to perform effectively. It serves as the basis for setting performance goals.

Job security is a worker's assurance or confidence about continuing their employment inside a company. It encompasses the belief that their job will remain constant and that they will continue to have employment for the foreseeable future, often free from the imminent risk of involuntary job loss, layoffs, or termination due to factors beyond their control (Ahmed et al., 2017). Employees with high job security often foster a sense of dedication and loyalty at work. Employees are more inclined to support the objectives and core values of the organization when they believe that their jobs are secure, which boosts commitment and improves output.

When these factors, which include the workplace environment, compensation, job description, and job security, are optimized and aligned to meet employees' needs and expectations, they collectively contribute to higher job satisfaction. Increased job satisfaction, in turn, tends to correlate positively with improved employee performance. However, it is important to note that these factors significantly impact job satisfaction and performance. They interact with various other elements, including individual motivations, personal aspirations, company culture, and external factors, creating a complex web of influences on employee satisfaction and performance. Organizations that prioritize and effectively manage these factors tend to foster a more productive, satisfied, and engaged workforce, resulting in the greatest employee performance.

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