

The Mediating Role of Employee Job Satisfaction and Employee Job Performance between Human Resource Management Practices and Organizational Productivity

Dr.Shaik Karim

Associate Professor, Department of Management Studies
Sree Vidyanikethan Institute of Management, Tirupati

Dr.K.Vidyasagar

Assistant Professor, Department of Management Studies
Sree Vidyanikethan Institute of Management, Tirupati

Dr.K.Balaji

Assistant Professor, Department of Management Studies
Sree Vidyanikethan Institute of Management, Tirupati

Dr.P.Chenchu Reddy

Assistant Professor, Department of Management Studies
Vikrama Simhapuri University, Nellore, Andhra Pradesh

Abstract:-

Aim/Purpose:-The aim of the descriptive research study was to know the mediating role of employee job satisfaction and job performance on organizational productivity. The Independent variables will be Performance Appraisal, Training and Development and Employee Compensation. **Outcome:-** The outcome of the research explains about various factors like: performance appraisal, Training and Development and Employee compensation, job satisfaction and job performance on organizational productivity. **Research Design/Methodology:-** The researcher has taken descriptive research with sufficient sample size. Applied both descriptive and inferential statistics like: Mean and Standard deviation followed by exploratory and confirmatory factor analysis, Reliability analysis and Structural Equation Modeling using R-Programming. **Novelty:-**the model is designed with new variables like: Productivity, employee job satisfaction and job performance. **Social Relevance:-** The outcome of the research can be generalized under similar circumstances in India.

INTRODUCTION

The organizational productivity plays a crucial role to succeed in the competitive world. As per the availability of literature the organizational performance is depends up on the employee job satisfaction and human resource development practices as the employee job satisfaction increases the Organizational productivity also will increase. There are many factors which impact on organizational Productivity like: employee job satisfaction and employee job performance followed by the Performance Appraisal, Training and Development and Employee compensation.

REVIEW OF LITERATURE

Job satisfaction is a pleasant emotion that arises from a positive assessment of one's job or work experience [1]. Previous research has shown that when an individual is satisfied, he will perform at his highest level to meet the organization's goals [2]. The banking business is one of the most demanding aspect, bank employees are constantly under pressure to fulfill the difficulties [3]. Providing provident funds, employee state insurance and other types of social security benefits will give added advantage to the employees and which brings the employee job satisfaction and employee job performance [4-5]. The job satisfaction is one's optimistic expression and fulfilling individual gratification in their work [6]. It has caused businesses to cater to their employees' expectations and wants, and they may expect a similar return. Motivation has a favorable impact on individual and group performance, which in turn has an impact on organizational performance [7]. When employees are happy with their jobs, it produces a pleasant pressure within the business, which motivates them to do their jobs well and allows the company to achieve fantastic results [8]. The effect pay, academic staff duties can be improved and their degree of satisfaction may be increased [9]. Demonstrated that pay had a positive correlation with job happiness [10].

Objectives of the study:-

1. To review the concepts of employee job satisfaction and employee job performance with respect to organizational productivity.
2. To know the employees opinion on factors which impact on organizational productivity.
3. To suggest the best practices for organizational productivity.

Need and Importance of the Study:-

There is a need to study the concept of organizational productivity, as the sales and profits of the organization depend up on the organizational productivity. There are various factors which impact on organizational productivity like: human resource development strategies, career development and other aspects. Therefore, there is a huge need to study the concept of organizational productivity with respect to employee job satisfaction and employee job performance.

Scope of the Study:-

The scope with respect to objectives limited to assess the organizational productivity whereas the scope with respect to location restricted to Andhra Pradesh.

Hypothesis of the Study:-

H_a(1): There is a significant positive relationship between employee job satisfaction and organizational productivity.

H_a(2): There is a significant positive relationship between employee job performance and organizational productivity.

H_a(3): There is a significant positive relationship between Training and Development and organizational productivity.

H_a(4): There is a significant positive relationship between Performance Appraisal/Employee Compensation with respect to organizational Productivity.

RESEARCH METHODOLOGY

The researcher has taken the advantage of both descriptive and inferential statistics. The descriptive statistics include: mean and standard deviation followed by the inferential statistics.

Sample Size:-

The researcher has taken around 500 sample size to collect the opinion from various respondents. The researcher has taken advantage of both descriptive and inferential statistics.

Data Sources:-

The researcher has collected both primary and secondary data. The researcher has taken primary data from survey methods followed by secondary data from various secondary data sources like: Articles and from various sources.

Sampling Tools:-

The sampling tools for the study are Mean, Standard deviation, Correlation, Regression, Exploratory Factor Analysis followed by confirmatory Factor Analysis, Structural Equation modeling using R-Programming. The SEM will be useful to assess the direct and indirect effect of the model.

DATA ANALYSIS AND INTERPRETATION

Table1: Pearson's Correlations

Variable		PA	TD	EC	EJP	EJS	P
1. PA	Pearson's r	—					
	p-value	—					
2. TD	Pearson's r	0.202	—				
	p-value	< .001	—				
3. EC	Pearson's r	0.089	0.112	—			
	p-value	0.046	0.011	—			
4. EJP	Pearson's r	0.003	-0.044	0.029	—		
	p-value	0.942	0.324	0.514	—		
5. EJS	Pearson's r	0.190	0.143	0.073	0.029	—	

Table1:Pearson's Correlations

Variable		PA	TD	EC	EJP	EJS	P
6. P	p-value	< .001	0.001	0.101	0.521	—	
	Pearson's r	0.140	0.031	0.388	0.078	0.077	—
	p-value	0.002	0.492	< .001	0.080	0.084	—

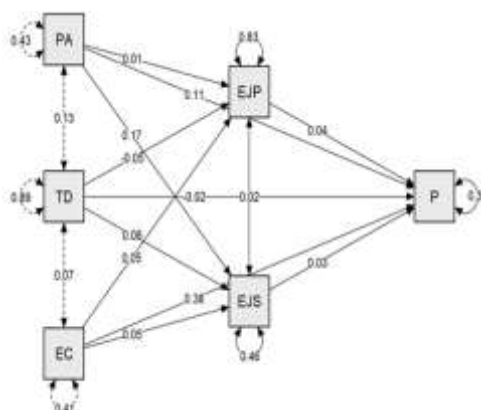
From the above table it is evident that all the factors have shown the significant relationship with each factor. There is no multicollinearity problem in the analysis as the correlation with the factor is not exceeded .70. The performance appraisal have shown the significant relationship with the training and development ($r=0.202$ & $p<.001$) and performance appraisal with employee compensation with ($r=0.089$ & $p<0.046$) followed by employee compensation with training and development ($r=0.378$ & $p<.001$). The employee job performance and employee job satisfaction with training and development ($0.374, 0.409$ $p<0.01$). In the same manner performance appraisal to training and development along with career planning and development ($0.331, 0.394$ & $p<0.01$) have shown the significant results. In the same manner employee compensation to training and development, career planning and development and performance appraisal ($0.378, 0.393$ & $p<.001$) which has shown the significant results. In the same manner the employee job performance has shown significant results with training and development, career planning and development, performance appraisal and employee compensation ($0.374, 0.444, 0.348, 0.442$ & $p<.001$) which shows there is a significant

Table2: Descriptive Statistics

	N	Mean	SD	SE
P	506	3.897	0.642	0.029
PA	506	4.045	0.656	0.029
TD	506	3.925	0.947	0.042
EC	506	3.903	0.640	0.028
EJP	506	3.901	0.915	0.041
EJS	506	3.937	0.693	0.031

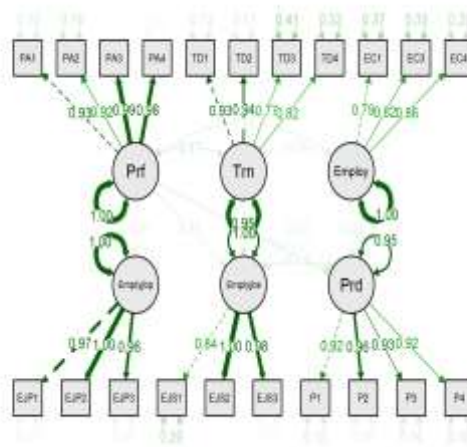
relationship with the variables.

All the factors have shown the satisfaction tendency because, all the factors and the Mean values approximately nearer to satisfaction. The highest mean value of performance appraisal is 4.045 followed by the employee job satisfaction is 3.937 and the training and development is 3.925, employee compensation is 3.903 and employee job performance is 3.901 and the career planning and development is 3.897. Therefore, it can be conclude that the all the factors have shown the satisfaction tendency.

Figure2: Path Analysis

From the above diagram it is evident that the employee job performance and employee job satisfaction acts as a mediator for the organizational performance. There are some other list of variables like: performance appraisal, training and development and employee compensation also plays a significant role to enhance the organizational productivity.

Figure1:- Confirmatory Factor Analysis



The confirmatory factor analysis and model have shown the loading values are approximately .70 which explains that the average variance extracted value should be .50. Followed by the GFI, AGFI, TLI and CFI values are >.90 which explains that the model has shown a good fit. The goodness of fit index (GFI=0.907) followed by comparative Fit Index (CFI=0.955) and Tucker-Lewis Index (TLI= 0.949) and RMSEA=0.054 and standard (RMR=0.041)

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5	Factor 6	Uniqueness
TD1					0.931		0.121
TD2					0.943		0.106
TD3					0.780		0.402
TD4					0.815		0.328
PA1		0.964					0.070
PA2		0.945					0.105
PA3		0.981					0.043
PA4		0.957					0.080
EC1						0.798	0.361
EC3						0.825	0.323
EC4						0.861	0.254
EJP1	0.955						0.089
EJP2	0.986						0.030
EJP3	0.988						0.024
EJP4	0.917						0.154
EJS1			0.842				0.286
EJS2			1.001				0.002
EJS3			0.980				0.038
EJS4			0.977				0.048
P1				0.931			0.150
P2				0.964			0.079
P3				0.920			0.137
P4				0.912			0.152

Note: Applied rotation method is promax.

The Factor1 (Employee job Performance) have shown the maximum correlations with the factor variables EJP1(r=0.955), EJP2(r=0.986), EJP3(0.988), EJP4(0.917) followed by the Factor2 (Performance Appraisal) with the factor variables correlations have shown high correlation PA1(r=0.964), PA2 (0.945), PA3(r=0.981), PA4(r=0.957) and the Factor3 (Employee job satisfaction) also have shown significant positive correlation with the variables EJS(r=0.842), EJS2(r=1.001), EJS3(0.980) and EJS4(0.977). The Factor4 (planning) has shown the significant positive correlation with the P1(r=0.931), P2 (r=0.964), P3 (0.920) and P4 (0.912) and factor 5 (training and development) with the variables TD1(r=0.931), TD (r=0.943), TD3 (r=0.780) and TD4 (r=0.815) and the final Factor6 (employee compensation) also has shown the significant positive correlation with the variables EC1(r=0.798), EC2 (0.825), EC3 (0.861).

Table3: Factor Characteristics

	SumSq. Loadings	Proportion var.	Cumulative
Factor 1	3.705	0.161	0.161
Factor 2	3.707	0.161	0.322
Factor 3	3.630	0.158	0.480
Factor 4	3.478	0.151	0.631
Factor 5	3.033	0.132	0.763
Factor 6	2.065	0.090	0.853

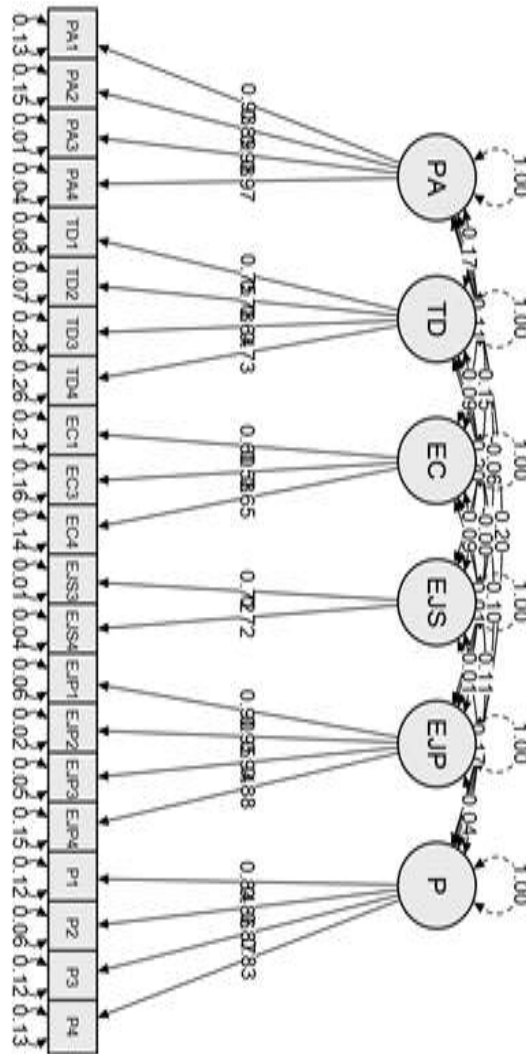
The total six factors extracted out 26 variables. The Factor1 (Training & Development) the maximum variance is being extracted will be 0.161 followed by Factor2 (employee job satisfaction) extracted 0.322 variance, Factor3 (Employee Compensation) extracted 0.115 and Factor4 (Employee job performance) extracted 0.103 and Factor5 (career planning and Development) and last factor6 (performance Appraisal) contributed 0.082. The overall 0.652 variance is being extracted from all the six factors. It explains that, the majority 85% of the variance is being explained by the six factors of employee job performance. The rest of the above 30% of the variance it is not explained by the mode. The model can be re developed by using other factors of employee job performance.

Table4: Factor loadings

Factor	Indicator	Symbol	Estimate	Std. Error	z-value	p	95% Confidence Interval	
							Lower	Upper
PA	PA1	λ_{11}	0.928	0.03	27.90	< .01	0.862	0.993
	PA2	λ_{12}	0.893	0.03	27.04	< .01	0.828	0.958
	PA3	λ_{13}	0.982	0.03	31.36	< .01	0.921	1.044
	PA4	λ_{14}	0.967	0.03	30.60	< .01	0.905	1.029
TD	TD1	λ_{21}	0.753	0.02	27.47	< .01	0.699	0.806
	TD2	λ_{22}	0.778	0.02	28.03	< .01	0.724	0.833
	TD3	λ_{23}	0.638	0.03	20.30	< .01	0.576	0.699
	TD4	λ_{24}	0.728	0.03	22.32	< .01	0.664	0.792
EC	EC1	λ_{31}	0.603	0.03	20.18	< .00	0.544	0.661
	EC3	λ_{32}	0.579	0.02	21.06	< .00	0.525	0.633
	EC4	λ_{33}	0.646	0.02	22.54	< .01	0.590	0.702
EJS	EJS3	λ_{41}	0.722	0.02	24.88	< .01	0.665	0.779
	EJS4	λ_{42}	0.716	0.03	24.14	< .01	0.658	0.775
EJP	EJP1	λ_{51}	0.899	0.03	29.76	< .01	0.840	0.958
	EJP2	λ_{52}	0.953	0.03	31.04	< .01	0.893	1.013
	EJP3	λ_{53}	0.936	0.03	30.19	< .01	0.875	0.997
	EJP4	λ_{54}	0.879	0.03	26.92	< .01	0.815	0.943
P	P1	λ_{61}	0.836	0.03	27.62	< .01	0.776	0.896
	P2	λ_{62}	0.857	0.02	29.18	< .01	0.799	0.915
	P3	λ_{63}	0.866	0.03	27.36	< .01	0.804	0.928
	P4	λ_{64}	0.833	0.03	26.860	< .001	0.773	0.894

From the above table it is evident that the factors like: performance appraisal, training and development, employee compensation, employee job satisfaction and employee job performance and organizational productivity have shown the significant positive relationship. Therefore, it is evident that the human resource development practices have shown the significant relationship with the employee job performance and organizational productivity.

Figure3:- Confirmatory Factor Analysis Model Fit



The confirmatory factor analysis has shown that all the variables with the factors loaded positively. The Performance Appraisal (PA) factor positively associated with the all variables of (PA1, PA2, PA3 and PA4) and corresponding loadings are (0.80, 0.78, 0.76, 0.70) followed by training and development (TD1 also TD2, TD3, TD4) the corresponding loading values are (0.70), 0., 0.78, 0.60, 0.73) and Employee compensation(EC) are (EC1,EC2, AND EC3) the corresponding values are (0.60, 0.58, 0.65,) and the sample likewise the employee job satisfaction(EJJS) are also having four factors like: (EJS1, EJS2,) and its corresponding loading values are (0.70, 0.72,) and employee job performance (EJP) also having four factors like (EJP1,EJP2, EJP3 and EJP4) and its corresponding values are 0.90, 0.94, 0.90 and 0.88).andfinally planning (P) also having four variables (P1, P2, P3, P4) and its values 0.84, 0.86, 0.87, 0.83 Therefore, the confirmatory factor analysis explained about the various factors extracted from the list of variables.

χ^2	561.567
Degrees of freedom	174.000
p	< .001
Comparative Fit Index (CFI)	0.972
Tucker-Lewis Index (TLI)	0.966
Bentler-Bonett Non-normed Fit Index (NNFI)	0.966
Bentler-Bonett Normed Fit Index (NFI)	0.960
Parsimony Normed Fit Index (PNFI)	0.795
Bollen's Relative Fit Index (RFI)	0.951
Bollen's Incremental Fit Index (IFI)	0.972
Relative Noncentrality Index (RNI)	0.972

Hoelter Critical N (CN) alpha=0.05	186.417
Loglikelihood user model (H0)	-6811.179
Loglikelihood unrestricted model (H1)	-6530.396
Number of free parameters	57
Akaike (AIC)	13736.359
Bayesian (BIC)	13977.272
Sample-size adjusted Bayesian (BIC)	13796.347
RMSEA	0.066
Upper 90% CI	0.073
Lower 90% CI	0.060
p-value RMSEA <= 0.05	< .001
RMR	0.016
RMR (No Mean)	0.016
SRMR	0.020

Conclusion:- Therefore, it can be conclude that the organizational productivity and organizational development will depends on the employee job satisfaction and human resource development practices in the organization like: Training and development, performance appraisal, career planning and development and employee welfare measures. All the values of model fit has shown the significant relationship with the organizational performance.

References:-

1. E. Locke, "The nature and causes of job satisfaction," in *Hand Book of Industrial and Organizational Psychology*, M. D. Dunnette, Ed., pp. 1297–1349, Rand McNally, Chicago, IL, USA, 1976.
2. R. Jalagat, "Job Performance, job satisfaction and motivation: a critical review of their relationship," *International Journal of Management and Economics*, vol. 5, no. 6, pp. 36–43, 2016.
3. M. Batool and R. Ullah, "Impact of job satisfaction on organizational commitment in banking sector: study of commercial banks in district Peshawar," *International Review of Basic and Applied Sciences*, vol. 1, no. 2, pp. 12–22, 2013.
4. Mosadeghard, "A study of the relationship between job satisfaction, organizational commitment and turnover intention among hospital employees," *Health Services Management Research*, vol. 21, pp. 211–217, 2008.
5. K. A. Bender and J. S. Heywood, "Job satisfaction of the highly educated: the role of gender, academic tenure, and earnings," *Scottish Journal of Political Economy*, vol. 53, no. 2, pp. 253–279, 2006.
6. S.Md.Azash, Ramesh Safare, M.Sudheer Kumar, 2011. The motivational factors and job satisfaction: a Study on selected public and private sector bank Employees in Kadapa district, Andhra Pradesh. *International Refereed Research Journal* Vol.– II, Issue –4, [161], *Journal of Arts, Science & Commerce* E-ISSN 2229-4686 ISSN 2231-4172.
7. Agusthina Risambessy, Bambang Swasto, Armanu Thoyib, Endang Siti Astuti, 2012. The Influence of Transformational Leadership Style, Motivation, Burnout towards Job Satisfaction and Employee Performance, *J. Basic. Appl. Sci. Res.*, 2(9) Pp 8833-8842.
8. Judge, T. A., Weiss, H. M., Kammeyer-Mueller, J. D., & Hulin, C. L. (2017). Job attitudes, job satisfaction, and job affect: A century of continuity and of change.
9. Mustapha, N., 2013. The influence of financial reward on job satisfaction among academic staffs at public universities in Kelantan, *Malaysia. Int. J. Bus. Soc. Sci.*, 4: 244-248.
10. Mangi, R.A., H.J. Soomro, I.A. Ghumro, A.R. Abidi and A.A. Jalbani, 2011. A study of job satisfaction among non-PHD faculty in universities. *Aust. J. Bus. Manage. Res.*, 1: 83-90.