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JOB SATISFACTION AS A MEDIATOR IN RELATIONSHIP BETWEEN INVOLVEMENT MANAGEMENT AND JOB PERFORMANCE AMONG BANK EMPLOYEES IN KERMAN

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ABSTRACT

Direct employee contribution is one of the most supported interventions for influencing job performance and job satisfaction. The aim of the current study is to determine the relationship between involvement management, job satisfaction and job performance among bank employees in Kerman-Iran. The respondents comprised of 190 employees in the age range of 35-50 years old that were randomly selected from Kerman's banks. Self-administered scales were used for data collection which contains involvement management scale, job satisfaction questionnaire and job performance questionnaire. Findings of the present study show that there is a significant relationship between involvement management, job satisfaction and job performance. Also, job satisfaction partially mediates the relationship between involvement management and job performance.

Key Words: *Involvement Management, Job Satisfaction, Job Performance*

INTRODUCTION

The most important problem in an organization is Job Performance. This matter made investigators to study more and more (Shekrkon, 2001). They know that performance is overall expectation of organization from distinct behavior samples of each individual during specific period of time (Motowidlo, 2003). Job performance is a set of behavior which person show in relation to his/ her job or amount of efficiency gained due to the person job kind (Rashidpoor, 2000). It can be defined also as ability of person in doing his/ her job and tasks. Organizational theorists have shared job performance in two groups: task performance and dispositional performance. Task performance is defined as tasks and responsibilities of each person and related directly to all things that must be done by that person such as monitoring absent or present employee. The other performance is dispositional which help organizational and social network to survive (Kwong, 2003). Matavidlo (2003) noted task performance as parts that expressed in formal job and dispositional comprise all manners influence on psychological, sociological and organizational aspects. There are factors effects on job performance in organizations.

High involvement management is an important factor in job performance. People are the most important resources of any organization. Employees are a company's livelihood. How they feel about the work they are doing and the results received from that work directly impact job's performance and eventually its constancy (Milliman *et al.*, 2008). For example, if the organization employees are extremely motivated and pro-active, they will do whatever is essential to attains the aims of the organization as well as keep track of industry to achieve the goals of the organization performance to address any potential challenges. The achievement of any business relates largely on the motivation of the employees. An organization with low levels of employee motivation is totally susceptible to both internal and external challenges because its employees are not giving the extra mile to keep the organization's constancy. Employee motivation-committed is vital to the success of any company regardless big or small. In the modern workplace, human resources are appreciated above all others. Motivated employees are productive, glad and involved (Coleman, 2010).

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Highly satisfied and involved employees will deliver high quality of job performance. It is central to modern organizational concepts such as involvement management (Guest, 1987) and job performance work (Benson and Lawler, 2003). Two kinds of opportunity for direct participation are related with these management models: a) the design of jobs, and b) organizational involvement methods such as team working, idea-capturing schemes and functional flexibility that related with the high involvement or commitment model (Lawler, 1986; Walton, 1985).

It is extensively expected that these methods of employee involvement improve the quality of individual's working lives and their performance. Originating in the 1990s, following the appearance of involvement or commitment management, much of the study on workplace employment systems has focused on the performance effects of organization-level performs (Batt, 2002; Cappelli and Neumark, 2001; Wood and De Menezes, 2008). Involvement at the job level has, however, been increasingly neglected in this high performance work systems literature (Wood and Wall, 2007). Gibson *et al.*, (2007) even concluded that this literature has become separate from that on Employee involvement or empowerment.

Job satisfaction is an important factor of job performance. It stated in 50 and 60 decays with economical fall which in that time most of employees were unsatisfied with their job's situation. These states involved manager's attention (Mohammadi, 2005). Job satisfaction is a vital factor for developing efficiency and also person's satisfaction in a company. Managers permanently tend to promote job satisfaction among their employee. This factor is important not only for behavioral science scientists but also for managers and attitudes towards that (Cherrington, 2006). On the other hand job expectations appear and connected to job satisfaction as the most important factor for employee to judge about their job and organization (Rabins, 2005). Some scientists consider that dispositional factors and different features are more important factors to predict satisfaction. But some other supposed that organizational and environmental factors are more important (Youngjoon *et al.*, 2004).

Since, external setting influence on person sensations in work place. Thus, as job is a great portion of life, so job satisfaction influence on total satisfaction of people. Consequently, we can decide that there is an influence between job satisfaction and life so managers must not only control the job states but also pay to their employee life conditions (Devies and Storm, 1991). Employees have a set of requirements, desire and earlier skills which make completely the job expectations. Organization's responses and responses to these desires will produce negative or positive attitude among employees to their job. Actually job satisfaction displays the connections between person expectations and rewards taken from job (Willem, 2007). In organizational behavior, it is concentrated on job satisfaction.

Smith *et al.*, (1969) defined five facets of job satisfaction: being satisfied from job (interesting tasks and chances for knowledge and training), being satisfied from supervisor (technical and managing skills and their attentions about employees), being satisfied from coworkers (technical qualification and support they show), being satisfied from promotion (achieving real chance to advance), being satisfied from income (amount of income, its equality and way of paying to stuffs).

One of the most exciting topics in job satisfaction is its connection with performance (Mirderikvandi, 2000). Job satisfaction lead to higher levels of productivity, organizational responsibility, physical and mental health, thus individual will work with better mood and will learn abilities and lastly promotion in his/ her performance (Coomber and Barriball, 2007).

As mentioned above, there are factors of related to job performance that studied separately. The present researcher could not locate any available research in Iran that first, analyzed involvement management, job satisfaction and job performance together. Second, studies that examined job satisfaction as the mediator in job performance. Therefore, this study fills the literature gap in this area and provides valuable empirical evidence on the role involvement management and job satisfaction in employees' job performance in Kerman.

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Objectives

1. To describe the levels of involvement management, job satisfaction and job performance of the respondents.
2. To determine the relationships between involvement management, job satisfaction and job performance of the respondents.
3. To determine the mediating effect of job satisfaction on the relationship between involvement management and job performance.

MATERIALS AND METHODS

Research Design

This study used a descriptive and correlational research design to examine the relationships between involvement management, job satisfaction and job performance. The present study is a cross-sectional study which involves collecting data over a short period of time in order to search for the answer for the outlined research hypothesis.

Participations and Procedure

Participants included 190 bank's employees in Kerman. The ages of the participants ranged from 35 to 50 years, with the average age being 41.9 years (SD = 3.72). Data collected during the 2013 summer. Research packets that included an informed consent form and questionnaires were distributed to employees. After given instructions, employees read the informed consent form, completed the questionnaires, and returned them to the proctor.

Measures

Involvement Management

Involvement management is measured at the workplace level by a score based on a one factor latent trait model with the following involvement practices, as used in Wood and de Menezes (2008) analysis of the WERS98 data: functional flexibility, quality circles, suggestion schemes, teamwork, induction, interpersonal skills training, team briefing, information disclosure, and appraisal. The percentage of the log-likelihood ratio statistic that is explained by this model is equal to 63% and the score's reliability coefficient, calculated as proposed by Bartholomew and Knott (1999), is equal to 0.68.

Job Satisfaction

Job satisfaction scale (Warr *et al.*, 1979) is based on respondents' satisfaction. This scale has 8 parts consisting of the amount of effect the person has over their job, the amount of wage they received, the sense of attainment they get from their work, the scope for using initiative, the training they received, their job security, involvement in decision making, and the work itself. A five-point Likert scale from 1= "satisfied" to 5= "not satisfied" was used to rate the items. The scale has a reliability statistic of 0.85, measured by Cronbach's alpha.

Job Performance

Job performance was assessed using a seventeen-item questionnaire. This scale was designed to measure the employee performance in terms of effort extended to the job. Time effort, knowledge effort, responsibility, performance targets, punctuality, absenteeism, relationship with others, loyalty, submitting new ideas, initiative, dependability, obedience, reliability and accuracy were the criteria identified to measure the performance of employees degree of effort extended towards the job. The respondents were required to indicate their level of effort extended to the job on the given questions by using a five point Likert scale ranging from 1="great extend" to 5="very little".

Data Analysis

Data from the present study were processed and analyzed by using Statistical Package for Social Science (SPSS) version 20. Three statistical procedures i.e. descriptive analysis and inferential statistical analysis were used for the data analyses. Descriptive statistics such as mean score, standard deviation, percentage

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and frequency distribution were used to describe the demographic profiles of the respondents. Inferential statistics that was used in the data analysis were Pearson Correlation Analysis and Mediator Test.

RESULTS AND DISCUSSION

Results

Descriptive findings

1. To describe the levels of involvement management, job satisfaction and job performance of the respondents

Table 1 shows pattern of involvement management, job satisfaction and job performance. More than half of the respondents (59%) reported high levels of involvement management. Also, almost half of the respondent (49.7) reported high levels of job satisfaction. Finally More than half (53.1%) of the respondents reported high levels of job performance.

Table 1: Level of Study variables

Levels	Involvement Management	Job satisfaction	Job performance
Low	41.0	51.3	47.9
High	59.0	49.7	53.1

Bivariate Analysis

The Pearson correlation analysis was used to examine the relationships between involvement management, job satisfaction and job performance.

The Nature of Relationship between Involvement Management and Job Performance

As shown in Table 2, the result of the study indicates that there was a significant positive relationship ($r = .49, p < .01$) between involvement management and job performance. This means that respondents who reported higher scores in involvement also reported higher job performance. In other word, higher level of the involvement is linked to the higher level of job performance and vice versa. The strength of correlation between involvement management and job performance is medium.

The Nature of Relationship between Job Satisfaction and Job Performance

The result of the study indicated that there was a significant positive relationship ($r = .58, p < .01$) between job satisfaction and job performance of respondents. This means that respondents with higher levels of job satisfaction showed higher levels of job performance. The strength of correlation between and academic job satisfaction and job performance is strong.

The Nature of Relationship between Involvement Management and Job Satisfaction

As shown in Table 2, the result of the present study show that there was a significant positive relationship between involvement management and job satisfaction of respondents ($r = .14, p < .01$). This means that respondents who reported higher scores in involvement also reported higher job satisfaction scores. The strength of correlation between involvement management and job satisfaction is weak.

Table 2: Correlation Analysis

Variables	X1	X2	Y	
X1	Involvement management	1		
X2	Job satisfaction	.58**	1	
Y	Job performance	.49**	.14**	1

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Mediating Analysis

A series of Multiple Regression analyses were used to explore the mediating effect of job satisfaction on the relationships between involvement management and job performance. The mediation test examines the indirect effect of predictor (X) on the outcome (Y) variable through mediator variable (Z). The present study follows the guideline proposed by Baron and Kenny (1986) to test the mediation effect of a mediator on the relationship between the independent and dependent variables. According to Baron and Kenny (1986), there are four steps in establishing mediation:

Step 1: There must be a significant relationship between the predictor and the outcome variable.

Step 2: The relationship between the predictor and the hypothesized mediator is significant.

Step 3: The hypothesized mediator is significantly related to the outcome variable when both the IV and the mediator are treated as predictors and DV as the outcome variable.

Step 4: When the assumptions at step 1 to 3 are fulfilled, the mediation test is conducted (step 4). The IV and mediator are treated as predictors and DV as the outcome variable. To establish that the mediator variable completely mediates the relationship between IV and DV, the unstandardized coefficient (path c') should be zero.

At step 4, if there is a mediation effect, the strength of relationship between the predictor and the outcome is reduced after controlling for the effect of the mediator. Figure 1 shows the mediation model of the relationship between the independent variables and the outcome variable. Path a indicates the relationship between the independent variable and the mediator. Path b refers to the relationship between the mediator and the outcome variable. Path c' indicates the relationship between the independent variable and the outcome variable after controlling for the mediator. According to Baron and Kenney (1986), it is preferable to use unstandardized coefficients in mediating analyses. This is supported by Dugerd, Todman, and Strains (2010).

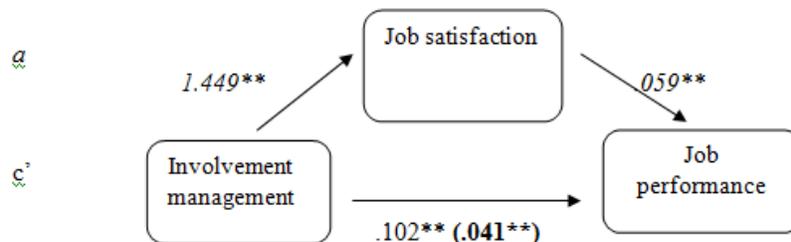


Figure 1: Mediation Model (Center) Note: ** $p < .05$

Job satisfaction mediates the Relationship between involvement management and job performance

Table 3 shows that there was a direct significant effect of involvement management on job performance ($B = .102$, $SE = .006$, $t = 16.671$, $p < .05$) and job satisfaction ($B = 1.449$, $SE = .059$, $t = 24.719$, $p < .05$). The relationship between job satisfaction (mediator) and academic job performance was also significant ($B = .059$, $SE = .003$, $t = 19.053$). The results of multiple regression analysis at Step 4 implied that job satisfaction partially mediates the relationship between involvement management and job performance ($Beta = .041$, $SE = .009$, $t = 4.565$, $p < .05$). The summary of the results is presented in Figure 1. The amount of mediation was obtained by deducting the regression coefficient (involvement management \rightarrow job performance) in the fourth regression (when job satisfaction controlled) from the regression coefficient (involvement management \rightarrow job performance) in the first regression (with job satisfaction not controlled). The reduction was $0.102 - 0.041 = .061$. In order to confirm the significance indirect contribution of involvement management to job performance by fixing job satisfaction, Sobel test was

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conducted. The results of the Sobel test showed that the indirect effect of the involvement management on the job performance through the academic job satisfaction is significant ($Z= 7.9427, P <.05$).

Table3: Relationship between involvement management and job performance Mediated by job satisfaction

Step	I V	D V	B	SE	Beta	t
1	involvement management	Job performance	.102**	.006	.650	16.671
2	involvement management	Job satisfaction	1.44**	.059	.785	24.719
3	job satisfaction	Job performance	.059**	.003	.699	19.053
4	involvement management	Job performance	.041**	.009	.264	4.565
		Job satisfaction	.042**	.005	.492	8.518

Note: B= Unstandardized coefficient; Beta= Standardized coefficient ** $p <.05$

Discussion

Results of this study were based on the data collected from 190 employees between the ages of 35-50 years who were working in Kerman’s banks by randomly sampling technique. The data for this study were collected using self-administered questionnaires in a group setting. The data was analyzed using SPSS Windows Program (Version 20). Two statistical procedures descriptive statistic and inferential statistics were used. The Pearson product-moment correlation coefficient was used to examine the relationship between involvement management, job satisfaction and job performance. A series of multiple regression analyses was conducted to determine mediating effect of job satisfaction in relationship between involvement management and job performance. Results of the present study indicated that more than half of the respondents reported high levels of involvement management and job performance. Also, almost half of the respondent reported high levels of job satisfaction.

Also, the Pearson correlation analysis was used to examine the relationships between involvement management, job satisfaction and job performance. The result of the study indicates that there was a significant positive relationship between involvement management with job satisfaction and job performance. This means that respondents who reported higher scores in involvement also reported higher job satisfaction and performance. Overall, there is no support for the idea that involvement management has positive effects on the job performance of employees. High levels of involvement management as an orientation towards encouraging employees to be proactive and flexible; in theory at least, it is more about engaging employees to work better, not necessarily harder. So we can explain that the link between involvement management and performance can be explained by greater pleasure on employees to improve their performance and raising confidence about their competencies.

Also, the result of the study indicated that there was a significant positive relationship between job satisfaction and job performance of respondentss. This means that respondents with higher levels of job satisfaction showed higher levels of job performance. The results of the present study are in line with past studies (Schleicher *et al.*, 2004; Anuar Bin Hussin, 2011; RezaeiDizgah *et al.*, 2012). There are many reasons that show job satisfaction is the result of job performance and awards have significant role in that. Internal awards are because of job results (i.e. feeling of success) and external ones because of gratitude from job (income and salary). These awards will satisfy employees, specifically workers (Gholipour, 2007). There are three theories: performance lead to satisfaction, satisfaction lead to performance, award is a medium between satisfactions and performance. The first two theories are not supported strongly, but the third is. Awards not only promote the performance but also effect on job satisfaction. Stirs (1991),

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states that: “the higher motivation and more positive attitude toward job, the higher performance he will have, vice versa. Vroom (1964) studied this relation and show that there is a positive relation between job satisfaction and performance. Bartol (1998) started an experimental test and reviewed that. Other studies were done by (Yi Han, 2008; Lee *et al.*, 2010; Zimmerman, 2009) that found positive relation between job satisfaction and job performance confirmed. Finally, the results of multiple regression analysis implied that job satisfaction partially mediates the relationship between involvement management and job performance.

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