

# Can't get no satisfaction?

*Which comes first – job performance or job satisfaction? Does it really matter? Stewart Forsyth evaluates the impact of the virtuous spiral on the bottom line.*

The use of employee surveys is one practice distinguishing effective from less effective businesses in New Zealand and the US. But does it matter what your people say about their job satisfaction?

## Conscientious objectors

A recent meta-analysis indicates it does matter. (T A Judge et al, 'The Job Satisfaction – Job Performance Relationship' *Psychological Bulletin* 2001.) This covered the research into job satisfaction and job performance relationships – pooling the results of more than 300 studies of over 50,000 individuals.

- The overall job performance/job satisfaction relationship was not strong;
- Neither was it trivial.

As the authors point out, the 0.30 correlation (explaining about 10% of what is going on) is comparable to the relationship between job performance and conscientiousness (the best performance predictor of the Big 5 of the personality dimensions) in other meta-analytic studies.

## Between the lines

Job satisfaction is a measure of attitudes and feelings about a job. While a staff survey might only include a single job satisfaction item, researchers typically use validated scales that accurately tap into the key ideas and emotions.

The typical performance measure is supervisor ratings. These are notoriously variable (what does that say about the basis of most performance feedback by supervisors?) so researchers check, and correct for, 'between supervisor' inconsistency.

## Jury still out

Typically Americans like their jobs overall. But then Americans are consistently happier than those from other nations; and job and life satisfaction go together. Working Americans are:

- Mostly satisfied with the work they do (interesting work, opportunity to learn new skills, being able to work independently);

- Less satisfied with rewards (such as income, benefits and promotion opportunities) and with performance feedback.

Interestingly, the jury is still out on how the job performance/job satisfaction relationship actually works. Are:

- Happy performers motivated to work harder?
- Good performers more likely to be satisfied?

## Feel good factors

The best theoretical contender seems to be an interactive model. Remember successfully completing a difficult task? Say you have completed the salary review round. There were hardly any niggles, the processing is all tidied up, and you have kept within the budgeted levels. The boss stops by to ask how it went and congratulates you. How do you feel?:

- Relief?
- Satisfaction?
- You think 'I'll notch up the self-efficacy rating a bit' and go onto the next task with a bit more zest?

## Virtuous spiral

Teasing out which came first – job satisfaction or job performance – is a bit problematic. Probably the best practical strategy is to have people aiming for demanding goals they can expect to achieve. This should increase the chances of a virtuous spiral of both satisfaction and performance.

The job performance/job satisfaction relationship indicates the value of celebrating success:

- Making people feel better about their performance is going to help future performance;
- And for all those people at the celebration – making them feel better about the success of someone else is very likely to motivate their performance as well.

## Driving forces

What are the factors that affect the job satisfaction/job performance relationship? Some people find it hard to get

job satisfaction. Studies of people as they move jobs find some are consistently unhappy – presumably for these people it is more temperament than job factors driving the dissatisfaction. One study found a significant relationship between youthful personality attributes and job satisfaction 50 years on. High anxiety and low locus of control types are less likely to be satisfied with their work, notwithstanding the job itself.

## Autonomous attitudes

Complexity of the job strongly influences the job satisfaction/job performance relationship. Knowledge workers in jobs with high autonomy have an average 0.52 correlation between their performance and satisfaction



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(explaining +25% of what is going on).

What could be happening is while external influences on performance (micro-managing supervisors, relentless work processes) become less influential, productivity becomes more dependent on individual factors – including job satisfaction.

If you have autonomous professional people in your workforce you need to think very hard about their job

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satisfaction: it's probably one of the most significant factors you have to influence their performance.

### Customer satisfaction

What happens when we extend our view beyond the level of the relationship between an individual's job satisfaction and job performance, and consider the impact of job satisfaction on the performance of organisations? We find two groups of researchers who do not appear to talk to each other.

Customer service researchers find, in the words of a New Zealand manager, 'happy employees make for happy customers'. Or, if they are Americans writing for the Harvard Business Review, a 'service profit chain' means happy staff, happy customers, and better bottom line performance.

### Bottom line benefits

On the other side are industrial psychologists who look at the relationship between job satisfaction and organisational performance measures (not a customer in sight). The most famous example of the service profit chain is US retailer Sears – which measured significant relationships along the links of the chain. For obvious reasons they did not report the size of the relationship.

The psychologists who study the job satisfaction/job performance link at the organisational level find similar relationships to those found at the individual level. There is clear and consistent evidence that job satisfaction is important to the bottom line.

### Practical pointers

- Accurately measure and make people (such as HR) accountable for reaching job satisfaction standards. The best bet is an existing, standardised multi-item set with demonstrated reliability and validity (for example, the tests reviewed in this article);
- Find what builds and/or destroys job satisfaction. It is not hard to use multivariate statistics to find the 'predictors' of job satisfaction. They are likely to include leadership and career development, and not likely to be your dress down policy – but knowing what are your key drivers of job satisfaction can better manage satisfaction;
- Set up consequences for the measures – managers should be accountable for satisfaction, given they know how to manage it, and they are supported to do that.

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# A winning game plan

*When the going gets tough, top senior executives get coaching – that is if they realise how in business as in sport, a coach can lift the game against the toughest competition. Graeme Duhs continues...*

Managing a successful business in today's fiercely competitive global marketplace is like running an endless race. You keep heading towards an imaginary finishing line that never seems to get any closer. Allow your competitors to get ahead of you and your race is over.

The parallels between business and sport have always been made, but today business is drawing more than ever on lessons from the world of elite sport, particularly coaching.

### Continual improvement

In the world of sport, elite athletes understand coaching does not end when they reach the top of their chosen sport. They recognise a coach can be the difference between them staying at the top or being overrun by the opposition.

Constant improvement is sought throughout their careers – no matter how many millions of dollars made or medals won. Look at the world's best tennis players, golfers, swimmers, runners, cyclists and any other sports people you care to name and you will find the presence of a personal and/or team coach in virtually every case.

### Business buy in

Business, by contrast, has for years provided coaching or training for developing young or junior talent. By the time the executive reached senior, or chief executive ranks, coaching was considered unnecessary. That view has now changed and organisations recognise even chief executives can benefit from guidance.

As a result, many companies in New Zealand and around the world are providing their executives and professional staff with 'personal trainers' – not for physical fitness, but to help them stay ahead of competitors. The emergence of executive coaching is a developing trend in the modern business world. It is an accepted means of developing and maintaining quality people who give the organisation its competitive edge, right up to CEO level.

An increasing number of senior executives are now demanding a personal coach as part of their employment terms, in the knowledge they, like everybody else, can improve their game.

This practice is rapidly becoming popular in New Zealand as businesses strive to develop competitive advantage through their people. Coaching was unheard of a few years ago and is now practised by many of the market leaders.

### Seasoned professional

Personal coaches are typically seasoned managers with human resources skills. They generally:

- Have line management experience;
- Have been in the workforce for over 20 years;
- Are well versed in people management solutions.

Unlike a mentor, the coach generally comes from outside the organisation, so can offer an independent view.

Clearly the coach must be a person who has the respect of the senior manager or chief executive concerned, so a successful track record is imperative.

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This is not usually a task for an academic or theoretician.

### Various considerations

Coaching leaders requires special skills and experience because various considerations may apply, such as:

- Ongoing career development coaching;
- Remedial coaching to deal with specific performance issues;
- Situational coaching to help individuals manage changes in their job function or promotions;
- Change catalyst coaching to support a chief executive or board introducing significant cultural change.

### Parallel universes

In his book, *Executive Coaching*, David Stratford of RightD&A draws parallels and distinctions between business and sport coaching. He points out that sport coaches regularly analyse failure after their charges have lost a match or tournament. Lessons learned are then applied to the new game plan. In business, failure is rarely analysed to the same degree.

Stratford also believes teamwork in business is talked about, but is rarely more than a 'bolt on' part of the organisation's overall culture. In sport it is the very core – without teamwork failure is assured!

### Winning edge

Running a business in the 21st Century is a lonely, stressful and risky occupation. Globalisation, deregulation and the velocity of change have all added to the difficulties. Giving business leaders the tools to thrive in this environment is an essential ingredient to success. Coaching is one tool providing many businesses with a winning edge.

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