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The Effect of Staff Satisfaction in Developing Employee Work Performance and their Retention Moderating Role of Knowledge Sharing

(An Empirical Study of a Business School in Bangladesh)

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Abstract

Employees are a substantial part of the set-up of any organisation. They play a key role as the workforce provides expertise in developing value and are one of the basic resources needed in every production process. This study includes IBAIS University which making a policy to achieve a long term vision to be a “world-class institution” by 2025. It focuses on the condition of the Bangladeshi higher education industry, which from the early nineties has been competing with local public and foreign universities to provide educational services to society. As a result, it is of significant importance to maintain employee satisfaction with their commitment and involvement in supporting the effort to sustain long-term targeted achievement. This research purpose is to analyse the effect of employee satisfaction moderated by knowledge sharing towards employee work performances and retention. The participants of this study are all employees of the institution, with the data gathering techniques applied including questionnaires and multiple regression analytical methods with moderating variables. The results of this study show that employee satisfaction has a significant effect towards employee work performance and retention. On the other hand, knowledge sharing doesn't appear to have a significant effect on employee work performance or retention.

Keywords: Employee, Satisfaction, Knowledge Sharing, Performance, Retention

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Introduction

The tertiary education of Bangladesh is becoming a new, fast-growing industry, which brought in business education at the beginning of the early nineties, (Bitner & Sierak 2017; Djatmiko, 2009). Both public and private tertiary universities are in the process of educational development, incessant in the business field or what is better-known as a Masters of Business Administration (MBA) or Business School. This is as a result of the increasingly intense competition within the upper education industry demanding institutions to possess superiorities over their competitors.

As well as in non-educational sectors, employees play a significant role in the educational institutions. This sector is seen as more of a pure service. As an expertise provider, workforce and employees are actively involved in the value creation or value production within a company and they are the initial resource, which is needed in every process of production. Employees are considered as the valuable asset in every company (Liao et al., 2017). This process is started from the recruitment stage and throughout their development, which is considered an important cost for any organisation. All businesses need support from employees and a skilled workforce can give them proper guidance to reach their objectives by looking at the competition that is increasingly intense in our current climate.

From the previous evidence, the satisfaction of employees is considered a valuable factor for any company, playing a significant role in minimising the turnover cycle which would lead to costly consequences for the firm (Sharma et al., 2016). Customer satisfaction is also one of the crucial factors in measuring how employees like their work, which has a relationship with the workplace environment. Highly satisfied employees are more productive and loyal towards the company, (Kanyurhi et al., 2016, Eskilden Dahlgard, 2000; Ericson, 2005). This concept also states that if employees, in doing their job, have a higher level of satisfaction they will be motivated and enthusiastic to be more engaged in all work processes along with having a high level of commitment.

Many agencies of consultation believe that the value of knowledge sharing has a correlation with the company or institution's performance. Knowledge sharing is a significant aspect of any organisation because employees who feel involved with their organisational goals expect to be more productive and more aware in order to achieve a higher level within the organisation, compared to employees who don't believe in the value of knowledge sharing (Nodari et al., 2016).

IBAIS University is one of the fastest growing educational institutions in Bangladesh. This institution has the tertiary level of educational offering in the form of Bachelor degree to a Master's Degree (first commenced in 2005). The selected business school of IBAIS has a vision to become a world-class knowledge institution by the year 2025. In order for the IBAIS University to achieve its desired long-term vision, they need to ensure they have the support from their employees, along with long-term commitment and high qualifications within the institution. Departing from the background, this research was developed in order to explain the phases of employee satisfaction in relation to their involvement to the institution and the implication to the employees' retention and performance.

Referring to the background of study, the problem of the research can be formulated as follows: every employee's performance needs support in any institution in order to achieve its long-term objective, and whether the performance is affected by employee knowledge sharing and satisfaction towards the institution. Moreover, to achieve an institutional objective, an institution also needs a long-term commitment from its

employees. Hence, the question of this research is, “does employee satisfaction have an effect on employee work performance and retention where this effect is moderated by the knowledge sharing.

Theoretical Background

Employee satisfaction in the modern management world is considered as one of the basic motivators of companies in developing customer satisfaction, quality, and productivity (Otterbting, 2017). It is believed, in the concept of Total Quality Management (TQM), that employees who have a high level of satisfaction will have strong motivation, possess good morals, and will be effective and efficient in their work performance (Eskilden & Dahlgaard, 2000). Satisfied employees will pay attention to be more committed to improving quality with continuous development. The effect of satisfaction is in the quality process. According to Matzler et al. (2004), several factors, including one's job, colleagues, remuneration, responsibility, and recognition, have a relationship with continuous quality development.

Knowledge sharing is a relatively new term in the human resources field in the context of Bangladesh (Rahman et al., 2017) where it is often applied by consultant agencies operating in the human resources area of “X”. Knowledge sharing is a process through which employees transfer job-related ideas to colleagues in any work environment which helps them to come up with new and creative ideas and develop relationships together (Chiu et al., 2018; Cameli et al., 2013; Tsai and Cheng, 2012). From a definition, it can be found that it is often used by Malaysian higher education institutions in the human resource field which states that employees having a knowledge sharing value are workers that have total involvement and enthusiasm towards their job, (Sohail & Daud, 2009).

Moreover, based on this definition, a popular concept states that knowledge sharing encourages employees to contribute more loyalty to the team building process, reducing their desire to leave the company voluntarily (Han et al., 2017). These factors signal that the possession of employees and knowledge sharing can be seen from the factor of readiness and willingness to exert all energy into a cognitive, physical and emotional expressive form to one's task. Besides that, the pride factor of employees is also a factor of motivation from the Knowledge Sharing Yang, 2013).

The effects of employee satisfaction compared to the work performance of employees has been discussed already at great length in the researcher's sphere a long period before, where researchers try to find a consistent relationship between both factors. Soomro et al., 2018; Jalakami et al., 2016; and Robbins 1996 found that the viewpoints on the connection between satisfaction and work performance can be clarified in the following sentence: A joyful worker has high productivity. (Soomro et al., 2018; Jalakami et al., 2016; Robbins, 1996) go on to comment that in order to measure the work performance of a company or institution, they have to give priority to the continuous evaluation of performance. Evolutions of work performance are needed by management to make decision-related human resource policies. This also has a relation to the decisions surrounding promotion, training, career development, and employee termination. Three kinds of criteria are applied for evaluations of employee work performance: Robbins, (1996) stated that the outcome of an individual task is to see an employee's work results through a grading system developed by each institution, and the behaviour to see the employee's perception towards their evaluation; and Kanz, (1998) stated that next to creation, he adds that the opportunity factor given after evaluation is done to measure employee work performance.

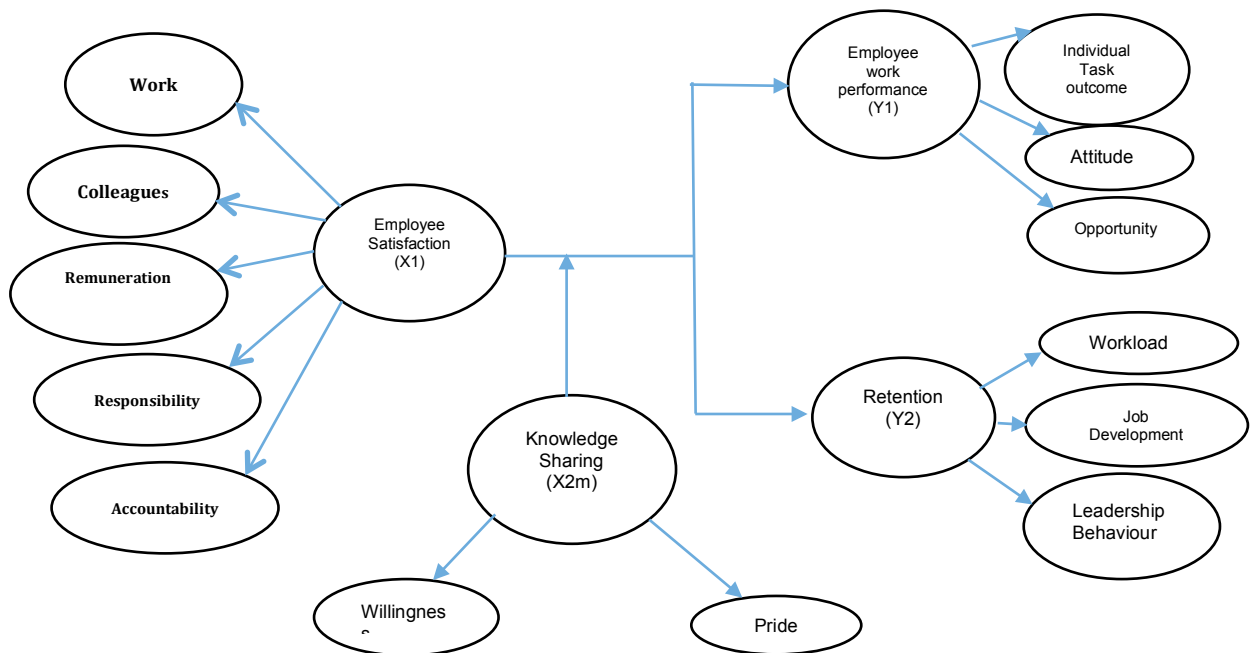
Satisfaction in work and the retention of employees has a healthy relationship with work performance (Soomro et al., 2018; Harter, Schmidt & Hayes, 2002; Bernotavic, 1997). Companies failing to receive a basic loyalty from their employees will only have people lacking in experience in the front line. This has a big impact on companies who are involved in, and operate within, the service area (Batt, 2002; Lazauskaite-Zabielske et al., 2015; Odeordi 2015; Bernotavic 1997; Jong & Hartog, 2007). In describing motivational factors in the retention of employees includes the behaviour of the supervisor, work development, and clarity of policy. Arguments within leadership behaviour is one of the retention motivational factors based on the category of the agency, as supported by Bubenik (2004), who argues that the behaviour of a supervisor is included in one of three retentions which supports critical factors.

Methodology

The research framework in this study is developed on the basis of measuring the job satisfaction levels of the IBAIS University's employees and the relationship between retention and work performance by investing the moderating effect of knowledge sharing in the continuing task of employees to the relationship between satisfaction and performance. The concept of this research is developed based on the current framework as follows.

The hypotheses in this research are developed based on the conceptual model to the sub-model of this research. The analysis of the sub-models will be the effects of the dependent variable, the moderating variable, and each of the dependent variables, that is retention and work performance. As a result, six main hypotheses will be comprised. A questionnaire survey method was applied. The survey involved the whole population of permanent employees working at IBAIS University, which includes all directors and staff members. A total number of fifty respondents were available and willing to participate in the study.

Conceptual Model



The profiles of this research indicate an equal gender composition of the respondents, with most of them aged from twenty-five to thirty-five years old, with a Master's degree. Moreover, 50% of the respondents had been working for one to three years at the institution. The data analysis method was the multiple linear regressions method, with the assumption that all generated data had a normal distribution. Testing the hypotheses and describing the effects to the dependent variable from all of the independent variables, an F value was applied from the ANOVA table. In addition to this, it will be determined from the t-test value in comparison with the p-value to observe the effect from each independent variable, wherein this research the level of significant (α) values were determined at 0.5 or 5%. On the other hand, the name of the university and the details of the demographic profiles of the participants have not been disclosed to maintain the confidentiality of the respondents.

Results and Discussion

The expert judgmental approach was applied during the pre-test period within the data collection process to ensure the validity of the questionnaire, which was developed. The method involved six academicians with at least three years teaching experience in the management and human resource discipline, (Cooper and Schindler (2008), ensuring the content (face) validity, criterion-related validity and construct validity were as proposed. Cooper and Schindler (2008) proposed the set-up of construct validity, content (face) validity, and criterion-related validity. However, to ensure consistency internally for all the indicators of this study a reliability test, using the Cronbach's Alpha Coefficient approach, has been applied. It is also similarly applied in the research of Heriyati and Ramadhan (2012) in their study on the Business School of IBAIS University. The results of this study show a good internal consistent result and all the tests outlined that the indicators are reliable and valid which encourages the next stage, which is hypothesis testing. Table 1 below summarises the hypothesis test results.

Table 1: Hypothesis A, Influence of satisfaction of employees and their knowledge sharing toward the work performance.

Hypothesis B	Table	Results	Conclusions
H1A: Employee Satisfaction towards Employee Work Performance			
H0 Employee Satisfaction has no significant effect to employee work performance.	Regression Coefficients	Sig=0.003 Sig<0.05	H0 is rejected
H1 Employee satisfaction has significant influence to employee work performance.			Knowledge sharing has no significant effect to employee work performance.
H2A: Knowledge sharing towards Work Performance			
H0 knowledge sharing has no significant effect to	Regression Coefficients	Sig=0.877 Sig>0.05	H0 is accepted

employee work performce.				Knowledge sharing has no significant effect to employee work performance.
H1 knowledge sharing has no significant to employee work performance				
H3A: Employee Satisfaction Influenced by knowledge sharing towards Employee work performance				
H0 Employee satisfaction moderated by knowledge sharing has no effect to employee work performance.	Regression Coefficients	Sig=0.123 Sig>0005		H0 is accepted
H1 Employees satisfaction moderated by Knowledge sharing has effect to employee work performance				Employee satisfaction moderated by knowledge sharing has no effect to employee work performance.

Source: Primary data analysis

Table 2: Hypothesis B, Influence of satisfaction of employees and their knowledge sharing toward the retention of employees.

Hypothesis B	Table	Results	Conclusions
H1B: Employee Satisfaction towards Employee retention			
H0 There is no significant effect of the employee satisfaction to employee retention.	Regression Coefficients	Sig=0.000 Sig<0.05	H0 is rejected.
H1 There is no significant effect of the employee satisfaction to employee retention.			There is significant effect of the employee satisfaction to employee retention.
H2B: Knowledge sharing towards Employee Retention			
H0 There is no significant effect of the knowledge	Regression Coefficients	Sig=0.963 Sig>0.05	H0o is accepted.

sharing to employee retention. H1 There is a significant effect of the knowledge sharing to employee retention.			There is no significant effect of knowledge sharing to employee retention.
H3B: Employee Satisfaction moderated by knowledge Sharing to Employee Retention.			
H0 Employee satisfaction moderated by Knowledge sharing has no significant effect to employee retention. H1 Employee satisfaction moderated by knowledge sharing has significant effect to employee retention.	Regression Coefficients	Sig=0.777 Sig>0.05	H0 is accepted Knowledge sharing moderated by knowledge sharing has no significant effect to employee retention

Source: Primary Data Analysis

The above Table explains that H1 A is reinforced from primary data collection with the significant value of 0.003. Thus, it shows a significant effect of employee satisfaction towards an employee's work performance. On the other hand, the collected data isn't supported to H2A and H3A in the study. Consequently, there is no significant effect or moderation of knowledge sharing on work performance and employee satisfaction.

Furthermore, Table 2 explains that H1B is the only supported hypothesis with the significant value equal to sig = 0.000. As a result, it shows that there is a significant effect on employee retention in the organisation.

Conclusion and Implication

The result of the study shows that firms need to give priority on the development of employee satisfaction since, from these findings, the satisfaction of customers has a significant influence to both an employee's performance and retention. This result supports the argument of Harris and Fleming, 2017; and Eskilden and Dahlgaard, 2000, which is that satisfied employees will be more efficient, effect a better work performance and will have more willingness to stay in the company.

In addition, organisations should pay attention to employees' feelings with regard to job environment, the employees' interaction (collegial interaction), authority, and the employees' freedom to work at the IBAIS University, Matzler et al., (2004). Employee satisfaction, however, when moderated by knowledge sharing, doesn't significantly affect employees' performance. Due to this concept of knowledge sharing, this may be perceived as 'more work' to the employees. As a result, when satisfaction in interacted with

knowledge sharing, it doesn't affect performance. A similar result is shown in that an employee's satisfaction, when moderated by knowledge sharing, doesn't significantly affect the employee's retention. There have been several limitations in this research. The first concern would be that the applied strategy provided for such a small population of permanent employees (N = 50) to participate as respondents. The different employees' performance measurement report is another limitation of this study. When applying the key performance indexing (KPI), a full-time employee's performance is being assessed, while the part-time and outsourced employee's performances within the IBAIS University was assessed by using different measurement indicators thereby being unable to compare one to the other.

Nevertheless, a study needs to be conducted to compare between permanent employees and outsourced employees in the same organisation in order to get a deeper understanding of the relationship of knowledge sharing and another variable should also be considered. A final suggestion of further research could be to consider the organisation's cultures and values.

Research Limitation and Direction for Future Research

Every research study has limitations; hence, this research paper also has its limitations. The first limitation of this study is that it has only been conducted in a single business school that could be increased for generalisation. This study has also had some methodological analytical limitations, which could be enhanced through the use of more sophisticated methodological applications. In future, the research relating to this topic could be done by including more universities and business schools.

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