

Self-Efficacy, Effort, Job Performance, Job Satisfaction, and Turnover Intention: The Effect of Personal Characteristics on Organization Performance

Ming-Cheng Lai and Yen-Chun Chen

Abstract—In the global competitive environment, how to establish and maintain the customer relationship is an important concept of the success. The connection and service of frontline employees to the consumer could play an important role and keep the long-term relationship. Therefore, managers need to find out the effective way in enhance the job performance and job satisfaction of frontline employees, help them provide prominent service, and keep the good long-term relationship with the customers. For the organization, there is a large body of literature that focuses on the variables of organization and how they effect on the frontline employees and job satisfaction. In contrast, little work has pay attention on the personal characteristics, such as the effect of self-efficacy and effort on job performance and job satisfaction. To shed light on these potentially complex relationships, this research was chosen on the basis of convenience sampling and was selected from automobile sales persons of Taipei, Taiwan. Among the total amount of 803 copies, a usable sample of 616 questionnaires was utilized in this study, yielding a response rate of 76.7%. We use the structural equation modeling (SEM) with LISREL to analyze and test the data. The results reveal that (1) Self-efficacy has a positive effect on job performance and job satisfaction; (2) effort has a positive effect on job performance and job satisfaction; (3) job satisfaction has a negative effect on turnover intention. These results increase understanding of the effect of personal characteristics on organization performance and helped organization to explore the management policies.

Index Terms—Self efficacy, effort, job performance, job satisfaction, turnover intention.

I. INTRODUCTION

With the changes of the external environment, organization competitiveness is no longer rely on the tangible assets, but the numbers of the intangible assets. How to establish and keep the long-term customer relationship is the critical point. By work together within and across organizations, up and down the hierarchy, both of the organization policy and goal will be growing and sustainable management.

Kusluvan(2003) [1] notes that frontline employees play an important role in connect and service to the customers, and keep the long-term relationship. In George and Weimerskirch's (1994) [2] work shows that firms' investment in relative resources plans stand by the successful services, thus to improve the job performance and job

satisfaction.

Everyone has different characteristics. If the organization primarily realized what kind of characteristics of the employees is essential in operation, they could use it as a screening term of recruitment. On the other side, it also could make job seeker know the required of the characteristics. The understanding of the employees who has been hired, will help them adapt to the organization much easier, furthermore, reduce the misapplication. The existence of good coordination and reaction between the employees and organizational environments for employees will reveal job performance, less the frustration, and reduce the people's turnover intention.

Managers consider the quality of internal service would lead the employees' satisfaction. A satisfied employee could deliver the high-value service which will bring the customer's satisfaction and stimulate the customer loyalty. The frontline employee is not only play an important role in connection between the firm and customer, but represents the firm by the quality of service provided. Therefore, when frontline employee promote and deliver the service, interactions between employee and customer have effects on benefits in both of them. Because frontline employees mainly create the revenues and produce costs of the organization, how to increase the productivity of the frontline employee has been an important issue to both firms and academic study. As the result, we focus on the characteristics (self efficacy, effort) of frontline employees and how it influenced the organization performance (job performance, job satisfaction, turnover intention). The research was chosen on the basis of convenience sampling and was selected from automobile sales persons of Taipei, Taiwan.

II. LITERATURE REVIEW

Krishnan et al. (2002) [3] noted that complex position setting will influence the self-efficacy directly. Wood and Bandura (1989) [4] also mentions that self-efficacy will affect the belief of self-ability, mobility of positing, cognitive resources, and the activities that need to practice in live.

Scholars mostly feel there have a considerable extent correlation between self-efficacy and performance. Wood and Bandura (1989) [4] proposed a persuasive discussion. It says high level self-efficacy will raise the personal performance. Since self-efficacy grows over time, employees could learn how to deal with the conflicts that happened in workplace.

McDonald and Siegall (1992) [5] proposed that

self-efficacy and job satisfaction have a positive correlation. Bradley and Roberts (2004) [6] discover that self-efficacy rise the job satisfaction.

Lam, Lo, and Chan (2002) [7] point out that the show of turnover intention of enterprise may cause a huge cost. Boshoff and Allen (2000) [8] showing the effective services could restore the performance and reduce employee's turnover intention. Viator (2001) [9] point out that the performance and turnover intention have a negative correlation.

III. METHODOLOGY

A. The Hypothesized Model

Based on the theoretical framework shows in Figure 1, six major hypotheses were proposed:

H1 : Employees' "Self-efficacy" has a positive effect on "Job performance."

H2 : Employees' "Self-efficacy" has positive effect on "Job satisfaction."

H3 : Employees' "Effort" has a positive effect on "Job performance."

H4 : Employees' "Effort" has a positive effect on "Job satisfaction."

H5 : Employees' "Job performance" has a negative effect on "Turnover intention."

H6 : Employees' "Job satisfaction" has a negative effect on "Turnover intention."

B. Data Analysis and Results

Among the total amount of 803 copies, 635 returned. Eliminate the omission or incomplete answer, leaving 616 usable responses for analysis, yielding a response rate of 76.7%.

C. Sample Profile

In this approach, summarize the demographic characteristics of the respondents, things as gender, age and so on. Table I shows the respondents' demographics.

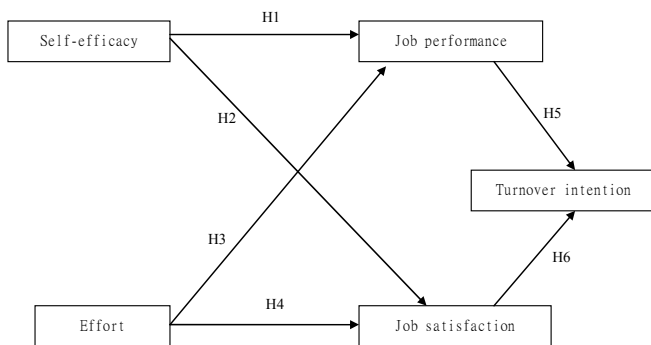


Fig. 1. Theoretical framework.

IV. DATA ANALYSIS RESULTS

This research was chosen on the basis of convenience sampling and was selected from automobile sales persons of Taipei, Taiwan. Among the total amount of 803 copies, 635 returned. Eliminate the omission or incomplete answer, leaving 616 usable responses for analysis, yielding a

response rate of 76.7%.

A. Sample Profile

In this approach, summarize the demographic characteristics of the respondents, things as gender, age and so on. Table I shows the respondents' demographics.

B. Scale Reliabilities and Validity

From the Table II, the analysis shows the good reliabilities and validity of the data. On the other side, we also adopt the other discriminant validity as table 3. The analysis also shows the good discriminant validity. (Narver, Slater and MacLachlan, 2004) [10]

C. Model Assessment

After the analyzed of the scale reliabilities and validity, in this approach, we use the structural equation modeling (SEM) with LISREL to analyze the data and the overall structure model in the fitness and the results of hypotheses testing.

The fitness of the research, the indexes showed: $RMSEA=0.18$, $CFI=0.96$, $NFI=0.95$, $GFI=0.96$, $AGFI=0.81$ and $SRMR=0.051$, seems have the good fit.

Test of Hypotheses

The results of hypotheses testing are summarized in the table IV.

V. CONCLUSION

A. Self-efficacy has a Positive Effect on Job Performance

Regarding our work, the hypotheses 1 is proposed: Self-efficacy has a positive effect on Job performance. The analysis results lend support for H1. Our finding is consistent with the finding of Wang and Netemever (2002) [11]. A person who has the high self-efficacy will look forward to being better than other colleagues. As the result, they will set a high standard, meanwhile expect the better performance than others.

B. Self-efficacy has a Positive Effect on Job Satisfaction

Regarding our work, the hypotheses 2 is proposed: Self-efficacy has a positive effect on Job satisfaction. The analysis results lend support for H2. It is consistent with the results of Menguc's (1996) [12] work. Self-efficacy could continue keep the successful experiences and usually set the relative variables is controllable. Therefore, employees with the high self-efficacy, have the superior abilities and performance, as soon as the increasing of job satisfaction that obtained from work.

C. Effort has a Positive Effect on Job Performance

Regarding our work, the hypotheses 3 is proposed: Effort has a positive effect on Job performance. This is echoes the research that proposed by Menguc (1996) [12]. In our research, we measure the personal statues, completeness, and abilities of the jobs. Employees will make effort to do the work, therefore, on the base of it, they will defined the good performance as the reach in effort and will have a relatively high evaluation in performance. In this research, we know the positive relationship between the effort and job performance.

TABLE I: RESPONDENTS' DEMOGRAPHICS (N=616)

Variable	Category	Sample size	%	
Gender	Male	515	83.60	
	Female	101	16.40	
Age	Less than 25	21	3.41	
	26~30	85	13.80	
	31~35	151	24.51	
	36~40	145	23.54	
	41~45	113	18.34	
	46~50	74	12.01	
	51~55	25	4.06	
	More than 56	2	0.32	
Education	High School	240	38.96	
	College	250	40.58	
	University	120	19.48	
	Master	6	0.97	
Income (Per month)	Less than 30,000	98	15.91	
	Less than 40,000	185	30.03	
	Less than 50,000	141	22.89	
	51,000~ 80,000	126	20.45	
	81,000~ 120,000	46	7.47	
	More than 120,000	20	3.25	
Work experience (Years)	Less than 2	88	14.29	
	3~5	160	25.97	
	6~10	150	24.35	
	11~15	110	17.86	
	16~20	81	13.15	
	More than 20	27	4.38	
marital status	Single	184	29.87	
	Married	419	68.02	
	One-parent	13	2.11	
Department	Services	frontline employees (Administrator)	170	27.60
		Team leader	33	5.36
		Technical director	9	1.46
		Factory director	4	0.65
	Operation	frontline employees (assistant, sales)	319	51.79
		Intermediate managers	32	5.19
		Directors	13	2.11
	Administrator	Employees	26	4.22
		Team leader	3	0.49
Directors		7	1.14	

TABLE II: SCALE RELIABILITIES AND VALIDITY

Variables	Number of questionnaire	Cronbach's α	Factor loading	Eigenvalue	Explained Variance	(CR)	(AVE)
Self-efficacy	6	0.903	0.782 ~ 0.847	4.051	67.514	0.903	0.6099
Effort	5	0.928	0.826 ~ 0.910	3.907	78.142	0.9295	0.7259
Job performance	5	0.883	0.770 ~ 0.875	3.453	69.053	0.8869	0.6125
Job satisfaction	7	0.924	0.724 ~ 0.891	4.839	69.125	0.9249	0.641
Turnover intention	3	0.694	0.508 ~ 0.940	1.992	66.411	0.6854	0.6043

TABLE III: ANALYSIS OF DISCRIMINATE VALIDITY

Variables	Self-efficacy	Effort	Job performance	Job satisfaction	Turnover intention
Self-efficacy	0.781*				
Effort	0.638	0.852*			
Job performance	0.700	0.565	0.783*		
Job satisfaction	0.467	0.398	0.534	0.801*	
Turnover intention	-0.179	-0.180	-0.207	-0.290	0.777*

“*”are square roots of average variable extracted (AVE)

TABLE IV: HYPOTHESES-TESTING RESULTS

Hypotheses	Theoretical model		
	path coefficient	t value	Conclusion
H1:Self-efficacy & Job performance	0.65	15.65 *	Support
H2:Self-efficacy & Job satisfaction	0.47	7.83 *	Support
H3:Effort & Job performance	0.24	5.46 *	Support
H4:Effort & Job satisfaction	0.24	3.68 *	Support
H5:Job performance & Turnover intention	-0.08	-1.77	Not Support
H6:Job satisfaction & Turnover intention	-0.24	-6.10 *	Support

D. Effort has a Positive Effect on Job Satisfaction

Regarding our work, the hypotheses 4 is proposed: Effort has a positive effect on Job satisfaction. The results proved the significant positive relationship between the effort and job satisfaction. The results are consistent with Menguc’s (1996) [12] works. It indicated that employee’s job satisfaction would increases by finish the work in deadline, do the best to apply the abilities, and completeness of the responsibilities coverage. As the result, well-appointed scheduling, detailed the work standard, and the job description could assist the employees in getting more targets to measure the effort. Because of the maturely supporting policies, would enhance the effect of effort on the job satisfaction.

E. Job Performance has a Negative Effect on Turnover Intention

Regarding our work, the hypotheses 5 is proposed: Job performance has a negative effect on Turnover intention. The result shows that there has no significant positive relationship between the job performance and turnover intention. It is inconsistent with Boshoff and Allen’s (2000) [8] work. There have a possible reason is the adoption of Karatepea’s (2005) [13] measurement that focus on self-evaluation of employees, but the external objective perspective. Employees may consider the high performance as an advantage that could help to find a better job. In this research, sales person that have large percentage of samples, balanced the rewards against the high performance mentality. Since the failure of equilibrium caused the discontent and rise the turnover intention.

F. Job Satisfaction has a Negative Effect on Turnover Intention

Regarding our work, the hypotheses 6 is proposed: Job satisfaction has a negative effect on turnover. The analysis shows the significant positive relationship between the job

satisfaction and turnover intention which is consistent with Karatepea (2005)’s [13] work. Since the little of turnover intention, the research indicates that all of the respondent are satisfy in the firm’s facilities and mechanism, such as policies, payment, work environment and so on. Firms should consider offering more policies which could reinforce the job satisfaction. For example, welfares, reward, and bonus.

G. Limitations and Future Research Directions

In our research, the relationship between job performance and turnover intention did not have the significant result and can’t be supported. As the result, we hope to conduct further research in this area.

To our measurement, because of the lake of the literature in the topics in this work which is observed by the author, we have short of the theoretical support. Therefore, the research side with the exploratory research needs the further replicated and amended.

To the variables, thus we focus on the service-side, there still have other organization variables. We recommend the follow-up research to include the relevance of variables in organization theory, such as customer orientation and organizational culture, etc..

Another direction for further research is to assess these theories in other industry. Test in different fields, will raise the understanding in a great diversity of the industries.

REFERENCES

- [1] S. Kusluvan, “Employee attitudes and behaviors and their roles for tourism and hospitality businesses,” In S. Kusluvan (Ed.), *Managing employee attitudes and behaviors in the tourism and hospitality*, New York: Nova Science Publishers, pp. 25–50, 2003.
- [2] S. George and W. A. “Total quality management: Strategies and techniques proven at today’s most successful companies,” New York: Wiley, 1994.
- [3] B. C. Krishnan, R. G. Netemeyer, and J. S. Boles, “Self-efficacy, competitiveness, and effort as antecedents of salesperson performance,” *Journal of Personal Selling and Sales Management*, pp.285-295, 2002.

- [4] R. Wood and A. Bandura, "Social cognitive theory of organizational management," *Academy of Management Review*, vol. 14, no.3, 1989.
- [5] T. McDonald and M. Siegall, "The effects of technological self-efficacy and job focus on job performance, attitudes, and withdrawal behaviors," *The Journal of Psychology*, vol. 126, no.5, pp.465–475, 1992.
- [6] D. E. Bradley and J. A. Roberts, "Self-employment and job satisfaction: Investigating the role of self-efficacy, depression, and seniority," *Journal of Small Business Management*, vol. 42, no.1, pp.37–58, 2004.
- [7] T. Lam, A. Lo, and J. Chan, "New employees' turnover intentions and organizational commitment in the Hong Kong hotel industry," *Journal of Hospitality and Tourism Research*, vol. 26, no.3, pp.217–234, 2002.
- [8] C. Boshoff and J. Allen, "The influence of selected antecedents on frontline staff's perceptions of service recovery performance," *International Journal of Service Industry Management*, vol. 11, no.1, pp.63–90, 2000.
- [9] R. E. Viator, "The association of formal and informal public accounting mentoring with role stress and related job outcomes," *Accounting, Organizations and Society*, vol. 26, pp.73–93, 2001.
- [10] Narver, C. John, F. Stanley Slater, and D. L. MacLachlan, "Responsive and proactive market orientation and new-product success," *Journal of Product Innovation Management*, vol.21, pp.334-347. 2004.
- [11] G. Wang, and R. G. Netemeyer, "The effects of job autonomy, customer demandingness, and trait competitiveness on salesperson learning, self-efficacy, and performance," *Journal of the Academy of Marketing Science*, vol. 30, no.3, pp.217–228, 2002.
- [12] B. Menguc, "Evidence for Turkish industrial salespeople: Testing the applicability of a conceptual model for the effect of effort on sales performance and job satisfaction," *European Journal of Marketing*, vol. 30, no.1, pp.33–51, 1996.
- [13] K. Osman M., "The effects of selected individual characteristics on frontline employee performance and job satisfaction," 2005.