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# PROMOTION AND JOB SATISFACTION: A PRECURSOR OF HIGH PERFORMANCE IN ORGANIZATIONS

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# Abstract

This study examined promotion and job satisfaction vis-a-vis high performance in organizations. The aim of this paper is to establish how promotion and job satisfaction serve as precursors to high performance. This paper employed equity theory as its theoretical lens. The study used secondary sources of data. The data was generated through the reviewing of relevant extant literature drew from peer reviewed articles, other published and unpublished texts. Content analysis was used for data analysis. The study revealed among others that promotion and job satisfaction are precursors to high performance in organizations. In addition, this paper found that effective promotion policy and implementation will boost employees' morale in discharging responsibilities/duties, which in turn begets job satisfaction. The study concludes that promotion and job satisfaction are influences of high performance, because the twin concepts boost employees' morale and reduce labour turnover. Therefore, it is recommended inter alia that organizations should adopt and strengthen an effective as well as equitable promotion system. In addition, promotion should be accompanied by a proportionate rise in pay, and other fringe benefits since it boosts employees' morale in discharging responsibilities and in turn employee performance.

Keywords: Promotion, Job Satisfaction, Performance, high performance.

#### Introduction

Human factor is the most critical resource in the lives of organizations (Rinny, Purba, & Handiman, 2020). This factor in conjunction with a formidable human resource (HR) strategy brings about optimum employee performance (EP) (Rinny, Purba, & Handiman, 2020). Hence EP is one of the determinants of organizational performance. Notably, working conditions differ amongst organizations ranging from internal to external realities. Every organization in conducting its affairs needs a myriad of resources; HR is one of the most crucial elements in organizations (Razak, Sarpan, & Ramlan, 2018). It influences other organizational elements; and the success

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of organizations is hinged on how employees fare (i.e., motivation and satisfaction) (Razak, Sarpan, & Ramlan, 2018). Therefore, it is contended that promotion and job satisfaction ginger employees to exert themselves to accomplish high performance (Razak, Sarpan, & Ramlan, 2018).

High performance (HP) is required in organizations to accomplish set objectives (Tasman, Siregar & Nasution, 2021). With HP, individuals will exert themselves to arrest hurdles faced while executing tasks. On the contrary, individuals with low performance (LP) will give in to situations if hurdles encountered while discharging jobs (Tasman, Siregar & Nasution, 2021). With HP, teamwork is bred amongst employees. For the smooth running of organizations, informed and skillful workforce is required optimally so that employee performance (EP) surges up. EP entails the outcomes of an individual's task assessed at quality and quantity anchored on work standards as laid down by the organization (Hendrich & Trianto, 2019).

Promotion presupposes hierarchical positions that exist in organizations which allow fresh employees to pursue a career ladder from bottom to the top. Employees at the inception of their career are placed at certain ranks and over the years, they moved to the top positions with higher pay and incentives; having fulfilled certain requirements (Magdalena & Rulyati, 2019). These requisites are based on promotion/incentive policy of organizations. These policies and/or management discretions vary from one organization to the other.

Employees tend to be excited about their duties and even do more when they are promoted or when promotion is in view (Suparina, 2018). By implication, employees who are not getting promoted as at when due are subjected not only to psychological and emotional torture, but they are also at the risk of performing low in the organization. Promotion of staff in organizations has positive influences on job satisfaction (Tasman, Siregar & Nasution, 2021). Over the years, promotion has shaped employees' behaviours and activities (Mustapha & Zakaria, 2013; Absar, Azim, Balasundaram & Akhter, 2010). While some may be ill-motivated due to the promotion policy and get dissatisfied, others may feel satisfied or indifferent. Either way depends on the personality involved. In either opinion, promotion begets employees' job satisfaction in any sector whether public or private.

The objective of this study is to examine how promotion and job satisfaction serve as precursors to high performance. The study explored conceptual issues associated with promotion and job satisfaction with particular emphasis on the definition of concepts, principles of promotion, relevance and roles of promotion in an organization and the relationship between promotion and job satisfaction in achieving high performance. In addition, the paper adopted contents analysis and descriptive approach. Data from secondary sources were mainly utilized such as peer reviewed articles, other published texts and unpublished materials.

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### **Conceptual Review** Promotion

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The term promotion has been defined by different scholars, in different ways. It means an upward review of an employee's status to higher career ladder, or it may refer to a systematic progression of an employee to higher position of authority. Accordingly, Magdalena, (2019) conceived it as a change that increases influence (authority) and responsibility to an advanced position in organizations accompanied by bigger obligations, status and salary. This conception is embracing in that it touches on all the components of career transformation. In a similar perspective, Oyadiran (2008), conceptualized promotion as an advancement of an employee to a better job; better in terms of greater responsibilities, prestige, status, greater skills and increased rate of pay or salary and other benefits commensurate with the position. Oyadiran further reiterates that promotion involves a change from one job to another that is better in terms of status and responsibilities. Oyadiran's elaborate definition highlighted crucial issues in his conceptualization of promotion. These key issues are greater responsibilities, more prestige or status, rise in pay or salary and other benefits. It must be noted that promotion is unattractive if these key issues are not part of the promotion package; hence reducing promotion to a mere hierarchical position without competition. In addition, Siagian (2015) viewed promotion as "the transfer of employees from one position or place to a higher position or place and followed by duties, responsibility, and authority that is higher than the position previously occupied, and in general, promotions are followed by an increase in income and other facilities". Against this backdrop, every employee considers it as a target to chase and anticipate (Sitepu, 2013).

Venkatesh's (2006), concise definition is in line with Magdalena, (2019), Siagian (2015) and Oyadiran (2008)'s views on promotion. Venkatesh sees promotion as an upward movement of an employee from one present position to another, one with increased responsibilities, pay, status and prestige. Snell (2004) posited that promotion involves a change of an assignment from a common level to that of a complex stratum in the organization. The new job normally provides a rise in pay and status and demands more skills and carries complex responsibilities.

Dessier (2008), says promotion is said to have happened when an employee makes a shift in the upward direction in organizational hierarchy and moves to a place of greater responsibility. Dessier was silent about the rise in pay, status and other benefits associated with promotion which other authors have stressed. Dessier's emphasis was rather on the job and responsibilities and not on incentives. But in a real sense, what fascinates people about promotion is the rise in incentives and other benefits and not the complex responsibilities or duties. Hence, the rise in pay and other incentives are indispensable to engender job satisfaction.

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### **Job Satisfaction**

Job satisfaction entails emotional dispositions or feelings of employees towards their jobs. This is mirrored by morale, discipline and performance (Tasman, Siregar & Nasution, 2021). Accordingly, Prayogi, Koto and Arif (2019) contend that job satisfaction is "a pleasant emotional state in which employees view their work". Hence, job satisfaction is the outcome of employees' feelings of how well their job meets their expectations. In other words, Locke (1976) defines job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences." Others have defined it as simply how pleased an individual is with his or her job, whether he or she likes the job or not. By Locke's definition, job satisfaction can be ascertained if there is review or appraisal of one's job from previous experience on the job.

According to lvancevich et al (1974), job satisfaction refers to the feeling and perception of individuals concerning their work and how they find themselves fit in with their organizations. Cadsby et al (2007) posited that "Job satisfaction is a pleasurable or positive emotional state, resulting from the appraisal of one's job experiences". It further reiterated that optimistic feeling about work and environment around the job induces someone towards satisfaction. Precisely, Clark (1996), says that it is the extent to which or rather the enthusiasm with which individuals want or like to perform work. The first issue to note from the above definitions or views on job satisfaction is that the concept is psychologically based. This implies that employees' satisfaction is premised on the following factors: emotion, perceptions feeling, rationale etc, and further influenced by employees' background, exposure, needs, aspiration etc.

**Mohammad et al (2002), posited other inherent variables that** influence job satisfaction. These variables include promotion, increase in pay or wage, performance recognition. He further argues that different organizations have preferred to use promotion as a reward for the high productivity of their workers to accelerate their efforts. This promotion sometimes is accelerated promotion aside from the conventional one. Leavitt (1996), on the contrary, argues that job satisfaction can be raised by introducing appropriate career development programmes, even without offering rise in pay. In other words, such programmes come in the form of training (i.e., on the job training).

#### **Concept of Performance**

The word 'Performance' is a multidimensional term that controversially embodies the use of two independent constructs (performance appraisal and performance management) (McEvoy & Cascio, 1989). Performance is one of the leading terms of interest in management studies across the globe. It has earned more currency as organizations especially; ministries, departments and agencies of government seek to provide goods and services under austerity periods. Despite its dominance and wide

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use as an outcome metric in empirical research; the term 'performance' is yet to receive saturated attention in terms of conceptualization, thereby causing confusion in some quarters. However, in the past two decades, there has been a growing concern in conceptualizing the term 'performance'. Against this backdrop, performance is perceived as "what a person or system does" (Ligen & Schneider, 1991, p.73). Performance entails the actions of an entity. In other words, performance may represent whatever is being done or accomplished by individuals, machines or systems. This viewpoint is precise but accommodating because it widely embraces the essence and spirit of the word 'performance'. Accordingly, O'toole and Meier (2011, p.2) view performance as "the achievements of public programs and organizations in terms of the outputs and outcomes that they produce".

Arguably, performance is widely appreciated as the purpose of work or task. In addition, performance is determined by three (3) variables (Stott & Walker, 1995): ability, work environment and motivation. These are expressed by the following equation:

Performance = f (ability \* work environment\* motivation) ------(1)

To sum it up, performance may be deemed to have many dimensions, viz efficiency, effectiveness, equity, and public satisfaction (Boyne, 2003).

### High Performance

The term 'high performance' entails action(s) that consistently meet the needs of all stakeholders and concerns in its area of influence, and as a result these actions frequently outdo other actions that are meant to yield similar goods and services under similar circumstances and hurdles. Accordingly, it is conceived as actions carried out as effectively as possible in supporting organizational goals and producing values (Garner Glossary, 2023).

# **Characteristics of a Proper and Effective Promotion System**

According to Willoughby as cited in Oyadiran (2008), the essential characteristics of a proper and effective promotion system are as follows:

- i. The adoption of a standard specification setting forth the duties and qualification required of the incumbents of all positions within the government service.
- ii. The classification of these positions into distinct services corresponding to their several characters, and the arrangement of the position in each of such services into a hierarchy of positions.
- iii. The inclusion within this classification of all the higher administrative positions except those having a political character.

- iv. The adoption of the principle that, as circumstances permit, superior positions will be filled by promotion from lower positions in the service or by transfer from other services. This has been designated by the term 'recruitment from within.'
- v. The adoption of the principle that 'merit' alone, shall determine the selection of the employees for promotion.
- vi. The provision of adequate measuring factors for determining the relative merits of employees eligible for advancement.
- vii. Eligibility for promotion should be based on personal qualification and service status.

# Relevance and Roles of Promotion in an Organization

Promotion serves as a way of encouraging employees to boost their satisfaction toward better performance and productivity. When employees get better remuneration as they stay long in their jobs, they tend to do more for the organization. In same vein, Lazear (1981), argued that promotion can be used as an incentive tool and a way of rewarding the employees for meeting organizational goals. In other words, promotions enable organizations to utilize the skills and abilities of their workforce more effectively. Thus, good performance is achieved.

According to Dessier (2008), the benefits or relevance of promotion include:

- i. Recognition and Improvement of Employees Performance: When employees are promoted, it serves as recognition for their valuable inputs or contributions to the organization. Thus, employees are motivated to put in more effort, knowing fully that such efforts will not go unrewarded.
- ii. Boosting Employees' Commitment and Loyalty: When employees are aware that promotion awaits them, their commitments become unreserved, and they completely yield themselves to organizational goals and objectives. Promotion makes employees think of no other job outside their organization, having no atom of doubt about their job security and career fulfilment.
- iii. Reduction of Employees Turnover: When employees are promoted as at when due, the organization reduces the risk of losing its competent and experienced workforce, hence, a relative comparative output and enhanced survival in a fierce competitive world. Thus, it provides organizations with the opportunity to retain their competence and relative marginal output above other competitors.
- iv. Stimulation of Employees' Self and Aggressive Development: Organizations, where promotion is competence and expertise based, employees are induced to seek self-training and development in order not to be edged out in any

performance evaluation exercise. This invariably pays organizations off in terms of extraordinary marginal productivity/ output. It further reduces the tendency of employees' laxity, and nonchalant attitudes towards optimal selfimprovements.

- V. Breeding of Bureaucrats and Technocrats: Young employees who are unskilled in certain administrative and technical areas or fields get rid of such deficiencies as soon as they are elevated and become operational in their new jobs. This is so because as they are saddled with new and additional responsibilities as demanded by their new jobs, they become more experienced day by day. Hence, improving their leadership skills and abilities.
- vi. Boosting Employees' Cooperation with Management: The smooth running of many organizations has been disrupted for non-promotion of employees as at when due. Many revolts of labour unions and consequent industrial actions which impaired productivity ensued as a result of delayed or non-promotion of employees. Hence, when employees' promotions are not delayed and denied, harmonious corporation becomes the order of the day in the organization.
- vii. Enhancing Fairness, Equity and Justice: In the absence of fair promotion exercise in the civil service, there can be no team spirit or espirit de core. Moreover, the principle of natural justice is also perverted in such instances, thus inflicting unnecessary pain and emotional trauma on the part of employees who are due for it. Hence promotion entrenches and enhances fairness, equity and justice.
- viii. Enhancing the Economic, Social and Morale Moderation of the Incumbent: From the economic points of view, employees' standard of living is economically enhanced. This is based on the robust monetary incentive attached to the promotion. The social and satisfaction perspectives of this view typify character or behavioural moderation of the incumbent.

# **Principles of Promotion**

The principle of promotion is indispensable because there are few managerial positions as the pyramid goes higher, opportunities become slimmer. As employees grow through promotion in the civil service system, the chances of all of them growing into the few top rank positions get slim and slimmer.

Sharma (2011) posited that if there were enough higher posts to permit the promotion of everybody entering service up to the highest level in due course, a search for principle of promotion would be unnecessary, but the administrative structure for obvious reasons must be pyramidal, broad at the base and sliming towards the top till it ends at a single point. It is for this singular reason that the obvious question now arises, on how to determine who fit for these limited positions in administrative offices



whose pyramids admit only but a few incumbents. Therefore, the search for solution to this challenge gave birth to the principles of promotion. These principles of promotion are:

- Principle of Seniority: This principle is the oldest principle and is still the most relevant in the application of promotion exercises today. According to this principle, one among the most seniors in service should receive the promotion. Bhattacharya (2002), posited merits of seniority principle, these include:
  It is objective since it is easy to establish seniority.
- ii. A senior man is more experienced.
- iii. Under this principle, everyone gets an opportunity for promotion.
- iv. The principle is inherent in little or no political interference.
- v. The principle of seniority gives certainty of promotion to employees, thus better people are attracted.
- vi. Since promotion is on a just principle, the satisfaction as well as morale of the employees are expected to be high.

Gladden (1948), maintained that the principle of seniority is based on the following wrong assumptions - that:

- i. All members of the grade are fit for promotion.
- ii. A seniority list is arranged in an order, coincident with the age of staff, so that all in due time we should obtain an opportunity to serve in a higher post.
- iii. The percentage of higher posts to lower ones is high, so everyone shall get a chance.
- iv. Vacancies arise in a reasonable flow.
- v. Seniority alone suppresses emulation and render useless skills and intelligence in the exercise of functions.
- vi. Mediocre and unintelligent people who cannot compete with the young ones on merits are the greatest supporters of seniority principles.

2. **The Merit Principle:** The merit principle advocates that the most qualified should be promoted. It searches for employees with the best achievement, expertise and acumen to fill the vacant positions in the organization. Seniority is not only undermined here, but it is relegated to the background if it is void of achievement, expertise and acumen. Hence, leadership potential, strength of character, records of awards and recommendations are basis for promotion. The argument against this principle is that it is not easy to measure its objectivity; there is undue pressure from

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outside the organization; it is expensive; every employee is not given the opportunity to be promoted; there is no certainty that everyone will be promoted, etc.

The merits entail that all members of the grade are fit for promotion; everyone shall get a chance to be promoted; it eliminates mediocrity and unintelligent ones who are not qualified for the promotion; competent or best hands are selected for the promotion, etc. It must be noted that there are methods provided already through which the merit principle can be tested.

#### Promotion and Job Satisfaction: A Precursor to High Performance

Since employees are key resources through which all the other organizational objectives are achieved, it is therefore imperative to seek how they are satisfied with their job; and to limit labour turnover and improve organizational effectiveness. One of the ways through which to ensure job satisfaction in organization is via promotion (Tasman, Siregar & Nasution, 2021; Magdalena & Rulyati, 2019).

Toeing the same line, Absar, Azim, Balasundaram and Akhter (2010), argues that employees will demonstrate pleasurable positive attitudes when they are satisfied with their jobs. Thus, high will increase the productivity of an organization, in turn increasing the overall organizational performance. Without an atom of doubt, it is true that adherence to due promotion of employees plays an crucial role in determining an employees' level of <u>job satisfaction</u>, and have been applied differently by public and private enterprises.

On the contrary, Judge et al (2001), argue that job satisfaction has a rather weak and unconvincing <u>correlation</u> to performance. This is a vital piece of information to organizations, as the idea that satisfaction and job performance are directly related to each other is often cited in the media and in some non-academic management literature. In the meta-analysis research, they found surprisingly low correlations between job satisfaction and performance. Furthermore, the meta-analysis research also found that the relationship between satisfaction and performance can be moderated by job complexity, such that for high-complex jobs, the correlation between satisfaction and performance is higher than for low complex counterparts. Additionally, one longitudinal study indicated that among work attitudes, job satisfaction is a strong predictor of absenteeism, suggesting that increasing job satisfaction and organizational commitment are potentially good strategies for reducing absenteeism and turnover.

Judge and his colleagues' positions cannot be totally absorbed because several scholars often have proven strong ties between job satisfaction and organization performance. Corroborating this fact, McCausland (2005), maintains that many researchers opined that job satisfaction is strongly correlated with promotion and there is a direct and positive association between promotional opportunities and job satisfaction, which invariably will lead to organizational performance.

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Calvin (2017) contends that management in our contemporary organizations requires special endeavours to acquire and retain highly skilled employees to operate effectively in an extremely competitive environment. Obviously, he added, the level of among individual employees will impact significantly on performance. Adeoye (2014), agrees with Calvin, hence, he says promotion is a useful instrument in the hand of the management to contribute to the organizational effectiveness and can impact positively on the behaviour and productivity of employees.

A review of literature showed that certain organizational determinants of job satisfaction include pay, work, promotion, quality of supervision, and working conditions. Yet, promotion stands out among these because it does not only determine high pay; it also controls and improves other working conditions (Tasman, Siregar & Nasution, 2021). Nelson (1995) observed that promotion helps in improving efficiency of the employees, and that if employees are promoted based on their performance, their interest toward work increase consequently.

In summary, promotion as the precursor to high performance in organizations, few scholars' submissions are noteworthy. For Clark (1996), the impact of wage rise, as a result of promotion, is found to be more significant than fixed income on job satisfaction. Shields and Ward (2001), contend that employees who are dissatisfied with the opportunity available for promotion show a greater intention to leave the organization. It is established that the greater the chances of promotion, the higher the job satisfaction (De Souza, 2002; Pergamit, et al., 1999).

# **Empirical Review**

#### Promotion

The study carried out by Augustine, Magnus and Josiah (2019) titled, 'Effect of Promotion and Recognition on Job Satisfaction of Librarian in Academic Libraries in Imo State, Nigeria'. The purpose of the study is to evaluate the effect of promotion and recognition on job satisfaction of librarians in academic libraries in Imo State. The study established that promotion 'on the job' to higher positions increases librarians' satisfaction on the job. Again, the higher librarians attain through promotion the greater satisfaction they derive. The findings also showed that recognition makes librarians feel proud of their job and take their job seriously. The study recommended that academic libraries in Imo State should come up with policies that will ensure librarians regular promotion. That proven cases of denial of recognition should be revisited to ensure fair play. The study also recommended that academic libraries in Imo State should set in motion strategies to address welfare packages to librarians.

Magaji, Akpa, and Norom (2018), conducted a study titled, 'Effect of Recognition and Promotion on Employees' Job Satisfaction of Selected Outsourced Service Providers in Jos, Plateau State, Nigeria'. The study sought to examine the effect of recognition and promotion on employees' job satisfaction of selected outsourced service providers in Jos Plateau State. The findings of this study revealed that recognition and USMAN MADUGU, Etal Volume 5 Number 2 June, 2023 ISSN: 2756-5246 (Online)

promotion have a positive significant influence on employees' job satisfaction of selected outsourced service providers in Jos, Plateau State. The study concluded that recognition and promotion factors had a significant positive effect on employees' job satisfaction of the outsourced service providers in Jos, Plateau State. It is therefore recommended that management of these outsourced companies should improve on recognition and promotion in order to reduce the level of dissatisfaction among employees.

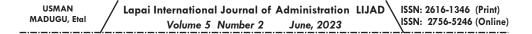
Mustapha and Zakaria (2013), carried out research on 'The Effect of Promotion Opportunity on Influencing Job Satisfaction among Academics in Higher Public Institutions in Malaysia. The objective of the research is to assess the influence of promotion opportunity on job satisfaction among lecturers in four public universities in Kelantan, Malaysia. The study established that there was a positive significant relationship between promotion opportunities and job satisfaction. More so, promotion opportunities are also an important aspect of workers' careers and lives as well have significant impact on other job characteristics such as responsibilities, etc.

They also contended that the university could use promotion opportunities as a reward for highly productive workers to exert greater effort. More satisfied workers are less likely to leave their employer, have lower rates of absenteeism and higher productivity. The study recommended among others that organizations, especially education sectors, should consider promotion opportunities whenever the academics meet the criteria that qualify them to be promoted to higher positions with a higher remuneration package. It concluded that this element is the focus of all academics, and organizations may use the variable as mechanism to enhance satisfaction, and to retain their best talents.

Research carried out by Damulira (2009) titled, 'Promotions as a Motivational Factor towards Employees' Performance: A Case Study of Uganda Police Forces (1995-2005). The study found out that promotions have an inducement on the personnel of the police especially because they always attribute it to good payoff and general increased good welfare and standard of living. The study recommended that promotions as a motivating factor is of paramount importance in any profession with attendant benefits such as improvement of the general welfare of the force, provisions of good social amenities, proper induction of officers after promotion, job security, insurance of the personnel of the force etc.

### **Job Satisfaction**

Job Satisfaction is an emotional disposition of employees towards their work which results from their own output (internal), and which is supported by realities that emanate from outside, on the job reality, job results, and job itself. (Rinny, Purba, & Handiman, 2020). This concept is complex because of its preoccupation with human emotions, perceptions as well as feelings. Individuals feel satisfied if they perceive that the compensation or rather the reward system for work done is commensurate



with the labour spent. Job satisfaction is a positive emotion that an individual holds towards his job.

Empirically, many studies have contended that job satisfaction influences employee performance significantly (Alwi, Tahir & Wantu, 2023; Pathirana, Kuruppu & Rodrigo, 2022; Rinny, Purba, Tasman, Siregar & Nasution, 2021; Ramli, 2019; Rinny, Purba, & Handiman, 2020; Wula, Yunarti, Wolomasi, Wea, Wullur, Krowin, ... & Werang, 2020; Perera & Weerakkody, 2016; Inuwa & Muhammad, 2016; Kurniawan, & Alimudin, 2015).

Tasman, Siregar and Nasution (2021), investigated 'the Influence of Work Environment, Promotion, and Job Satisfaction on Employee Performance' at PT. Cakra Adi Dharma in Kotapinang, South Labuhanbatu, Indonesia. The objective of the study is to determine the influence of work environment, promotion and job satisfaction on employee performance in one of the most prominent Honda Car dealers' companies in Indonesia. The study revealed that there is a positive significant relationship between job satisfaction and employee performance. More so, employees' emotional dispositions or rather feelings about their job are critical aspect of workers' realities that dictate the level of employees' input and in turn the output. The model of 'job satisfaction -- employee performance' has been corroborated by many studies though some surveys found indirect influence (Alwi, Tahir & Wantu, 2023; Ariani, 2023; Pathirana, Kuruppu & Rodrigo, 2022; Rinny, Purba, & Handiman, 2020; Ramli, 2019).

#### **Theoretical Framework**

The framework of analysis within which this study is situated is equity theory. Equity theory evolved in the 1960s, precisely in 1965. It was developed by John Stacey Adams, a behavioural psychologist. According to him, equity is the basis by which employees ascertain if they are fairly treated by their employer and they respond to the treatment accordingly in the discharge of their duties and responsibilities.

Equity as posited by Adams (1965) entails justice, fairness and balancing. Equity theory is a theory of motivation. Adams' equity theory of motivation contends "that to be motivated, individuals need to perceive that the rewards they receive for their contributions are fair, and these rewards are similar to those received by their peers. If individuals perceive that their rewards are not fair, they will feel distressed and try to change things to create a sense of fairness" (Worldofwork, 2019). Miner (1980) added that inequity exists for an individual when he or she perceives an imbalance in the ratio between outcomes (reward for work) and inputs (efforts at work) as other workers outputs and inputs.

This corroborates with Greenberg (1999) assertion which states that equity theory focuses on two sides: the input and the outcome. An employee compares his or her job's inputs with outcomes ratio. If the employee perceives inequality, he or she will act to correct the inequity. The employee may lower productivity or reduce the quality of

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their job. Many times, inequities can lead to an increase in absenteeism and even resignation of an employee.

Table 1: Input and Outcome

Inputs	Outcomes	
Education, intelligence, experience, training,	Pay, intrinsic rewards, satisfying supervision,	
skills, seniority, age, sex, ethnic bac kground,	seniority benefits, fringe benefits, job status,	
social statu s, job effort, personal	Status symbols, job perquisites , poor	
appearance, health,	working conditions, monotony, fate,	
spouse's characteristics.	uncertainty.	

Source: Abdelghafar, 2012.

This theory further stresses that an employee determines the fairness of management decision making and judges if such fairness or treatment from the management are based on how others like them are treated in similar organizations. This social comparison, it must be noted, is not only limited to similar organizations elsewhere but even within their own organization.

Tanner (2009) contends that employees make this social comparison or assessment by asking the following salient questions: "Based on what I am giving to this organization (inputs), am I getting the same rewards (outcomes) as others are getting who give similar inputs?

Tanner added that equity theory shows that inequities (perceived or real) harm employees' motivation. Employees who feel that they are receiving inequitable treatment are consequently moved to contend for equity. Inequity according to Adams (1965), "inequity exists for person whenever he perceives that the ratio of his outcomes to inputs and the ratio of other outcomes to other inputs are unequal".

When these inequities persist, Tanner (2009), argues that employees may do any of the following:

- i. Decrease inputs (give less time, do less work)
- ii. Push for more output from the company (more pay, incentives)
- iii. Go into survival mode (do their job and little more)
- iv. Become resistant (act out on other issues)
- v. Become overly competitive (focus on reducing the output of others)

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vi. Quit

# **Major Tenets of Equity Theory**

The major tenets or principles of this theory according to Adams (1965) are:

- i. Equity theory proposed that when a state of inequity is perceived, the individual would experience a state of distress.
- ii. The greater the inequity, the more distress individuals feel, and the harder they will try to restore equity.
- iii. Restoring equity is either actual or psychological. Actual restoration of equity refers to the behavior of the individuals who feel injustice to work less (decrease inputs), to demand a rise from their company (increase outputs) or destroy company equipment (decrease company outcome). Psychological restoration of equity refers to convincing oneself that this inequitable relationship is somewhat equitable by distorting reality.
- iv. Often, the recipient who is paid more than he deserves performs at a substantially higher level, either in terms of quality or quantity of his performance.
- v. Inequity results for people not only when they are relatively underpaid but also when they are overpaid.

# **Application of Equity Theory**

Promotion which should be an equity oriented as it relates to all employees is often subjected to prejudice, ethnic factor, and management purported discretion which are against management science principles specifically the fourteen (14) principles as postulated by Henri Fayol. In other words, the theory underscores the need to fairly treat employees irrespective of their extractions when it comes to promotion and other related organizational issues in order to ensure harmonious working environment, hence engendering high performance.

### **Criticism of Equity Theory**

A critical examination of equity theory suggests that it does not take into cognizance the peculiarities of organizational location as it relates to cost of living (expenses) and peculiarities and demands of the job. For instance, in the petroleum industry, there is no common ground of relationship between the staff that work on the 'onshore and offshore' there will be disparity in their utility package(s) because of the enormity of the hazard involved.

Secondly, according to Abdelghafour (2012), there is the problem of individuals, who will respond to inequity stimulation and others who will not. For instance, an employee



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from a rural state civil service to urban and federal appointment seldom feels discriminated against, unlike the urban and federal staff employee counterpart who perpetually evaluates other organizations and compares salaries and welfare packages. In addition, Abdelghafour contends that equity theory has a problem regarding a comparison of others. i.e., what is chosen, how is it chosen and why? This underscores the fact that there is no targetable parameter that will serve as a measurement rule.

## Findings

Based on the review of the extant literature, the following points are unearthed:

First, the study establishes that promotion is a precursor to high performance in organizations and it leads to job satisfaction.

Second, the study also reveals that effective promotion policy, and its implementation will increase employees' morale in the discharge of their duties, thus leading to high performance. This increased morale is as a result of a rise in pay and other fringe benefits which usually accompanied promotion.

In addition, the study finds out that when equity and justice is upheld in the implementation of promotion, it gives room for employees to improve and develop themselves so that they will be able to compete favourably. Thus, making them perform better on the job for high productivity.

Finally, the study reveals that when application for promotion is accessible, easy, fast and immediately effected with its attendant benefits, there will be low labour turnover.

## Conclusion

It is concluded that a good promotion policy and its appropriate implementation will not only lead to job satisfaction, but it serves as a precursor to high performance in organizations. This study also establishes that effective promotion policy and its implementation will increase employees' morale in the discharge of their duties. This will invariably lead to high performance in organizations. In addition, this study concludes that equity and justice make employees develop themselves in order to be able to fit and compete for promotion. This development of their skills improves their performance on the job. This study reveals that open, transparent, accessible, easy and timely promotion with its attendant benefit leads to job satisfaction and reduces labour turnover.

### Recommendations

There is a need for every organization to acknowledge and strengthen the promotion

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system in their organization since it has been discovered that it is a precursor to high performance in organizations which can also lead to job satisfaction.

In addition, to achieve high morale in discharge of their duties, promotion should be accompanied with rise in pay, status and other fringe benefits.

Fairness, equity and justice should prevail in the promotion system. This makes employees not to only have confidence in the system, but also create room for personal development and competition among themselves, which will invariably lead to organizational performance.

Finally, the study recommends that application for promotion exercise should be accessible, easy, fast and accompanied with immediate effect with its attendant benefits. This will reduce labour turnover and lead to career fulfilment.

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