

# The Impact of Job Satisfaction on Job Performance : An Empirical Analysis

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## Abstract

Employee attitudes are important to management because they determine the behavior of workers in the organization. The commonly held opinion is that "A satisfied worker is a productive worker". A satisfied work force will create a pleasant atmosphere within the organization to perform well. Hence job satisfaction has become a major topic for research studies. The specific problem addressed in this study is to examine the impact of job satisfaction on performance. It considered which rewards (intrinsic and extrinsic) determine job satisfaction of an employee. It also considered influence of age, sex and experience of employees on level of job satisfaction. In addition it investigated in most satisfying event of an employee in the job, why employees stay and leave the organization. Data were collected through a field survey using a questionnaire from three employee groups, namely Professionals, Managers and Non-managers from twenty private sector organizations covering five industries. The analysis data revealed that there exists positive correlation between job satisfaction and performance of employees.

**Key words :** Job satisfaction, Rewards, Effort, Performance

## 1. Introduction

Attainment of a high level performance through productivity and efficiency has always been an organizational goal of high priority. In order to do that highly satisfied work force is an absolutely necessity for achieving a high level of performance advancement of an organization. Satisfied worker leads to extend more effort to job performance, then works harder and better. Thus every organization tries to create a satisfied work force to operate the well-being of the organization. However, the total organizational performance depends on efficient and effective performance of individual employees of the organization. Therefore, every organization places a considerable reliance on their individual employee performance to gain high productivity in the organization. Employee effort is an important factor that determines an individual performance will be. When an employee feels a satisfaction about the job, he/she is motivated to do greater effort to the job performance. Then it tends to increase the overall performance of the organization. In other words, a satisfied individual employee and his effort and commitment are crucial for the successfulness of the organization. Therefore, the address research problem of this study is that ;

**Is there an impact of job satisfaction on employee performance ?**

In literature, it is evidenced that there is a relationship between job satisfaction and performance of employees. However, this study is aimed to assess the validity of this relationship from Sri Lankan working environment. Therefore, the specific objectives of this study are

- To determine whether there is a positive relationship between the job satisfaction and performance of employee.
- To find out whether the employees derive job satisfaction from extrinsic job rewards or from intrinsic job rewards.
- To find out the most satisfying event of an employee in the job and why employees stay in the job and leave the organization.
- To identify the influence of experience, age and sex on job satisfaction of employees.

Within this paper, it is presented the literature review related to the study, research methodology which is applied, results and discussion, conclusions drawn from the study, suggestions and recommendations and areas for further research.

## 2. Literature Review

### 2.1 Concepts of Job Satisfaction, Rewards and Performance

In this part it defines the major concepts involved in problem statement of the study. These concepts are job satisfaction, performance and organizational rewards.

It is the general understanding that job satisfaction is an attitude towards job. In other words job satisfaction is an affective or emotional response toward various facets of one's job. A person with a high level of job satisfaction holds positive attitudes towards his or her job, while a person who is dissatisfied with his or her job holds negative attitudes about the job.

Luthans (1985) quotes a comprehensive definition given by Locke. A pleasurable or positive emotional state resulting from the appraisal of one's job or job experience. Job satisfaction is a result of employees' perception of how well their job provides those things which are viewed as important. Job satisfaction is also defined as reintegration of affect produced by individual's perception of fulfillment of his needs in relation to his work and the surrounding it (Saiyaden, 1993). Organ and Hammer (1991) pointed out that job satisfaction represents a complex assemblage of cognition, emotion and tendencies.

From the above definitions, it is clear that job satisfaction is an unobservable variable. Therefore, there is no definite way of measuring job satisfaction. But there are variety of ways can be identified from the current literature. A questionnaire can be used to measure job satisfaction. In the questionnaire method, it is measured the satisfaction with the different dimensions or facets of the job and sum of all satisfactions scores will be taken as the overall job satisfaction (JS).

**JS=f(Satisfaction with different facets of job)**

Almost any job related factor can influence a person's level of job satisfaction or dissatisfaction.

There are a number of factors that influence job satisfaction. The major ones can be summarized by recalling the dimensions of job satisfaction. They are pay, the work itself, promotions, supervision, workgroup, and working conditions (Luthans 1985).

Further, job satisfaction has significant managerial implications. If the job satisfaction is high, the employees will perform better. On the other hand if the job satisfaction is low, there will be performance problems. In examining in outcomes of job satisfaction, it is important to breakdown the analysis into a series of specific set of variables. They are productivity, turnover, absenteeism and other effects (accidents, grievances, physical and mental health).

The main objective of reward programs are attract qualified people to join the organization to keep employees coming to work and to motivate employees to achieve high level of performance. Though the rewards are provided by the organization, they are evaluated by the individual. To the extent that the rewards are adequate and equitable, the individual achieves a level of satisfaction. The rewards can be broadly categorized in to two groups, namely intrinsic rewards and extrinsic rewards. Intrinsic rewards are psychological rewards that are experienced directly by an individual. These are defined as rewards that are part of the job itself. (Gibson, Ivancevich and Donnely, 1991). It had also defined as psychological reward that is experienced directly by an employee (Stoner and Freeman, 1992). Extrinsic rewards are provided by an outside agent such as supervisor or work group. These rewards had been defined as rewards external to the job (Gibson, Ivancevich and Donnely, 1991). Pay, promotions, interpersonal relationships, status and fringe benefits are some of the examples for extrinsic rewards. Responsibility, achievement, autonomy, personal growth, challenge, complete work and feedback characteristics of the job are some intrinsic rewards.

Performance very much depends on perception, values and attitudes. There appear to be so many variables influencing the job performance that is almost impossible to make sense of them. Performance is defined as a function of individual ability and skill and effort in a given situation (Porter and Lawler, 1974). In the short run, employee's skills and abilities are relatively stable. Therefore, for the purpose of the study, the researcher defines the performance in terms of effort extended to the job of an employee.

Effort is an internal force of a person which makes him or her to work willingly when employees are satisfied with their job and their needs are met, they develop an attachment to work or we say that they make an effort to perform better. Increased effort results in better performances.

## 2.2 Job Satisfaction and Performance Relationship.

The relationship between job satisfaction and performance has been critically assessed in a variety of organizational settings. Results of these studies have been mixed. Cummings (1970) identified three major points of view concerning this relationship. Satisfaction causes performance, performance causes satisfaction and rewards cause both performance and satisfaction. All of these

three views are supported by various researches. Mirvis and Lawer (1977) produced conclusive findings about the relationship between job satisfaction and performance. In attempting to measure the performance of bank tellers in terms of cash shortages, their proposed arguments are satisfied tellers were less likely to show shortages and less likely to leave their jobs. Kornhanuser and Sharp (1976) have conducted more than thirty studies to identify the relationship between satisfaction and performance in industrial sector. Many of the studies have found that a positive relationship existed between job satisfaction and performance. Katzell, Barret and Porker (1952) demonstrated that job satisfaction was associated neither with turnover nor with quality of production. Smith and Cranny (1968) reviewed the literature and concluded that satisfaction is associated with performance as well as effort, commitment and intention. In the western electric studies (1966) the evidence from the Relay Assembly test room showed a dramatic tendency for increased employee productivity to be associate of with an increase in job satisfaction.

Porter and Lowler (1969) suggested that satisfaction will affect a worker's effort, arguing that increased satisfaction from performance possibility helps to increase expectations of performance leading to rewards, Carroll, Keflas and Watson (1964) found that satisfaction and productivity are crucial relationship in which each affects the other. They suggest that performance leads to more effort because of high perceived expectancy. The effort leads to effective performance, which again leads to satisfaction in crucial relationship. David, Joseph and William (1970) suggest that the type of reward system under which workers perform strongly influence the satisfaction-performance relationship.

According to the above literature review and to achieve the research objectives the following conceptualized research model (Figure 1.1) is developed. Further, Figure 1.1 shows that job satisfaction of an employee is influenced by various job related factors and they are derived from job context and job content factors. Job content factors are related with intrinsic rewards and job context factors are related with extrinsic rewards. A satisfied employee can motivate to extend more effort to improve the performance.

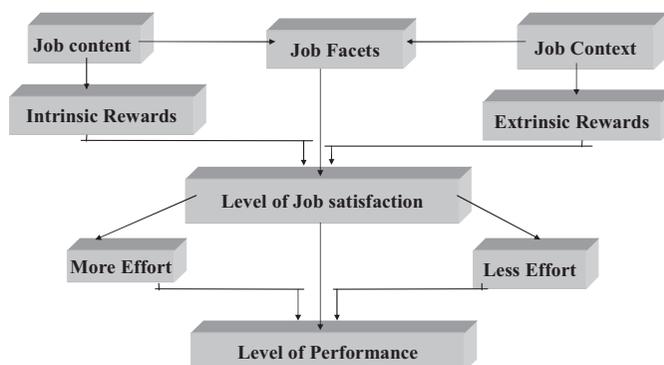


Figure 1.1 Conceptualized Model

### 3. Research Methodology

#### 3.1 Sample

For the purpose of analyzing the research problem, a total number of two hundred and thirty seven respondents were selected from twenty organizations limited to five industries relating to manufacturing and services industries in private sector in the economy in Sri Lanka. Namely, Banking, Ceramics, Milk powder, Insurance and News Paper Industries. Three employee categories were considered as Professionals, Managers and Non Managers. All respondents are selected from random basis of the office employees and emphasis is given to profession, organization and industry. Further respondents were selected by representing ten percent of existing number of employees in each category of in each organization.

#### 3.2 Data Collection

A field survey is conducted to collect the data. Field studies are realistic because they study the phenomenon in their natural setting. The researcher collected primary data pertaining to attitudes related with job satisfaction, performance effort, rewards, age, sex and experience of employees. In order to that, the principal method of data collection was by the use of questionnaires. To obtain the required data, the questionnaire method is chosen as it affords the advantages of speed, cost and versatility.

For the purpose of collecting data, two questionnaires were developed separately for measuring job satisfaction and performance. In questionnaire one (job satisfaction measuring questionnaire), item number one and two were used to determine the relevant organization and designation (Professional, Manager and Non manager). Next two items, age and sex were included to get personal data to determine their impact on job satisfaction.

Item number five is consisted of twenty one statements which are developed to measure the employee satisfaction with different facets of job. These job facets are self esteem or respect, opportunity for growth, prestige of job inside the organization, amount of close supervision, opportunity for independent thought, feelings of security, opportunity for feedback on performance, prestige job outside the organization, opportunity for complete work, opportunity to do many things, opportunity to get to know others, freedom on the job, pay for job, variety on the job, feeling of accomplishment, opportunity to help others, opportunity for participation, opportunity for close friendships, opportunity for promotion, amount of respect and fair treatment. To these

Table 1.1 Interpretation of Job Satisfaction level

Scale	Classification
0-1.7	Low level
1.8-3.4	Medium level
3.5-5	High level

twenty one statements, the respondents were required to indicate their level of satisfaction rating on the given statements by using a five-point scale ranging from very low to very high. Further to determine which rewards (intrinsic or extrinsic) make high level job satisfaction, the above identified job facets were divided into extrinsic and intrinsic rewards. Extrinsic rewards will be determined through status, security, pay, promotion, interpersonal relations and intrinsic rewards will be determined through recognition, growth, accomplishment, challenge, autonomy, completion, feedback, and variety of job. In measuring the job satisfaction level of employee, the used scale is indicated in Table 1.1 based on the maximum score and lowest score.

Further, in this questionnaire item six, seven, eight and nine were used to evaluate the experience, reasons for employee to stay in the organization or leave the organization. These are open ended questions.

Questionnaire two was developed 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. This questionnaire consists of seventeen questions to measure these variables and all are close ended purposely so that required answers can be obtained with out much difficulty. The respondents were required to indicate their level of effort extended to the job on the given questions by using a five point Lickert scale ranging from great extend to very little. In measuring the performance effort, the average score of the employees was taken in to consideration. Table 1.2 indicated a scale for interpretation of effort of employees to job performance.

### 3.3 Data Analysis

The coefficient of correlation was applied to identify the impact of job satisfaction on performance of employees and it was calculated by using level of job satisfaction as the X-variable (independent variable) and level of performance as the Y-variable (dependent variable) for three employee categories. The statistical technique of paired comparison of means was also used to determine the satisfaction which is derived from extrinsic rewards or from intrinsic rewards. Further, average level of job satisfaction and performance was determined by the summation of total scores, dividing by number of employees in each category.

Table 1.2 Interpretation of Performance Level

Scale	Classification
0-1.7	Low level
1.8-3.4	Medium level
3.5-5	High level

#### 4. Results and Discussion

Although data were collected from 237 employees, 14 employees had to be disregarded for analysis due to unsuccessful responding to the questionnaire. Table 1.3 shows the number of professionals, managers and non managers in the actual sample.

This total sample is consisted of 43% females and 57% males. Further age wise classification is 20-30 yrs 34% employees, 30-40 yrs 50% employees and over 40-16% employees.

##### 4.1. Satisfaction and Performance

In category wise calculated coefficient of correlation is shown by the following Table 1.4. This table shows that the t-statistic value is greater than the t-table value for managers and non managers. Therefore, it is revealed that there is a positive and significant relationship between satisfaction and performance for managers and non managers. But statistical test does not support to identify the significant relationship between job satisfaction and performance for professionals. However, based on the calculated correlation coefficient for all managers, it can be concluded that there is a significant impact of job satisfaction and performance of employees in private sector organizations.

Table 1.3 Composition of the Sample

Category	Number	%
Professionals	42	19
Managers	67	30
Non-Managers	114	51
Total	223	100

Source : Survey data

Table 1.4 Correlation Coefficient for Managers, Professionals and Non-Managers.

	Managers	Professionals	Non-Managers	All-Managers
X coefficient	0.570644	0.090551	0.462879	0.512714
Constant	54.59751	58.60393	49.99491	38.59141
R Squared	0.678351	0.012736	0.322646	0.47891
t-test statistic	11.7082	0.7183	9.56228	12.27615
t-Value	1.645	1.6839	1.645	1.645
t-statistic	>t-table value	<t-table value	>t-table value	>t-table value

Source : Survey data

## 4.2 Satisfaction and Rewards

For the statistical analysis, based on the general opinion it is hypothesized that job satisfaction is influenced more by intrinsic rewards than extrinsic rewards for managers and professionals. But for non managers, it is hypothesized that job satisfaction is influenced by more extrinsic rewards than intrinsic rewards. The results of the statistical analysis for determining satisfaction level with rewards for three employee categories are shown by the following Table 1.5.

According to this table t-statistic is greater than the t-table value for professionals, but less than for managers. Therefore, it inferred that professionals derive more satisfaction with intrinsic rewards than extrinsic rewards. Normally, professional is a highly educated person. He/She will become a professional after only getting a substantial qualification. Such a person may have favorable attitudes towards opportunities for growth. Therefore they derive a greater satisfaction from intrinsic rewards. Another reason for higher level of satisfaction with intrinsic rewards may be greater recognition which prevails in the outside society for professionals.

Managers derive equal amount of satisfaction with intrinsic rewards and extrinsic rewards. But the analysis data shows that non managers derive more satisfaction form extrinsic rewards rather than intrinsic rewards. The major reason for such a situation is that in Sri Lankan, most of lower level employees are satisfying their basic needs. Therefore most of them may need monetary rewards rather than other rewards for achieving their basic needs.

## 4.3 Level of Job Satisfaction

The average level of job satisfaction for each category was determined by the summation of total scores, dividing by number of employees in each category. Table 1.6 shows the average level of job satisfaction for three employee categories.

The above data shows that average level of job satisfaction for manager and professional category is high. But non manager employees are the least satisfied among other categories. The Table 1.7 illustrates the level of job satisfaction in industry wise.

Table 1.7 shows that level of job satisfaction of three categories is high and medium for the Banking Industry. Non manager employees of other industries have low satisfaction level except Insurance industry. Managers of other industries also high satisfaction level except Milk powder industry. Professionals in all five industries are high and medium satisfiers. Therefore it seems to

Table 1.5 Satisfaction Level with Rewards for Professional, Managers and Non-Managers.

	Number (n)	t-test statistic	t-table value
Professionals	42	3.4081	1.671
Managers	67	.03932	1.661
Non-Managers	114	2.67235	1.661

Source : Survey Data

**Table 1.6** Level of Job Satisfaction of Professionals, Managers and Non-Managers

Employee category	Job Satisfaction Level	Classification
Professionals	3.51	High
Manager	3.72	High
Non-Manager	1.61	Low

Source : Survey data

**Table 1.7** Level of Job Satisfaction in Industry Wise

Industry	Professional		Manager		Non-Manager	
	J.S Level	Classification	J.S Level	Classification	J.S Level	Classification
Banking	3.5	High	3.8	High	2.4	Medium
Ceramics	2.5	Medium	3.5	High	1.4	Low
Milk Powder	3.4	Medium	3.3	Medium	1.2	Low
Insurance	3.5	High	3.6	High	1.9	Medium
News Paper	3.3	Medium	3.5	High	1.3	Low

Source : Survey data

be, employees in high competitive industries are satisfied with their jobs than employees in less competitive industries.

#### 4.4 Level of Performance

Average level of performance for each category was calculated and analysis is shown by the following Table 1.8. Average level of performance of employees is high for managers and professionals, but there is a medium level of performance of non managers. However the following Table 1.9 illustrates the level of performance in industry wise.

The analysis shows that level of performance in terms of effort is high for manager category for all five industries. There is also high level of performance for professional category except milk powder industry. Under analysis of average level of job satisfaction shows that most of managers and professionals are satisfied with their jobs. Therefore they are willing to extend more effort to their jobs.

#### 4.5 Most Satisfying Event of an Employee in the Job

Analysis of sample data which could be identified the most satisfying event of an employee in the job. Table 1.10 illustrates the most satisfying event of an employee in the job for three employee categories.

According to Table 1.10, all three categories of employees are highly satisfied, when they have

**Table 1.6** Level of Job Satisfaction of Professionals, Managers and Non-Managers

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Manager	3.72	High
Non-Manager	1.61	Low

*Source : Survey data***Table 1.7** Level of Job Satisfaction in Industry Wise

Industry	Professional		Manager		Non-Manager	
	J.S Level	Classification	J.S Level	Classification	J.S Level	Classification
Banking	3.5	High	3.8	High	2.4	Medium
Ceramics	2.5	Medium	3.5	High	1.4	Low
Milk Powder	3.4	Medium	3.3	Medium	1.2	Low
Insurance	3.5	High	3.6	High	1.9	Medium
News Paper	3.3	Medium	3.5	High	1.3	Low

*Source : Survey data***Table 1.8** Level of Performance of Professionals, Managers and Non-Managers

Employee Category	Job Satisfaction Level	Classification
Professionals	3.5	High
Manager	3.7	High
Non-Manager	2.9	Medium

*Source : Survey data***Table 1.9** Level of Performance in Industry Wise

Industry	Professional		Manager		Non-Manager	
	Performance Level	Classification	Performance Level	Classification	Performance Level	Classification
Banking	3.6	High	3.7	High	2.4	Medium
Ceramics	3.5	High	3.6	High	1.4	Medium
Milk Powder	3.3	Medium	3.4	High	1.2	Medium
Insurance	3.7	High	3.8	High	1.9	High
News Paper	3.6	High	3.5	High	1.3	Medium

*Source : Survey data*

a feeling of accomplishment (When they finish some task successfully). It is important to note that twelve employees have indicated that financial benefits such as an increment have made them most satisfied.

#### 4.6 Most Important Reason for Employees to Stay in the Organization

The Table 1.11 illustrates that 33.33 percent of non manager category employees have indicated that they stay in the organization due to no other option. Financial benefits and autonomy is also important for this category. But for the manager category Financial benefits are the most important. Professional category has shown a significant variation from both of above categories. Opportunity for growth has come first with a percentage of 30.56 and financial benefits comes second.

#### 4.7 Why Employees Leave the Organization

The table 1.12 illustrates the reason for employees to leave the previous job, if the present job is not his first job. From the data it is clear that employees have changed their jobs mainly due to lack of financial benefits. But there is a variation in professional category that growth has shared the first place with financial benefits with a percentage of 29.41. There is evidence that opportunity for growth affect the decision of learning an organization for professionals.

#### 4.8 Influence of Age, Sex and Experience on Job Satisfaction

Employees are categorized according to their age and level of job satisfaction which is shown

Table 1.10 Most Satisfying Event of an Employee in the Job

Reason	Non-Manager		Manager		Professionals	
	Number	%	Number	%	Number	%
Accomplishment	51	48.11	27	41.53	17	47.12
Autonomy	12	11.32	4	6.15	5	13.89
Interpersonal Relations	5	4.72	4	6.15	0	0.00
Financial	10	9.43	0	0.00	2	5.56
Growth	5	4.72	0	0.00	4	11.11
Variety	6	5.67	6	9.23	2	5.56
Help others	6	5.67	13	2.00	3	8.33
Recognition	0	0.00	5	7.69	0	0.00
Complete work	4	3.77	2	3.10	2	5.56
Feed back on performance	5	4.72	4	6.15	1	2.77
Total	106	100.00	65	100.00	36	100.00

Source : Survey data

Table 1.11 Reason for Employees to Stay in the Organization

Reason	Non-Manager		Manager		Professionals	
	Number	%	Number	%	Number	%
Autonomy	16	15.69	12	18.46	5	13.90
Working condition	3	2.94	3	4.61	0	0.00
Interpersonal Relations	8	7.84	2	3.17	1	2.78
No Option	34	33.33	2	3.17	3	8.33
Job Satisfaction	6	5.88	1	1.54	1	2.78
Prestige	4	3.92	2	3.17	0	0.00
Growth	8	7.84	4	6.15	11	30.56
Financial benefits	21	20.06	29	44.61	7	19.44
Variety	2	1.96	1	1.54	2	5.56
Help others	0	0.00	2	3.17	0	0.00
Security	2	1.96	1	1.54	0	0.00
Recognition	0	0.00	3	4.61	3	8.33
Interesting work	0	0.00	1	1.54	2	5.51
Challenge	0	0.00	2	3.17	1	2.78
Accomplishment	0	0.00	2	3.14	0	0.00
Total	102	100.00	65	100.00	36	100.00

Source : Survey data

Table 1.12 Reason for Employees to Leave the Organization

Reason	Non-Manager		Manager		Professionals	
	Number	%	Number	%	Number	%
Financial benefits	34	55.74	35	70.00	5	29.41
Security	6	10.00	4	8.00	2	11.76
Autonomy	2	3.33	1	2.00	0	0.00
Job satisfaction	4	6.67	2	4.00	0	0.00
Growth	7	11.67	2	4.00	5	29.41
Promotion	2	3.33	4	8.00	1	5.89
Recognition	2	3.33	1	4.00	2	11.76
Working Conditions	0	0.00	0	0.00	0	0.00
Challenge	0	0.00	0	0.00	0	0.00
Work Load	2	3.33	0	0.00	2	11.76
Inter per : Relations	1	1.67	1	2.00	0	0.00
Total	60	100.00	50	100.00	17	100.00

Source : Survey data

by Table 1.13. The majority of high satisfiers are in over 30 years. 51.43% of over 40 year's age group are high satisfiers. Majority of medium satisfiers are in 30 to 40 age group. The majority of low satisfiers belonged to the 20-30 age category. Sometimes, this may be affected by changing needs satisfaction of employees in different age group categories. It means employees who are in different age groups have different expected needs and wants to achieve from their jobs. It seems to be most of young employees expect status, challenge, growth and monetary rewards from their jobs. On the other hand most of young employees change their jobs from short period. Therefore they have less experience and may also affect to less satisfaction of younger employees.

The data related to the following Table 1.14, it shows that high satisfiers equally distributed among males and females. Majority of medium satisfiers were females. Majority of low satisfiers are in males. However the analysis data does not support to find out significant relationship between sex and satisfaction. As the data in the Table 1.14 indicates, all employees are in the group of more than ten years experience were either medium or high satisfiers. All of low satisfiers were in the group of less than ten years experience. This shows that employees who have high experienced are high satisfiers than less experienced employees. Sometimes this situation may be affected by age of employees.

Further the analysis of data inferred that most of high satisfiers (82%) have greater effort to attend to work. They have willingness to attend to work when ever possible. But most of low satisfiers have (71%) have little effort to attend to work. Therefore it implies indirectly a negative correlation between job satisfaction and absenteeism. On the other hand high satisfiers also have (62%) greater effort to contribute more time to the present job. They also have an attachment to

Table 1.13 Influence of Sex on Job Satisfaction

Age Group	High satisfiers		Medium Satisfiers		Low Satisfier		Total	
	No.	%	No.	%	No.	%	No.	%
20-30	04	5.33	23	30.66	48	64.000	75	100.00
30-40	28	25.70	49	49.55	32	29.35	109	100.00
Over 40	18	51.43	17	48.57	0	0.00	35	100.00

Source : Survey data

Table 1.14 Influence of Sex on Job Satisfaction

Age Group	High satisfiers		Medium Satisfiers		Low Satisfier		Total	
	No.	%	No.	%	No.	%	No.	%
Female	21	21.43	41	41.84	36	36.73	98	100.00
Male	24	19.24	48	38.40	53	42.46	125	100.00

Source : Survey data

Table 1.15 Influence of Experience on Job Satisfaction

Satisfaction	Experience			
	Less than 10 years		More than 10 years	
	Number	%	Number	%
Low	84	54.17	0	0.00
Medium	50	32.26	34	40.96
High	21	13.55	29	59.04

Source : Survey data

the present job as well as to the organization. Therefore these positive attitudes of satisfied employees tend to retain in their present jobs. It indirectly relates with less turn over of employees.

## 5. Conclusion

Though there have been certain limitations in the study, the following conclusions drawn from the study could provide some insight to the managers to improve the level of job satisfaction of employees in private sector organizations in Sri Lanka.

- There is a significant impact of job satisfaction on performance of employees in private sector organizations.
- Employees who are in higher levels tend to derive more satisfaction from intrinsic rewards while, employees who are in lower levels tend to derive more satisfaction with extrinsic rewards.
- Higher level employees are more satisfiers than the lower level employees in private sector organizations.
- Employees who are in highly competitive industries are more satisfied with their jobs than employees who are in less competitive industries.
- Professionals and Managers are willing to extend more effort to the job than non-managers.
- Older employees are more satisfiers than the younger employees in private sector organizations.
- High experienced employees tend to satisfy with their jobs than the less experienced employees in private sector organizations.
- Sex has not significant impact on job satisfaction.
- Satisfied workers tend to less absenteeism to the work than low satisfied workers.
- High satisfaction leads to less turn over of employees in private sector organizations.
- Financial benefits play an important role to satisfy, retain and attract employees in private

sector organizations.

- Satisfied employees have high commitment to the job than dissatisfied employees.

## 6. Suggestions and Recommendations

Satisfied employees have positive attitudes regarding their jobs. Satisfied workers are tend to attend to work on time, more concern about the given targets, work speedily, work free of errors and omissions, loyalty and commitment to the job, less dependability, suggest new ideas, tend to improve knowledge, willing to accept more responsibility, obedience of rules and regulations, less absenteeism and effort to retain in the present job. The positive attitudes will increase the quality and quantity of employees' performance. Hence such a situation is good for an organization. But, some organizations do not concern about satisfaction of employees. Therefore, if organizations can be more concerned about the job satisfaction of employees, better performances can be expected, because the relationship between satisfaction and performance is positive and significant. This aspect should be given more consideration by the managers in order to improve performance. For this, in macro level managers can be educated the importance of the concept of job satisfaction.

In Sri Lanka it seems that most of organizations more concern about extrinsic rewards than intrinsic rewards. But the findings of the study revealed that intrinsic rewards also play an important role of satisfying employees. Hence, the attitudes of managers towards intrinsic rewards should be changed. Therefore when managers plan organizational reward systems, they should give priority not only for extrinsic rewards but also intrinsic rewards. Such as growth, autonomy, recognition, accomplishment, challenge and feedback etc.

The survey data shows that only 14% has indicated that they are highly satisfied with the opportunities for promotions. In other words 86% of the employees in the sample are not satisfied with this reward. Though it is an extrinsic reward, it will lead to intrinsic rewards such as advancement and recognition. Therefore, the revision of internal promotional schemes will most probably improve the degree of job satisfaction.

In addition most of employees expect career development from their profession. It seems that the existing promotional programs do not serve this purpose adequately. Higher level employees also derive satisfaction with their job, if they have opportunity to career development. Therefore, organizations can be arranged their internal programs for providing prospects to career development of employees.

The study also revealed that, financial benefits have a significant influence to attract and retain employees in an organization. Some employees leave from organizations due to lack of financial benefits. In highly competitive industries, most employees are satisfied with money rewards. Therefore, organization should more concern about the financial benefits and revised the existing monetary rewards systems to retain and attract employees.

Major source of job satisfaction of most employees is related to job content factors than job

context factors. Such as achievement, autonomy, growth, recognition, variety challenge, feed back etc. Therefore, when organizations do job enrichment and job redesign, employees should be given more autonomy, responsibility challenging and interesting work. In other words give priority for job content factors.

Most of non-managers are not satisfied with interpersonal relationships. Such as opportunity to get to know others, opportunity to help for others, and opportunity for close friendships. In order to that, Organizational culture can be created for providing above opportunities to increase interpersonal relationships in an organization. It will help to satisfy employees in lower level.

Most of private sector organizations do not have proper performance evaluation systems for employees. Employees derive job satisfaction, if there is feedback on their performance. Therefore, organizations can establish proper performance appraisal system to provide this opportunity.

## 7. Further Research

The present study was concerned only of the private sector organizations limiting the number of industries to five. A large sample would have been more representative of the private sector employees. In addition another possibility is to conduct the same study for public sector employees. That will give a comparable picture between employees in public and private sector organizations.

Further, the present study conducted only for three employee categories. This is to extended into many more categories. That will give a more realistic picture.

The variation of degree of satisfaction with intrinsic rewards and extrinsic rewards can be measured against demographic variables. Such as educational level, sex and family background of employees.

This study considered only the influence job satisfaction on performance. But there are other factors which influence on performance. Such as leadership, organizational culture, Climate and other external variables. A detailed study considering all these factors would provide a insight to determine the most crucial factor that influence performance of an employee.

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