

EFFECT OF JOB SATISFACTION FACTORS ON EMPLOYEE PERFORMANCE (A STUDY IN SELECTED PUBLIC SECTOR BANKS IN INDIA)

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ABSTRACT

Satisfaction though a subjective term is interpreted objectively by employees for their work and work environment. Human beings have many aspirations for their life, and they strive hard to fulfill those aspirations. Thus organizations need to understand what factors could affect their employees at work. A satisfied employee is said to be a happy employee and a happy employee tends to perform efficiently.

In this research study I endeavored to study the factors affecting Job Satisfaction of bank employees and how do these factors impact their performance. This research paper is a combination of qualitative description and empirical analysis analyzing the effect of job satisfaction factors upon employee performance so that the performance of employee could be effectively managed. This research article explores the intrinsic and extrinsic factors of job satisfaction and comes to a conclusion with the combination of both extrinsic and intrinsic factors impact employee job performance.

KEYWORDS: Performance, Job, Satisfaction, Employee & Attitude

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INTRODUCTION

Satisfaction is a very subjective term and is variedly described by different employees. The issue of achieving optimal Job satisfaction through ones work is now compelling the corporate to derive working process or strategies to ensure job satisfaction for their employees. Performance of employees and experiencing Job satisfaction simultaneously is one of longed dream for today's manager. It is job satisfaction that "enables higher levels of organizational commitment among the satisfied employees", thereby achieving organizational success and development (Feinstein, 2000; Gebrekiros & Kebede, 2015), and it is taken to be an indicator of performance of employees at his work place (Ethica, 2013).

Several studies based on US workers link job satisfaction to employee performance (Bagozzi, 1980; Fisher, 1980; Form, 1973; Freeman, 1978; Iaffaldano and Muchinsky, 1985; Kalleberg, 1977; Larwood et al., 1998; Lopez, 1982; Miller and Monge, 1986; Petty et al., 1984). Job satisfaction is described as "positive emotional state resulting from the appraisal of one's job or job experiences" (Locke, 1976, p. 1300; Linz, 2003). Satisfied and committed employees represent true value of the organization and they tend to act as prominent drivers delivering continuous improvements and support total quality management (TQM) effectively (Deming, 1986; Flynn et. al, 1994) and satisfied employees are found to be more efficient in developing and maintaining customer relations delivering better services to their customers (Eskildsen and Dahlgaard, 2000).

This study focuses on Job satisfaction and its factors affecting the job performance of an employee. Hence

this research study explores the job satisfaction factors and endeavors to find their effect on employee performance in selected public sector banks in India.

METHODOLOGY

This Descriptive and Empirical research article and analysis was preceded by an extensive review of literature. It explored the various factors influencing employee satisfaction while at work. Both Primary and secondary data are utilized for the present study. Primary data was collected through structured questionnaire and secondary data was collected through available Journals and articles, books, and websites. Through the review of literature it was understood that job satisfaction gets influenced by a lot of factors. The methodology of the research is exploratory research and presented through descriptive work. The samples are drawn through convenient sampling method from selected public sector banks, SBI, PNB, Union Bank, Central Bank of India and Allahabad Bank. As Performance is becoming crucial in public sector banks hence to examine the effect of job satisfaction factors on employee job performance, correlation and multiple regressions statistical tools are applied. For data reliability, Cronbach Alpha test was applied.

Research Objectives

- **To Study the Factors affecting Job satisfaction**
- **To understand and measure Co-relation of job satisfaction Factors with performance**

This paper is divided into three parts, first the Introduction describing performance and Job satisfaction, second Methodology, explaining the research methodology, literature review, and aspects of Job satisfaction. Third part presents the analysis of factors of job satisfaction and their effects on performance. Fourth part presents the discussion on analysis followed by conclusion.

An important aspect of employee attitude is “job satisfaction that can influence employee behavior and performance at work place” (Hettiararchchi and Jayarathna, 2014). Wood and Locke (1990), defines Job Satisfaction “the degree to which individuals feel positively and negatively about their jobs”. Job satisfaction is taken to be more of “an emotional response” (Hettiararchchi and Jayarathna, 2014), towards ones work, physical environment and social climate of his/her work place. Job satisfaction can also be understood as the :magnitude to which an employee is contented with his work and work environment” (Smith, Kendall and Hulin, 1969). Newstrom and Davis, 2001, explains “job satisfaction to be an effective attitude----a feeling of relative like or dislike toward something”.

In generic terms Job satisfaction is defined as the feeling derived by an individual employee from the evaluation of all the factors relating to one’s job. Past researches have proved that employees who are found to be highly satisfied with their jobs derive positive feeling towards ones job. On the contrary, a dissatisfied employee bears negative feeling for his job.

Job Satisfaction and its Factors

Thulaseedharan and Nair, 2015, highlights facts of a survey conducted in 2013, which brought to light that the major reason for leaving the organization by IT employees was job dissatisfaction. Campbell et. al., 1970; Lynne, (2012), suggest Content theory and Process theories for understanding Job satisfaction factors. Content theory comprises the Herzberg’s Hygiene motivators to enhance job satisfaction, establishing a Job satisfaction model (Steers & Porter, 1992; Thulaseedharan and Nair, 2015). This theory contains factors such as Achievement, Recognition, work in general,

responsibilities and advancement and hygiene factors such as Company policy, Supervision, working conditions, and salary. But it was observed that non presence of hygiene factors caused dissatisfaction among employees and their presence does not cause motivation or lead to job satisfaction (Herzberg et al., 1959; Thulaseedharan and Nair, 2015). Likert, 1961, states that extrinsic (hygiene) factors have direct effect on job satisfaction where as McGregor (1960), opined that intrinsic factors influence more (Thulaseedharan and Nair, 2015). Simons & Enz, (1995), claim on extrinsic motivators like job security, wages, promotion and growth opportunities have a positive influence on job satisfaction. On the contrary Robinson (1975) stated that intrinsic factors like achievement and recognition provides higher job satisfaction to an employee (Thulaseedharan and Nair, 2015).

Beyond these extrinsic and intrinsic factors, Rousseau (1995) have marked in his research the behavior contract theory whereby employees focus on a behavioral contracts which includes flexible work-hours so that employees can manage their families as well (Thulaseedharan and Nair, 2015).

Alshetri (2013), states five factors from organization, pay, promotion, supervision, co-workers and nature of work, affecting the satisfaction levels of employee at work. Maslow's Need hierarchy theory concludes that an employee works and behaves according to the needs he requires to satisfy, beginning from the physiological needs to security and social needs followed by psychological needs of satisfying self esteem and achieving self actualization needs. Thus job dissatisfaction is majorly affected by an employee's expectations from his job (Hussami, 2008; Parvin and Kabir, 2011). Job satisfaction is multifaceted and a complex phenomena (Fisher and Locke, 1992; Xie and Johns, 2000; Parvin and Kabir, 2011), it gets affected by other factors such as Communication, organizational Commitment, working environment, autonomy and salary (Lane, Esser, Holte and Anne, 2010; Vidal, Valle and Aragón, 2007; Fisher and Locke, 1992; Xie and Johns, 2000; Parvin and Kabir, 2011).

Earlier studies observed that pay positively affects the over-all job satisfaction and intentions to stay in the organization (Spector 1985; Igarria et al. 1994; Meyer et al. 2002; Tutuncu and Kozak 2007; Alshetri, 2013). Alsemeri (2016), in his research work analysed the following extrinsic and intrinsic factors in organization. Extrinsic factors such as organizational policies, rules regulations and practices, Pay, Advancement opportunities, working conditions, Co-workers, Supervision and Recognition; and Intrinsic factors such as Type of tasks, Variety, ability utilization, creative freedom, social service opportunity, Achievement, Moral values satisfaction, job security, social status, authority position, Independence in working, and Responsibility. Job satisfaction, thus is complex phenomenon and multi faceted and it gets influenced by the factors like, organizational commitment, working environment, salary, autonomy and communication (Vidal, Valle and Aragón, 2007; Singh & Jain, 2013).

Job Satisfaction and Performance

Campbell (1990), defines performance as "what the organization hires one to do and do well". Employees who perform well contribute in creating excellent organizations. Rotundo and Sackett, 2002 explains job performance as "the behavior that employees display while at job that leads to the achievement of organizational objectives", (Owusu, 2014).

Through various researches it has come to a general understanding that Job satisfaction is an "attitude towards job" (Pushpakumari, 2008). Thus job satisfaction is an emotional and affective response in regards to varied facets of an individual's job and that an "employee who is highly satisfied holds positive attitude towards his/her job and a dissatisfied employee experiences negative attitude towards his/her job" (Pushpakumari, 2008). It is pointed out "that job satisfaction

represents a complex assemblage of cognition, emotion and tendencies” (Organ and Hammer (1991); Pushpakumari, 2008). Performance can be defined as an “individual’s effort in relation to his/her skills and abilities” (Porter and Lawler, 1974; Pushpakumari, 2008). Cummings (1970), stated three aspects in relation to job satisfaction and performance:--- “Satisfaction causes performance, performance causes satisfaction and rewards cause both performance and satisfaction”. Mirvis and Lawler (1977) measured performance of bank tellers and concluded that satisfied bank tellers were less likely to leave their jobs or show any cash shortages. Pushpakumari (2008), concluded in her research study that job satisfaction has a significant impact on performance of employees in private sector organizations.

Curral et al. (2005) also found that “the output and productivity of an organisation is evaluated against the performance of its employees and therefore better performance of employees demands high level of job satisfaction” (Sousa-Posa and Sousa-Posa, 2000; Owusu, 2014). An employee’s satisfaction levels in regards to his job are influenced by various organizational factors and if he/she perceives any discrimination, “it directly affects his degree of satisfaction” (Okeke, 2010). However few research studies have concluded that there is “no correlation that a satisfied employee will perform better than a dissatisfied employee” (Okeke, 2010). Some researchers support the notion of a relationship between satisfaction and performance where satisfaction leads to performance (Herzberg et al., 1957). Another view is that the relationship should be the other way round, in that it is performance that leads to job satisfaction (Lawler and Porter, 1967). However, by far the strongest view and evidence on this front is that provided by Herzberg et al. (1957), they argued and repeatedly found that it is job satisfaction that leads to job performance, not the other way round. That is, improved performance tends to be triggered by improved job attitudes. Conversely, a “decrease in performance tends to be triggered by negative change in job attitudes” (Iaffaldano and Muchinsky, 1985; Zeffane, Ibrahim, Mehairi, 2008).

Factors that influence an employee at work are “his/her ability, technical know-how, psychological and physiological drive, his/her own attitude” (Nwachukwu, 1988; Okeke, 2010). Borooah, 2009, concluded in her research study that external factors of job creates lower satisfaction among employees and internal factors increased the probability of enhancing the satisfaction levels i.e. a good wage, timely promotion improved the zeal to work positively. Tlaiss (2013), states, overall, the findings revealed that the respondents were satisfied with the subjective aspects of their careers, but not the objective ones. Work-related factors seemed to better explain the job satisfaction of women managers in the banking industry in Lebanon when compared to individual personal factors.

Thus from the above review the most common four factors affecting Job Satisfaction levels of employees are Pay, Promotion, Job Security and recognition. These factors can be elaborately understood further.

Pay: of an employee is one of the most effective factor bringing satisfaction to him for all “the hard-work done and is comfortable to manage overload of work but if by any reason an employee’s pay gets hindered, it brings forth dissatisfaction to him”, (Lai, 2011; Godfrey, 2014). Salary was found to be the prime factor for the motivation and job satisfaction of salaried employees of the automobile industry in the results of the survey done by Kathawala et al. (1990). The survey tried to assess the various job characteristics and the way the employees ranked them as motivators and satisfiers, (Singh & Jain, 2013)

Promotion and Growth: is very essential factor and serves as a significant motivator to work harder, and if an “employee perceives his promotional policies to be fair he remains contended”, (Weiss et.al., 1967; Smith et al., 1969; Spector 1985; Alshitri, 2013) and continue to work in the organization. Igbaria and Greenhaus (1992), stated in their research work that “there is a positive relationship between promotional opportunities and overall job satisfaction”,

(Alshitri, 2013).

Job Security: Employees majorly thrive for secured Jobs. It is “a subjective feeling towards ones job or employment and it differs from individual to individual resulting from one’s experiences” (Emberland & Rundmo, 2010; Godfrey, 2014). Employees who aspire for job security perceive less satisfaction if there is a threat to their job, (Klandermans, Hesselink and Van Vuuren, 2010; Godfrey, 2014). According to Chan (2011) there is a positive relationship between job security and employee job satisfaction. Having and developing good interpersonal relationship with others in the organization creates socially competent and supportive environment (Weiss et.al, 1967; Smith et. al., 1969; Spector, 1985; Alshitri, 2013). The nature of job performed by employees (Weiss et al., 1967; Smith et. al, 1969; Spector 1985; Alshitri, 2013), whether challenging or exciting or involving, enables “the levels of satisfaction in regards to his work and challenging and exciting work tasks gives more satisfaction and enhances commitment levels” (Igarria et al, 1994; Tutuncu and Kozak, 2007). Challenges in work tasks create excitement and allows employees to “utilize their creative mind, knowledge, skills and intelligence for performing tasks” (Yoav Ganzach, 1998; Godfrey, 2014).

Recognition: can be defined as “a situation where an organization identifies employees work and rewards it by different status” (Danish and Usman, 2010; Godfrey, 2014) Recognition is an important psychological, non-financial factor that has the capability of enhancing job satisfaction and performance (Barton, 2002; Godfrey, 2014). Yaseen (2013) states that when an organization recognizes individual employee performance, he/she becomes more loyal and satisfied while at work as they feel Valuable and appreciated (Sarvadi, 2005; Godfrey, 2014).

From the above review the prominent factors that affect job satisfaction are Pay, Promotion and growth opportunities, recognition and job security. These factors have been proved to have positive effect on Job satisfaction. An employee’s satisfaction level is affected with the combination of both intrinsic and extrinsic factors. Hence in my research study I shall examine the affect of Job satisfaction factors on Performance through the predictor variables Pay, Promotion and growth opportunities, Job Security, and Recognition on the criterion variable Employee Performance.

Data Analysis & Interpretation

From the above review of literature we conclude on the major factors affecting Job Satisfaction are: Salary, promotion, Job Security, and Recognition. Hence the conceptual frame work (Figure 1) is as follows.

Conceptual Framework of the Study

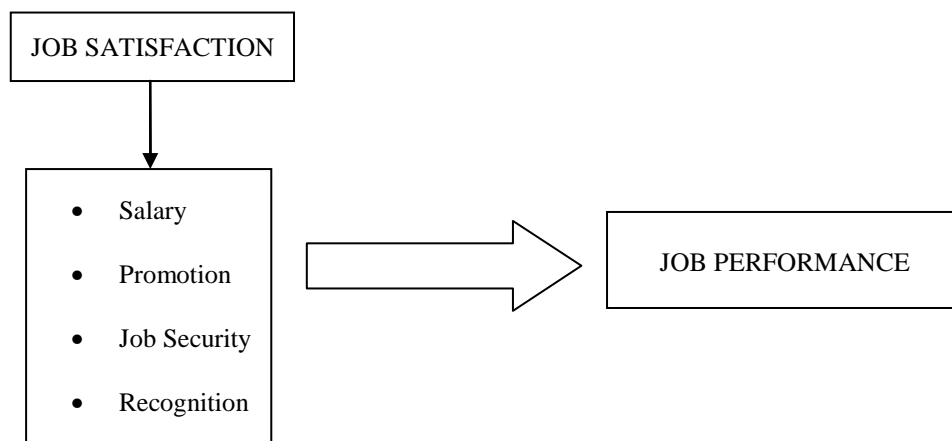


Figure 1: Conceptual Framework of the Study

In this study correlation of Job Satisfaction with performance is measured with the help of Job satisfaction factors viz., Salary, Promotion, Job Security and Recognition. The hypotheses for the study,

H₁: Salary has significant effect on employee Performance

H₂: Promotion has significant effect on employee Performance

H₃: Job Security has significant effect on employee Performance

H₄: Recognition has significant effect on employee Performance

Sample of around 200 employees were taken from the respective banks (State Bank of India, Punjab National Bank, Union Bank of India, Central Bank of India and Allahabad Bank). Out of which clear response of 195 employees were analysed. The sample adequacy is measured through the KMO and Bartlett's test deriving value of .731, (Table 1), proving that the sample of 195 employees to measure the effect of Job satisfaction factors on employee performance is adequate.

Table 1: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.731
Bartlett's Test of Sphericity	Approx. Chi-Square	1184.027
	Df	190
	Sig.	.000

The Variance analysis through Cronbach Alpha test is derived at 60.841% which explains the variation capacity of the factors of Job satisfaction viz, Pay, Promotion, Job Security and Recognition (Table 2). Thus the factors are found to be appropriate to analyse their impact on employee performance.

Table 2: Factor and Reliability Analysis

Factor	Item Code	Items	Factor Loadings	Cronbach's Alpha
SALARY (SAL)	SAL-1	I can fulfill all my monetary requirements of my family with this salary	.882	.797
	SAL-2	My salary is sufficient to maintain decent social Status	.598	
	SAL-3	I feel my salary is not enough to provide savings	.872	
PROMOTION (PROM)	PROM -1	I feel I am being paid less as per my work duties	.677	.635
	PROM -2	I feel that promotion criteria's are not clear to me	.605	
	PROM-3	I feel that promotion is not given timely	.757	
	PROM-4	I feel promotions are appropriately given	.599	
	PROM-5	I have been duly promoted always	.596	
JOB SECURITY (JS)	JS-1	I fear to lose my job if I do not perform	.648	.515
	JS-2	My job is permanent in nature	.776	
	JS-3	Termination is punishment for negligent working	.584	
	JS-4	There is no threat to my job even if I do not perform the assigned work on time.	.637	
RECOGNITION (RECOG)	RECOG -1	I feel my good performance goes un noticed	.672	.567
	RECOG -2	My aim is to be the best employee of my Branch	.752	
	RECOG -3	I am not bothered for rewards	.609	
	RECOG-4	Appreciation by my Manager increases my zeal to perform	.669	
JOB PERFORMANCE	JP-1	Salary hikes motivates me to perform better	.755	.556
	JP -2	I work harder on when promotions are due	.666	

(JP)	JP -3	I would not loose my job even if I do not perform appropriately	.524	
	JP-4	Recognition of my hard work makes me perform better.	.634	
Total Variance Explained- 60.841 %				

The major objective of the study is to analyse and understand the correlation of the factors of Job Satisfaction and Employee performance. In this analysis Karl Pearson Coefficient of Correlation Analysis was done which derived the value of .629 showing high impact of predictor variables on criterion variable. The variables were analysed for 1-tailed and 2-tailed significance level displaying varied co-relation. Salary & Job Security is deriving a value of .617 showing a moderately high correlation. Promotion and Recognition having values of .452 & .549 respectively, (Table 3), are in moderately low correlation with the Employee performance. However, all the factors of job satisfaction are found to be significantly correlated with employee performance.

Table 3: Karl Pearson Coefficient of Correlation Analysis – Model Summary

		Correlations					
		JP	SAL	PROM	JS	RECOG	JP
JP	Pearson Correlation	1	.580**	.449**	.753*	.638*	.629**
	Sig. (2-tailed)		.000	.000	.000		
	N	195	195	195	195	195	195
SAL	Pearson Correlation	.580**	1	.518**	.608*	.558*	.617**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	195	195	195	195	195	195
PROM	Pearson Correlation	.449**	.518**	1	.563*	.542**	.452**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	195	195	195	195	195	195
JS	Pearson Correlation	.753*	.608**	.563**	1	.567**	.603**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	195	195	195	195	195	195
RECOG	Pearson Correlation	.638*	.558**	.428*	.531**	1	.549*
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	195	195	195	195	195	195
		** Correlation is significant at the 0.01 level (2-tailed).					
		* Correlation is significant at the 0.01 level (1-tailed).					

The hypothesis is tested with the application of multiple regression test, (Table 4) where the R square value is .494, showing the significant impact of predictor variables on criterion variable. The significance level for acceptance of hypothesis is value <0.05. H₁ derived the beta value at .189, and significance value of .000, showing significant impact of salary on employee job performance. H₂ hypothesis derived beta value of .137 at significance level of .002, showing moderate impact of promotions on employee performance. H₃ hypothesis derived the beta value of .128 at the significance level of .016, showing a relatively less impact of job security on employee performance. H₄ derived the beta value of .143 for significance level of .003, showing Recognition having relatively moderate impact on employee performance.

(Table 4).

Table 4: Multiple Regression Analysis: Model Summary-1

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.504 ^a	.494	.402	.36108	1.793

Table 5: Multiple Regression Analysis-ANOVA: Model Summary-1

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	28.514	5	5.895	6.995	.000 ^a
	Residual	59.909	190	.159		
	Total	106.618	195			
a. Predictors: (Constant): Salary, Promotion, Job Security, Recognition						
b. Dependent Variable: Job Performance						

The F-value 6.995 with 195 degree of freedom shows that independent variables help to explain the variations in dependent variables (Table 5). The Independent variables Pay, Promotion, Job security and Recognition are shown to have variations and are deriving the significance level of .000^a.

Table 6: Multiple Regression Analysis- Coefficients: Model Summary

Model	Un-Standardized Coefficients		Standardized Coefficients	t	Sig.	Co-linearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.382	.221		1.325	.192		
1 Salary	.308	.056	.189	2.267	.000	.887	1.127
2 Promotion	.294	.085	.137	2.107	.002	.767	1.303
3 Job Security	.253	.045	.128	2.422	.016	.717	1.394
4 Recognition	.205	.041	.143	1.619	.003	.761	1.314

DISCUSSIONS

From the above analysis it is evident that all the job satisfaction factors *viz.*, pay, promotion, Job Security, and Recognition, have some impact upon employee performance. These are a mix of intrinsic and extrinsic factors having an influence on employee performance either positively, enhancing and boosting performance or negatively by diminishing or deteriorating their performance.

Salary is the benefit that the employees get back for the work done in the form of wages or pay and they tend to increase their performance (Holt, 1993; Hameed, Ramzan, Zubair, & Ali, Arslan, 2014). A generic thought process of employees is that if “they work harder and better and raise up standards of performance, the organization will automatically increase their salary”, and hence an increase in job satisfaction (Yaseen 2013; Godfrey, 2014). Organizations giving emphasis to increase in performance have been utilizing the concept of linking performance with pay. Performance related pay “directly impacts the workers performance raising the output through an increase in their pay” and workers are expected to deliver the performance accordingly (Lazear, 1986; Hameed et al. 2014). The highly motivated employee “build advantages for their company” and leads the organizations towards its objectives (Rizal and Ali, 2010; Hameed et al. 2014). However linking pay with performance does not suffice the purpose because portion of “performance based pay is small, and the basic salary is common to all employees” (Bryson, Buraimo, and Simmons, 2010). On the other hand Neckermann S, Kosfeld M (2008), state that employees do get motivated and feel encouraged to work when they are rewarded by their management (Irshad A, 2016) In my study of bank employees the P value derived (Table 6) for the H₁

hypothesis is.000 proving that salary has significant impact on employee performance and thus hypothesis is accepted.

Aspiration for promotion is there with every employee. He tends to work hard so that he gets his due promotion timely. In their research work, on banks, Gathungu, Iravo, Namusonge, 2015, have found that out of 168 respondents 54% of them agreed that the commitment to perform better raises because there are promotion opportunities present. Saharauddin and Sulaiman, 2016, state that promotions when not affected appropriately will impact labour productivity. Promotions are important for all employees as it upholds their morale (Saharauddin and Sulaiman, 2016), and those employees who are sure that they shall not be promoted are likely to degrade their performance until they get the hope of promotion in future. Wan, H., Sulaiman, M., & Omar, A.(2012) argue that employees who perceive promotion decisions as fair are more likely to be committed to the organization, experience career satisfaction, perform better and subsequently have a lower intention to leave the organization (Mustapha & Zakaria, 2013). In my analysis the P value derived for H₂ hypothesis is.002 showing that promotion has significant impact upon employee performance, making the hypothesis accepted.

Employees perceive job insecurity to be a threat of losing not only monetary benefits associated with their employment but also the social and psychological benefits he “receives from his employment” (De Witte, 1999; Reisel, Chia, Maloles and Slocum, 2007). Furthermore Reisel et. al., 2007 opine that the drawn out period of insecurity in job can be pernicious because employees focus shall be detracted from their work. Towers Watson, 2010, stated in their research that “around 75% employees keep their Job in their preference list as compared to other factors” (Lucky, Minai & Rahman, 2013). Lucky *et.al.*, 2013 in their research quote the report of Tower Watson, which indicates that 11% of Malaysian employees intend to keep their job and so the organization strive to give them conducive work environment for efficient performance. James, 2012 states that job security has a significant impact on overall performance of the team as well as on the organisation’s performance. He further confirms that employees deliver effective performance when he is assured with high job security (Lucky et.al, 2013). In Ashford’s et al. (1989) view, when an employee “feels their job security is threatened they will find other employment opportunities” (Komendat & Didona, 2016), and hence get distracted from their current responsibilities. Further he adds that turnover and distrust will be reduced as job security and commitment rise. In the present study of bank employees it is observed that the P value is.016 there by accepting the hypothesis. However it was further observed that with Indian Government banks, the jobs are secured ones confirmed with the services. Thus job security has some impact on employee performance.

Non Monetary recognition such as “positive feedback, praise and appreciation enhances satisfaction levels and commitment” towards their work and organization (Zaitouni, 2013), and it is “recognition that boosts better working among employees” (Gathungu, Iravo, Namusonge, 2015). Appreciation is a fundamental human need. Employees respond to appreciation expressed through recognition of their good work because it confirms their work is valued. When employees and their work are valued, “their satisfaction and productivity rises, and they are motivated to maintain or improve their good work” (Roshan L.R, 2005; Alam, Saeed, Sahabuddin & Akter, 2013). Kim H, (2004) state that every employee works for a ‘pat’ on his back which becomes a feel good factor (Alam *et.al*, 2013). Moreover, Kube et al. (2012), opines that “nonfinancial gifts are more effective at increasing worker performance than financial ones”,(Alam *et.al*, 2013). Research shows that both financial and nonfinancial rewards impact the job satisfaction and motivation of employees (DeCenzo & Robbins, 2010; Haile, 2009; Severinsson & Hummelvoll, 2001). Employees are likely to be motivated to improve their performance with nonmonetary rewards such as employee recognition. Based on a survey of 200,000

employees,

Gostick and Elton (2007) conclude that if employee recognition is conducted properly, it can increase profitability and customer service levels, and heighten employee engagement and satisfaction (Tessema, Ready, & Embaye, 2013). In my research study the P value for recognition and Job Performance is derived at.003 showing impact of recognition on employee performance. Employees always strive to work best and look up towards Branch Managers for appreciation and acknowledgement.

CONCLUSIONS

Thus in simple terms satisfaction is a subjective term viewed variedly by different individuals. Organizations work environment constitutes both Intrinsic and extrinsic factors (Riva,2009; Saharuddin and Sulaiman, 2016) that impact their performance, such as pay, promotion, job security and recognition. However Porters Job satisfaction theory (1961), emphasizes the difference between actual and perceived reality (Saharuddin and Sulaiman, 2016). Locke (1969) further states that the difference in employees needs, values and expectations and the feeling he derives through his work experiences calculates his satisfaction levels (Saharuddin and Sulaiman, 2016), and high satisfaction leads to high productivity. Robbins, 2003: 78) states that employees calculate the difference in regards to the awards received by them from the organization and their feeling about the number of awards they actually should have received (Saharuddin and Sulaiman, 2016). Thus this research study highlights job satisfaction factors such as Pay, Promotion, Job Security and Recognition, combination of intrinsic and extrinsic factors of job satisfaction have a significant impact on employee performance.

Performance management is a strategic approach that ensures appropriate use of available skills and achievement of organizational objectives to the fullest. For Branch Managers at Indian PSU's it is important to understand that not only better pay structures shall encourage the employees to work harder but factors like timely promotion and appropriate acknowledgement of employee hard work encourages employees towards dedicated performance.

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