

**AN EXAMINATION OF THE RELATIONSHIP AMONG JOB
SATISFACTION, REWARDS AND ORGANIZATIONAL
COMMITMENT**

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Abstract

The objectives of this study to find out whether employees derive job satisfaction mainly from extrinsic rewards and whether there is any relationship between organizational commitment and job satisfaction. Data were collected from a random sample consisting with respondents from three categories; professionals, managers and non_executives, by using a questionnaire. The analysis of data disclosed that professionals derive greater job satisfaction from intrinsic rewards and other two groups derive an equal degree of job satisfaction from both extrinsic and intrinsic rewards. Further, a positive correlation was found between job satisfaction and organizational commitment for non_executive and manager but not for the professionals. In the process of improving job satisfaction not only extrinsic rewards in addition to extrinsic rewards to improve job satisfaction of its employees. It must be remembered that intrinsic rewards are only a complementary to extrinsic rewards and not a substitute for them at all.

I. Introduction

The driving force behind an individual's behaviour is his attitudes. Therefore it is important to study employees' attitudes because they have a great impact on organizational behaviour. Previous studies have shown a strong correlation between absenteeism and satisfaction as well as between turnover and satisfaction. (Lawler and Porter, 1974 :281). Job satisfaction would seem to be an important focus on organizations which wish to reduce absenteeism and turnover. Perry reviewed some studies and found that job dissatisfaction is related to risk for heart disease, hypertension and high cholesterol levels, narcotics use, depression, low self esteem, work related illness and injury, overall dissatisfaction with life and high turnover and absenteeism. Contrary to common belief many researchers have found that there was no strong linkage between job satisfaction and performance. (Albanese,1975:467 ;Luthans, 1982: 186; Howell & Dipboye,1982: 75). So job satisfaction has become a major topic for research studies.

The literature suggests that employees derive job satisfaction from various job factors, both job content and context factors. Most of these suggestions were based on researches conducted in western societies which are having different social, cultural and economic backgrounds. From the literature it is clear that many number of researches in the field of job satisfaction have been conducted in United Kingdom, USA and India. But adequate researches have not been conducted in the Sri Lankan context to find the validity of above suggestions.

This paper describes the findings of a study conducted on the following specific research problem.

From extrinsic and intrinsic rewards, which will contribute mostly towards the job satisfaction of an employee? If the importance of above said rewards on job satisfaction vary from one employee to the other or one employee category to the other, why is that? Is employee's level of commitment for the job depends on the level of job satisfaction?

II Theoretical background and issues

(a) What is Job Satisfaction and How to Measure It

There is no universally accepted definition for the concept "Job Satisfaction". Luthans (1982) quotes a comprehensive definition given by Locke. "A pleasurable or positive emotional state resulting from the appraisal of one's job or job experience". Saiyaden (1993) quotes some of the definitions of Job satisfaction. According to Saiyaden, Hoppock has reviewed 32 studies on job satisfaction prior to 1933 and observed that it is a combination of psychological, physiological and environmental circumstances that cause a person to say, "I am satisfied with my job." According to Saiyadain, Sinha (1974) has defined job satisfaction as a "reintegration of affect produced by individual's perception of fulfillment of his needs in relation to his work and the situations surrounding it."

According to Organ & Hammer, job satisfaction represents a complex assemblage of cognition (beliefs or knowledge), emotions (feelings, sentiments or evaluations) and behavioural tendencies. Albanese also identifies three components of job satisfaction. The conative component of the job satisfaction attitude is the set of beliefs that a person has towards the job. The affective component is the feeling or liking or disliking the person has towards the job. The cognitive component is the action_tendency aspect of the job satisfaction attitude.

Ratz-ell refers job satisfaction to a verbal expression of an incumbent's evaluation of his job. S. C. Patra defines job satisfaction as employees' perception of the working conditions, employees influence and autonomy, the support they get from peers and subordinates and the nature of job. In the Porter and Lower model of motivation, satisfaction is identified as an attitude, an internal state. M. G. Rao et. al., identified job satisfaction as the constellation of a person's attitude toward or about the job. Further they say, in general, job satisfaction is the attitude toward the job as a whole. It is a function of satisfaction with different aspects of job, i.e., supervision, pay, work itself, co-workers, promotion, etc., and of the particular weighting or importance one attaches to these respective components. They have said that where the employees' attitudes were positive, job satisfaction was positive. Where the employees felt that their job was frustrating, boring and there was no opportunity for personal growth, employees' satisfaction was low. Wanous and Lawler have identified nine operational definitions for job

satisfaction. They have identified twenty-three job facets which influence employees overall job satisfaction.

From the above definitions it is clear that job satisfaction is an internal feeling and an unobservable variable. Therefore there is no unique way to measure it. Many ways of measuring job satisfaction can be identified from the current literature. The simplest way to measure the job satisfaction is to ask the employee "How satisfied are you with the job?" This may be sufficient for some purposes.

But when that is not enough, a questionnaire can be used to measure job satisfaction. In this method it is measured the satisfaction with the different dimensions or facets of the job and the sum of all satisfaction scores will be taken as the overall level of job satisfaction.

$$\text{i.e. } JS = \Sigma(\text{Satisfaction with different facets of job})$$

But there is no definite conclusion about the job facets which are to be selected.

Job Descriptive Index (JDI) is one of the popular questionnaires. In this method respondents are expected to answer "Yes", "No" or "?" (Uncertain) regarding five distinct aspects of the job namely, the work itself, pay, promotional opportunities, supervision, and people (co-workers).

L. W. Porter introduced Need Satisfaction Questionnaire to measure job satisfaction. This questionnaire also tries to measure the satisfaction with some job facets. But the job satisfaction was identified as the difference of existing and expected levels of different needs.

Another widely used questionnaire is Minnesota Satisfaction Questionnaire. (MSQ) In this method respondents were asked to rate the level of satisfaction regarding various facets of the job.

Critical Incident Procedure is another method of assessing Job Satisfaction. Here employees are asked to give a situation where the employee feels highly satisfied or dissatisfied. Then these incidents are analyzed in order to find factors which give job satisfaction to employees. Fredric Herzberg used this method in presenting his very famous two_factor theory in motivation.

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Interviews also can be used to measure employee job satisfaction. Interviews allow researchers to explore the situations into deep to find out the real factors which cause employee satisfaction or dissatisfaction.

(b) Organizational Commitment

Organizational commitment is also a job-related attitude held by employees. There is no complete agreement over what the commitment means. Some authors have defined organizational commitment as follows. The extent to which an individual identifies with and is involved with his or her organization and is unwilling to leave it. (Greenberg and Barron,1993:174). An individual's orientation towards the organization by tapping his or her loyalty to, identification with and involvement in the organization. (Narayana,1991:75).

There are two different kinds of organizational commitments, namely **Continuance Commitment** and **Affective Commitment**. (Greenberg and Barron,1993:174). Continuance commitment refers to the strength of person's tendency to need to continue working for an organization (because he or she cannot afford to do otherwise.) Latter refers to the strength of a person's desire to continue working for an organization. (Because he or she agrees with it, and wants to do so.)

Questionnaire items similar to those shown in the table below are used to measure the two major aspects of organizational commitment- *continuance commitment* and *affective commitment*. The more strongly people endorse each item, the more strongly they are expressing the type of commitment associated with.

Table 1 : Organizational Commitment: How Is It Measured

Continuance Commitment Items	Affective Commitment Items
1. At this point, I stay in my job because I have more than I want. 2. Leaving my job would entail a lot of personal sacrifice. 3. I don't have any other choice but to stay in the present job. 4. Too much of my life would be disrupted if I left my present job.	1. I feel I strongly belong to my organization. 2. I feel I emotionally connected to the organization in which I work. 3. I feel like I am part of the family at my organization. 4. I'd be very pleased to spend the rest of my life working for this organization.

Source: Adapted from Jerald Greenberg and Robert A. Baron, Behaviour in Organizations, 1993, p174

(c). Organizational Reward Systems

Rewards can be broadly categorized into 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." (Ivancevich and Donnelly Jr. , 1991:202). It had also been defined as "Psychological reward that is experienced directly by an employee." (Stoner and Freeman ,1992:450). **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 Donnelly, 1991:198). Another definition is "Reward that is provided by an outside agent, such as a supervisor or work group" (Stoner and Freeman,1992:450). Pay, promotions, interpersonal rewards, 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.

Gibson, Ivancevich and Donnelly (1991) quoted five conclusions given by Edward Lawler.

1. Satisfaction with a reward is a function both how much is received and of how much the individual feels should be received.

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2. An individual's feelings of satisfaction are influenced by comparisons with what happens to others.
3. Satisfaction is influenced by how satisfied employees are with both intrinsic and extrinsic rewards. There is some debate among researchers as to whether intrinsic or extrinsic rewards are more important in determining job satisfaction. The debate has not been settled, because most studies suggest that both rewards are important.
4. People differ in the rewards they desire and in the relative importance different rewards have for them.
5. Some extrinsic rewards are satisfying because they lead to other rewards.

(d). Research Findings in the areas of job satisfaction and organizational commitment

Peter Drucker tells that personal satisfaction of worker without productive work is failure, but so is productive work that destroys the worker's satisfaction. Neither is in effect tenable for very long.

Lawler and Porter argued that good performance might lead to rewards which in turn lead to satisfaction. This formulation then would suggest that performance causes satisfaction rather than satisfaction causes performance.

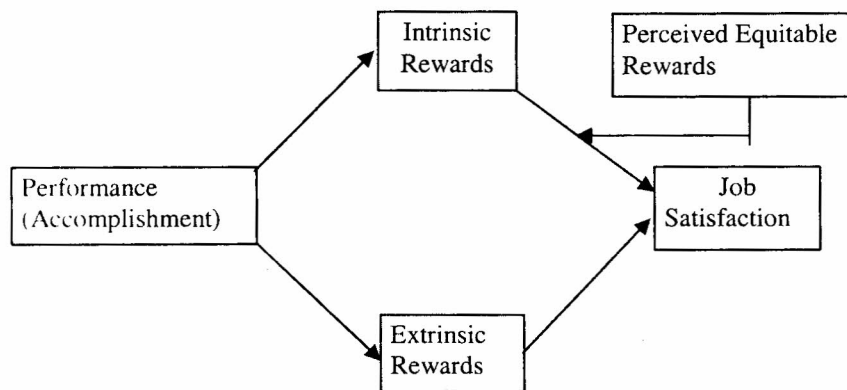


Figure 1 : Relationship among performance, rewards and job satisfaction

Aldag and Stearns explain some researches conducted to find the relationship between satisfaction and turnover, satisfaction and absenteeism, and satisfaction and performance. These studies have revealed that there was a negative correlation between satisfaction and turnover and also between satisfaction and absenteeism.

A reasonable number of researches regarding employee satisfaction have been conducted in India. Three researchers, M.G. Rao, K.K. Rao and V. S. Rao, have found that where the employees felt that their job was frustrating and boring employee satisfaction was low. When the working conditions were bad employee satisfaction was low. Where the supervisors behaved in a dictatorial manner, employees expressed dissatisfaction. One way communication has disliked by majority of employees and dissatisfaction over this aspect is very high. In a study by Morse and Reine (1959), it has been found that democratic leadership results in higher job satisfaction. In a study on job satisfaction among bank employees in India Baldev R. Sharma has analyzed the relationship among job satisfaction (dependent variable), percentage of college graduates, average monthly emoluments, work technology and supervision(independent variables). It has been found that 85 per cent of the job satisfaction will be explained by above said variables. The two determinants of job satisfaction identified by this study were education and work technology.

As quoted by Greenberg and Baron, a study done by Arvey and associates by using twins who were separated at an early age and then reared apart has shown that genetics also affect the job satisfaction. The investigations found that genetics accounted for approximately 30 percent of the job satisfaction. (Greenberg and Barron,1993:164).

Perry (1992) conducted a research to find the relationship between pay inequity and job satisfaction and status inequity and job satisfaction by using a sample of 764 respondents selected from Black Americans. He found that the equity group experienced higher job satisfaction than the negative-inequity group and lower job satisfaction than the positive-inequity group. Further, he found a direct relationship between job satisfaction and job rewards, regardless of equity status.

Cramer (1992) found that Job satisfaction was associated with greater satisfaction with career structure and management supervision, stronger organizational commitment, more satisfaction with training and life

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satisfaction and being older. He conducted this study to identify key sources of dissatisfaction of college graduates employed in a specific company by using a sample of 57 employees from a large British engineering firm. Further, in this study he found that life satisfaction was significantly correlated with both organizational commitment and job satisfaction.

Saiyaden has summarized various researches conducted by Indian researchers to find the sources of job satisfaction. From this review Saiyaden has found that Indian managers/ supervisors derive job satisfaction mainly from job content factors except two factors namely domestic life and money. But for Indian workers most important factor in job satisfaction is money. The factors satisfying workers and managers/supervisors are not the same.

Adigun and Stephenson (1991) conducted a research to provide a comparative descriptive account of the sources of job satisfaction of a sample of English and Nigerian employees living in United Kingdom. The results revealed that the British in the sample were motivated more by job content factors such as achievement, work itself, responsibility, urgent work and recognition whereas the Nigerians in the sample were motivated more by job context factors such as pay, too much work (difficult work), physical work conditions, fringe benefits and family conditions. These two researchers suggest that what is important in determining the amount of positive or negative attitudes toward work in one society may be relatively trivial consequence in another culture. Howell and Dipboye (1982) have suggested that younger workers tend to be less satisfied than older employees in any era.

From the above review it is clear that various researches conducted under various conditions have shown various factors as sources of job satisfaction. Therefore it is difficult to identify a universal set of factors which make employees satisfied.

III. Study Framework and Methodology

(a). Conceptual Model

The relevant concepts in this study were job satisfaction, extrinsic job rewards, intrinsic job rewards, organizational commitment, employee turnover, absenteeism and the relevant variables were Level of job satisfaction, Level of satisfaction with extrinsic Job Rewards, Level of satisfaction with intrinsic Job Rewards, Employee Category and level of

organizational commitment. Organizational factors such as organizational culture and leadership styles and external factors such as ethnicity, class groups and culture may also influence the level of job satisfaction and organizational commitment. But these influences variables will not be taken into account in this study. But the findings of the study will be discussed in the light of these macro organizational variables.

From the literature given earlier, it is clear that we cannot conclude whether employees derive job satisfaction mainly from extrinsic rewards or from intrinsic rewards. But many researches conducted in various environments, specially researches conducted by Herzberg, have shown that job satisfaction is associated more with intrinsic rewards than extrinsic rewards.

Researches have shown that there is an association between employee turnover and job satisfaction. This implies that satisfied employees are unwilling to leave the organization. Further association between absenteeism and job satisfaction found in research implies that the satisfied employees are willing to come to work. In other words these employees take their leave as minimum as possible. Therefore it is reasonable to assume that there is an association between job satisfaction and organizational commitment. The relationship among above mentioned concepts is shown in the figure given below.

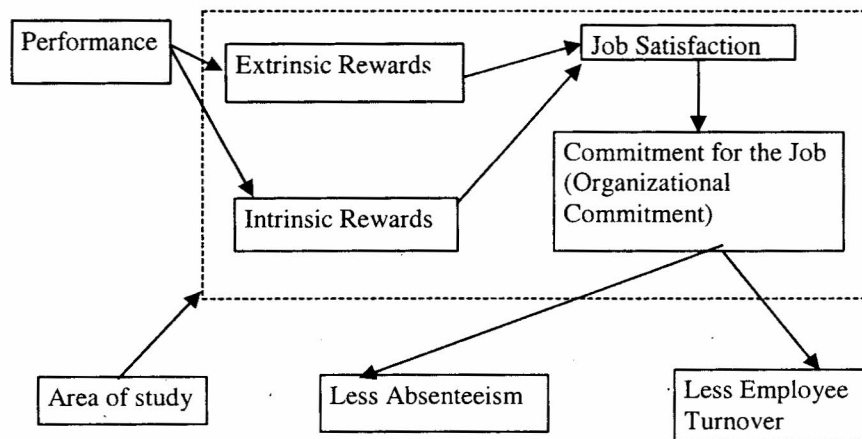


Figure 2 : Relationship among related concepts.

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Therefore following two arguments which are to be tested later, can be developed based on the current literature.

1. Employees derive job satisfaction mainly from intrinsic job rewards rather than from extrinsic job rewards.
2. Employees involvement with the job and commitment to the job is high when the level of job satisfaction is high.

From the arguments developed under conceptualization, following two hypotheses could be developed.

- H₁ : Job satisfaction is influenced more by intrinsic rewards than extrinsic rewards.
- H₂ : Higher the Level of job satisfaction higher is the level of commitment to the job.

(b). Limitations of the Study

The major limitation of the study was the method of collecting data. The questionnaire method did not allow to make further clarifications of the responses.

Secondly this study was confined on to measure the satisfaction with the given set of rewards. However this restriction was reduced by introducing few open-ended questions. The other limitation was the size and nature of the sample. These were inherent weaknesses of the sampling method which cannot be eliminated completely. It was tried to eliminate this limitation by selecting respondents as much as possible from each category.

(c). Collection of data

A questionnaire was used to collect data. A sample of employees was selected from different organizations. Since the unit of analysis was individual, the emphasis was given to the profession rather than the organization when selecting respondents. The respondents were selected from office employees in both public and private sectors without giving emphasis to the organization. They were selected to represent different jobs and different levels of the organization. i.e. senior management, middle management, lower level employees etc. and different work situations. There were 123 respondents in the sample and it consisted with employees perform

very routine jobs such as bank cashiers as well as employees perform flexible jobs such as computer programmers.

For the purpose of analysis, sample was divided into three categories namely, managers, professionals and non_executive employees. The Oxford Advanced Learner's Dictionary of Current English Language (1998) describes a profession as "a paid occupation, especially one that requires advanced education and training e.g. architecture, law and medicine.". International Dictionary of Education describes the term profession as "Evaluate term describing the most prestigious occupations which may be termed professions if they carry out an essential social service, are founded on systematic knowledge require lengthy academic and practical training, have high autonomy, a code of ethics and generate in service growth." The Dictionary of Social Sciences describes "professions require more or less a theoretical knowledge and understanding, which is not merely restricted to a practical training but validated by a university or an accredited institution through a related examination or an associate test and provided through a course of study, in varying degrees. Therefore the occupations require a special knowledge and training are called professions." From the above definitions it is clear that managers and professionals are two different categories.

Statistical techniques namely means comparison and correlation coefficient R were used to derive conclusions and relationships among variables from the collected data.

IV. Analysis and Findings

(a) Test of Hypothesis 1

The respondents were asked to indicate their satisfaction with nine intrinsic and five extrinsic rewards on a five-point scale.

One of the objectives of the study was to find whether employees derive job satisfaction mainly from intrinsic rewards or extrinsic rewards. We can express this mathematically as follows.

Let X_i be the level of satisfaction with intrinsic rewards of i^{th} respondent and Y_i be the level of satisfaction with extrinsic rewards of i^{th} respondent

Then Let $d_i = X_i - Y_i$

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So the objective is to find out whether $X_i > Y_i$. (In other words $d_i >$
0) The researcher used the statistical technique called paired comparisons of means to test the hypothesis for the population.

Let μ be the average of d_i for the population.

To test the research hypothesis one, the following rule was established.

$$H_0 : \mu=0$$

$$H_a : \mu>0 \text{ (Alternative hypothesis)}$$

H_a was preferred over H_0 if test statistic $t >$ table value $t_{\alpha,n-1}$ at $100\alpha\%$ significance level.

Category	R Squared	t-test statistic	t-table value	Result
Professionals	0.016645	.7126	$t_{.05,50}=1.697$	Reject H_a
managers	0.080035	2.0646	$t_{.05,31}=1.676$	Reject H_0
Non-executives	0.226468	3.33546	$t_{.05,39}=1.684$	Reject H_0

The following table shows the results of the t-test conducted for 3 categories.

Category	Number(n)	t-test statistic	t-table value	Result
Manager	51	.4296	$t_{.05,50}=1.676$	Reject H_a
Professional	32	2.4399	$t_{.05,31}=1.697$	Accept H_a
Non-executive	40	.72658	$t_{.05,39}=1.684$	Reject H_a

We conclude that there is no statistical evidence to support our first hypothesis, H_1 , for manager and non-executive categories. But in the case of professional category we conclude that satisfaction level with intrinsic rewards is higher than satisfaction level with extrinsic rewards and accept our first hypothesis, H_1 , for this category.

b) Test of Hypothesis 2

The total level of job satisfaction was calculated by adding satisfaction levels with intrinsic rewards and extrinsic rewards. Commitment for the job was calculated by adding scores given by the employee for different aspects of job commitment. Then coefficient of correlation was calculated by using level of job satisfaction as the independent variable and level of commitment as the dependent variable for different employee categories. In correlation, r is an estimator for the population correlation coefficient, Γ .

The following hypotheses were selected to test the second hypothesis.

	Professionals	Mangers	Non_executives
X Coefficient	0.070631	0.168873	0.362879
Constant	5.503445	1.778124	-3.11439

$H_0 : \Gamma = 0$ (Null hypothesis)

$H_a : \Gamma > 0$

Coefficients of correlation for 3 categories are as follows.

The following table shows the results of the test conducted for the second hypothesis.

Therefore we reject the second hypothesis, H_2 , for the professional category and accept the same for other two categories.

(c). Other Findings

Summary of responses for some of the questions in the questionnaire is given in the following tables.

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Table 2: Most satisfying event of an employee in the job

Event	Non_Executive		Manager		Professional	
	No	%	No	%	No.	%
Accomplishment	18	66.67	18	46.15	12	54.55
Autonomy	3	11.11	3	7.70	2	9.09
Inter Per.	1	3.70	3	7.70	0	0.00
Relations	1	3.70	0	0.00	1	4.55
Financial	1	3.70	0	0.00	2	9.09
Growth	1	3.70	1	2.60	1	4.55
Challenge	2	7.40	7	17.95	4	18.18
Help others	0	0.00	5	12.82	0	0.00
Recognition	0	0.00	2	5.20	0	0.00
Promotion						
Total	27	99.98	39	100.12	22	100.01

Source: Survey Data

Table 2 shows that employees of all three categories are highly satisfied when they have a feeling of accomplishment, i.e. when they finish some task successfully. It is worthwhile to note that only two persons have said that financial benefits such as an increment, have made them most satisfied.

The next table illustrates the most important reason for employees to stay in the organization.

Table 3: Why employees stay in the organization.

Reason	Non_Executive		Manager		Professional	
	No	%	No.	%	No.	%
Autonomy	7	19.44	9	16.67	7	25.00
Working Conditions	1	2.78	2	3.70	0	0.00
Inter-personnel relations	2	5.56	2	3.70	1	3.57
No option	11	30.56	2	3.70	3	10.71
Job satisfaction	3	8.33	2	3.70	1	3.57
Prestige	2	5.56	5	9.26	0	0.00
To stay with family	2	8.33	3	5.56	2	7.14
Growth	3	11.11	3	5.56	9	32.14
Financial Benefits	4	2.78	15	27.78	0	0.00
Variety	1	0.00	0	0.00	2	7.14
Help others	0	0.00	3	5.56	0	0.00
Security	0	0.00	3	5.56	0	0.00
Recognition	0	0.00	1	1.85	0	0.00
Interesting work	0	0.00	2	3.70	2	7.14
Challenge	0	0.00	1	1.85	0	0.00
Accomplishment	0	0.00	1	1.85	1	3.57

Source: Survey Data

It is interesting to note that 30% of the non_executive employees have said that they stay in the organization due to no other option. Autonomy comes second with a percentage of 19.44 and financial benefits come third with a percentage of 11.11.

But for the manager category financial benefits is the most important reason for them to stay in the organization. Autonomy has come second with a significant percentage of 16.67. But professional category has shown a significant variation from both of above categories. Opportunity for growth has come first with a percentage of 32.14 and autonomy came second with a percentage of 25.

Table 4: Why employees leave the organization

Reason	Non_executive		Manager		Professional	
	No.	%	No.	%	No.	%
Security	2	9.52	3	7.89	2	11.76
Financial Benefits	11	52.38	24	63.16	4	23.53
Autonomy	1	4.76	0	0.00	3	17.65
Job Satisfaction	3	14.29	1	2.63	0	0.00
Growth	3	14.29	1	2.63	4	23.53
To stay with family	1	4.76	0	0.00	0	0.00
Promotion	0	0.00	3	7.89	0	0.00
Recognition	0	0.00	1	2.63	1	5.88
Working Conditions	0	0.00	2	5.26	1	5.88
Challenge	0	0.00	2	5.26	1	5.88
work Load	0	0.00	1	2.63	1	5.88
Inter Per. relations	0	0.00	1	2.63	0	0.00
Total	21	102.61	38	100.00	17	96.11

Source: Survey Data

Table 4 shows the reasons for an employee to leave the previous job, if the present job is not his/her first job. From the data it is clear that employees have changed their jobs mainly for financial benefits. But there is a difference in the professional category that growth has shared the first place with financial benefits with a percentage of 23.53. Though it is not conclusive due to the lesser number, there is an evidence that opportunity for growth affect the decision of leaving an organization for professionals.

The analysis shows that only the professionals derive job satisfaction mainly from intrinsic rewards while other two categories derive equal satisfaction from both extrinsic and intrinsic rewards. It is important to

note that there is no statistical evidence to say that any employee category derives higher satisfaction from extrinsic rewards than intrinsic rewards.

he analysis of data for the second hypothesis showed that there is no correlation between job satisfaction and commitment for professionals. But a positive correlation was found between above two variables for other two categories.

In addition to the major findings, it was found that employees, all three categories, are highly satisfied when they have a feeling of accomplishment. When they were asked why they stay in the organization, majority of the non_executive employees have said that they stay because there is no other option. Most of the managers stay in the organization due to financial benefits and professionals stay in the organization because of opportunity for growth. The analysis revealed that major reason for employees to leave the organization is financial benefits. But in the case of professionals, opportunity for growth has also become a major reason.

VII. Discussion

From the analysis of data collected from the sample, it was found that feeling of accomplishment or achievement which is an intrinsic reward, had served as the major source of job satisfaction for all three employee categories under study. Another intrinsic reward, autonomy, was the second most important reason for employees to stay in the organization. Only two out of one hundred and twenty three respondents have said that financial rewards gave them the highest satisfaction in their career. But the findings revealed that the major reason for employees to leave the organization was lack of financial benefits. If it is assumed that employees change their jobs due to dissatisfaction with some aspects of the job, above finding shows that lack of financial benefits makes employees dissatisfied. So it seems that these findings are compatible with the Herzberg's two-factor theory.

Herzberg argued that hygiene factors influence the degree of job dissatisfaction and motivation factors influence the degree of job satisfaction. He gave an example of two rewards and argued that consequences of extrinsic rewards are short term and management must constantly enhance extrinsic rewards.

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"If I get a bonus of \$1,000 one year and \$500 the next, I am getting extra rewards both years, but psychologically I have taken a \$500 salary cut....I write a book- a big accomplishment. Then I write an article- a lesser accomplishment. but nevertheless an addition to my personal growth."(Herzberg, 1987:118)

The findings of the present study can also be explained in similar manner. If employees were given a big salary increment, they would have mentioned it as the most satisfying event in their job just after the event. But to make a sustainable impact on employees' job satisfaction this has to be continued constantly. But in the case of intrinsic rewards, for example feeling of accomplishment, employees achieve them almost everyday in their day to day work. So it is a continuous process. That might be the reason for employees to say that feeling of accomplishment is the major reason for them to satisfy.

The findings revealed that professionals derive job satisfaction mainly from intrinsic rewards while other two categories namely managers and non_executives derive equal amount of satisfaction from both extrinsic and intrinsic rewards. The method used in collecting data does not allow to compare the findings with Herzberg's theory. But it is important to notice that there is no statistical evidence to say that managers or non_executives derive job satisfaction mainly from extrinsic rewards. This is quite contrary to the common belief that employees derive job satisfaction mainly, or sometimes only, from extrinsic rewards.

The influence of intrinsic rewards on professional's job satisfaction over the extrinsic rewards can be explained by using the **value attainment** concept. "The idea underlying value attainment is that satisfaction results from the perception that job allows for fulfillment of an individuals important work values."(Kreitner and Kinicki, 1989:168). A professional is always a highly educated person when compared to a person from other two categories. He will become a professional after only getting substantial educational and/or professional qualifications. Such a person will generally tend to continue his studies and to grow. Hence one of the important work values held by a professional is appreciation of learning and personal growth. So most of the professionals might like to have opportunities for growth, learn new things and to involve in research etc. They may hold favourable attitudes towards these aspects of the job. Therefore they derive a greater satisfaction from these intrinsic rewards.

Another reason for higher level of satisfaction with intrinsic rewards may be the greater recognition prevail in the outside society for professionals. Up to recent past educated people were the most recognized people in the society. Many, almost all, of the parents wanted their children to become doctors or engineers. But these values have been changed over the last two decades. Now money or the wealth has become a major source of recognition in Sri Lankan society. But still there is a high regard for professionals in the society. So this recognition for professionals may lead them to a higher level of satisfaction with intrinsic rewards.

One might argue that satisfaction with intrinsic rewards is high due to the fact that satisfaction with extrinsic rewards is low. In the case of opportunities for promotions many professionals were not satisfied with this reward. But the number of dissatisfied employees with this reward was substantially higher for other two categories too. Further, professionals salaries are normally high when compared to others in Sri Lanka. Therefore it is unreasonable to assume that the reason for higher satisfaction with intrinsic rewards of professionals is the lower satisfaction with extrinsic rewards.

The general level of job satisfaction is 2.72 for professionals, 2.51 for managers and 2.3 for non_executives in a 0 - 4 (very low to very high satisfaction) scale. This shows that non_executive employees are the least satisfied among these three categories. Findings also revealed that most of the non-executive employees stay in the organization due to no other option. The reason for above situation may be the high unemployment and under employment prevailing in Sri Lanka. This compels employees to stay in the present job even they are not satisfied with the job.

Analysis of the second hypothesis revealed that there is an association between degree of job satisfaction and level of commitment for managers and non_executives while there is no association between above said variables for professionals. (This correlation can be as low as .007 and .187 and can be as high as .57 and .832 for manager and non-executive categories respectively). This phenomenon can be explained by using the **Cognitive Consistency Theory**. This theory states that "all people have the need to be consistent in their thinking. That is they prefer that their attitudes, beliefs or perceptions about something be compatible with one another (in *cognitive consonance*) rather than contradictory. The latter condition, when exists, sets up aversive motivational state (called *cognitive dissonance*) that the individuals strives to overcome either cognitively (by changing the situation

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responsible for the cognition) or behaviourally." (Howell & Dipboye, 1982:57)

A satisfied employee might, most probably, have favourable attitudes towards the organization. Their attitude may be "This organization looks after me well. It provides rewards which make me satisfied. Therefore this is a good organization" etc. So to have a consistency with that attitude he might have emotional attachment with the organization. That means his organizational commitment is high. (Organizational commitment was measured through attitudes such as employee's willingness to sacrifice leisure time, willingness to attend to work, unwillingness to quit the organization etc.) On the other hand when the job satisfaction is low, they may have negative attitudes towards the organization. To have negative attitude towards the organization and have high organizational commitment is contradictory, which leads to cognitive dissonance. So the employee will try to reduce the dissonance by reducing the organizational commitment. He will not be able to improve the attitude towards the organization unless the degree of job satisfaction is increased. Above description explains the association between job satisfaction and organizational commitment.

But there was no statistical evidence to show an association between job satisfaction and organizational commitment for professionals. This phenomenon can be explained as follows. The proof of the first hypothesis revealed that professionals derive job satisfaction mainly from intrinsic rewards rather than extrinsic rewards. Further we found that the major reason for professionals to stay in the organization is the opportunity for growth. Since professionals value intrinsic rewards rather than extrinsic rewards which are provided by the organization, they have no reason to have a feeling of attachment to the organization even they have a higher degree of job satisfaction. Consider a situation where a professional is experiencing a high degree of job satisfaction. Still he might prefer to sacrifice his time for something which might help him to achieve personal growth, for example to read a journal in his subject area, rather than spent that time for the organization. On the other hand consider a situation where a professional is experiencing less job satisfaction. He might still have a feeling of attachment to the organization. For example he might still prefer to stay in an organization such as a university or research institute which might give him more autonomy and challenging work (intrinsic rewards) even for a lesser salary and other fringe benefits (extrinsic rewards). These may be the reasons for no correlation between satisfaction and commitment for professional category.

The findings show that higher correlation exist between job satisfaction and commitment for non_executives when compared to managers. Higher unemployment rate may be a reason for higher correlation for non_executives. When unemployment rate is high, individuals perceive few opportunities for other jobs. Therefore their commitment for the present job may be high. Managers may have lesser correlation between above said variables due to the fact that managers, specially middle and senior managers, have more job opportunities than non_executives.

When it is considered the facts that unemployment rate is high, non_executives are the least satisfied among three groups and most of the non_executives stay in the organization because they have no other option, it is not unreasonable to comment that non_executives have continuance commitment (the strength of person's tendency to need to continue working for an organization because he or she cannot afford to otherwise) than affective commitment (the strength of a person's desire to continue working for an organization because he or she agrees with it and wants to do so).

Anyway, the higher level of organizational commitment will lead the employee to stay in the present organization and to attend to work whenever it is possible. This implies indirectly a negative correlation between job satisfaction and absenteeism and job satisfaction and turnover.

VIII. Implications for Managers

Proof of the second hypothesis implies that satisfied workers are committed to work. But it is to be remembered that attitudes are always not predictors of behaviour. Further a commitment to work will not guarantee high performance. But there are some positive aspects of organizational commitment. Committed workers tend to attend work and are unwilling to leave the organization. Therefore that will reduce the cost of absenteeism and employee turnover. Hence it is beneficial for organizations to take appropriate steps to increase the degree of job satisfaction.

Analysis of data shows that only 19% have said that they are highly satisfied with the opportunities for promotions. In other words 81% of the sample are not satisfied or uncertain about the satisfaction with this reward. Though it is an extrinsic reward it will lead to intrinsic rewards such as advancement and recognition. Therefore the revision of promotion schemes will most probably improve the degree of job satisfaction.

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The findings showed that managers and non_executives derive job satisfaction both from intrinsic and extrinsic rewards. This implies that employees should be given more autonomy, more responsibility, challenging and interesting work - process frequently called as *job enlargement*. But undesirable consequences of job enlargement are "increased tension, reduced self-esteem, reduced quality of output and possibly even increased incidents of heart troubles." (Howell and Dipboye, 1982:52). Therefore this should be implemented only after careful analysis of needs and capabilities of employees and the process should be monitored for a substantial period of time. It is very important to remember that job enlargement or job enrichment- as preferred by Herzberg , is not a substitute for salary increments or other extrinsic rewards. This will only be a complement for extrinsic rewards. If substantial financial rewards are not provided, employees tend to find new jobs. This will be a cost for the organization.

IX. Further Research

The present study conducted only for three categories of employees. This could be 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 sex, back ground of the employee and education. Another possibility is to conduct the same study for different sectors of the economy such as banking, educational institutions and manufacturing. The author used the cross-sectional approach, that is measure job satisfaction and commitment at a particular moment. But a continuous research for a longer period will allow to identify shift in trends, if any.

X. Conclusion

The above discussion showed that some of the findings are in parallel with the Herzberg's two-factor theory. But the method adopted in

testing main hypotheses will not allow to compare results of this study with the Herzberg's theory. The reason for professionals to derive job satisfaction mainly from intrinsic rewards may be that tasks they perform allow to fulfil some of work values, for example appreciation of growth and learning, held by them. Another reason for higher degree of satisfaction may be the recognition for professionals which prevail in the society.

Analysis of the second hypothesis shows a correlation between job satisfaction and organizational commitment for managers and non_executives. When employees have favourable attitudes towards the organization due to the higher job satisfaction they may have strong loyalty towards the organization. This will create a cognitive consistency for them. This may be the reason for association between above two variables for managers and non_executives. Since professionals derive job satisfaction mainly from intrinsic rewards, their loyalty to the organization will not depend on job satisfaction. Therefore an association between job satisfaction and organizational commitment could not be found for professionals.

The present study conducted only for three categories. But this study can be extended into other categories and into other sectors. The relationship among relevant variable will be found if the hypotheses tested for different demographic variables.

The findings proved that not only extrinsic rewards but also intrinsic rewards have a significant impact on job satisfaction. Therefore organizations must provide intrinsic rewards such as challenging and interesting work and autonomy for its' employees. But these are not substitutes for extrinsic rewards. They are only complements to extrinsic rewards.

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