

Does Job Satisfaction Mediate the Relationship of Workload, Remuneration and Psychological Reward with Job Performance?

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Abstract

Workload, remuneration, and psychological reward play an essential role in the level of job satisfaction and also in the level of job performance of any individual whether in the form of an increase or decrease. This study intends to investigate the impact of workload, remuneration and psychological reward on job performance along with mediating role of job satisfaction. Data for this study was collected from 231 employees of different private sectors and analyzed by using regression and correlation analysis. The result of the study indicates that workload showed positive significant impact on job performance and job satisfaction that was contrary to hypotheses. Similarly, remuneration and psychological reward have significant positive effect on job satisfaction but insignificant effect on job performance. Additionally job satisfaction has strong positive effect on job performance. Finally job satisfaction does not mediate any relationship of workload, remuneration and psychological reward with job performance.

Keywords: Remuneration, Psychological reward, Workload, Job Satisfaction, Job performance.

Introduction

The main objective of this research is to explore the relationship of workload, remuneration and psychological reward with job performance and also to determine the association of job satisfaction with job performance. Moreover, verify the mediation effect of job satisfaction on the relationship of independent variables with the dependent variable. Further to determine whether there is an empirical relationship exists between above-mentioned variables if exists then to determine the intensity and direction of these relationships.

The workload variability issue is relatively unfathomed research areas which have practical potential for multiple domains, specially the workplace. When employees are asked about different slant related to their jobs such as pay scale, Supervisor supports, working condition, promotion opportunities and so forth then workload itself appears as an important facet (Judge & Church, 2000; Jurgensen, 1978).

In 2003, Robbins emphasized on “fair rewards” which is defined as “compensation systems are recognized as good enough as per employee expectations as well as a strong determinant of job satisfaction”. This refers that when employees recognize that their remuneration is good enough to meet their regular needs so they most likely to experience satisfaction. Employees never work for free unless of voluntary services, so in this respect employers must have to compensate them in some manner for their time and efforts. This used to be called “pay” and then became “remuneration” and today often termed “reward” which consists of all type of payments that an organization pays to their workers including monetary, non-monetary and psychological payments (Anonymous, 2008). There are extrinsic rewards which cover all basic necessities like food, shelter, utility bills, security of job, and appreciation but one could also refer these as financial rewards. Similarly, there are intrinsic rewards as well, which includes satisfaction with the job, a feeling of fulfilling the given challenges efficiently and timely, gratification, enjoyment, and sometimes the social interactions which arise from the workplace but one could also refer these as psychological rewards. So the psychological rewards are the gratitude with comments to their employees by the management which enhances the working capacity of the employees.

Satisfaction with a job is a most delightful and optimistic emotional state resulting from the valuation of their experience (Locke, 1976). In 2014, Mafini and Dlodlo reported positive experiences in shapes of amiable colleagues, sympathetic supervisors, handsome remuneration, and attractive jobs generate high levels of job satisfaction. More the individual’s work environment fulfill their needs, standards or personal characteristics lead towards a higher level of job satisfaction (Yee, Yeung & Cheng, 2010).

Job performance is “behavior that has been evaluated in terms of its contributions to the goals of the organization” (Bush et al., 1990). Prior studies highlighted that satisfied employees are those workers who figured out their job performance positively (Stumpf & Hartman, 1984; Fisher, 2003; Chen & Silverthorne, 2005). Also who believed that their workplace was a pleasant place to work (Dalal & Singh, 1986; Chow & Neo, 1993). But the effect of workload, remuneration and psychological reward on job performance with the mediating role of job satisfaction is still not studied in Pakistan. Therefore, this study attempts to examine the relationship of above-mentioned variables. The outcome of this study will help us in understanding the direct effect as well as the mediating effect of job satisfaction. Also, outcomes will help in enhancing the present literature and will provide a base for further studies. This study will enhance the present literature of direct relationship of work load, remuneration and psychological reward with job performance in Pakistani context. Moreover, it will also enhance the mediating relationship literature which will provide base for future studies. Moreover, legislator, organizational policy makers and employees related associations can also use the outcomes of this study in redesigning workload policies, payment and incentive management and helping in maintain psychological equilibrium in employee-employer relationship which ultimately satisfy the employee and results in better performance.

Literature Review

Performance

Job performance is a terminology that is used to characterize that how better an individual performs his or her job duties and responsibilities (Caillier, 2010). Job performance is an important measure to determine the performance and success of an organization. Organization's performance relates to the performance of an employee. Employee's performance will enhance if paid higher, so higher the level of pay higher will the job performance as job performance is one of the key factors to achieve the goals of an organization.

Workload and Job Performance

Former research in a range of situations has established the link between workload and performance. For example, Glaser et al. (1999) found a negative relationship between workload and performance but failed to determine significant results due to small sample size. Matthews (1986) extended the study of Glaser et al. (1999). One study related to health care employees of rural areas revealed that by lessening work stress among employees is the only option to reduce the turnover intention rate (Chao et al., 2015). Usually, organizations with outstanding performance go along with increasing dissatisfaction among employees due to many reasons i.e. employees may feel about work is not properly appreciated, rewarded, unfair distribution of workload and may angry on the weak performer. Further, this kind of concerns leads the individual towards resigning, lower commitment with their duties or started to perform at a low level (Lucas, 1999).

Organization and management can assist in minimizing stress by introducing sports activities as well as regular medical and mental checkups. Moreover fix overtime limit, sending on vacations, launch counseling services and every individual must be treated like a human being as every person is dissimilar (Rogers, 1975). Reasons behind public accounting stress are from atmosphere in which long hours of duties, imposing deadlines and in lack of providing adequate time to family which lead towards negative consequences but can be compensated by free communication, proper feedback, minimizing the workload, balancing the work and family, and introducing different facilitating programs including health, stress training, time management etc. (Collins & Killough, 1989).

H₁: Workload has a negative impact on job performance.

Remuneration and Job Performance

Erasmus et al., (2001) stated that remuneration, "is what an employee gets against his work after fulfilling his duty, include all type of financial and non-financial rewards". Remuneration is the key factor of job performance as high remuneration encourages the employees to perform better. Money is treated as the compensation which is paid to employees against their efforts to fulfill their needs. Employee remuneration comprises all benefit factors which is given to him/her for their services (Dessler, 2008). Barton (2002) suggested that organization ought to consider monetary values like pay as it has a solid impact on employee's inspiration and retention. Erasmus et al., (2001) stated that compensation is one of the delightful factor which lessens the disappointment. . Employees who are paid good enough to fulfill their family needs, handle difficult situations in a better way. Monetary inducements can influence employee's performance and utility as much as sufficient as an increase in the intensity of reward lead towards the enhancement of utility (Pouliakas, 2010).

H₂: Remuneration has a positive and significant impact on job performance.

Psychological reward and Job Performance

Rewards are one of the key factors among employee and employer to exchange relationship. (White & Drucker, 2000; Cropanzano & Mitchell, 2005; Armstrong, 2010). Rewards are used to keep good performers motivated and satisfied (Bellenger, Wilcox, & Ingram, 1984; Drucker & White, 2000; Bratton & Gold, 2003; Robbins, 2003; Rynes, Gerhart, & Minette, 2004). Basically, two types of rewards are awarded to motivate employees. The first one is extrinsic rewards which are the tangible rewards given to staff by higher management like increment in salary, bonuses and other fringe benefits and the second is intrinsic rewards which are psychological rewards that staff get from performing meaningful work well.

In addition linkage of three justice dimensions including distributive, procedural and interactional, and turnover intention is mediated by the satisfaction of psychological reward but on another hand, pay level satisfaction does not mediate this relationship. Further, in order to retain good performer organization should provide fundamental financial support to their employees as well as treated by psychological reward from their supervisors as psychological rewards don't have any financial cost for firm and employees should be treated on an individual astonishing performance basis (De Gieter et al., 2012). Now a day's dishonesty is the main issue and external reward mechanism is the one reason behind dishonesty from standard economics viewpoint but this problem should be handled by the level of punishment and chance of being caught. Further from a psychological point of view dishonesty is also affected by internal reward mechanism such as maximizing the long-term effectiveness like education help in minimizing dishonesty etc. and with a proper understanding of the purpose of internal rewards both punishment and preventions should be more successful (Mazar & Ariely, 2006).

Psychological reward means an attitude of gratitude from higher management to lower staff. This motivates the employees towards job performance. It helps to boost the morale of the employees which is recognized by the higher management for their outstanding efforts. Appreciative feedback from management also serve as employee acknowledgment and helps in a certain way.

H₃: Psychological reward has a positive and significant impact on job performance.

Workload and Job Satisfaction

Some researchers mentioned job satisfaction as the extent to which an individual expresses optimistic affective direction towards job (Smith, Kendall, & Hulin, 1969). Satisfaction with job contains ordinary as well as particular elements: the whole approach of job pleasure is considered as an ordinary element; salary, staff, job security, management and personal growth, and development are considered as particular elements (Hackman & Oldman, 1980). The workload is most important determinant of job satisfaction; those employees who felt that their workload is "to the right" were more satisfied than those who felt that their workload is either too high or too low. The increase in life and job satisfaction assist in reducing feelings like exhaustion, individual failure etc. generate worthy teamwork through office atmosphere and communication among individuals assist in life and job satisfaction (Arslan & Acar, 2013).

H₄: Workload has a negative impact on job satisfaction.

Remuneration and Job Satisfaction

Low pay results in job dissatisfaction Robbin (2003). Yang et al., (2008) reported that there is an optimistic association among remuneration and satisfaction. Salary exhibited direct

influence on the individual job satisfaction. Erasmus et al., (2001) stated that compensation is one of the delightful factor which lessens the disappointment. If an employee is remunerated equivalent to his financial requirement, he/she will easily handle the extra workload in case of emergency. So remuneration is one of the most satisfying factors for employees. Four elements of extrinsic motivation including work life quality, remuneration, supervision, and teamwork had a noteworthy relationship with job satisfaction but promotion didn't show a significant association. Besides this significant affiliation were found between job satisfaction and life satisfaction (Mafini & Dlodlo, 2014). Rewards and remuneration optimistically predicted affective and normative commitment, and job satisfaction predicted affective commitment (Coetzee, Mitonga-Monga & Swart, 2014).

H5: Remuneration has positive and significant impact on job satisfaction

Psychological reward and Job Satisfaction

A lot of studies exists that determines the relationship of psychological reward and job satisfaction. Job rewards and individual differences have limited themselves to correlations between from the earlier characterized groups, for example, sexual orientation distinction (Graham & Welbourne, 1999; Keaveny & Inderrieden, 2000; Buchanan, 2005), individual belongs to different society with different education levels or from different age classes (Klein & Maher, 1966; Clark, Oswald, & Warr, 1996; Fong & Shaffer, 2003). In 1965, Equity theory by Adams and the discrepancy model of (Porter & Lawler, 1968) state that psychological factors and financial rewards are related to job satisfaction. In 1959, two-factor theory by Herzberg and self-determination theory (Deci & Ryan, 1985, 2002) mentioned that financial rewards do not fulfill the satisfaction level of employees. Further it is observed that satisfaction with psychological rewards also play essential role in satisfying employees and sometimes even more important than remuneration (De Gieter et al., 2010). Two factors satisfaction with reward and awareness about fairness have an effect on individuals' willingness to terminate their current jobs. Organizations should devote proper time with determination with respect to psychological rewards and pay level satisfaction, and fair treatment to stay away from turnover intention (De Gieter et al., 2012). Elements of psychological empowerment including self-determination, meaning and impact influenced optimistically the job satisfaction except for competence which didn't effect relationship. Similarly, impact, self-determination, and competence showed optimistic consequence on individual job performance except meaning which didn't influence the relationship and further job satisfaction meaningfully influenced job performance (Ölçer & Florescu, 2015).

H6: Psychological reward has positive and significant impact on job satisfaction

Job Satisfaction and Job Performance

In 1976 Locke mentioned optimistic or pleasurable emotional state from one's appraisal or job experience. Springer (2011) recommended that performance of employees can be enhanced by augmenting the job satisfaction using different managerial strategies adopted by the managers.

The association of job performance and job satisfaction remain vague from previous studies. In 1993, Brown and Peterson reported an insignificant relationship between job satisfaction and job performance in a meta-analysis of job satisfaction of salesperson. Optimistic correlation exists between job performance and job satisfaction (Fisher, 2003; Chen and Silverthorne, 2005). 335 respondents from middle level of the banking sector exhibited positive association of job satisfaction and job performance (Hira & Waqas, 2012) and 251

respondents from different universities also showed positive impact of job satisfaction on job performance (Iqbal et. al, 2012).

Edwards and Bell (2008) also revealed positive significant association of job satisfaction and job performance. Recently one study related to employees of public, private and nonprofit sector revealed noteworthy effect of job satisfaction and job performance on each other simultaneously although the influence of job satisfaction seemed to be more firm than job performance between employees (Hsieh, 2016).

H7: Job satisfaction has positive and significant impact on job performance

Mediating Role of Job Satisfaction on relationship of Workload and Job performance

The literature has indicated the inverse relationship between workload, job satisfaction and job performance (Hackman & Oldman, 1980; Fisher, 2003; Chen and Silverthorne, 2005; Springer, 2011). There are a little literature and empirical evidence available which determine the mediating effect of job satisfaction in third world economies, especially in Pakistan. The prior studies highlighted the negative impact of workload on job outcomes (Fisher, 2003; Springer, 2011). Thus, it is considered so job satisfaction mediates negative consequence of workload on job performance which leads toward hypothesis;

H₈: Job satisfaction mediates negative relationship of the workload with job performance.

Mediating Role of Job Satisfaction on relationship of Remuneration and Job performance

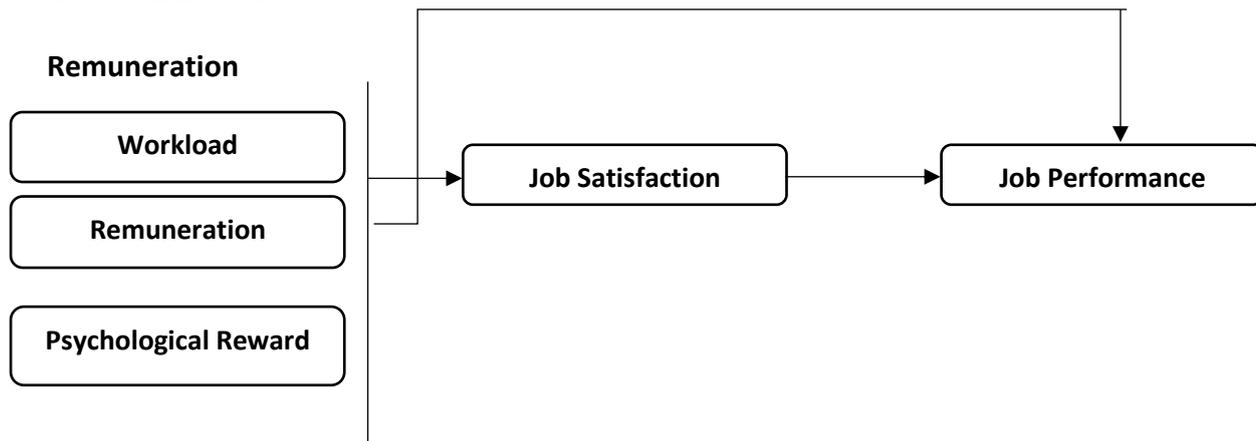
The literature showed direct relationship exists between remuneration, job satisfaction and job performance (Martocchio, 1998; Robbins, 2003; Chen & Silverthorne 2005; Stumpf & Hartman, 1984). There is very little work done that explains mediating effect of job satisfaction on the relationship of remuneration and job performance. Especially in developing economies like Pakistan limited studies were conducted that covers the mediating effect of job satisfaction on remuneration and job performance. The above-discussed studies highlighted the positive impact of remuneration on job satisfaction and job performance (Barton, 2002; Robbin, 2003). Therefore, it is considered that job satisfaction mediates positively effect of remuneration and job performance that leads toward hypothesis;

H₉: Job satisfaction mediates the positive relationship of Remuneration with job performance.

Mediating Role of Job Satisfaction on relationship of Psychological reward and Job performance

The literature expressed direct/positive relationship exists between psychological reward and job outcome. (Bratton & Gold, 2003; Bellenger, Wilcox, & Ingram, 1984; Rynes, Gerhart, & Minette, 2004). There are little literature and empirical evidence available that explains job satisfaction as mediator on psychological reward and job performance in developing economies, especially in Pakistan. The prior studies highlighted the positive impact of psychological reward on job outcomes (satisfaction and performance (De Gieter et al., 2010). Thus, it is considered that job satisfaction mediates positive effect of psychological reward on job performance which leads toward hypothesis;

H₁₀: Job satisfaction mediates psychological reward and job satisfaction positively

Research Model**Methodology****Participants & procedure**

To capture the job satisfaction level among employees, data is collected from white-collar employees of different private organizations. The reason for not collecting data from blue-collar employees is that the low level of education among those employees. Furthermore, it is difficult for those employees to respond a questionnaire efficiently. The other reason for collecting data from private organizations is that the employees in private sector bear more workload as compared to public sector and the level of psychological reward is more in private organization rather than a government organization. In this research data were collected through self-administrated questionnaire and convenience sampling technique was used.

The participants for this study were targeted on behalf of their qualification, workplace, satisfaction level and number of years of experience. Respondents completed the self-reported questionnaire that contained following items workload, remuneration, psychological reward, job satisfaction and job performance. Demographics part of the survey included age, gender, education, organization name, designation and sector of the organization. About 270 questionnaires were distributed among various employees for data collection, out which 247 were received and 231 were completed for data analysis; thus 85 percent of the total collected surveys were usable for this research. 60.6 percent of the respondent was male while 39.4 were female. 46.8 percent of the respondents were below 25 years, 32.5 percent were below 30 and above 25, 14.7 percent of respondents were below 35 and above 30, 3.5 percent of respondents were below 40 and above 36 and remaining, 2.6 percent were above 40.

Measures uses

A five-point Likert scale was used to assess each item. Where 1 is used for strongly disagree and 5 is used for strongly agree. First of all independent variables including workload was measured by 9 items of Higgins, Duxbury, and Irving (1992), one sample item was "I feel I have more to do than I can comfortably handle" and the alpha reliability for this scale was 0.692. After that remuneration was measured by 6 items of Alam and Farid (2011), one sample item was "I am getting a reasonable amount of salary" and the Cronbach's alpha reliability was 0.533. Next psychological reward was measured by 8 items of De Gieter et al., (2010), one sample item was "A word of thanks from my manager" and the alpha reliability was 0.849. Secondly, Job satisfaction variable was measured by 5 items of Agho, Price

and Mueller (1992), one sample item was “I like my job better than other worker” and Cronbach’s alpha reliability of this measure was 0.708. Finally, job performance variable was measured by 5 items of Podsakoff and Mackenzie (1989). One sample item was “I meet all the formal performance requirement of the job”. The internal consistency reliability of job performance was 0.828.

Control Variables

A one-way ANOVA test is used to test job satisfaction and job performance across age, gender, education and sector revealed no significant differences in job performance and job satisfaction across organizations.

Results

Correlation

Mean, Standard deviation, correlation coefficient and alpha reliability of study are mentioned in below table:

Table 1
Means, Standard Deviation, Correlation and Reliabilities

	Mean	SD	1	2	3	4	5	6	7	8	9
1. Age	1.83	.98	-								
2. Gender	1.39	.49	-	-							
3. Education	1.98	.70	.07	-.15*	-						
4. Sector	1.66	.47	-.03	-.00	.11	-					
5. WL	3.39	.57	.11	-.29	.05	.11	(.69)				
6. PSYR	3.39	.71	.00	-.13	.08	-.05	.24	(.53)			
7. REM	3.09	.69	-.04	-.22	.07	-.03	.09	.33	(.85)		
8. JS	3.53	.70	-.03	.07	-	-.08	.27**	.37**	.28**	(.70)	
					.03						
9. JP	3.65	.85	-.03	.02	-	-.06	.34**	.23*	.14**	.46**	(.83)
					.03						

Note. N = 231; alpha reliabilities are presented in parentheses. WL = Workload; REM = Remuneration; PSYR = Psychological reward; JS = Job satisfaction; JP = Job performance.

a. Age: 1 = 20-25; 2 = 26–30; 3 = 31–35; 4 = 36–40; 5 = 41 above.

b. Gender: 1 = Male, 2 = Female.

c. Education: 1 = Graduation; 2 = Masters; 3 = MS; 4 = Phd

d. Sector: 1 = Public; 2 = Private

*p < .05, **p < .01.

The table indicates that workload has positive correlation with job performance (.34, p<0.01) which is contrary to hypothesis 1 thus initially not supported, whereas remuneration has positive and significant correlation with job performance (.14, p<0.01) which supports hypothesis 2 thus initially supported and similarly psychological reward also has positive correlation with job performance (.23, p<0.05) which is similar to hypothesis 3 so initially supported. Workload has also a positive and significant correlation between job satisfaction (.27, p<0.01) which does not support hypothesis 4 so initially not supported. Remuneration has a positive and significant correlation between job satisfaction (.28, p<0.01) so hypothesis 5 initially supported. Psychological reward also has a positive correlation with job satisfaction

(.37, $p < 0.01$) which initially supports hypothesis 6. Job satisfaction also has a positive correlation with job performance (.46, $p < 0.01$) which also supports hypothesis 7 initially.

Regression Analysis

Table 2

Regression Analysis

Predictors	Job satisfaction			Job performance		
	B	R ²	ΔR^2	β	R ²	ΔR^2
WL	.24**	.20**	.19**	.34**	.26**	.25**
PSYR	.26**			.04ns		
REM	.18**			.003ns		
JS	-	-	-	0.46**		

WL = Workload; REM = Remuneration; PSYR = Psychological reward; JS = Job satisfaction; JP = Job performance.

* $p < .05$, ** $p < .01$.

Additionally, multiple regression analysis was used to test the main as well as mediation effect of the variables. The results obtained from the regression analysis are mentioned in above Table 2. The results indicate that Workload has positive significant impact on job performance ($\beta = .34$, $p < 0.01$), thus Hypothesis 1 is not supported. The relationship between remuneration and job performance is insignificant ($\beta = .003$, $p = \text{not significant}$) so Hypotheses 2 is not supported. The psychological reward has an insignificant impact on job performance ($\beta = .04$, $p = \text{not significant}$), thus Hypothesis 3 also not supported. Workload has positive significant impact on job satisfaction ($\beta = .24$, $p < 0.01$) thus Hypothesis 4 not supported. The association between remuneration and job satisfaction is strongly positive ($\beta = .18$, $p < 0.01$) so Hypotheses 5 supported. The psychological reward has strong positive impact on job satisfaction ($\beta = .26$, $p < 0.01$) thus Hypothesis 6 also supported. Finally, job satisfaction also has strong positive impact on job performance ($\beta = .46$, $p < 0.01$) that leads to acceptance of Hypothesis 7.

Mediation

To check mediation Barron & Kenny (1986) technique has been used in this study. According to this technique for mediation following assumptions should be fulfilled as per hypothesis of study if any assumption is not fulfilled then there is no mediation. The assumptions are

- Independent and dependent variable must have significant relationship.
- There should be significant relationship between independent variable and mediator
- There should be significant relationship between mediator and dependent variable

In the light of statistical testing results, it is concluded that Workload has positive significant impact on job performance ($\beta = .34$, $p < 0.01$) which is not as per hypothesis, Also Workload has positive significant impact on job satisfaction ($\beta = .24$, $p < 0.01$) which is also not as per hypothesis.

Remuneration has no significant relationship on Job performance ($\beta = .003$, $p = \text{not significant}$) which is not supporting assumption 1 of Barron & Kenny (1986) Also remuneration has positive significant impact on job satisfaction ($\beta = .18$, $p < 0.01$) which fulfill the assumption 2.

The psychological reward has no significant relationship to job performance ($\beta = .04$, $p = \text{not significant}$) which is not supported assumption 1 of Barron & Kenny (1986), Also psychological reward has a significant positive relationship ($\beta = .26$, $p < 0.01$) so assumption 2 fulfilled.

Job satisfaction has positive significant impact on job performance ($\beta=.46$, $p<0.01$) so assumption 3 fulfilled.

In the light of above assumption, it is concluded that there is no mediation in each relationship of Independent Variables on Dependent Variables Thus Hypothesis 7, 8 and 9 are not supported.

Discussion

The results of this study are not generally supported previous research. The study hypothesizes that workload has negative impact on job performance but in actual workload positive impact is found on job performance which is contrary to the hypothesis. It is due to the fact that most of the data collected for this study are from the private sector. As unemployment level is higher in Pakistan and culture of corporate sector is that employees have to manage their workload and perform better otherwise they will be fired so even due to higher workload people will never afford to affect their job performance, they have to face more workload and perform better because it's difficult to find any other opportunity in case of fired. Also, the culture of our society is that there are a number of dependents on one person in a family so employees have to manage workload as employment level is very low. Contrary to this, in previous studies workload has been linked with considerable decrements in job performance (Cox-Fuenzalida and Angie 2005; Cox-Fuenzalida 2007; Beehr et al. 2000). Surprisingly, remuneration has no significant impact on job performance. The reason behind this is that private sector are compensating employees reasonably and giving them recognition but without promotion opportunity as well as meaningful work which lead towards employee's dissatisfaction. Also the most of the data collected from non-profit organizations where people prefer human welfare more than the remuneration; in this context remuneration has an insignificant impact on job performance. But conversely to this result many studies found there is the positive impact of remuneration on job performance, like Mafini and Dlodlo (2014).

The study found that psychological reward has an insignificant impact on job performance. This is due to the culture in most of the private sector that top management never appreciates their employees because if they appreciate their employees then they may request for salary increment. So they never adopt the behavior of gratitude toward their employees and also employees prefer extrinsic rewards rather than intrinsic rewards.

The study has found a positive impact of workload on job satisfaction. The reason is same that the trend in the most private sectors that most of the nature of job is on contractual basis and if an employee face more workload then he feel secure that if he bears the burden of more workload then he will become more useful employee for the organization and if he became backbone of the organization then he may fulfill his demands more conveniently. So he became more satisfied if workload increases. Contrary to this result many studies found a negative association between workload and job satisfaction.

Strong positive relationship exists between remuneration and job satisfaction (Mafini, C. & Dlodlo, N. (2014) which indicates that if employee's remuneration increases then their satisfaction with job will also increase, consistent with former studies (Sargent & Hannum, 2003; Mafini, & Dlodlo, N. 2014; Omar & Ogenyi, 2006; Lewis & Frank, 2002) concur that remuneration positively and strongly related to job satisfaction.

There is strong positive impact of psychological reward found on job satisfaction. As every employee want gratitude against services. Simply we can say that this is the push-up force for the employee to perform better. If the top management is good and they provide extrinsic

reward along with intrinsic reward, then it increases the performance ability of the employees that leads to the better financial performance of the organization.

The study found a positive impact of job satisfaction on job performance. This really means that if an employee is satisfied with his job then he will absolutely perform better. Various studies found positive significant impact of job satisfaction on job performance (Fisher 2003; Chen & Silverhorne, 2005; Edwards & Bell, 2008). Under the light of Barron and Kenny assumptions with reference of mediation when a single assumption is violated there is no mediation case and in this multivariable model assumptions were not fulfilled, may be due to data symmetry or socio-economic conditions, which is contrary to the general fashion of the nature of this variable relationship.

Implication for Managers

It is the duty of the top management to revise the service structure because it is the main reason for employee's dissatisfaction. Salary of employees should be revised annually along with other fringe benefits that lead to the satisfaction of the employees. Proper grading system should be introduced that emerges will of employees to perform better. Organizations should conduct training programs for employees so that they can learn from these training. Organizations should provide an equal opportunity for promotion to all staff based on their performance. Organizations should conduct proper feedback system in which the entire problem faced by the employees should be resolved that leads to better performance. Last but not least, organizations should launch effective plan to compensate their employees in order to meet the inflation of dynamic environment.

Limitations and future recommendations

Following are the some limitation of this research. Firstly, due to a shortage of time study was unable to collect data from the large scale. This research was just related to employees of Islamabad and Rawalpindi. Secondly, due to financial constraints, the study was unable to collect large sample data as it requires a large amount of finance. The other limitation is that it might be possible that most of the people didn't provide accurate knowledge that direct to change in results except assurance of confidentiality. The direction for future research is that the same study should be examined with large sample data from other cities of Pakistan. Also, it is recommended to use multi-source data to study the same model.

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