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Thesis

**THE IMPACT OF JOB SATISFACTION ON
PERFORMANCE : THE CASE OF PRIVATE SECTOR
IN SRI LANKA**

BY

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ABSTRACT

Employee attitudes are important to management because they determine the behavior of workers in the organization. The commonly held opinion is that "A satisfied worker is a productive worker". A satisfied work force will create a pleasant atmosphere within the organization to perform well. Hence job satisfaction has become a major topic for research studies.

The specific problem addressed in the present study was to examine the impact of job satisfaction on performance. It considered which rewards (intrinsic and extrinsic) determine job satisfaction of an employee. It also considered influence of age, sex, and experience of employees on level of job satisfaction. In addition it investigated in most satisfying event of an employee in the job, why employees stay and leave the organization.

Data were collected through a field survey using a questionnaire from two hundred and twenty three employees selected from twenty private sector organizations covering five industries. The sample was categorized into three groups namely, professionals, managers, and non-managers.

The analysis of data revealed that there exists positive correlation between job satisfaction and performance of employees in private sector organizations. This relationship is also positive and significant for managers and non-managers. But there was no statistical evidence to conclude that the significant relationship between job satisfaction and performance for professionals. Therefore all satisfied workers are not always high performers. The findings disclosed that professionals derive major portion of job satisfaction from intrinsic rewards and managers derive equal degree of job satisfaction from both extrinsic and intrinsic rewards. Non-managers derive high level satisfaction from extrinsic rewards than intrinsic rewards. Influence of age and experience on job satisfaction was significant for employees in private sector organizations. Sex has not significant influence on level of satisfaction

of employees. But sex has significant influence for level of performance of employees. In addition there is a significant association between satisfaction, absenteeism and turnover of employees. Satisfied employees tend to extend more effort to attend to work and greater effort to stay in the present job. Most satisfied event of all three categories of employees is achievement. Further the findings reveal that financial benefits play an important role to retain and attract employees in private sector organizations. Employees who are in highly competitive industries have high level satisfaction than employees who are in less competitive industries. The study survey revealed there is an impact of job satisfaction on performance of employees.

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