Perception of Job Psychology: Moderating Role of Age on Relationship Between Job Climate, Extrinsic Rewards and Job Satisfaction

Muhammad Elsan Malik, Rabia Ali, Mohammed Mudassar Ghafoor and Rizwan Qaiser Danish

University of the Punjab, Pakistan

Abstract: Job psychology so called the job climate is a multidimensional attribute of organizational culture and life that explains the employees’ perception about the job related characteristics at workplace. It is a premise of person job fit that tells us how much employees are loyal and are attracted by the multiple job features i.e. pay and promotion policies, job security and especially the working conditions in the organizations. The purpose of the study is to examine that how various dimensions of job climate that communicate and influence on employees’ cognitive consciousness and to measure how much they are satisfied from the performance appraisal programs in their organizations. For the purpose of analysis, structural equation modeling was used to find the individual parameters of the causal model. The results of the investigation showed a positive and significant relationship among the variables of the construct. The limitations of the study, managerial implications and future guidelines have also been discussed.

Key words: Extrinsic rewards • Interpersonal relationship • Job security • job satisfaction • Job climate

INTRODUCTION

The affective organizational intervention is an impartial measure for performance enrichment and employees’ retention. Management’s solicitous intervention focuses on developing an organizational setup which supports the workplace climate and job orientation for a greater organizational efficiency. In general, the organizations’ management who foster the growth and development of organizational culture for acquiring a perspective of job climate do emphasizes on the employees need to remain satisfied from their workplace. [1] stated that managerial role of monitoring and guiding employees with a significant intervention in enhancing their multilevel skills subsequently contributes more suitable and demanding results in organizational accomplishment. Thus higher performance, organizational accomplishment and optimal productivity are the significant notions of vigilant organizational intervention. The performance of employees increases multifold if the organizations get involved in providing compensation in addition to their pay i.e. organizations provide them with extrinsic rewards like pay enhancement and multifaceted compensation like promotion and career development opportunities. According to Danish and Usman [2] employees’ performance with greater job involvement and density get more attractive packages, rewards, prizes, tangible benefits with respect and appreciation. Thus the organizations who maintain an affective, highly professional and experienced workforce i.e. contain employees who spent a reasonable time of their age in working and contributing to their organizations ultimately develop into competitive advantage. Snider and Dietrich [3] stated that as the age of the employees increases the satisfaction from the job as well as with compensation and working conditions of organization increases due to their working habits, understanding with culture and excessive knowledge of the working patterns of organization. The objective of this research paper is to investigate the condition of the job climate and its impact on the job satisfaction by elaborating the most crucial components of the job climate in the banking culture of Pakistan thereby, providing the recommendations for the improvement and value addition perspective.

Literature Review
Age in Work Setting: Age is defined as the time an individual spends in his life. Arking [4] stated that age in work setting or work place is not the matter of mere

Corresponding Author: Muhammad Elsan Malik, University of the Punjab, Pakistan.

1367
passing the time but getting some worth out of it. The age is quite significant in predicting the higher performance of the organizations as the more the age of employees the more will be their level of satisfaction.

Rhodes [5] investigated the role of age across the working span of individuals’ life. Carstensen, Isaacowitz and Charles [6] proposed that modification in the employees’ psychology, change of perception, attitude and social behavior varies with variation in age. As the age of employees increases, their experience increases with optimally growing levels of job involvement and organizational trust rendering them to work with a sense of organizational citizenship behavior [7] purposed that when the age of the employees increases then their involvement and interaction with the work increases which increases their level of job satisfaction. Highly experienced employees are considered as the source of motivation for others, thus purposely deemed more desirable for pertinent organizational growth. Wright and Hamilton [8] further investigated that the employees with a higher experience gain a prominent position in their organizations i.e. their control over organization increases rendering them to critically deploy their mentality and efforts for a visionary organizational accomplishment. Higher the age, higher is the satisfaction because job option is limited for the employees and mostly their psychological development and organizational perspective do not let them to withdraw or quit easily.

**Job Climate**: Job climate is defined as the combination of job characteristics that have a significant influence on the employees’ performance and job satisfaction inside an organizational culture. It can be called as “job psychology” that influences employees’ perception, attitude and work approach in strategically developmental and composite behavioral patterns of recursive career success. [9] defined the job climate a blend of psychological and physical facets of job. [10], defined it as the “psychology of the job and workplace”. Job climate comprises several characteristics of job i.e. job security, growth, promotion and career opportunities, work life balance and employees’ interpersonal relationship at work place. An affective job climate in all aspects of job creates a greater perspective of employees’ retention, skill development and organizational reliance with a strong ambition of getting ahead. [11] posited a view that the job climate is comprised of a variety of job characteristics which are tangible and intangible in nature like promotion, employees’ interpersonal relationships, rewards and compensation.

Employees’ respect and care for their organization increases when the organizations are concerned with their future i.e. showing them a glimpse of career development in the line of job security. Job security is a satisfactory feeling of employees that leads to more stability and inner calmness as they can see the modified picture of their future supposedly constructed with their own hands. According to Yousef [12], when employees’ future is secured and when they feel that their job is safe and long lasting their loyalty, dedication, mindfulness, judgmental behavior and affiliation are explicit to extravagant achievement. As, more the career safety they perceive the more will be their level of job satisfaction because the scope of their employment enhances by expressing their talents and skills more effectively. [13] posited a view that job security significantly impacts on employees’ mental and physical performance with an increasing job satisfaction. Bhuian and Islam [14] investigated that the job insecurity affects on the work and performance outcomes with reduction in employees’ mental, physical stability and commitment level.

Employees seek the equal opportunities of success and promotion for their career development because enthusiastic and intrinsically motivated workforce serves as the competitive edge. Every employee at work place has its own goals and plans for the sake of future development. They all want to step ahead and seek the future oriented opportunities that can take them to the best of their career. Perception of promotional opportunities coherently enhances the employees’ courage and work efforts across the span of work life because it develops their confidence and builds ego in them [15]. They will be particularly happier when their higher performance brings more authority and control over work and organization as a part of their job promotion. Robbins [16] stated that employees’ productivity, social well being and organizational citizenship are the resultant outcomes maintaining an integrated system of work life balance. Work life balance reduces the pressure and anxiety and aligns the employees’ commitment for organizational goal accomplishment.

The performance of an organization is a syndicate perspective of how the employees work together and show cooperation and communication with organizational vision. Employees mutuality and behavioral modification create a social perspective of vision sharing and work coordination for organizational turnaround. Putnam [17] posited a view that employees’ interpersonal relationship, mutual collaboration, cooperation and care for each other
resultantly create a “social capital” which significantly impacts on the organizational productivity and performance. Their social learning and cognitive development come in the way of their secured and trusted co-worker relationships. Co-workers and interpersonal relationship significantly impact on mental and physical well-being of employees [18]. Employees’ social well being is the resultant outcome of the employees’ mutual relationship as well as the relationship with supervisor. Trust is the relationship that aligns the leadership and employees in organizational perspective and is a salient factor in predicting job satisfaction. Supervisors’ relationship is specifically important in organizations as the employees monitoring, reporting, assessment and feedback are the key responsibilities of supervisors [19]. Effectiveness of supervisors’ communication with employees make employees guided, vision oriented and keeps them aligned of organizational perspective [20]. Good relationship with supervisor is associated with supervisor’s support i.e. number of supervisor and employees’ meetings and cooperation offers to employees by the supervisors, which encompass the charm in work by fostering job involvement and reduces absenteeism and turnover intensions [21].

Extrinsic Rewards: The extrinsic rewards better known as tangible rewards are the benefits given to employees as a result of their higher performance. A reward is a return or an appraisal that an employee receives after showing effective work performance. The importance of rewards in context of multiple job characteristics have been investigated earlier i.e. with promotions, fringe benefits, behavior of supervisors and coworkers, salary, job security and group interconnectedness [22, 23]. The extrinsic rewards include the tangible and monetary appreciations i.e. pay enhancement, bonus, allowances and tangible compensation like grants etc [24, 25] defined it as the monetary compensation or the financial rewards that motivate employees for higher performance. The rewards play encouraging role in enhancing the performance of the organization by keeping them motivated and satisfied. Donald et al. [26] investigated role of demographic variables i.e. investigated the role of age in predicting the relationship between job satisfaction and extrinsic rewards and found that the job satisfaction is significantly associated with employees’ perception of rewards.

According to Wilson [27] an affective organizational intervention leads to benefit oriented appraisal to employees with appreciation, respect and recognition. Deeprose [28] stated that the perception of rewards makes employees impartial and solicitous towards their work practices. The rewards create synergy of employees that significantly enhances the organizational accomplishment. Flynn [29] is of the view that the higher levels of employees’ motivation and satisfaction are the resultant outcomes of acknowledging the employees’ efforts with pay enhancement, bonuses and other tangible benefits. Reward brings internal satisfaction and helps in maintaining the confidence and momentum in workforce that supposedly becomes the source of valuable financial achievement of organizations. According to the evidence of an empirical research, rewards impact significantly in enhancing the employees’ performance [30].

Job Satisfaction: The term job satisfaction is defined as the psychological affiliation of employees’ with their work place. Wiener [31] states that Job satisfaction is a work related attitude influenced by the multiple aspects of job. Hopkins [32] defined it as “the fulfillment or gratification of certain needs of the individual that are associated with one’s work”. Chelladurai [33] defined it as the cognitive attachment of employees’ with organization. The highly satisfied and committed employees serve as the competitive advantage for an organization. Employees feel more loyalty and association with their organizations if they are satisfied from job, workplace and organizational working conditions [34].

[25] investigated the relationship between job satisfaction and multiple characteristics of job and found that the job satisfaction is positively associated with job security, turnover reduction, co-workers’ and supervisors’ behavior and attitude, perception of rewards and career growth promotional opportunities and performance outcomes. Majority of the organizations in today’s business environment are seeking to maintain a highly motivated and committed work force that can help in long-term survival of an organization. [36] posited a view that the job satisfaction is an affective motivator in predicting the overall organizational accomplishment of the organization. Clark [37] analyzed the multiple factors affecting the job satisfaction of employees concluded that the satisfaction with pay and job security are most important predictors of job satisfaction with a least contribution of promotional opportunities influencing employees’ job involvement and absenteeism reduction. Job satisfaction helps employees aligning their vision with the vision of their organization as they will work with an expectation of receiving higher benefit that becomes the source of organizational turn around. [38, 39] stated a
view that the job satisfaction impacts positively and significantly on the work performance and productivity of employees. Employees feel more strongly affiliated with their organizations if the organizational intervention influences their performance and maintains a climate of individual development and social wellbeing [40].

On the Basis of above Literature Review the Following Hypothesis Can Be Deducted:

H1 : Job Climate has a positive and significant impact on Job Satisfaction.
H2 : Extrinsic Rewards has a positive and significant impact on Job Satisfaction.
H3 : Age has a moderating effect on the relationship between Job Climate and Job Satisfaction.
H4 : Age has a moderating effect on the relationship between Extrinsic Rewards and Job Satisfaction.

Research Design and Methodology: The present study aims at exploring the moderating effect of age on relationship between job climate, extrinsic rewards and job satisfaction in banking professionals. These banking executives belong to both public and private sector banks. All the banks are being chartered and regulated by the state bank of Pakistan under the state bank regulations. The state bank monitors the activities and performance of these banks periodically. As the functionality of all these banks is similar so the working patterns of these banking managers are also quite similar. Therefore, due to the extensive working experience and sufficient organizational knowledge the population of executive level employees are considered for study, as they may better explain the perspective of job climate they perceived in their organization. For the purpose of research, a purposive sampling technique was used to record the responses of 131 branch managers, area managers and regional managers at a response rate of 92%. The data is collected through self administered questionnaires.

Job Climate: The job climate can be defined as job perspective containing both the physical and psychological factor of job. It is a multidimensional variable in which most important characteristics are job security, interpersonal relationship, promotional opportunities, relationship with supervisor and satisfaction from compensation and performance appraisal programs. The job climate explains how a job communicates with employees' psychological consciousness and influences their performance. The items of the questionnaire are self developed specifically for this study and are related to several important characteristics of job mentioned above said. The validity of the questionnaire is measured through 'exploratory factor analyses' that loaded the ratings on each item of the scale making the highly loaded items as the part of questionnaire. Likert scales from 1 “strongly disagree” to 5 “strongly agree” was used to record the responses.

Extrinsic Rewards: The extrinsic rewards can be defined as the monitory or tangible rewards and appreciation given to the employees for their high performance. The extrinsic rewards were measured through a questionnaire in which the items are self developed specifically for his study. The validity of the questionnaire is measured through 'exploratory factor analyses' that loaded the ratings on each item of the scale making the highly loaded items as the part of questionnaire. A likert scale ranging from 1 “strongly disagree” to 5 “strongly agree” was used to record the responses.

Job Satisfaction: The Job satisfaction is defined as the psychological emotional attachment of employees with their organizations. It is a positive emotional attachment state. It is measured through a Job satisfaction questionnaire developed by Schriessheim and Tsui [41]. A likert scale ranging from 1 “strongly disagree” to 5 “strongly agree” was used to record the responses.

Analysis: The analysis of the data is done with SPSS 15 and AMOS 18. The overall reliability of the data i.e. Cronbach’s Alpha was found to be r = 0.89. The reliability of the individual scales were also found, as r = 0.77 for job climate r = 0.79 for extrinsic rewards and r = 0.81 for the job satisfaction. The analysis of the data showed very interesting results. In all of 131 questionnaires, 68.7% (90) are male while the rest 31.3% (41) are females. Majority of the respondents (40) belong to age group between 21-25 years while the least number of the respondents (11) belong to the age group of 41-50 years. Majority of the respondents 68 have an educational level of Masters, while the least number of respondents (2) have PhD degree. In all of 131 respondents, (31) 23.7% have income level Rs. 20,000-30,000 per month while the only .8% respondents have income of more than Rs.100, 000. Majority of the respondents 52.7% are married while the rest 47.3% are unmarried. Majority of the respondents (50), have a job experience of 3-5 years, while only 13 respondents have work experience of more than 10 years.
The exploratory factor analysis performed on 40 items of job climate yield eight such items that explained the crux of the job climate. The factor loading on every item is measured and the item with factor loading greater than .65 is explicitly considered for further analysis. These items are related to the job security, interpersonal communication and relationship, supervisor relationship, promotional opportunities and rewards. The KMO and Bartlett’s test further strengthened the evidence that all the items selected are highly important while explaining the concept of job climate. The value of KMO is found .774 and for Bartlett’s it is found 0.00. The significance of both the values indicate the strong contribution of the selected eight items as the most essential while measuring the job climate in an organization.

The similar analysis is performed on the 20 items of extrinsic rewards yield four such items essentially important to measure the extrinsic rewards. The values of KMO=.728 and Bartlett’s= 0.00 significantly concluded that these four items are exclusively included while measuring the extrinsic rewards.

Analysis showed that among all the three variables the mean value of the job climate M=3.57 and extrinsic rewards M=3.57 are the highest. The similarity of the mean values of the job climate and extrinsic rewards indicates that the features of the job climate are very much valuable for the organizational workforce. Employees seek a positive job climate where the future is bright and the managerial intervention together with fair performance appraisal and compensation system could make them intrinsically motivated and satisfied from their job. The supervisors’ communication with employees is quite affective and cooperative rendering employees to work in a more productive and motivating environment.

The correlation results showed a strong correlation among job climate and job satisfaction. The multiple facets of job and work characteristics urge on employees to remain attached and loyal with the organization. They are satisfied with the optimal levels of job facets like job security, coworkers and supervisory relationship, promotion, pay and fringe benefits. The employees’ intentions towards absenteeism and turnover from their job are almost negligible.

The Table 3 shows the moderating effect of age on the relationship. The magnitude of the job climate has been reduced due to the presence of moderator [42]. The magnitude of the relationship between job climate and job satisfaction is reduced to B=.531 from .736 at a significance of 0.00 due to the presence of moderating variable. Likewise, the magnitude of relationship between extrinsic rewards and job satisfaction has been reduced due to the moderating effect from B=.609 to .796 at a significance level of 0.00. The analysis thus indicates a partial moderating effect of the age on both the relationships.

Further analysis done with SEM indicates a reasonable fit model in all measures. The causal model summary indicates the following measurement values. In the model the Goodness of Fit, GFI= .87, Adjusted Goodness of Fit, AGFI=.76, Normed Fit Index, NFI= .82, Comparative Fit Index, CFI=.86, Chi-Square= 86.19, p-value= 0.00, Rot mean Square Appropriation, RMR= 0.58, Root Mean Square, RMESA=.142, Incremental Fit Index, IFI=.87 Not Normed Fit Index, NNFI=.80. The values of SEM showed that the model is reasonable fit. The values of GFI, AGFI, IFI, CFI, NFI and NNFI close to .90 indicate a good fit and close to 1.00 indicate perfect fit.

**DISCUSSION**

The results of the investigation made us clear that age has a significant influence on the relationship between the job climate, extrinsic rewards and job satisfaction. Job climate incurs multidimensional impact on the essential job characteristics thereby substantially creates a concurrent and liable human resource. System transparency with meaningful organizational intervention render the appropriateness of performance appraisal programs in which employees feel that they are secured and are accustomed of organizational working style, thereby posses a clear and vision oriented path of getting ahead in the organization. The employees’ perception and expectations about multiple facets of job climate i.e. promotional and career opportunities, appreciation, gratitude and rewards are significant notions of their increasing performance and growth at workplace. The employees will work with a sense of competitiveness and optimism as they may see the outcome of their efforts.

Job climate also refers to an environment of quality interpersonal relationship and communication rendering social learning and work collaboration among employees. The peaceful and helping environment motivate the employees to work in integrative systematic pattern demonstrating a symmetrical organizational behavior. This working perspective is further elaborated as the employees’ relationship with supervisors and immediate bosses are balanced and plausible. This trust oriented relationship fosters the supervisors’ offer of help and cooperation to employees with quality assessment, monitoring and feedback as a part of supervisors’ duty.
Table 1: Mean and Standard deviations of the variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Climate</td>
<td>2.38</td>
<td>5.00</td>
<td>3.57</td>
<td>.58</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>1.67</td>
<td>5.00</td>
<td>3.52</td>
<td>.67</td>
</tr>
<tr>
<td>Extrinsic Rewards</td>
<td>2.00</td>
<td>5.00</td>
<td>3.57</td>
<td>.74</td>
</tr>
</tbody>
</table>

Table 2: Pearson's Correlation among variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td>.051</td>
<td></td>
</tr>
<tr>
<td>Job Climate</td>
<td></td>
<td></td>
<td></td>
<td>.738(***)</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>.145</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extrinsic Rewards</td>
<td>.071</td>
<td>.733(**)</td>
<td></td>
<td>79X(***)</td>
</tr>
</tbody>
</table>

Table 3: Moderating effect of Age, Job Climate and Extrinsic Rewards on Job Satisfaction

<table>
<thead>
<tr>
<th>Variables</th>
<th>R²</th>
<th>R²Change</th>
<th>F</th>
<th>t-value</th>
<th>Beta</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>JC</td>
<td>.542</td>
<td>.542</td>
<td>152.40</td>
<td>12.34</td>
<td>.736***</td>
<td>0.00</td>
</tr>
<tr>
<td>JC X Age</td>
<td>.282</td>
<td>.282</td>
<td>59.56</td>
<td>7.11</td>
<td>.531***</td>
<td>0.00</td>
</tr>
<tr>
<td>ER</td>
<td>.633</td>
<td>.633</td>
<td>222.81</td>
<td>14.92</td>
<td>.795***</td>
<td>0.00</td>
</tr>
<tr>
<td>ER X Age</td>
<td>.371</td>
<td>.371</td>
<td>75.92</td>
<td>8.71</td>
<td>.609***</td>
<td>0.00</td>
</tr>
</tbody>
</table>

***Beta is significant at p< 0.001

Table 4: Causal Model Summary

<table>
<thead>
<tr>
<th>Causal Model</th>
<th>RMR</th>
<th>GFI</th>
<th>AGFI</th>
<th>CFI</th>
<th>NFI</th>
<th>IFI</th>
<th>NNFI</th>
<th>RMSEA</th>
<th>Chi-Square</th>
<th>CMIN/DF</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.05</td>
<td>.87</td>
<td>.76</td>
<td>.86</td>
<td>.82</td>
<td>.87</td>
<td>.80</td>
<td>.14</td>
<td>86.91</td>
<td>3.62</td>
<td>.00</td>
</tr>
</tbody>
</table>

Working in such a supportive and conducive environment, employees will be loyal and satisfied from the workplace when they perceive the surplus benefits of job in their organizations as this will lead to a higher organizational accomplishment.

We posited four hypotheses all of which are accepted significantly. The results showed a stronger relationship between job climate and job satisfaction factually supporting that impact of multiple dimensions of job climate on job satisfaction. The banking managers have spent quite long time working in their organizations which enhanced their trust and made them emotionally and psychologically affiliated with their organizations. Because their organizations always admired their participation and involvement with appropriate performance appraisal, compensation monitory benefits, career growth opportunities and job security. Such a setup always leads to the long term strategic competitiveness of any organization.

The HR managers and policy makers should give attention in making the performance management and appraisal worthwhile in order to understand the needs and requirements of the employees for affective job performance. Especially, the old and experienced...
employees should be provided with higher compensation, respect and appreciation. The responsibility is on the management that how tastefully they maintain the organizational environment that motivates and keeps the loyalty of the employees by providing them with fair performance appraisal. The organizational intervention should be made affective to do so as that it will automatically respond to good and affectionate performance of its employees. The management should be solicitous about the strong and peaceful working relationships among employees and with supervisors as it will lead to greater productivity and decline in absenteeism rate of employees. Keeping a systematic environment of working and behavioral patterns of employees, the visionary accomplishment of organization will no longer remain impossible.

CONCLUSIONS

Job climate incurs multidimensional impact on the essential job characteristics thereby substantially creates a concurrent and liable human resource. The employees' perception and expectations about multiple facets of job climate i.e. promotional and career opportunities, appreciation, gratitude and rewards are significant notions of their increasing performance and growth at workplace. The employees will work with a sense of competitiveness and optimism as they may see the outcome of their efforts.

Limitations and Future Guidelines: The present study investigated only one sector of the economy i.e. financial services, banking sector. The sample size taken for the study is also small and limited to the management level only. This greatly limits the study's applicability because employees working at different levels of management perceive the dimensions of job climate differently and their needs are wants are also quite different corresponding to their position in organization. The data collected for the investigation is also less and on a cross sectional basis. The empirical evidence would be enhanced if the multiple sectors of the economy were explored and if the population contains both regional and metropolitan respondents i.e. construct is tested on demographical basis. In future, the multiple sectors of the economy should be investigated with a large sample size. The mix method and longitudinal data (time series) collection techniques should be used to enhance the wide applicability of the results. The mechanism of job climate is limited because the least involvement of the variables in the construct. The big picture of the concept can be depicted by investigating it with other important organizational variables like organizational citizenship behavior, organizational commitment, job involvement and feedback. Like the Managers, the concept of job climate should be investigated at subordinates’ level.

REFERENCES