The Influence of Individual Characteristics on Organization Performance and Job Satisfaction

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Abstract- Current study intended to describe the understanding of the contact among organization performance and dimension of individual characteristics (i.e. gender, education and age) and acquitting information of job satisfaction from middle and upper management of NBP, ABL and MCB especially from area Rawalpindi and Islamabad. The aim of current study was to analyze the impact of individual characteristics on job satisfaction and organizational performance. Correlation and regression are used to analyze the moderating role of relationship quality in influencing the relationship. The out comes to current study diagnose the direct relationship among job satisfaction and individual characteristics. Furthermore, relationship is directly and significantly affected by relationship quality. Current study will also be helpful to improve job satisfaction and performance of organization.

Index Terms- Job satisfaction, Individual characteristics, Organization Performance, Regression Analysis.

I. INTRODUCTION

Reputation of the firms and its delivery services has been directly affected by the employees because the organizations are more concerned now a day about to hire their employees. The main industry which depends on the services of its employees is the banking industry of any country. Today's world considered labor as a human capital which directly affected by the performance and efforts of labor. So for that the performance, partnership quality and value of the firms are directly affected by individual characteristics. More competition is just resulted due to globalization changes in banking sector, and human resources of the firms determine the success of firms due to increase competitions. McMahan and Wright (1992) defined "Strategic human resource management (HRM) being the major discipline as the model of designed human resource deployments and actions proposed to permit the firm to attain its goals. They highlighted that the area of strategic HRM is concerned to the decisions of HR practices, human capital resource composition, behaviors and the success of these decisions with in the competition and different business strategies (p. 298)".

Banking sector's growth now a days is very high as weigh against before but some projects has fall to gain high output just due to its relationship quality, and the major factor is like people's education, for example mobile banking services has been launched by Telenor by using tamer bank with label of Easy paisa, and that did not get good feed back because people have not good confidence and not feel reliable trend to send their cash through that services.

Strong relationships are made by the factor of education, for example now most of companies used mobile banking service to send quick information to their customers when transaction is made, its depend on its services how much information they send to their customer more quickly. In current scenario it's expected that application developer will added alerts, default transactions, standard beneficiary, amount format, time & date format, and also added language which is generally used by community.

Problem statement:

After the globalization and agreement of privatization the banking sector grow fastly in pakistan but the current growth of Pakistan's banking sector is still low than foreign banks' growth. The foreign bank's growth directly depends on the quality of relationship which improved through HR of that organization. According to Gellert & Schalk (2012) "direct relationship between individual characteristics and relationship quality and firm performance as evident from the literature shows the concern towards this area particularly in the banking sector due to the initiation of Islamic banking in 21st century". However the current study used aspects of personality which leads to individual characteristics and leader member exchange and as well as other aspects of individual characteristics like pay and experience etc are surrounded.

Purpose of the Study:

Gellert and Schalk (2012) done research on performance and the age on the perceptions of relationship quality, but his work ignore the other factor which affects individual characteristics like as experience, age and education. And the other thing is, that work has done in context of European surroundings, so for the implementation in the context of Pakistan environment which arise a need for this current study to be filled that gap. Current study analyzes the impact of individual characteristics of gender, age, education on the performance custody the role of perceptions of relationship quality as a moderating variable.

II. LITERATURE REVIEW

It's essential to know the impact in different ways by young employees rather than those of older employees, it's also essential to know, how quality improved by perceive and set standards from young employees and what are the benchmarks for older employees regarding eminence of association. Franz

and Rene (2012) said "Cooperation between members will also be dependent on age factor if age difference is low then range of cooperation will be large because some time cooperation requires informal mode between members so that if age difference is high then using of informal means will be less that will leads to low quality of relationship".

Magoshi & Chang (2009) and Sakuda (2011) "argued about age diversity and its effects on the quality of relationship some of the arguments said that diversity creates positive effect on the quality of the relationship and some of those say that diversity of gender has negative effects on the quality of the relationship. All over the world people have great interest on the research of diversity related issues but the fact is that most of the researches have been conducted on western societies and due to cross cultural issues it is recommended that research which is conducted on western society may be having some problems in implementing those on nonwestern society".

Khoreva (2011) said "if the gender pay gap result of discernible differences between individuals for instance differences in education, skills, length of work experience, it is not surprising that individuals do not perceive it. On other hand , if the gender pay gap is due to unexplained variables such as inequality and various types of discrimination, individuals might perceive it and struggle against it".

"Individuals who are more educated are compensated more without gender differences. Men are paid in case of labor work because it is perceived that man work more hard as compared to women. The individuals who are more educated as judge against to who are less educated make out more gender difference" said by Judge & Livingston (2008) and Khoreva (2011).

According to Vicente (2011) "human capital is the most important factor which brings change in employee productivity and increase firm performance the investments on human capital leads towards high performers and excellent results organization financial results. Eventuality studies using organizational characteristics as moderators are needed to gain further insights into human capital-performance relationships. Human resource practices are more effective in complex or large organizations as compared to small organizations. There should be more focus on organizational size while using Hr practices .Unfortunately, studies that have analyzed the impact of human capital on firm performance only considered organizational size as a control variable or took samples of either large or small firms. Therefore ignoring the potential influence of organizational size on the relationship between human capital and firm performance and preventing comparative studies between large and small 5/firms".

Malik et al. (2011) analyze "employee Performance basically depend on many factors like performance appraisals, employee motivation, employee satisfaction, compensation, training and development, job security, organizational structure and other, but our area of study is focused only on two basic factors: Employee motivation and organizational Structure, these two factors highly influence the performance of employees".

III. THEORETICAL FRAMEWORK
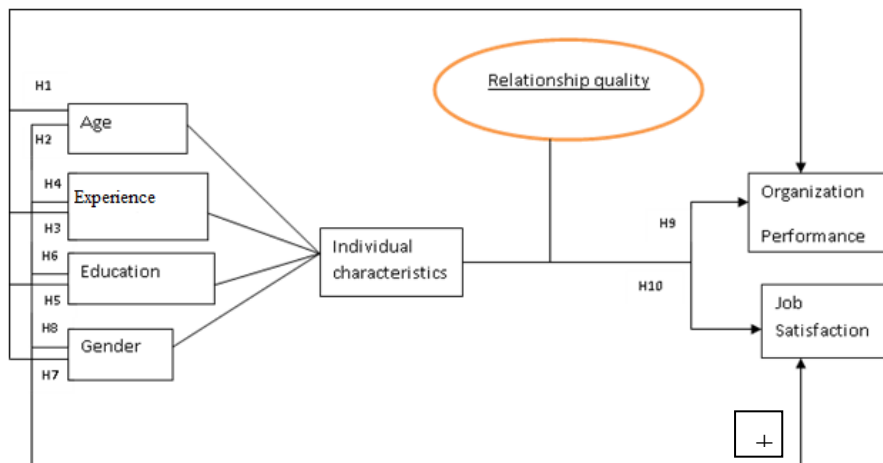
Hypotheses:

H_1: Organization performance has direct relation with Age of the employee.

H_2: Job satisfaction has a positively affected by Age of the employee.

H_3: Organization performance has positively affected by Experience of the employee.

H_4: Job satisfaction has positively affected by Experience of the employee.

H_5: Organization performance has positively affected by Education of the employee.

H_6: Job satisfaction has positively affected by Education of the employee.

H_7: Organization performance has positively affected by gender.

H_8: Job satisfaction has positively affected by gender.

H_9: organization performance and individual characteristics has effected by relationship quality.

H_{10}: Job satisfaction has affected by relationship quality.

Research Methodology:

For current study the researcher adopts quantitative approach, as statistical tools were used for hypothesis testing and

for ultimate outcomes. Effects of individual characteristics are measuring causally on job satisfaction and organizational performance and relationship quality was taken as moderating variable for organizational performance.

Instrument Development:

The instrument used for the data collection was a survey questionnaire containing structured close ended questions. Ordinal data was analyzed on the 5-point likert-scale. The questionnaire had two sections with section A as the demographic profile and section B contained the responses on a 5-point likert-scale. Section A catered information on the name of the individual along with gender, age, experience and education; with age being divided into groups of 20-30, 30-40, 40-50, 50 and above, experience options included no experience, less than 1 year, 5-10 years and more than 10 years and education included the options of no formal education, intermediate or below, bachelors, masters, Ms/M-Phil and PhD. The second part contained the questions on a 5-point scale measuring the responses on the variables. This part contained different items to measure responses on the variables with questions being adapted from various research papers; 10 items on individual characteristics (containing 3 items on age,3 on gender,2 on experience and 2 on education) were adapted from the research paper of Adit et al (2005),6 items on relationship quality(containing 3 items on autonomy and 3 on cooperation)were adapted from the paper of Gellert and Schalk (2012),6 items of job satisfaction adapted from WELCO (2011) and 6 items of organization performance adapted from Fox (2005). All items were measured using 5-point likert-scales (*1- strongly agree and 5- strongly disagree*)

Population and Sample:

Top and middle level employees of Pakistan's banking industry are taken as a population of current study. ABL, NBP and MCB's top and middle level employees from Islamabad and Rawalpindi region were considered as sample for current study. Due to time limitations convenience sampling technique was use for data collection and collect data from 396 individuals.

Data collection Procedure:

Collect data through self administrated structured questionnaire. Through personal distributions and through emails 450 questionnaires were distributed and 396 individuals responded. Among these only 300 questionnaires were properly filled and that were used for further analysis of current study.

Data analysis technique:

Descriptive analyses were use for taken averages and percentages of variables and correlation and regression analysis were used to check the relationship between independents and dependent variables.

IV. RESULTS & DISCUSSION

Demographic Analysis:

From 300 respondent 119 are male and 2 female in the 30-40 year age group, who have masters degree and among them only 29 percent have 5-10 year job experience. Furthermore, 50 year or above old male employees are only 40 out of 300, and only 12 percent have master degree holder and only 4 percent have 10 year job experience. Total male employees were 264 out of 300 and 233 have master degree holder out of total.

Table 1: Individual characteristics of the sample

		Gender		Education				Experience			
		Male	Female	P.hD	MS/ M.Phil	Master	Bachelor	less than 1 year	5-10 years	Above 10 years	Total
Age	20-30	34	34	4	11	50	3	16	52	0	68
	30-40	119	2	3	23	88	7	30	86	5	121
	40-50	71	0	0	8	63	0	8	42	21	71
	50 Above	40	0	0	6	32	2	4	24	12	40
Total		264	36	7	48	233	12	58	204	38	300

Descriptive Analysis:

Table 2 shows descriptive analysis. Which shows that total sample size was 300 for which test was conducted. Furthermore, it also explains standard deviation, mean, kurtosis and skewness of the sample data. The mean is "showing the arithmetic average of the scores obtained from respondents with standard deviation showing square root of variance from the mean. Skewness shows the degree of steepness whereas; kurtosis shows the degree of peekness of the shape of distribution".

Table 2: Descriptive statistics

	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
AGE	6.8267	2.18954	.473	.141	-.696	.281
Gender	7.9511	1.58420	.183	.141	-.513	.281
Experience	4.7383	.72396	-.925	.141	.435	.281
Education	3.9700	1.34914	.462	.141	.182	.281
Cooperation	6.6789	2.20086	.023	.141	-.389	.281
Autonomy	6.4967	2.21888	.677	.141	-.533	.281
J.Satisfaction	16.4700	1.79847	.399	.141	-.380	.281
Org.Perf	11.9989	2.86702	.265	.141	-.793	.281

Correlation Matrix:

All individual characteristics have significant relationship with organization performance at 1% level of significance. Another explained variable "Job satisfaction" has also significant association with all individual characteristics at 5% and 1% significance level excluding experience and age and detail shown in table 3.

Table 3: Correlation Matrix

	AGE	Gender	Experience	Education	Cooperation	Autonomy	J.Satisfaction	Org.Perf
AGE	1							
Gender	.127*	1						
Experience	.367**	.249**	1					
Education	.619**	-.149**	.471**	1				
Cooperation	.408**	.378**	.574**	.608**	1			
Autonomy	.584**	.515**	.373**	.422**	.678**	1		
J.Satisfaction	.080	.421**	.091	.135*	.537**	.297**	1	
Org.Perf	.442**	.278**	.503**	.363**	.678**	.467**	.193**	1

*.Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Regression Analysis for Hypothesis Testing:
Table 4: Regression Analysis

Hypothesis	Description	β	t-value	p-value
H1	Age ⟶ Organizational performance	.442	8.502	.000
H2	Age ⟶ Job satisfaction	.080	1.390	.166
H3	Experience ⟶ Organizational performance	.503	10.050	.000
H4	Experience ⟶ Job satisfaction	.091	1.584	.114
H5	Education ⟶ Organizational performance	.363	6.730	.000
H6	Education ⟶ Job satisfaction	.135	2.353	.019
H7	Gender ⟶ Organizational performance	.278	5.002	.000
H8	Gender ⟶ Job satisfaction	.421	8.008	.000
H9	Indiv.Char ⟶ RQ ⟶ Org.Perf	.507	4.945	.000
H10	Indiv.Char ⟶ RQ ⟶ Job.Satis	.671	5.730	.000

Notes: n = 300, Arrow indicates the direction of impact

V. DISCUSSION

Current study analyzes the impact of individual characteristics on job satisfaction and organization performance and also analyzes the individual characteristics on job performance and organization performance by influence of individual characteristics. Results of currnt study shows that individual characteristics have considerable relationship with job satisfaction and organization performance but few independent variable has showed insignificant relationship(i.e. experience and age) on job satisfaction. 8 hypotheses were accepted out of 10 hypotheses and remaing two hypotheses are rejected. Discuss below in detail.

- The coefficient value of age is 0.195, which shows one year more age increase the 19.5 percent chance to increase organization performance. That's why H_1 is accepted.
- The coefficient value of age is 0.08, which shows one year more age increase the 8 percent chance to increase job satisfaction.
- The coefficient value of experience is 0.503, which shows one year more experience increase the 50.3 percent chance to increase organization performance. So for that hypothesis H_3 is accepted.
- The coefficient value of experience is 0.091, which shows one year more experience increase the 9.1 percent chance to increase job satisfaction. The result is insignificant statistically.
- The coefficient value of education is 0.363, which shows one year more education increase the 36.3 percent chances to increase organization performance. So for that hypothesis H_3 is accepted and result is significant at 5 percent level of significance.
- The coefficient value of education is 0.135, which shows one year more education increase the13.5 percent chance to increase job satisfaction.
- The coefficient value of gender is 0.287, which shows that the male employee increases 28.7 percent chances to increase organization performance and result is significant at 5 percent level of significance.
- The coefficient value of gender is 0.421, which shows that the male employee increases 42.1 percent chances to increase job satisfaction and result is significant at 5 %.
- The coefficient value of individual characteristic is 0.507, which shows that the one percent increases in individual characteristic increases 50.7 percent chances to increase organization performance and result is significant at 5 %.
- The coefficient value of individual characteristic is 0.621, which shows that the one percent increases in individual characteristic increases 62.1 percent chances to increase job satisfaction and result is significant at 5 %.

VI. RECOMMENDATIONS

According to the results of this study, it's suggested that the performance of any organization has been improve by improving its relationship quality, for example the organization improve its cooperation and justice with employees. Furthermore, job satisfaction is also improved by improving relationship quality. According to the results of current study, experience and age have a positive relationship with job satisfaction but statistically insignificant, so, organizations should focus to hire aged and experienced personnel which may enhance the performance of organization.

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