

Full Length Research Paper

Factors influencing job satisfaction of banking sector employees in Chennai, India

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The term job satisfaction has been conceptualized in many ways. Job satisfaction focuses on all the feelings that an individual has about his/her job. It has been assumed by organizational behavior research that individuals who express high satisfaction in their jobs are likely to be more productive, have higher involvement and are less likely to resign than employees with less satisfaction. It has been already studied by various authors in various spheres. However the researcher has studied job satisfaction of employees in new private sector and select public sector banks specifically in the banking sector of the main metropolitan city named Chennai. Banks are the backbone of our country and therefore their contribution to the nation should be to the fullest. The researcher has done a factor analysis using principle component method to find out the different factors that affect the job satisfaction of banking sectors employees.

Key words: Job satisfaction, employee satisfaction, job involvement, banking sector.

INTRODUCTION

Job satisfaction is a topic of wide interest to both people who work in organizations and people who study them. It is a most frequently studied variable in organizational behaviour research, and also a central variable in both research and theory of organizational phenomena ranging from job design to supervision (Spector, 1997). The traditional model of job satisfaction focuses on all the feelings that an individual has about his/her job. However, what makes a job satisfying or dissatisfying does not depend only on the nature of the job, but also on the expectations that individuals have of what their job should provide. Satisfied employee is inclined to be more industrious, inspired, and dedicated to their work (Syptak et al., 1999). Job satisfaction results from the exchange of personal factors, such as principles, character, and opportunity with employment factors such as the impression of the work situation and the job itself (Davies et al., 2006).

REVIEW OF LITERATURE

Job satisfaction is defined as all the feelings that an individual has about his/her job. Researchers have attempted to identify the various components of job satisfaction, measure the relative importance of each component of job satisfaction and examine what effects these components have on workers' productivity.

Maslow (1954) suggested that human needs form a five-level hierarchy ranging from physiological needs, safety, belongingness and love, esteem to self-actualization. Based on Maslow's theory, job satisfaction has been approached by some researchers from the perspective of need fulfillment (Kuhlen, 1963; Worf, 1970; Conrad et al., 1985).

Herzberg et al. (1959) formulated the two-factor theory of job satisfaction and postulated that satisfaction and dissatisfaction were two separate, and sometimes even unrelated phenomena. Intrinsic factors named 'motivators' (that is, factors intrinsic to the nature and experience of doing work) were found to be job 'satisfiers' and included achievement, recognition, work itself and responsibility. Extrinsic factors which they named

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'hygiene' factors were found to be job 'dissatisfiers' and included company policy, administration, supervision, salary, interpersonal relations and working conditions. Herzberg and Mausner's Motivation-Hygiene theory has dominated the study of the nature of job satisfaction, and formed a basis for the development of job satisfaction assessment (Table 1). Thus job satisfaction is the affective orientation that an employee has towards his or her work (Price, 2001). It can be considered as a global feeling about the job or as a related constellation of attitudes about various aspects or facets of the job. The global approach is used when the overall attitude is of interest while the facet approach is used to explore which parts of the job produce satisfaction or dissatisfaction.

Kennerly (1989) investigated the relationship among administrative leadership behaviors, organizational characteristics, and faculty job satisfaction in baccalaureate nursing programs of private liberal art colleges. The existence of organizational behaviors such as mutual trust, respect, certain warmth, and rapport between the dean/chair and the faculty member was a predictive factor in the development of nurse faculty job satisfaction.

Billingsley and Cross (1992) studied 956 general and special educators in Virginia investigated commitment to teaching, intent to stay in teaching, and job satisfaction. Findings of this study revealed greater leadership support, work involvement, and lower levels of role conflict and stress-influenced job satisfaction for both groups studied.

Moody (1996) reported a relationship between number of years teaching in the institution and satisfaction with the job, salary and coworkers.

Spector (1997) has reviewed the most popular job satisfaction instruments and summarized the following facets of job satisfaction: appreciation, communication, co-workers, fringe benefits, job conditions, nature of the work itself, the nature of the organization itself, an organization's policies and procedures, pay, personal growth, promo promotion opportunities, recognition, security and supervision, Job satisfaction and its relating factors. He also felt that, the above approach has become less popular with increasing emphasis on cognitive processes rather than on underlying needs so that the attitudinal perspective has become predominant in the study of job satisfaction.

Truell et al. (1998) stated that with limited studies regarding job satisfaction among faculty in community colleges, the study of job satisfaction is essential due to the increasing number of student enrollments. Truell et al. (1998) found that faculty in their sample were more satisfied with the job itself.

Doughty et al. (2002) studied Nurse Faculty at a small Liberal Arts College assessing perception of Nurse Faculty regarding their work environment. Factors most appreciated by faculty were involvement, coworker cohesion, supervisor support, and autonomy. This study

showed that many factors contribute to job satisfaction of Nurse Faculty. Castillo and Cano (2004) conducted a study at an agricultural college at a large university by using the Herzberg's theory and the Wood Faculty Satisfaction/ Dissatisfaction Scale (WFSDS) to explore the factors that explain job satisfaction.

Their findings showed that the work itself was the most important factor that contributed to job satisfaction, with working conditions being the least important.

However, they did report that all of the factors of the Herzberg's theory were moderately related to job satisfaction. The increase in enrollment and the demands placed on faculty by the community, hospitals, and the college to produce a larger number of nursing graduates appears to be affecting morale and overall job satisfaction.

Hsiu-Chin et al. (2005, fourth quarter) findings were consistent with results of a study in Taiwan on Nurse Faculty job satisfaction and their perceptions of nursing deans' and directors' leadership styles. Findings revealed that Taiwanese Nurse Faculty is moderately satisfied with their jobs and that they preferred that their dean use a transformational type of leadership.

Ambrose et al. (2005) conducted a qualitative study to investigate faculty satisfaction and retention. The study focused on the faculty of a private university over a period of 2 years. Findings suggested sources of satisfaction or dissatisfaction clustered into areas such as salaries, collegiality, mentoring, and the reappointment, promotion, and tenure process of departmental heads.

Brady (2007) reported that many of the factors that affect nurse faculty in baccalaureate- and graduate degree nursing programs have a consequence on the retention of nurse faculty in associate-degree nursing programs as well.

Various studies discussed shows that job satisfaction has been studied with relevance to co-worker behavior supervisor behavior, pay and promotion, organisational factors and other work related factors. In some studies the employees were highly satisfied or otherwise. Dominating studies in job satisfaction are available on nursing, teachers, doctors etc. But a study in banking sector is very rare. The gap in this literature is the negligible studies available in Chennai with special reference to banking sector employees that has motivated the researcher to find out the factors influencing employee job satisfaction in banking sector-Chennai. Banking sector is a prime sector in the national scenario and mainly it has survived unaffected in spite of the recession.

Therefore this study will form a base for future researchers to conduct studies with respect to banking sector in Chennai / Tamilnadu, India.

OBJECTIVES OF THE STUDY

- (i) To identify the factors influencing Job satisfaction of

Table 1. Total variance explained.

Component	Initial Eigen values			Rotation sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
Pay and promotion	13.622	54.488	54.488	11.043	44.172	44.172
Organisation factors	4.190	16.761	71.249	5.397	21.589	65.761
Supevisor behaviour	2.821	11.283	82.531	3.622	14.486	80.247
Job and working condition	1.761	7.044	89.576	2.172	8.688	88.935
Co-worker behaviour	1.346	5.385	94.960	1.506	6.026	94.960

employees in banking sector in Chennai.

(ii) To give suggestions to the banking sector about the factors influencing Employee commitment level in the organization as it in turn influences the productivity and services to the nation.

RESEARCH METHODOLOGY

The methodology of the study is based on the primary as well as secondary data. The study depends mainly on the primary data collected through a well-framed and structured questionnaire to elicit the well-considered opinions of the respondents. The study is confined to a few selected Public and New Private Sector Banks in Chennai. The researcher has taken 8 Public sector banks and 5 New private sector banks located in Chennai City.

Multi-Stage Random Sampling Method was used in the study to select the sample. A "multistage random sample" is constructed by taking a series of simple random samples in stages. In a multistage random sample, a large area, such as a country, is first divided into smaller regions (such as states), and a random sample of these regions is collected. In the second stage, a random sample of smaller areas (such as counties) is taken from within each of the regions chosen in the first stage. Then, in the third stage, a random sample of even smaller areas (such as neighborhoods) is taken from within each of the areas chosen in the second stage. If these areas are sufficiently small for the purposes of the study, then the researcher might stop at the third stage. If not, he or she may continue to sample from the areas chosen in the third stage, etc., until appropriately small areas have been chosen-Valerie J. Easton and John H. McColl's (Statistics Glossary v1.1) Similarly in this study out of the whole country Chennai is chosen as the first step, In Chennai whether public sector or private sector bank is the next stage of random sampling and in which level within private or public sector bank is the third step of random sampling.

A total of 120 questionnaires have been distributed and out of which 60 from Public sector banks and 60 from New private sector banks were received. After the scrutiny of these questionnaires, 8 questionnaires from Public sector banks and 12 questionnaires from New private sector banks were rejected on account of incomplete responses. Finally, 100 completed questionnaires were used for the present study.

The job satisfaction scale consisted of 25 statements. It was measured on a Likert's 5 point scale ranging from strong agree, agree, neutral, disagree and strongly disagree. This questionnaire is independent of age, education and salary. The scale was a standardized tool (Pretested reliability Score was 0.64) developed by Shamshad Ahmed, Department of Psychology, Justice Basheer Ahmed Sayeed College for Women, with reference to: job satisfaction scale developed by Dubey et al. (1989) and Nath (1988), organisational climate, role stress and locus of control, job involvement and satisfaction among Banking Personnel. The

same scale was applied here and its Cronbach's Alpha Co-efficient

Reliability Score was tested and found as 0.784. Sample items include "on the whole I feel I have good prospects or advancement in my job", "working condition in this organization is satisfactory", "my job has helped me to learn more skills".

ANALYSIS AND INTERPRETATION

Factor analysis was used to reduce a large number of variables into fewer numbers of factors. Factor analysis extracted maximum common variance from all variables and put them into a common score. As an index of all variables, this score was used for further analysis.

Principal component analysis: This is the most common method used by researchers. PCA starts extracting the maximum variance and puts them into the first factor. After that, it removes that variance explained by the first factors and then starts extracting maximum variance for the second factor. This process goes to the last factor. Factor segmentation was done and it is explained through the correlation values derived from the communalities table.

FACTOR ANALYSIS

Factor analysis by principle component method extracted 5 predominant factors as shown below: The total variance of the 25 items is found to be 94.960 which is significantly greater than the benchmark variance value 60%. The factor segmentation is revealed through the correlation values exhibited in the communalities table.

(i) Pay and promotion was the first factor that was reduced using the principle component analysis containing identified 5 items "as per work requirement my pay is fair – 0.986", "Comparing the salary for similar jobs in other organizations I feel my pay is better – 0.982", "my pay is enough for providing necessary things in my life– 0.967", "I have been getting promotion as per my qualification and experience–0.950", " promotions are made on merit in this organization – 0.919".

(ii) Organisation aspects was the second major factor reduced through principle component analysis containing

5 items “I feel proud for working in this organization–0.980”, “I think this organization treats its employees better than any other organization–0.976”, “I feel that I have opportunity to present my problems to the management– 0.966”, “I have full confidence in the management of this organization–0.945”, “favouritism does not have any role to play in this organization 0.924”

(iii) Supervisor behaviour was the third factor reduced using Principle Component Analysis containing 4 items “on the whole, I am satisfied with the general supervision in my department – 0.995”, “my supervisor behaves properly with me – 0.974”, “my superior keeps me informed about all policies/happenings of the organization – 0.973”, “my superiors take into account my wishes as well as work done – 0.918”.

(iv) Job and working condition was the 4th factor reduced using Principle Component Analysis containing 6 items “I feel that my job is reasonably secure as long as I do good work–0.987”, “my present job is as per my ability/qualification and experience – 0.979”, “I usually feel fresh at the end of the day’s work–0.974”, “working condition in this organization is satisfactory – 0.973”, “my job has helped me to learn more skills – 0.922”, “on the whole I feel I have good prospects or advancement in my job – 0.891”.

(v) Co-worker behaviour was the 5th factor reduced using Principle Component Analysis containing 5 statements “my co-workers will inform me of what happened in my department when I was not on duty–0.985”, “there is high team spirit in the work group – 0.977”, “I am glad to work with all my co-workers in my department – 0.935”, “I often ask the opinion of my co-workers who work in my unit – 0.928”, “communication between me and my co-workers is free and open – 0.833”.

Extraction method: Principal component analysis

The total variance table explains among 5 variables “pay and promotion” has the highest variance of 44.172% and it is considered to be the most influencing factor of the job satisfaction of the banking sector employees in Chennai. The banking sector has to consider the pay and promotion with serious intention to avoid any dissatisfaction with respect to the same. Dissatisfaction with respect to pay and promotion leads to increased retention rate.

The next important factor influencing job satisfaction was organization aspects with variance of 21.589%; “supervisory behavior” with variance of 14.486% cannot be ignored as it really impacts the satisfaction level which might lead to negligent behaviour and absenteeism; job and working condition with variance of 8.688% though might look less important but practically it has a great impact on job satisfaction and last but not least is the coworker behavior with 6.026% of variance influencing

job satisfaction.

Conclusion

Extensive literature reveals that Job Satisfaction is dependent on supervisor behavior, coworker behaviour, pay and promotion, job and working condition and organizational aspects. In the case of job satisfaction aspects the commercial banks perceived pay and promotion is an indispensable factor to decide their satisfaction level. The employees have significant inclination towards optimistic supervisory behavior and pleasant organizational setup. The factor analysis meticulously identified that the job suitability as well as the working condition and other interpersonal relationship among the workers are able to ascertain their level of satisfaction within the working domain. Employees must be cared for and counseled in order to increase their satisfaction level in the organization based on the aspects identified as per above analysis. Banks being the financial backbone of the country will be ruined only by such meager percentage of less satisfied people. If less job satisfaction is not cared for then it would automatically lead to job dissatisfaction and therefore it would lead to negligent behavior and turnover of employees.

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