



JOB SATISFACTION AMONG EMPLOYEES OF BANKS: A COMPARATIVE ANALYSIS BETWEEN PUBLIC AND PRIVATE SECTOR BANKS OF PUNJAB, PAKISTAN

Rai Imtiaz Hussain¹

ABSTRACT

The aim of this study was to examine job satisfaction among private and public banking sector in Punjab Pakistan and how different factors affect the job satisfaction. This research explained the factors which create the job satisfaction. These factors are supervision, job security, promotional opportunities, relationship with co-workers and pay. The result of the study shows that most of the employees in banking sector are satisfied with their job. Positive correlation was found between job satisfaction and job security, good supervision, promotional opportunities, pay and relationship with co-worker. Furthermore, Independent T-test was used to see the job satisfaction between employees of public and private sector. There was no significant difference of satisfaction between Public Sector employees and private sector employee in banking sector.

Key Words: Job satisfaction, Private Banks, Public banks, Supervision, Job security, Pay, Promotional opportunities, Relationship with co-workers.

INTRODUCTION

A major portion of man's life is spent in work which is a social reality which a man seems to conform. Even then the economic motive of men has not satisfied. It is of great interest to know why men work and how he/she satisfied with the job. Job satisfaction is an employee's positive reaction toward a specific job. It is an outcome which is obtained by the comparison of actual results with the expected results (yasir at al., 2011).

With the opening of economy of Pakistan many changes has been observed both in manufacturing and service concerns. Due to this employment and income level increases, consumption pattern

¹ Department of Management Sciences University of Education Lahore (Okara Campus) Pakistan

E-mail: rai_imtiaz_hussain@ue.edu.pk

changes and most important is that competitive environment increases and competition arises between public and private sector (Sokoya, 2000). Private sector provided better services to its customers and a gap created this urges the policy makers to identify the basic reason of this gap and brought into consideration the job satisfaction issue. It is important to note that satisfaction level is very important for the future of any organization or business. If satisfaction level is high the organization will made progress in future but dissatisfaction creates many problems in the progress of any business or organization (khalid, 2010).

The concept of job satisfaction has emerged and different factors contributing to it like monetary and non-monetary. Job design is also an element of job satisfaction. Different elements like employee acceptance by work group, liking, disliking, variety of tasks, behavioral elements; reward system, organizational climate, promotion criteria, hard work etc. are all responsible for job satisfaction. There are numerous publications related to job satisfaction. There are numerous publications existing on the topic of job satisfaction and this grows daily. Locke (1976) estimated that, about 3,350 articles and dissertations had been written on this topic. Cranny et al. (1992) indicated that more than 5,000 studies on job satisfaction have been published. Oshagbemi (1996) suggested that if a count of relevant publications (articles and dissertations) were made, estimate would probably be doubled by Locke's. As a result of many decades of effort by researchers and HR practitioner, there appears to be a high level of agreement among scholars on the meaning of the job satisfaction. There are a number of studies conducted on job satisfaction from last 80 years. It is an important topic to be discussed both in manufacturing and service concerns (Ahmed et al., 2010).

In this era of globalization, economy is growing tremendously and new technology is creating many challenges' and also providing opportunities for the employees. Employees who are highly satisfied are a great asset for the organization. Pakistani banking sector is growing with the passage of time. All the banks in Pakistan are scheduled means divided into private, public and foreign banks (Khalid, 2010).

LITERATURE REVIEW

The fulfillment of individual's and organizational objective are independent but they are linked by the motivation. Individuals motivate themselves to work hard for the achievement of personal goals which is only possible when the organizational objectives are also met. It means they are related with each other. The environment of organization is also responsible for job satisfaction and commitment with the organization. Good environment leads to higher level of job satisfaction and lower level leads to lower level of job satisfaction (Pati & Rilly, 1977; Mahajan, 1984; Putti & Kheun, 1986; Ruth, 1992; Gratto, 2001; Clerciq & Rius, 2007). Attitude of an employee is also an important factor because it has a direct impact on working ways and methods which leads to organizational performance and motivation of employees.

Job satisfaction involves different spheres such as satisfaction with pay, promotion, opportunities, fringe benefits, and importance/challenges of the job (Nguyen et al., 2003) these authors concluded that the relationship between job satisfaction and performance is evident. Job satisfaction is the primary aspect of job attitude. The most important evidence is that the condition of organization is worse in case of low job satisfaction (Kaya, 1995). So, job satisfaction is very important for healthy organizational environment. The other factors like pay, relationship with co-workers, and opportunity for promotion also contributed to the job satisfaction (Opkara, 2002). Income level also contributed to the satisfaction of a job employees who earn low level of income are less satisfied than those who earn more (Dawson, 1987). Karatepe et al. (2006) argued that job satisfaction is important to keep employees in long term employment. There are six attributes, Work itself, Supervision, Colleagues, Compensation, Promotions, and Overall job security that appear to contribute to employee's job satisfaction (Lehal, 2004). The high level of education leads to low level of job satisfaction (Nguyen, 2003). Kennedy and White (1997) founded that employee training programs are helpful for the improvement of organization and it increases the customer satisfaction that are directly attached with the organization.

Mohanty (2009) stated different practices for retaining the employees within the organization. It includes practices like open communication, reward systems, performance bonuses, recreational facilities, development programs etc. These practices increases the employee's loyalty and they retain in the organization for longer period of time. The best way to increase the productivity is to focus on shared goals of employees and managers. By spending more time on the development of mission statement, policies, procedures can increase the employee's morale and satisfaction. For the development of any banking sector it is important to manage the human resource effectively and to know that its employees are satisfied or not, because workforce is responsible for the productivity and profitability of any organization. Efficient human resource management and satisfaction are responsible not only for the development of banking sector but responsible for the growth of the economy (Thakur et al., 2004). The study of Ellickson & Logosdon (2011) concluded that sufficient equipment, resources, workloads and opportunities all are contributors to the job satisfaction.

Different factors which cause the job satisfaction are given below.

Pay and job satisfaction

Pay is very important factor of job satisfaction in almost all the sectors whether private, public, small, medium, or large (Bassett, 1994) stated that pay is very significant for the employees satisfaction and dissatisfaction. Oshagbemi (2000) said that there is a relationship between pay, rank of employees and satisfaction. Young et al., (1998) conducted a survey but not succeeded in finding a significant relationship between pay and satisfaction.

Supervision and job satisfaction

By literature survey it is found that a positive relationship exists between supervision and job satisfaction (Peterson et al., 2003). Supervision plays an important role in job satisfaction if

supervisor provide emotional and technical assistance with job related tasks (Robbins at al., 2003). In the workplace supervisors have an impact on employees high and low level of morale (Ramsey, 1997). Good relationship of supervisors with employees has a good impact on job satisfaction (Grahams & Messner, 1998).

Packard & Kauppi (1999) found that employees with supervisors who have good management styles leads to high level of job satisfaction with tremendous democratic styles.

Promotional opportunities and job satisfaction

Promotional opportunities are also an important factor which increases the level of job satisfaction (Peterson at al., 2003). The study of Ellickson & Logosdon (2011) also supported the point that promotional satisfaction increases the job satisfaction. The study of David & Wasson (2001) explains that in the private sector limited promotional opportunities discourage the highly qualified and trained employees to retain in the job.

Co-workers and job satisfaction

Many authors supported the point that friendly and supportive relationship with employees' increases the job satisfaction (Kreitner & Kinicki, 2001). Madison (2000) stated that non supportive environment leads to dissatisfaction. Another study revealed that positive relationship with employees increases the job satisfaction (Berta, 2005). A study conducted by Viswesvaran, Deshpande and Joseph (1998), supported that there is a highly positive correlation between job satisfaction and co-workers.

Job security and Job satisfaction

The study of Khalid & Irshad (2010) revealed that employees in public sector feel more job security than the private sector so satisfaction increases among the public sector. Commitment and loyalty also increases as job security increases (Morris at al., 1993).

Rosenblate & Ruvio, (1996) studied the effect of job insecurity on employees' performance. They found that due to job insecurity performance of employees' decreases which leads to job dissatisfaction. Ashford at al., (1989) conducted a study about the impact of job insecurity on the performance of job, satisfaction and commitment. They found that job insecurity leads to dissatisfaction but it does not have a significant impact on performance level of job (Khalid at al. 2012).

The overall literature survey indicates that the performance of the private banks is high than the public banks (IBA, 2008). Private Banks are more successful than public banks in terms of initiatives taken for total quality management (TQM), customer satisfaction, commitment with top management (Slevarag, 2009). However public banks have benefits, there are small difference in pays, long term tenure is rewarded, high job security etc. While in private sector the proportion of all these benefits is low which leads to dissatisfaction (D'Souza, 2002). In the condition of

economic crises downsizing occurs in private sector due to which job security is low (Jha et al., 2008).

Hypothesis

H0: There is no relationship between dependent factor (job satisfaction) and all independent factors (pay, job security, supervision, relationship with coworkers, and promotional opportunities)

H1: There is a positive relationship between pay and job satisfaction.

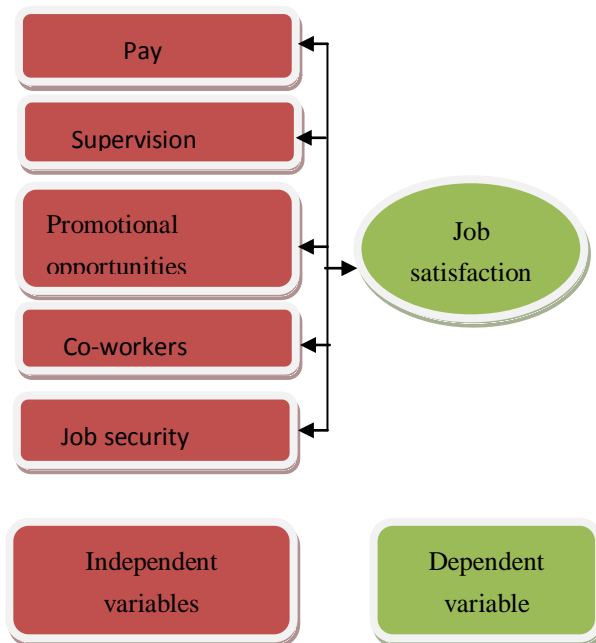
H2: There is positive relationship between supervision and job satisfaction.

H3: Promotional opportunities also have a positive relation with job satisfaction.

H4: Co-workers also have a positive relationship with job satisfaction

H5: Job security also has a positive relationship with job satisfaction.

Theoretical Framework



DATA AND METHODOLOGY

Sample

The sample consists of 150 employees working in Public and Private Banks of District Okara, RenalaKhurd, Pattoki and Depalpur. The questionnaires were completed in 2 months from managers, accountant, cashier and depositors. The data was collected from 5 banks out of which 2 were public sector Banks and 3 were private sector Banks. 120 questionnaires were completed and collected for analysis. So the actual response rate was 80%.

Questionnaire

A questionnaire consisted of five basic job satisfaction factors and some demographic factors were conducted to determine the job satisfaction level of employees of private and public banks. These

five job satisfaction factors are: Pay, Promotional opportunities, Supervision, Satisfaction with co. workers and Job security.

Branch Manager's permission was taken for conducting the survey. In addition respondents were assured for confidentiality of their responses. 5 point Likert Scale ranging from "highly dissatisfied" to "highly satisfied" was used. The questionnaire was consisted of 2 sections. Section1 comprises of demographics (age, working hours, salary, department etc.) and section2 comprises of job satisfaction including five major factors.

RESULTS AND DISCUSSION

We have applied different test to analyze the results of our survey i.e. correlation, regression, reliability, mean, median, independent t-test.

Table-1.Demographics

		Frequencies	Percent	Valid Percent	Cumulative Percent
Bank Sector	Private	50	50.5	50.5	50.5
	Public	49	49.5	49.5	100.0
	Total	99	100.0	100.0	
Department	Financial	47	47.5	47.5	47.5
	Accounting	32	32.3	32.3	79.8
	Credit	20	20.2	20.2	100.0
	Total	99	100.0	100.0	
Working hours per week	48	40	40.4	41.2	41.2
	52	45	45.5	46.4	87.6
	56	12	12.1	12.4	100.0
	Total	97	98.0	100.0	
Another job	Yes	17	17.2	17.2	17.2
	No	82	82.2	82.2	100.0
	Total	99	100.0	100.0	
Experience	1-5	48	48.5	48.5	48.5
	6-10	36	36.4	36.4	84.8
	11-15	15	15.2	15.2	100.0
	Total	99	100.0	100.0	
Salary	10000-20000	14	14.1	14.1	14.1
	20000-30000	45	45.5	45.5	59.6
	More than 30000	40	40.4	40.4	100.0
	Total	99	100.0	100.0	

Table 1 shows the breakdown of bank staff who responded to our questionnaires. The respondents answered demographic factors including bank sector, department, working hours weekly,

experience, additional job and salary. According to results 50.5% belong to private sector and 49.5% belong to public sector. 47.5% were from financial department. 32.3% were from accounting department. 20.2% were from credit deptt.40.4% respondents’ work 48 hours weekly, 45.5% work 52 hours and 12.1% work 56hours weekly. 17.2% respondents have additional jobs while 82.2% have no additional job. 48.5% respondents have experience of 1-5 years, 36.4% have experience of 6-10 years and 15.2% have experience of 11-15 years. 14.1% have salary range of 10000-20000Rs, 45.5% have salary range of 20000-30000Rs and 40.45 have salary range of more than 30000Rs.

Table-2.Correlations

		Supervision	Pay	job security	opportunity	coworkers	job satisfaction
Supervision	Pearson Correlation	1	.044	.370(**)	.392(**)	-.010	.710(**)
	Sig. (2-tailed)		.673	.000	.000	.926	.000
	N	96	96	93	93	96	90
Pay	Pearson Correlation	.044	1	.144	.041	.068	.248(*)
	Sig. (2-tailed)	.673		.161	.693	.501	.018
	N	96	99	96	94	99	90
Job security	Pearson Correlation	.370(**)	.144	1	.494(**)	.173	.718(**)
	Sig. (2-tailed)	.000	.161		.000	.093	.000
	N	93	96	96	91	96	90
Opportunity	Pearson Correlation	.392(**)	.041	.494(**)	1	.327(**)	.781(**)
	Sig. (2-tailed)	.000	.693	.000		.001	.000
	N	93	94	91	94	94	90
Coworkers	Pearson Correlation	-.010	.068	.173	.327(**)	1	.481(**)
	Sig. (2-tailed)	.926	.501	.093	.001		.000
	N	96	99	96	94	99	90
Job satisfaction	Pearson Correlation	.710(**)	.248(*)	.718(**)	.781(**)	.481(**)	1
	Sig. (2-tailed)	.000	.018	.000	.000	.000	
	N	90	90	90	90	90	90

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

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

The table 2 shows the correlation between overall job satisfaction, pay, promotional opportunities, and relationship with co-workers and job security. Correlation is a statistical tool used to measure the relation between two or more variables. The correlation shows a positive and strong relation with supervision, job security and promotional opportunities and it shows moderate relation with coworkers and weak relation with pay.

By increasing job security, supervision and promotional opportunities job satisfaction also increases so this supports the statement of (Peterson at al., 2003), (Ramsey, 1997), (Morris at al., 1993).Our result shows that relationship with coworkers has moderate effect on job satisfaction as

said by (Kreitner&Kinicki, 2001). The result of pay is weak but positive with job satisfaction as said by (Bassett, 1994).

Table-3.Group Statistics

	bank sector	N	Mean	Std. Deviation	Std. Error Mean
Job satisfaction	private	46	70.4565	5.49629	.81038
	public	44	68.5227	8.03622	1.21151

Independent Samples Test

		Levine's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Job satisfaction	Equal variances assumed	7.579	.007	1.338	88	.184	1.93379	1.44572	.93928	4.80687
	Equal variances not assumed			1.327	75.622	.189	1.93379	1.45756	.96941	4.83700

Independent T-test was used to analyze job satisfaction between public sector and private sector banks. The results show that there is no significant difference of job satisfaction between Public Sector employees and private sector employee in banking sector of Okara Pakistan.

CONCLUSION

The result of our analysis shows that supervision, job security and promotional opportunities have positive relationship with job satisfaction. By increasing these factors, job satisfaction would also increase. Relationship with coworkers is moderate with job satisfaction. While pay has weak but positive relationship with job satisfaction. As results show that all independent factors have significant relationship with the dependent factor. So, we will reject null hypotheses and will accept all alternative hypotheses.

RECOMMENDATIONS

Bank staff should be provided proper guidance and attention so that they can work more diligently and enthusiastically. To reduce the conflicts with coworkers' clear guidelines should be provided to employees. Proper incentives should be provided to employees to encourage them. All these factors would impact job satisfaction of employees collectively.

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