

# A COMPARATIVE STUDY ON JOB SATISFACTION AMONG PUBLIC AND PRIVATE BANKS EMPLOYEES

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## **ABSTRACT**

*Organizations expect involvement and commitment from their workforce to create esprit de corps for the realization of corporate as well as individual objectives. However, worker's attitude (involvement and commitment) depends on his/her satisfaction from different aspects of the organization as related to the employees. Employee's satisfaction or job satisfaction therefore determines the degree to which a worker will be involved in and committed to any job/work. Several organizational dimensions have been identified as the predictors of job satisfaction but pay, work, supervision, promotion, work environment and co-workers are widely researched independent variables that have been studied over and over again (job related variables). In the background of these instant variables, organizational structure, policies and broader social context play dominant role in the variation of job satisfaction (organization related variables). Finally, the personal characteristics of employees are also responsible to explain the job satisfaction of the workers in any organization (demographic variables).*

**Keywords:** *Involvement, Commitment, Job Satisfaction, Organization*

## **INTRODUCTION**

People, when join an organization, they have specific motives requirements and ambitions that influence on their performance and job assignments. These are sometimes very simple and visible but most often they are of complex nature and it becomes very hard to dig out them satisfy them because they significantly vary from person to person. Job satisfaction is the level to which individuals experience positive or negative aspects regarding their jobs (Sattar & Nawaz, 2011). Job satisfaction is hence combination of one's approach towards the job and his level of satisfaction. In any meaning, job satisfaction is the perception of any individual towards his/her job. Job satisfaction indicates the analysis of people towards their job and the organization.

Job satisfaction is an individual's positive approach towards his/her job, its magnitude including work compensation, nature of the job, opportunities of promotions, high ups and favorable environment and social space (Haq, Khattak, Shah & Rehman, 2011).

In any organization job satisfaction of the workers is very sensitive issue towards job placement, which is determined by meeting the goals and results set by the organizations that go up or go beyond expectations. By implementing fair job policies, favorable human resource management strategies and considering betterment of workforce the employees develop a positive approach towards the work. If employees are treated unfairly they develop negative approach towards their operational environment and ultimately retardation will occur in the efficiency of the organization (Mangi, Soomro, Ghumro, Abidi & Jalbani, 2011). Intention to leave can be explained as someone's personal approach to withdraw services with the present organization whereas withdrawal is measured to be the real separation from the organization. Keeping in the view this background, organizational commitment of the bankers, can be optimized as his/her well-built faith in agreement to the university's goals and standards, willingness to dedicate his enthusiasm to the university and strong dedication to carry on the university logo and recognition (Saifuddin, Nawaz & Jan, 2012).

### **Objective of the study**

- To understand different dimensions of job satisfaction among the employees of both private/public banking sector in Dera Ismail Khan Region, Khyber Pakhtunkhwa, Pakistan.
- To identify the number and nature of the global and local factors (variables) of job satisfaction and their consequences as operating in the banking sector.
- To measure the differences between the banking workforce in public and private sector of Dera Ismail Khan with a view to statistically computing the 'Determinants' of job satisfaction and related attitudes (involvement & commitment and absenteeism & turnover) through 'stepwise-regression-analysis.'

### **Significance of the study**

- The study is a localized version of research about the job satisfaction of bankers working in public and private banks of Dera Ismail Khan.
- Similarly this is the first empirical documentation of bankers' satisfaction in the province of Khyber Pakhtunkhwa.

- The research is a humble contribution to understanding the national and local problems of the workforce with examples from banking sector of the country.
- The study is an addition to the global research on the organizational behavior of the bank employees in the districts of Dera Ismail Khan.

### **Hypothesis**

- All the independent and dependent variables are mutually not correlated.
- Job satisfaction of the employees of banking sector of both public and private Banks in D. I. Khan has no significant impact on the involvement and commitment of the employees towards their organizations.
- Job satisfaction of the bankers in banking sector of public and private Banks in D. I. Khan does not significantly predict the absenteeism and turnover of the employees.

### **LITERATURE REVIEW**

Job-satisfaction is among the major problems for organizational behavior researchers and the top management of the organization (Locke & Latham, 2000). The employee's attitude expresses their happiness or unhappiness at the workplace, work and in the organization and vital for the development of the organization. Unsatisfied workers develop negative attitudes and perceptions whereas satisfied workers develop positive attitudes and perceptions at the workplace which benefit the organizations in their development. Researchers have conducted many research studies which express that happy workers are more productive than unhappy workers, and development of any organization and its success in the concerned field is associated with level of satisfaction of the satisfied employees (Lisa & Judge, 2004). It is fact that those organizations which are concerned with the satisfaction of their workforce they have productive and efficient employees who play an active role in productivity and efficiency of the organization (Tsigilis et al., 2006).

Effective orientation of the employee about his job and status in the organization tend to develop job satisfaction of the employee. Hence all type of organizations considers employee's job satisfaction as major attribute for the development and productivity of the organization (Tella, Ayeni & Popoola, 2007). Organizational commitment is a state in which an employee identifies himself/herself with a particular organization and its goals, and wishes to remain member of the organization. Organizational commitment is an indicator to measure absenteeism and turnover in the organizations and in fact it promotes job satisfaction. Commitment promotes the sense of willingness to the workers to put their efforts in the organization and believe that their

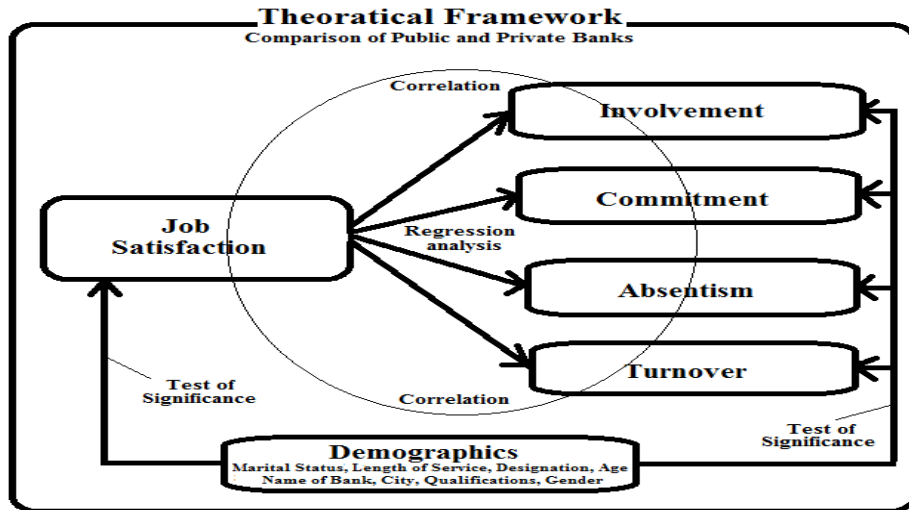
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efforts will add in attaining the objectives and goals of the organization. The commitment may be the internal feelings or the psychosomatic association of the person with the organization hence it refers to the condition of authenticity articulated by behavior, feelings and wishes of the individual (Choong, Wong, Lau, 2011).

The committed and dedicated employees in current organization remain desirous to continue their services with the organization. They stay longer and continuously make efforts of productivity in their organization and try their level best to achieve the goals and objectives of the organization and in other case if there is no psychological attachment and engagement then the employees considers leaving then to stay there. It is commitment that compels the academicians to work with enthusiasm to complete the institutional goals and objectives (Lew et. al., 2011). People like to involve physically, emotionally and mentally in those activities which provide them space for decision making, so employees having involved in decision making process have strong bonds with the organizational commitments and they are more concerned with the job they are engaged with. In the same lines other researchers identify that employees job involvement and commitment are positive approaches towards job satisfaction, which enhances the organizational productivity and it attaches the employees with their mental, emotional and physical involvement in their work (Sattar & Nawaz, 2011).

With involvement in job an employee assumes he is capable and fit for the job, he participates well and perceives that his performance and work is important to fulfill the organizational commitments, he develops a sense of responsibility and confidence for himself and for the organization. The employees having high level of job involvement are more caring about the work they are associated with to perform (Balassiano et. al., 2012). The literature shows it as “the degree to which a person’s work performance affects his self-esteem”. High levels of job involvement have been found to be related to fewer absences and lower resignation rates i.e., the job holder reacts to the work itself by attending regularly or being absent, or by quitting. A person who is involved in the job has approach that work is an important factor in his life and the nature of job, his co-workers and the organization are very important as a whole for his job satisfaction. He considers that his work should be enough rewarding as it is the important factor that provides him the opportunities of self-expression and satisfaction (Khalid, Irshad, Mahmood, 2012).

Figure 2.1 Schematic Diagram of the Theoretical Framework



## RESEARCH METHODOLOGY

A social research methodologies analysis indicates that survey is the handiest tool for researchers to collect required primary data by using interview techniques and questionnaire approach to gauge the perceptions, feelings and attitudes of the employees (Babbie, 1993:256-257). In this research study, the population of interest is all the bankers serving in the banks of private and public sector of Dera Ismail Khan, Khyber Pakhtunkhwa, Pakistan.

Sampling is the best approach of statistical analysis of the data to extract conclusions about the large group of population on the basis of a small selected sample. For example if we want to taste sweetness or need to test how much hot or cold our coffee is we just need to take a sip to generalize the finding, or if we want to conclude about a certain book's content either it is informative or not, we do find its type of content by scanning paragraphs randomly to decide about the content.

To compute the sample size based on the results of pilot study, finite population formula was used and sample size was determined. Below are the results, showing sample size of this study.

$$\text{Sample-size} = ((SD^2 / ((Z^2/E^2) + (SD^2/N))) = ((.78^2 / ((1.96^2/.089^2) + (.78^2/25))) = 110$$

For testing the hypotheses, the researcher has used the inferential tools; researcher has also applied multiple tools to test the hypothesis about (a) the relationships between the research variables. The researcher has applied the following tools:-Correlation analysis; Regression analysis (Simple, Multiple & Stepwise Regression).

## RESULTS AND DISCUSSION

To check the reliability of the instrument used in survey for collection of data from the respondents of this study, Cornbrash's alpha was computed. In social sciences, the minimum threshold or acceptable value is .6, as for as our results are concerned, which are shown in the below table, the reliability statistics portray that the Cornbrash's Alpha value for 40 items that measured three variables dependent variable i.e. involvement and commitment, absenteeism and turn over and a dependent variable i.e. job satisfaction was .892, this implies that our instrument was reliable for data collection.

### Reliability Statistics

Cornbrash's Alpha	Number of Items
.892	40

### Descriptive Statistics

	n	Mean		Std. Deviation
	Statistic	Statistic	Std. Error	Statistic
Involvement & Commitment	110	4.1909	.05601	.58745
Absenteeism & Turnover	110	4.0318	.05365	.56271
Overall Score	110	3.7193	.08283	.86870
JS	110	3.2992	.05423	.56879
Valid n list-wise	110			

**Hypothesis No 1: H<sub>0</sub>:** All the independent and dependent variables are mutually not correlated.

### Correlations

		IC	AT	JS
IC	Pearson Correlation	1	.441**	.462**
	Sig. (2-tailed)		.000	.000
	N	110	110	110
AT	Pearson Correlation	.441**	1	.369**
	Sig. (2-tailed)	.000		.000
	N	110	110	110
JS	Pearson Correlation	.462**	.369**	1
	Sig. (2-tailed)	.000	.000	
	N	110	110	110

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

To test the Null hypothesis that all the independent and dependent variables are mutually not correlated, a person coefficient correlation test was used. The above table generated from the primary data shows that all the variables are mutually highly associated at 0.01 level of significance, thus our null hypothesis is not substantiated, so we accept the alternate hypothesis. This implies that Involvement & Commitment, Absenteeism & Turnover and job satisfaction are positively correlated.

**Hypothesis No 2: H<sub>0</sub>:** Job satisfaction of the employees of the public and private Banks in D. I. Khan has no significant impact on the involvement and commitment of the employees.

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.462 <sup>a</sup>	.213	.206	.52355

a. Predictors: (Constant), Job Satisfaction

### ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8.013	1	8.013	29.232	.000
	Residual	29.603	108	.274		
	Total	37.616	109			

a. Predictors: (Constant), Job Satisfaction

b. b. Dependent Variable: Involvement & Commitment

### Coefficients

Model		Un-standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.618	.295		8.872	.000
	Job Satisfaction	.477	.088	.462	5.407	.000

a. Dependent Variable: Involvement & Commitment

To test the hypothesis, simple regression analysis were done, results from the above table could be seen as F= 29.232 with R Square .213 which is highly significant at .000 level of significance. The R Square .213 i.e. 21% points that job satisfaction

significantly predict the involvement and commitment of the employees in the public and private banks in DIKhan, this implies that involvement and commitment of the employees depends on their satisfaction from their respective jobs. The Beta value .462 is also significant t .000 level of significance, thus, we reject the  $H_0$  and accept the  $H_A$ .

**Hypothesis No 3:  $H_0$ :** Job satisfaction of the employees in the public and private Banks in D. I. Khan does not significantly predict the absenteeism and turnover of the employees.

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.369 <sup>a</sup>	.137	.129	.52530

a. Predictors: (Constant), J

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.369 <sup>a</sup>	.137	.129	.52530

#### Coefficients

Model		Un-standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.826	.296		9.543	.000
	Job Satisfaction	.366	.088	.369	4.132	.000

a. Dependent Variable: Absenteeism & Turnover

To check the impact of job satisfaction of the job satisfaction of the employees in the public and private Banks in D. I. Khan on the absenteeism and turnover of the employees, again regression analysis were applied. The results show that job satisfaction is the significant predictor of the employee's absenteeism and intention to leave. As F value is significant at .000 level of significance with .386 Beta, whereas in social science research the minimum acceptable value is .3. Moreover, R square value .137 shows that job satisfaction has 13% role in the employee's absenteeism and turnover. So, our  $H_0$  is not substantiated, hence we reject it and accept the  $H_A$ .



Similarly to understand the impact of the demographics on the work involvement and commitment, the two variables i.e. city and qualification have not positive and significant impacts, where only designation and age were found with positive significant impacts on the job involvement and commitment of the employees. However the impact of designation was also not much significant as compared to the age of the academicians. Moreover, to understand the influence of the demographic variables on the absenteeism and intention to leave of the employees in public and private sector employees in D. I. Khan, this study indicates that age and bank have significant impact on the employee's absenteeism and turn over intention.

## **CONCLUSIONS & RECOMMENDATIONS**

### **Conclusion**

This study has examined the relationship between organizational commitments, job satisfaction and turnover intentions. It enables to understand the major reasons of turnover intentions and impact of job satisfaction and organizational commitment on the banking sector employees of both private and public sector banks, educational institutions and the major industrial organizations. In respect of job satisfaction and organizational commitment, the most widely research topic is employee's intentions to leave and researchers are utilizing their energies and abilities to discover those realities and factors which arises the intentions to leave in the unsatisfied employees of the organization. The current study adopted two job related variables to testify the significant role of job satisfaction and organizational commitment over the intention to leave. The bankers' decision as to continue or to discontinue serving in the banking institutions may possibly be influenced by emotional attitudes and behaviors towards commitment to the institution and the alternative opportunities.

The bankers' who feel that their work is likely to less satisfactory to the others; they normally think to leave the institution. In this case financial resources don't play an influence role in intention of leaving or continuing the institution. In some cases personal factor of unrealistic expectations of the employee appears the cause of turnover. Many employees when join an organization they develop impractical expectations from the employer and when these expectations are not met, the employee becomes disappointed and tends to quit the organization. The other personal factor which affects the organizational commitment by the employee is the failure of following the rules, regulations, timings and obligations which may often results in their resign. If the organizations have well established system of recruiting, training of

new hired employees it reduces the cost to the organization in case of losing valuable employee.

### **Recommendations**

Here are some recommendations for the banks administration to increase level of job satisfaction of the bank employees:

- The study has revealed salary of the employees is among major job dissatisfactions factors, the employees should have enough salary to maintain their living standards. The authority should regularly consider the salary structure and make it employee beneficiary. This will keep motivating the employees to perform their jobs better and will keep the morale high and committed to the respective banks.
- The banks should have transparent promotion policy for its employees on the grounds of their seniority and work experience however banks should implement performance based promotions as well. It will give the employees to attain the objectives and goals with more enthusiasm and sincerity.
- There banks should have social benefits for their employees such as health insurance, annual leaves, gratuity, pension on retirement, security and reduced working hours.
- It is needed that the banks should make the jobs interesting to the employees; managers should appreciate good performance of the employee and recognize it on national level in respective banks.

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