

## Factors Affecting the Job Satisfaction of Employees in Banking Sector of Pakistan, A Generalization from District Sahiwal

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**Abstract:** The purpose of the study was to find out impact of leadership, motivation, benefits and job organization upon job satisfaction of employees that how would these factors affect employees' job satisfaction in banking sector of Sahiwal, Pakistan. Data was collected through questionnaire and this questionnaire was distributed among 165 people. It means the sample size was 165. Convenience sampling technique was used in this procedure. Two analysis, Correlation and regression, were used to analyze and interpret data. Regression analysis showed that leadership, motivation, benefits and job organization affects positively on the job satisfaction level of employees. There exists a positive relation overall and boost job satisfaction, which would in turn enhance the productivity of the organization.

**Key words:** Job Satisfaction • Banking Sector

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### INTRODUCTION

Satisfaction is the contentment of a person when he/she may have fulfilled his/her desires. In other words satisfaction is the fulfilment of a need of a person. Satisfaction of employees is very necessary for a company or an organization, because when the employees feel satisfied, they work with more efficiency and effectiveness and as a result increasing the productivity of the business. Now a day's employee's satisfaction is mostly studied.

According to few researchers the satisfaction level of employees affect the quality of the service they perform for the organization. Job satisfaction is defined as a positive emotional state of an employee derived from happiness and pleasure that an employee seeks from his job [1]. At present time companies are operating and competing in the global world. They have to face every rapid change that take place in the market. Managers have

to do everything to remain in the challenging competition. So, the most of the important fact that they have to consider is the satisfaction of their employees' because satisfaction plays a vital role in the organizational development and to successfully achieve the corporate strategy.

An employee who newly starts the job takes interest in his field initially, although he has no interest in the job but he do his best. However, the employee will often become bored and may show no interest because there are not any motivation factors. The employee then take his work more hectic which may reduces the employees' desire to show the courage and do the job in well manner. In this situation the employee may continue his job and working but his efforts would be minimal. In another situation if an employee is over loaded with work and find his job too demanding and he would seek for another position that offers him better situation, financial security and provide him with those job characteristics that he

need, then he will leave the organization and hence increasing the turnover rate of the organization [2].

As from all the discussion it can be easily seen that satisfaction is a necessary element for the employees and overall for the organization to get its strategic goals to be achieved. There are certain factors through which satisfaction can be achieved, for example benefits, style of leadership, expectations, job organization and working environment. If all these focused and other factors kept controlled then satisfaction level of employees can be enhanced and hence overall production and strategic goals can be achieved successfully.

**Literature Review:** Many researchers have been carried out on the topic of job satisfaction of employees in banking sectors and the impact of various factors was seen on it which affected it both positively and negatively. On the basis of literature review hypothesis will be made.

A research was held in Finland, in a supermarket of Mekelli, Prisma. 27 respondents answered this survey, 13 of which were female and 10 were male respondents. This study revealed that a positive relationship exists between job organization, work environment, work motivation and the job satisfaction [3]. The system of giving rewards to the employees affects the performance of employees to much extent. Those employees who are appreciated when they achieve their target or the assigned tasks perform with more efficiency next time. The rewards could be intrinsic or extrinsic.

The study shows that a positive link exists between rewards and the job satisfaction, there is also a positive link exists between work relations with management [4]. According to Westover and Taylor [4] public service motivation (PSM) is also a motivator for job satisfaction, employees who are socially motivated and take public interest as their own are found to be satisfied with their job. Another study supported the fact that the benefits such as rewards, career opportunities and certain other benefits positively affects the satisfaction level of employees and reduces the turnover rate [5]; [6].

A study held in USA in educational sector has taken the variable benefit in terms of fringe benefits; this study shows that there is much impact of fringe benefits in the job satisfaction of employees, but in fact fringe benefits play role in job satisfaction equal to salaries of the employees [7]. Another study throws light on the importance of leadership style. It concludes that transformational style of leadership provide inspiration, stimulation and motivates the subordinate employees by

creating high expectations and modelling them towards the appropriate behaviour and also handling the challenges of new ideas and approaches along with the followers [8].

Prior research showed that the role of project manager as an important supplement to the project success. There exists a positive relationship between leadership style and job satisfaction [9]. Lewis [10] emphasize that issues of people are closely related to the project success and for that purpose a good leadership from the project manager is required. Turner and Muller [11] criticize that most of the literature ignored the style of leadership of a manager and his impact on success of the project.

According to Yang, Yen, and Chiang [12] research, carried in Taiwan, there exists a positive relationship between job satisfaction and leadership. A research was done in Europe to find out the relationship between working conditions or the environment to the job satisfaction of employees and found a significant positive relationship between them. Team building, employee involvement and training were found to be positively linked, however a weak negative relation was found between part time working and job satisfaction. Overall strong relationship was found between a good working environment and job satisfaction [13].

A Prior research on banking sector of Lebanon shows that if the employees have job satisfaction then their performance will be enhanced and this satisfaction is achieved through various factors such as financial and non-financial factors, working conditions and supervision. Hence in this research job satisfaction is playing a mediating role [14]. In a research held in Florida, USA, job satisfaction was found as a mediating variable between motivation of volunteers and affective commitment in not for profit organizations. Here the job satisfaction showed a weak positive relation as a mediating variable [15].

In another research it was found that those employers who provide fringe benefits to their employees and take care of matters outside their work boundary, means understand the employees problems, take care of their families and take steps to satisfy the employees, found less turnover rate and their workers fully satisfied. So, a positive link between leadership and job satisfaction exists [16]. Another study of USA showed that there a positive linkage between working environment and the satisfaction level of employees. The more good the internal environment, management hierarchy and co-operation of leader the more the job satisfaction level of

employees [4].

A study was conducted on the managers of Hong Kong and Australia and different relationship between organizational culture and style of leadership was seen with job satisfaction. The results of Australia showed weak positive relationship, while the study of Hong Kong managers showed weak negative link between leadership, organizational structure and job satisfaction [17].

Another research of Taiwan revealed a positive link between organizational culture and job satisfaction. According to this research organizational culture has a vital role in job satisfaction, a bureaucratic organizational culture has lower level of job satisfaction while open and free organizational structure has less satisfaction [18]. According to Rad and Yarmohammadian [19] employees shows less satisfaction with benefits, salaries and Working conditions. Instead they show high satisfaction with supervision and its style, hence showing a positive relationship.

No study has done before on job satisfaction in banking sector in Sahiwal, Pakistan. So, this study has been done to fill this research gap.

Previous studies indicate that there are various factors that affect the motivation level in employees working in an organization. Hence this study has been conducted to fulfil the following objectives.

- To analyze the employees' satisfaction level in banking field of Sahiwal, Pakistan.
- To analyze the effect of different factors on level of satisfaction in employees.
- To find out the relationship between employees satisfaction and performance.

Theoretical Framework:



**Independent Variable Dimensions:** Factors which affect the job satisfaction are independent variables; the close observation of independent variables is as the following.

**Leadership:** Leadership acts as a independent variable on the job satisfaction of employees. A good and flexible style of leadership affects positively on the satisfaction of

employees, a good leader helps to work out the problems of employees, plays the role disseminator and lead the employees towards the goal in an efficient manner.

**Motivation:** The psychological feature that arouses an individual has action towards a desire goal. In order to achieve the corporate strategies and goals, the individuals or employees working on in must be fully satisfied and must be energetic. Organizations invest a lot in different manners to make their employees contented and fully satisfied, but their investment does not go in vain. The organization receives various tangible and intangible fruit bearing results.

**Benefits:** Benefits also motivate employees which might increase motivation level which would ultimately leads towards job satisfaction. Benefits could be financial and non-financial. Financial benefits may include bonus, pay increment, per piece rate in case of production and performance based rewards. Non-financial benefits may include fringe benefits. As there is some reward motive behind the goal, that might produce intrinsic feelings in the employees to strive for the goal.

**Job Organization:** Job organization is the overall maintenance of the employees, their tasks and all the other matters related to the structure of the organization. It includes the place of job, the working times and conditions, hierarchy of the organization and any amendments or changes brought by the organization. If organizational structure is flexible and job organization fits on the employees' mind and behaviour, he/she got satisfaction.

#### Dependant Variable

**Job Satisfaction:** In this study job satisfaction is taken as the dependent variable. Job satisfaction is the major topic of discussion and research these days. Satisfaction is the psychological condition in which an individual feels contented with his state or surroundings and in return works with more passion and devotion. Job satisfaction varies according to the change in various factors. Here, in this study, leadership, motivation, benefits and job organization are the factors which affects positively on the job satisfaction. Job satisfaction is necessary for all the companies and the organizations to achieve their strategic goals efficiently and effectively.

#### Hypothesis:

**H1:** Leadership and job satisfaction are linked positively.

**H2:** Motivation and job satisfaction are linked positively.

**H3:** Benefits and job satisfaction are linked positively.

**H4:** Job organization and job satisfaction are linked positively.

### Research Methodology

**Data Collection Method:** Population under consideration in this study consisted of the banking staff of banks in Sahiwal, Pakistan. The study is limited to only Sahiwal, Pakistan. The majority of participants showed interest and participated actively. This research majorly constitutes primary and secondary data sets. Primary data was collected from banks by taking interviews and self-administered questionnaire. Convenient sampling technique was used. Secondary data was collected from all the other researches held by some other people. Analysis was based on the critical review of these reports and visiting the sites of these research papers.

### Descriptive Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
What is the gender of respondent?	165	1.00	2.00	1.3636	.48251
What is the age of respondent?	165	1.00	3.00	1.3455	.64064
What is job position of respondent?	165	1.00	6.00	5.7901	1.09888
What is the job experience of respondent?	165	1.00	4.00	1.7939	.83005

**Descriptive Analysis:** Results of the descriptive analysis are as the following.

**Interpretation:** The mean of gender is 1.36, which shows that there is majority of males among the respondents. The mean of age is 1.35, which shows that the age of most of the respondents is in between 20-30 and also some portion falls between 40-50. Mean of job position tells that majority of the respondents were on the positions which were not mentioned in the questionnaire means in 'other' category, some amount of cashiers are also present. Mean of job experience shows that the experience of most respondents falls in the category of 2-5 years.

**Correlation Analysis:** Correlation analysis verified the relationship between variables. When change in one variable occurs due to change in other, then we can say that these variables are correlated. Correlation analysis shows the result, given below.

**Data Analysis:** Descriptive and inferential methodology of statistics was applied for the analysis of data. Mean and standard deviation of the dimensions of the data were calculated. Alpha test was applied to check the reliability of the data. Correlation analysis was used to check that how much the dimensions of job satisfaction correlated with one another. Regression analysis was used to calculate how much the percent change occurred by the independent variables on the job satisfaction of employees in the banking sector.

### Findings

**Reliability Analysis:** Reliability test of all the variables has given the following result.

**Interpretation:** The Cronbach's alpha of variables is 0.7, so reliability of the data is pretty good for the computation of the results.

### Reliability Analysis

No.	Dimension	Items	Cronbach's Alpha
1	Leadership	8	.815
2	Motivation	5	.823
3	Benefits	5	.720
4	Job organization	7	.830
5	Satisfaction	6	.959

**Interpretation:** It is evident that a positive correlation exists between leadership and satisfaction and this correlation is significant ( $r = .581^{**}$ ). Motivation correlates significantly and positively to satisfaction ( $r = .305^{**}$ ). Benefits and satisfaction are also positively and significantly correlated ( $r = .712^{**}$ ). The correlation between job organization and satisfaction is positive and significant ( $r = .512^{**}$ ).

**H1:** The positive linkage between leadership and job satisfaction is proved.

**H2:** The positive linkage between motivation and job satisfaction is proved.

**H3:** The positive linkage between benefits and job satisfaction is proved.

**H4:** The positive linkage between job organization and job satisfaction is proved.

## Correlation Analysis

	Leadership	Motivation	Benefits	Job organization	Satisfaction
Leadership	1				
Motivation	.673**	1			
Benefits	.785**	.669**	1		
Job organization	.729**	.547**	.516**	1	
Satisfaction	.581**	.305**	.712**	.512**	1

\*\* Means Correlation is significant at 0.01 (2 tailed)

**Regression Analysis:** In multiple regression analysis the value of dependent variable is predicted against the value of independent variable. Correlation analysis measures the degree of association between the variables, whereas the multiple regressions are used to calculate that how much change in dependent variable occurs when one or more independent variable fluctuate.

**Interpretation:** Value of adjusted  $R^2$  is .596 which shows that 59.6% alteration in dependent variable occurs due to change in leadership, motivation, benefits and job organization. The value of 'F' is 61.500 which show that overall research model is significant. Beta of leadership is .711, which shows that 71.1% positive change occurs in job satisfaction due to leadership. Similarly, beta's of motivation, benefits and job organization show that 28.3%, 48.8% and 35.6% changes are brought by them in dependent variable or job satisfaction.

Hence,

**H1:** The positive linkage between leadership and job satisfaction is proved.

**H2:** The positive linkage between motivation and job satisfaction is proved.

**H3:** The positive linkage between benefits and job satisfaction is proved.

**H4:** The positive linkage between job organization and job satisfaction is proved.

## CONCLUSION

Quantitative method has been used for the collection of the data and adapted questionnaire was used as tool for this purpose. The sample size used in study is 165. Multiple regression and correlation analysis were applied for the interpretation of data. It is evident from this study that a positive link exists between leadership, motivation, benefits, job organization and job satisfaction. These entire factors enhance job satisfaction.

**Limitations:** This study has taken the sample of 165 respondents. The result could be more accurate and liable if a larger sample had taken, but there was the constraint of time and resources. The regression and the correlation tests were applied; result could be more liable if some other tests had been applied. The sample was taken only from the city Sahiwal, results could be more liable if data is collected from other cities, so it was also a constraint.

No.	D.V	I.V	Beta	T	F	R <sup>2</sup>	Adjusted R <sup>2</sup>	Standard Error
1	Job satisfaction	Leadership	.711	8.277				
		Motivation	.283	3.744				
		Benefits	.484	4.687	61.500	.606	.596	.20916
		Job Org.	.356	4.697				

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