

# Factors Affecting the Satisfaction and Dissatisfaction of Bankers: A Study of a Private Commercial Bank in Bangladesh

M. M. Baset Oli Mishkat\*

## Abstract

Human resource is the only competitive tool that can be protected from imitation by competitors. Highly satisfied employees contribute in acquiring competitive advantage. Contribution Factor and Return Factor explain the satisfaction level of a banker. Not only compensation package (Return Factor) but also good-to-work surroundings (Contribution Factor) can increase the satisfaction level of an employee. Employers must consider the two factors to create a pleasant working environment which will result in a bunch of satisfied and motivated employees who can become the source of competitive advantage for the organization.

**Keywords:** Job satisfaction, Private bank and Factor analysis.

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## 1. Introduction

Surpassing the competitors in merely a competitive world requires the possession of unique competency by an organization. Possessing unique technologies, processes, procedures, methods, and unique financial resource will not guarantee a sustainable competitive hold in a competitive market. Imitation threatens the exclusiveness of these non human resources. Thus an organization must focus on recruiting, selecting retaining and developing efficient employees to sustain as well as supersede its competitors. However, only having large number of highly qualified employees will not bring a better performance of organization. Ali and Ahmed (2009) conclude that due to the changes in reward or recognition programs, there will be corresponding changes in work motivation and satisfaction.

In other words, changes in remuneration and recognition will enhance motivation and thus lead to higher level of job performance. Satisfied employees will perform better than unsatisfied ones. Thus job satisfaction is an important concern for all business organizations. Hoppock (1935) defines, job satisfaction as any combination of psychological, physiological and

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\* Senior Lecturer, Department of Business Administration, East West University, Dhaka, Bangladesh.  
Email: mishkat.bangladesh@yahoo.com

environmental circumstances that cause a person truthfully to say “I am satisfied with my job.” Job satisfaction represents a combination of positive or negative feelings that workers have towards their work. By bringing efficient employees closer and then increasing their satisfaction should be the central strategic focus of any organization. Thus organizations should design their tasks, organization climate and compensation package in a manner that will increase the satisfaction of their employees. In a service industry, the most important resource is human resource (Batt, 2002). The main objective of this paper is to find out the factors that influence the job satisfaction of employees in banking industry and also provide guidelines to enhance the job satisfaction of personnel in organization.

## **2. Literature Review**

Job satisfaction is the positive attitude of a person toward his/her job. It is combination of positive or negative feelings that workers have towards their work. Job satisfaction is an evaluation of what a person is contributing to the organization and what one is getting in return from it. It is closely linked to that individual's behavior in the organization (Davis et al., 1985). Vroom describes job satisfaction as affective orientation on the part of individuals toward the work with which they are presently engaging (Vroom, 1964). There are several factors that can influence the overall satisfaction of an employee. Job satisfaction is the key outcome that emerges from recognition, income, promotion, and the achievement of goals (Kaliski, 2007). Organizations want employees who can contribute for the betterment using the maximum capabilities and employees will utilize maximum potential when they will find fulfilling the organizational objectives will translate into the fulfillment of their personal goals. Here, job satisfaction comes into play. Job satisfaction will increase if work-role outputs mean ‘pleasures’ increase relative to work-role inputs called ‘pains’ (Sousa-Poza and Sousa-Poza, 2000). If any disequilibrium situation comes into play, employees may get depressed. The term job satisfaction refers to attitudes and feelings people have about their work.

Firstly, Positive and favorable attitudes towards the job indicate job satisfaction on the other hand negative and unfavorable attitudes towards the job indicate job dissatisfaction (Armstrong, 2006). Job satisfaction varies because of demographic diversity. For example, age, gender, education and tenure can have profound impact on job satisfaction. The gender and job satisfaction paradox (Kaiser, 2002) or the paradox of the contented female worker (Bender et al., 2005) reveal that women account higher job satisfaction than men even after having a clearly disadvantaged position in the labor market in terms of salary, recruitment/dismissal,

promotions and career opportunity. In my study this view has been reflected in the same manner.

However base salary is considered as the main factor for job satisfaction, other factors such as the promotion and recognition of work have a lot of impact on it (Saba et al., 2013). As job satisfaction is the juxtaposition of multi-facet elements thus concentrating on any element will not provide a real picture. At present only wages, promotion and recognition will not increase job satisfaction. Positive and significant association have been found between job satisfaction and management practices such as team work, independence and leadership positions (Hunjra et al., 2010). Thus organizations should try to create an encouraging “Human Resource Policy” and build a congenial work environment that can ensure job satisfaction. Hanif and Kamal (2009) argue that if companies producing favorable strategies and rules for the employees related to pay scales, policy development, staff input, and the work environment, may lead to employee engagement, satisfaction and increased employee loyalty with the organization. Since satisfied employees are more likely to be welcoming and attentive.

Abdulla et al. (2011) examine the relationship between job satisfaction and environmental and demographic factors and found environmental factors (such as salary, promotion and supervision) better predictors of job satisfaction compared to demographic factors (such as sex, age and education level as well as other factors related to their work experience, such as job level, shift work, and years of experience). Autonomy to make decision and recognition of any accomplishment can increase job satisfaction. Abu Elanain (2009) notes that employees of UAE prefer clear goals and objectives and well defined lines of authority and autonomy. The dissatisfaction of employees is one of the prime reasons for poor services in banking industry of Bangladesh (Hossain, 2000). All employees are not equally satisfied with each factor and Dissatisfaction arises among most of the employees are because of compensation package and sequentially reward and motivation, career growth, training and development, management style, and job design and responsibilities (Majumder, 2012). As the present banking system is being changed and the generation working now in banking industry is changing, the purpose of this paper is to identify and evaluate the factors and forces which either enhance or demean the satisfaction and dissatisfaction of employees in banking industry of twenty-first century.

### **3. Methodology**

Primary data have been collected through responses to a structured questionnaire

distributed employees of Private Bank<sup>1</sup> working in Head office as well as in different branches. Three studies that used the Job Description Index (JDI) as the instrument to measure job satisfaction were reviewed (Christian, 1986; Donohue, 1986; Fain, 1987). By reviewing literature and consulting with the Human Resource Executive, job satisfaction data were collected on fourteen variables which are the components of Job Description Index (JDI). Kennerly (1989) measured job satisfaction with the Index of Job Satisfaction, on 18-item scale using a 5-point Likert-type scale, with a high score indicating a high level of satisfaction. Questions were developed using five point Likert scale (e.g. 1= Highly Dissatisfied, 2= Dissatisfied 3= Neutral - neither Dissatisfied nor Satisfied), 4= Satisfied, 5= Highly Satisfied). Out of 160 questionnaires were sent but 134 complete and usable questionnaires were returned back. Thus the response rate is 83.75%. In this writing, the research has used factor analysis techniques to identify the underlying dimensionality of the variables that are related to job satisfaction. MS Excel and STATA 11 software package have been used for analysis. Factors influencing the job satisfaction change as people's perceptions and attitude change. Thus, this paper aims to identify the factors influencing the job satisfaction of employees working in banks. For analysis, consulting with scholars from human resource discipline the variable using skills learnt in academic institution has been extended. This paper will help the organizations and academics to understand the condition of job satisfaction of employees of banks at this time.

#### 4. Analysis and Discussion of Results

After collecting the data from respondents, the reliability test and the central tendency of data was measured. Then through the factor analysis the underlying factors have been identified. The internal reliability of the items was tested using Cronbach's alpha. Ideally the Cronbach alpha coefficient of a scale above should be 0.7. In this current study the Cronbach alpha coefficient was 0.8.

From the data it can be observed that employees are very satisfied with the relationship with the coworkers (*Mean=4.05*). On the other hand employees were dissatisfied with take-home-salary (*Mean=2.71*), benefit and allowance (*Mean=2.71*) and promotion (*Mean=2.71*). Regarding all other factors, employees had a moderate level of satisfaction (Table: 5), of whose means are in between 3.16 and 3.67. An independent t-test (Table: 5) was conducted to measure the difference in satisfaction of male and female employees regarding different elements of job satisfaction.

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<sup>1</sup>The name of the bank was requested not to use.

The T-test shows that there is a significant difference between male and female employees regarding routine job and training provided by the organization.

Table 1<sup>2</sup> : Correlation Matrix

(obs=134)

	alltasks	indepn-e	rtobj	vuadd-g	useskill	relsruer	relcowrk	corcul-r	comtop	tkhmsa-y	benall-c	traning	promot-n	recogn-n
alltasks	1.0000													
independence	0.6717	1.0000												
rtobj	0.5080	0.3466	1.0000											
vuadding	0.2335	0.2907	0.2828	1.0000										
useskill	0.1436	0.2728	0.2535	0.3070	1.0000									
relsruer	0.5399	0.3839	0.4190	0.3709	0.3587	1.0000								
relcowrk	0.5807	0.4833	0.2869	0.2183	0.3613	0.6150	1.0000							
corculr	0.4474	0.3654	0.4055	0.3624	0.4097	0.6177	0.6411	1.0000						
comtop	0.2461	0.2728	0.1057	0.3422	0.2381	0.2397	0.3966	0.3508	1.0000					
tkhmsa/y	0.0661	0.2565	-0.1004	0.1149	0.1289	0.0523	0.2184	0.1422	0.3783	1.0000				
benallmc	-0.0272	0.1710	-0.0252	0.2610	0.1605	0.1260	0.1790	0.1498	0.5404	0.6193	1.0000			
traning	0.1109	0.3153	0.1038	0.3806	0.2158	0.1023	0.1917	0.1433	0.4048	0.3237	0.5540	1.0000		
promotion	0.0877	0.1325	-0.0940	0.0483	0.1390	0.1038	0.2209	0.1923	0.3940	0.3352	0.5293	0.3230	1.0000	
recognition	0.3314	0.4503	0.1036	0.0769	0.2714	0.5675	0.4731	0.3864	0.2953	0.1168	0.1971	0.1406	0.1259	1.0000

Prior to performing Factor Analysis the suitability of data was assessed. Inspection of the correlation matrix (Table 1) revealed the presence of many coefficients of .3 and above. The Kaiser-Meyer-Oklin value was 0.76 (Table 2) exceeding the recommended value of 0.6 (Kaiser, 1970, 1974) and supporting the factorability of the correlation matrix. Factor Analysis (Table 3) revealed the presence of two factors with eigenvalues exceeding 1, explaining 60.84 % and 26.53 % percent of the variance respectively. These two factors explain 87.93% of the total variance. An inspection of the scree-plot (Graph 1) revealed a clear break after the second factor. Thus it was decided by whom to retain two factors for further analysis. Retaining two factors was further supported by the results of Parallel Analysis, which indicates that two factors should be retained. The dashed line for parallel analysis in the graph cross the solid line before reaching the third component. To aid the interpretation of these two components, Varimax Rotation was performed. The rotated solution (Table 4) revealed the presence of simple structure, with both factors a number of strong loadings except the variable-comtop, though it has moderately high loading in Factor 2 thus this variable is included in Factor 2. The most important resource for any service industry is human resource. Thus a bank’s success largely depends on recruiting, selecting and retaining satisfied employees. So for sustaining in competitive market every bank needs to have large pool of efficient and satisfied employees. Based on the nature of variables associated in these two factors, the researcher can call the Factor 1 as “Contribution” items and

<sup>2</sup>The explanation of the terms (variables) are given in the appendix-A.

Factor 2 as “Return” items. Considering the nature of variables these are called

Factor 1	Factor 2
1. All Tasks	1. Ease of Communicating with Top Level Executives
2. Independence in Work	2. Take-home Salary
3. Doing Routine Tasks	3. Benefit and Allowance
4. Value adding in own Department	4. Training Provided by the Bank
5. Using skills learnt in Academic Institution	5. Promotion Procedures
6. Relationship with immediate Superior	
7. Relationship with Coworker	
8. Bank Corporate Culture	
9. Recognition from Superior for any accomplishment	

Contribution Factor	Return Factor
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as contribution factors and return factors. Thus it can be said that job satisfaction of an employee depends on two factors. One is “CONTRIBUTION FACTOR” and another one is “RETURN FACTOR”. All variables are categorized under both factors based on higher loadings (Table 4) and shown in the following table.

Thus job satisfaction of an employee in an organization depends on two types of factors. Satisfaction of an employee will increase, if the overall work environment is made in such a manner that he/she thinks the organization is his/her own. Nine elements are related with what an employee does to an organization and five elements are related with what an employee gets from the organization. The presence and absence of both contribution factors and return factors affect the level satisfactions and dissatisfactions of employees of banking sector.

Table 2: Kaiser-Meyer-Olkin Value

**Kaiser-Meyer-Olkin measure of sampling adequacy**

variable	kmo
alltasks	0.7148
independence	0.7304
returnjob	0.7291
valueadding	0.6826
useskill	0.8273
relationshipsuper	0.7643
relationshipcoworker	0.8615
bankculture	0.8689
comtop	0.8400
takehome	0.7008
benefitallowance	0.6812
training	0.8135
promotion	0.7342
recognition	0.6768
overall	0.7610

Table 3: Factor Analysis

(obs=134)

Factor analysis/correlation  
 Method: principal factors  
 Rotation: (unrotated)

Number of obs = 134  
 Retained factors = 8  
 Number of params = 84

Factor	Eigenvalue	Difference	Proportion	Cumulative
Factor1	4.35885	2.45804	0.6084	0.6084
Factor2	1.90081	1.26580	0.2653	0.8737
Factor3	0.63501	0.07980	0.0886	0.9624
Factor4	0.55521	0.28332	0.0775	1.0399
Factor5	0.27189	0.14018	0.0380	1.0778
Factor6	0.13171	0.03278	0.0184	1.0962
Factor7	0.09892	0.03842	0.0138	1.1100
Factor8	0.06050	0.07101	0.0084	1.1185
Factor9	-0.01051	0.04519	-0.0015	1.1170
Factor10	-0.05570	0.04584	-0.0078	1.1092
Factor11	-0.10154	0.08493	-0.0142	1.0950
Factor12	-0.18647	0.03160	-0.0260	1.0690
Factor13	-0.21807	0.05833	-0.0304	1.0386
Factor14	-0.27640	.	-0.0386	1.0000

Table 4: Rotated Factor Loadings

Rotated factor loadings (pattern matrix) and unique variances

Variable	Factor1	Factor2	Uniqueness
alltasks	0.7686		0.4083
independence	0.6502		0.5321
rtnjob	0.5647		0.6668
vluadding	0.3902		0.7712
useskill	0.4186		0.7819
reIsuper	0.7878		0.3760
reIcowrk	0.7360		0.4105
corcultur	0.7111		0.4664
comtop	0.3158	0.6064	0.5325
tkhmsalry		0.6449	0.5816
benallwnc		0.8602	0.2587
traning		0.5984	0.6155
promotion		0.5720	0.6680
recognition	0.5450		0.6708

(blanks represent abs>Loading)<.3)

Table 5: Variables, their Descriptive Statistics, t-test:

Serial No.	Variable(Short form for using in STATA)	Mean	S.D.	t-test (95%)	Variable (Full form)
1	alltasks	3.49	0.873557	-0.1566	All Tasks
2	independence	3.16	1.091278	-0.7432	Independence in Work
3	rtnjob	3.07	1.000953	-2.1013	Doing Routine Tasks

4	vluadding	3.64	0.9451338	-1.2987	Value adding in own Department
5	useskill	3.30	1.097022	0.1143	Using skills learnt in Academic Institution
6	reلسuper	3.67	1.20635	0.0756	Relationship with immediate Superior
7	relcowrk	4.06	0.979191	0.3377	Relationship with Coworker
8	corcultur	3.25	1.101513	0.409	Bank Corporate Culture
9	comtop	3.16	1.020055	-1.5562	Ease of Communicating with Top Level Executives
10	tkhmsalry	2.72	1.134635	0.4675	Take Home Salary
11	benallwnc	2.75	1.030998	-0.437	Benefits and Allowance
12	traning	3.09	1.093127	-2.3913	Training Provided by the Bank
<b>Seria I No.</b>	<b>Variable(Short form for using in STATA)</b>	<b>Mean</b>	<b>S.D.</b>	<b>t-test (95%)</b>	<b>Variable (Full form)</b>
13	promotion	2.72	1.052115	1.2368	Promotion Procedure
14	recognition	3.58	1.028164	-1.142	Recognition from Superior for any accomplishment

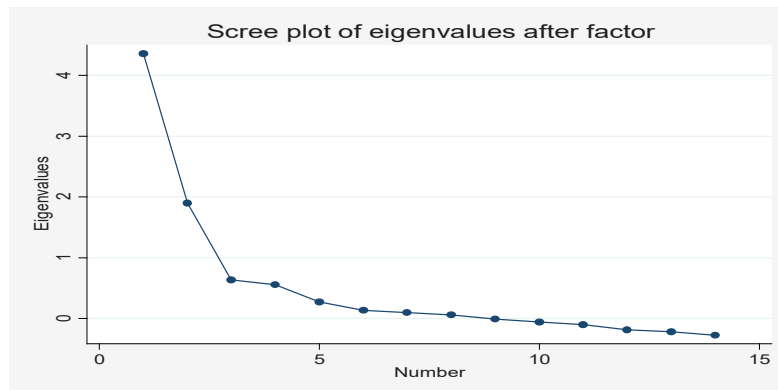


Figure (graph) 1: Scree-Plot



## 6. Conclusion

The competency on which an organization thrives is an important concern for any kind of business. Creating a group of energetic, efficient and effective employees is one of the best ways to gain the competencies in this competitive market. It is also challenging to retain the efficient human resources all the time. Thus any organization want to ensure higher employee satisfaction should not only consider what it is providing to the employees but also find out whether employees are getting a very conducive internal environment to work. However more variables can be included in the analysis such as demographic structure, ownership structure of banks and corporate governance. These factors may also have some impact in the satisfaction and dissatisfaction of employees. As human resource is the one of the most valuable resources it will give a competitive advantage to the organizations especially in service industry. Considering the present turmoil situation in banking industry in Bangladesh if managements in banking sector can ensure a positive work environment then growth oriented employees will contribute in a constructive manner to this sector (Spector, 1997). Highly satisfied employees are the source of core competency and will ensure long term growth.

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## Appendix

### Appendix: Explanation of Variables

Code * for Variables	Variables and Its Explanation
all tasks	<b>All Tasks:</b> The attitude (affective) of an employee toward the responsibilities he/she is performing from a position.
independence	<b>Independence in Work:</b> How independently an employee can make decisions from his position.
rtnjob	<b>Doing Routine Tasks:</b> How much structured or unstructured the employee's works are.
vluaadding	<b>Value adding in Own Department:</b> An employee's perception of his contribute to the department he/she is working
useskill	<b>Using Skill leant in Academic Institution:</b> The opportunities of applying the knowledge and skills acquired by an employee form the educational institutions
rlsuper	<b>Relationship with Immediate Superior:</b> How is the relationship between an employee and his/her direct supervisor
rlcowerk	<b>Relationship with Coworker:</b> How is the relationship of an employee with his/her coworkers/peers.
corculture	<b>Bank Corporate Culture:</b> The evaluation of an employee about the bank's corporate values, beliefs, attitudes and practices.

\* Shortened form of variables used to run the data in statistical software, STATA.

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<b>comtop</b>	<b><i>Ease of Communicating with Top Level Executives:</i></b> How much easy for an employee to communicate with top level management
<b>tkhmsalary</b>	<b><i>Take-home Salary:</i></b> The satisfaction about the salary he/she gets in every month
<b>bnallwnc</b>	<b><i>Benefit and Allowance:</i></b> The satisfaction of an employee about the different types of benefits and allowances given to him/her (e.g. Transportation Allowance, Provident Fund etc.)
<b>training</b>	<b><i>Training Provided by the Bank:</i></b> The perception of an employee about the training organized by the bank for skill development
<b>promotion</b>	<b><i>Promotion Procedures:</i></b> The perception of an employee about the clarity and objectivity of the promotion decisions taken by the bank.
<b>recognition</b>	<b><i>Recognition from Superior for Any Accomplishment:</i></b> The perception of an employee about his/her supervisor unbiased judgement on employees' performances.

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