

A Study on Factors Affecting Job Satisfaction of Public and Private Bank Employees (Special Reference to Kurunegala District)

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Abstract:

The banking system plays a major role in maintaining the economic process of a country. It is more important to provide the human resource with proper and active service to perform these functions well. In order to get an active and productive service from an employee, it is important that the employee gets the desired satisfaction from their job. Accordingly, this study has studied the factors affecting the job satisfaction of public and private bank employees. In that, 350 employees of two public banks and five private banks belonging to Kurunegala district were used as the sample. A questionnaire and interview were used for data collection. IBM SPSS Version 26 software was used for data analysis and principal component analysis was done through it. Accordingly, it was identified that financial and non-financial factors, organizational personnel relationships, factors affecting personal growth, organizational work environment, additional career opportunities, and the nature of the job role affect this. Accordingly, it is important to consider the relevant factors and provide the necessary facilities to public and private bank employees in creating the necessary background to increase their job satisfaction. This will give scope to create an employee with high job satisfaction and it will lead to organizational development.

Keywords —Bank Employees, Job Satisfaction, Private bank, Public Bank

I. INTRODUCTION

Banks can be known as one of the key organizations with a principle influence on the national economy. Basically, they can be divided as private and public. Generally, people depend on banks seeking various services relating to the finance sector. These customers are managed and monitored by the banks' staff on different levels. Some members of the staff deal directly with the customers while others have an indirect influence

with them. This deal sometimes may span for a lifetime while some may end within a very short period of time. Obviously, the private sector is in a rat race to ensure their incomparable service to their customers. They take every necessary step to satisfy the client. But, the big question is, are they so worried about the satisfaction of their own staff members; is their monthly income worth their service? Do they really have a work friendly environment in their workplace?

One's job satisfaction is determined through the motivation that he/she has towards the task they are dying hard to complete. 'Job satisfaction means satisfaction of employees' - Jahufer (2014). 'Job satisfaction is basically a set of feelings, thoughts and attitudes of an individual towards various aspects of the job' - Ali et al (2016). It is the attraction and excitement that an employee derives from his job. Thus, job satisfaction is one of the most valued and widely researched topics in the field of organizational psychology. The likes and dislikes of each individual are determined through motivation. Psychologists define that motivation has two major aspects; Intrinsic motivation and Extrinsic motivation. They can be called the two major kinds of motivation as well. The satisfaction and the joy that we gain when we complete some kind of a task drives one's motivation to succeed. Motivation is not the only factor influencing individuals' performance. But motivation can affect productivity. Thus, motivation is important in the functional relationship between ability and performance (employee performance = ability + motivation). This implies that employee performance is related to ability as well as motivation. And also defines job satisfaction as a happy or positive emotional state resulting from evaluating one's job or work experience. Hence, when one states that he is highly satisfied with his job, he means that he is carried away with his job and feels great about it, his workplace appreciating the dignity of his job. Thereby, 'job satisfaction is an important technique used to motivate employees to work harder' Ashan (2017).

'Human capital is the most important strategic resource for any organization in achieving organizational goals' - Ranmali et al (2019). According to Opatha (2019), 'The overall objective of human resource management is to create and retain a suitable and strong workforce that can contribute maximally to organizational success.' Attracting good talent and retaining satisfied employees leads to strengthening corporate strategies. 'Moreover, it leads to good organizations, active work teams, sustainability and development in the more competitive global

environment' Ranmali et al (2019). Thus, one of the main factors of any organization is its employees. The success or failure of the organization largely depends on their satisfaction and dissatisfaction.

Efficient human resource management and maintaining a high level of job satisfaction affects the growth and performance of the entire economy'- Ashan (2017). There are various variables that can measure an individual's job satisfaction. Singh (2018) measured the job satisfaction of public and private bank employees as variables such as the number of benefits, opportunities for job growth, work environment, help in personal problems, relationship with supervisor, job security, job knowledge. Variables are used. Ali et al (2016) have shown in their study that factors such as job conditions, promotions, co-workers, training, recognition and rewards, and benefits affect the job satisfaction of bank employees. Socioeconomic factors affecting job satisfaction include age, marital status, educational qualification, type of organization, current job position, job tenure, years of experience, job stability, current job status, family structure, family size, dependents. Chidambaram and Rama (2006) have used factors such as number, monthly income, rural-urbanity, distance from your home to your workplace for their study.

Active participation in the banking industry contributes greatly to the economy as well as to society. When we consider the banking system of Sri Lanka, the banking sector in Sri Lanka dominates the financial system from licensed commercial banks and licensed specialized banks and holds the highest share of the total assets of the financial system. Banks play a crucial role in Sri Lanka's financial system as they transform the risk characteristics of assets while providing liquidity to the overall economy. Licensed commercial banks are the most important category of financial institutions in the banking sector in terms of asset base and size of services provided. Licensed commercial banks dominate the highest market share assets of the total financial system. Therefore, the Sri Lankan financial system largely depends on

licensed commercial banks. By the end of 2018, there are 2855 licensed commercial banks in Sri Lanka. Since this study is based on the Kurunegala district, there are 161 licensed commercial banks established in Kurunegala district, of which 88 are public banks and the rest are private banks- (Social statistics and economics Sri Lanka, 2019). The study focuses on analyzing the job satisfaction of bank employees in selected public banks and selected private banks in Kurunegala district.

II. LITERATURE REVIEW

Basically, this chapter refers to the local and the international literature relating to the research papers and findings regarding the job satisfaction of the financial sector.

Mishra (2013) conducted a study on job satisfaction. In that particular study, sociological factors and socioeconomic factors such as age, seniority, work environment, education, hours worked, incentives, working hours, training, physical location of the department, motivation, performance evaluation process are the factors used to measure job satisfaction considering the salary, support, welfare benefits provided for the work performed. The study design was created through descriptive and exploratory methods and the executive officers of the organization were studied. The study revealed that the employees were dissatisfied with the variables such as number of working hours, training, motivation and support, while they were highly satisfied with performance appraisal and welfare benefits.

Kochhar and Mittal (2014) conducted their study with the aim of studying the job satisfaction of bank employees in the Dehradun region of India by selecting a sample of one hundred bank employees. The sociological factors used in the study were age, level of education, job status, job satisfaction, working conditions, opportunities for promotion, workload and stress level, respect for coworkers, relationship with supervisors, financial incentives. It is stated in the study that the bank

employees have shown dissatisfaction regarding their salary and allowances and promotions.

Devi &Suneja (2013) study showed that there is no significant difference between salary increase and job satisfaction of public and private bank employees and Sumitha and Padmaja (2017) on promotion as a major factor affecting job satisfaction of bank employees. Moreover, an analysis in the study proves that 50% showed high job satisfaction and 30% were dissatisfied with the promotion.

NathRoy and et al (2017) conducted research to study the job satisfaction of bank employees. Among the factors used to measure job satisfaction in the research, it has been shown through his studies that bank employees are satisfied only with the co-worker relationship factor. Ahamed (2016) had pointed out that through his study, co-worker relations, the behavior of the heads of the organization i.e., the behavior of the supervisors have a strong influence on job satisfaction.

Mehta &Juneja (2017) identified the work environment as a factor that increases the job satisfaction of private bank employees among the factors affecting job satisfaction. Jain & et al (2012) said that the training factor is a very important measure on a person's job satisfaction and should be increased because the capacity utilization is at a low level. Abdolshah& et al (2017) have stated that the training factor is very important through their study.

III. METHODOLOGY

A mixed method was used in this study. Five cities out of the 24 cities belonging to Kurunegala district were selected as the sample through simple random sampling. They are Mahawa, Galgamuwa, Wariyapola, Nikaveratiya and Polpithigama. Banks established in those cities were divided into two main clusters as public and private banks through two-step clustering and two public banks and five private banks were selected from those two clusters. Commercial Bank, Sampath Bank, Seylan Bank, Hatton National Bank and National Development

Bank were used as private banks, People's Bank and Bank of Ceylon as state banks. A list of bank employees related to those banks was taken and the bank employees were randomly selected and analyzed through the numbering method from that list. 175 public bank employees and 175 private bank employees were used as samples. The data required for the research were obtained from the main data sources which are primary data sources and secondary data sources. A questionnaire and interview were used to collect primary data. IBM SPSS Version 26 software was used for data analysis and principal component analysis was done with the aid of it.

lower value. As a result, 50.6% of the employees are dissatisfied with their job while the remaining 49.4% of them are satisfied with their roles and responsibilities.

IV. DISCUSSION

The behavior of the factors affecting the job satisfaction of public and private bank employees and the relationship between those factors affecting job satisfaction can be discussed as follows through socioeconomic factors.

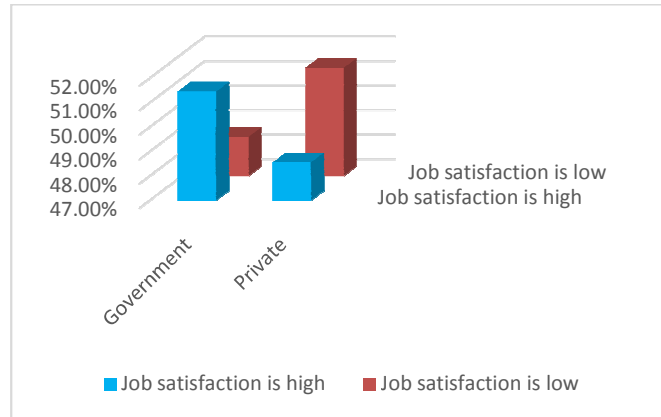


Figure 2- Difference between the level of job satisfaction of public and private bank employees

Since two categories of banks, public and private, were studied, when considering the level of job satisfaction of the two categories of banks separately, it was stated that the level of job satisfaction of the employees of public banks is higher among public and private banks. As a percentage, 51.45% in value and it was revealed that the job satisfaction level of private bank employees is 48.55% lower compared to public sector bank employees.

A principal component analysis was conducted to identify factors affecting job satisfaction of public and private bank employees.

Table 1- Component Score Coefficient Matrix

	Component					
	1	2	3	4	5	6
M_2_Benefits	.386	-.059	-.072	-.066	-.036	.024
M_3_Increme	.331	.063	-.123	-.016	-.163	-.038
M_4_Promo	.243	-.093	-.026	-.010	.092	.050
M_5_Recogni	.123	-.011	.034	.089	.151	-.025
M_6_Security	.367	.003	-.092	-.060	-.017	-.067
R_1_Supevi	-.007	.351	-.083	.029	.006	-.002
R_2_Co_Worke	-.092	.089	-.024	.035	.562	-.220
R_3_Subordi	-.010	.402	-.013	-.131	-.044	.019
R_4_Involve	-.075	.398	-.025	-.049	.021	.035
E_1_Physical	.010	-.065	-.028	.546	-.003	.002
E_2_w_Conditio	-.085	-.055	-.063	.686	-.041	-.032
E_3_w_Hours	-.015	.046	.045	-.098	.084	.617
E_4_w_Load	-.009	-.011	-.034	.056	-.156	.575
P_1_Tra_Develo	-.069	-.064	.412	-.023	.050	.021
P_2_Career_Oppor	.066	-.089	-.041	-.071	.607	.140
P_3_Perfor_Appri	-.100	-.053	.485	-.082	-.059	-.017
P_4_Ability_Uti	-.073	-.010	.385	-.009	-.072	.008



Figure 2- Overall job satisfaction of bank employees

Two types of banks, public and private, were included in the study. Accordingly, at a glance the job satisfaction level of the entire bank employees, it was revealed through the figures in the graph that their job satisfaction level has taken a

Since the Component Score Coefficient Matrix table shows the variables with the highest loading for each component, the contribution of the variables related to each component through the Score value calculated based on that loading can be expressed through the equations related to each variable. Therefore, it can be summarized by equations that the job satisfaction of public and private bank employees is created by six factors as shown below.

$$\text{Financial and Non-Financial Component} = 0.386_{\text{Beni}} + 0.331_{\text{Incre}} + 0.243_{\text{Pro}} + 0.123_{\text{Rec}} + 0.367_{\text{Sec}}$$

$$\text{Corporate Personal Relations} = 0.351_{\text{Sup}} + 0.402_{\text{Sabor}} + 0.398_{\text{Invo}}$$

$$\text{Personal Growth} = 0.412_{\text{Tra,De}} + 0.485_{\text{Perfo}} + 0.385_{\text{Ability}}$$

$$\text{Organizational work environment} = 0.546_{\text{Physi}} + 0.686_{\text{w_con}}$$

$$\text{Additional career opportunities} = 0.562_{\text{Co_wor}} + 0.607_{\text{Career}}$$

$$\text{Job role nature} = 0.617_{\text{w_hou}} + 0.575_{\text{w_load}}$$

Thus, an analysis of the factors affecting the job satisfaction of public and private bank employees was carried out. Based on the variables used there, six main components were created. The components are formed on the main aspects of financial and non-financial, organizational personal relations, personal growth, organizational work environment, additional career opportunities and job role nature on the job satisfaction of public and private bank employees and those variables have different values of public and private bank employees. The study revealed that it affects job satisfaction. Since the most of the variation is found in the financial and non-financial component, the most impact on the job satisfaction of public and private bank employees is the benefits belonging to this component (M_2_Benefits), methods of salary increase (M_3_Increme), opportunities for promotion (M_4_Promo), recognition (M_5_Recogni). and job security (M_6_Security) variables and also the variable of benefits (M_2_Benefits) has influenced the increase in the satisfaction of bank employees.

V. CONCLUSION

As a whole, the mindset of the staff members is the most important factor for the survival of an organization. The efficiency of the employees is directly proportional to their job satisfaction. Accordingly, the executive management must be able to identify the most influential factors that affect the job satisfaction of their very own employees. This study identified financial and non-financial factors, organizational interpersonal relationships, personal growth, organizational work environment, extra career opportunities, and the nature of the job role as factors influencing job satisfaction of public and private sector employees. Accordingly, by considering these factors, it can be identified that once the necessary facilities are provided, bank employees will be satisfied with their job. Apparently, the organization will be able to surmount the challenges in a way more productive manner. Consequently, it will help the integration and the development of the organization in a figurative sense.

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