

Analyzing the Extrinsic Job Satisfaction of Government and Private Bank Employees in Ampara Region, Sri Lanka

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Abstract

The purpose of this research study is to check the extrinsic job satisfaction associated with demographic factors of the employees of the government and private banks in the Ampara region. Out of 180 questionnaires administered personally among the respondents, only 105 questionnaires were received which indicates the response rate i.e. 58.33%. Simple random sampling method was used to select the sample. The independent sample t-test result reveals that, there is a significant difference between gender and extrinsic job satisfaction as well as type of bank and extrinsic job satisfaction whereas; there is no significant difference between civil status and extrinsic job satisfaction at 5% level. The ANOVA result concludes that, there is no significant difference between: (i) year of experience and extrinsic job satisfaction, (ii) age and extrinsic job satisfaction, (iii) ethnicity and extrinsic job satisfaction and (iv) educational qualification and extrinsic job satisfaction, but there is significant difference between distance to working place and extrinsic job satisfaction at 10% significant level. Mean comparison test was used to differentiate the extrinsic job satisfaction associated with distance to working place. At last, correlation and regression result concludes that, social status, compensation, security, supervision and working condition are significantly contributed in extrinsic job satisfaction at 1% level.

Keywords: ANOVA, bank employees, demographic factors, extrinsic job satisfaction, reliability test.

Introduction

Banks are very important organization for nation's economy. Generally people are linked with banks based on different needs. If customers are happy with bank activities, they continuously link with that bank. In bank sector customer satisfaction is very important. Customer satisfaction is depends on employee satisfaction. Because of happy employees are more likely to be welcoming customer in an attractive manner. According to Zeffane et al., (2008) if employees not satisfied with the job then it may cause turnover intentions, increasing costs, decreasing profits and ultimately customer unhappiness with the organization.

Job satisfaction means employee satisfaction. Employee is one of the key factors of the organization success. No organization can succeed without a certain level of satisfaction and effort from its employees. In case of a good salary package, good supervision, work environment and chances to prospect in the future, may positively influence the employee's loyalty and ultimately increased job satisfaction (Spector, 1997).

In today's competitive world, management needs to continuously emulate practices that will attract and retain a highly qualified and skilled workforce. Dissatisfied employees may be forced to work due to unemployment or insecurity, but this is not in the interests of the long-term success of the organization. Dissatisfaction may be expressed in other forms like internal conflicts, poor interpersonal relations, low trust, stress leading to workplace conflict and low productivity (Smith et al., 1969).

According to Locke (1976) job satisfaction is the level of contentment a person feels regarding his or her job. This feeling is mainly based on an individual's perception of satisfaction. If job is pleasantness, an employee satisfies his/her job. Generally bank employees are feeling stress, which can impact job performance, mental well-being, physical health, impact decision making skills and may lead to making unethical decisions. Job satisfaction as a bi-dimensional concept consisting of intrinsic and extrinsic satisfaction dimensions. Intrinsic sources of satisfaction depend on the individual characteristics of the person. Extrinsic sources of satisfaction are situational and depend on the environment. Both extrinsic and intrinsic job facets should be represented, as equally as possible, in a composite measure of overall job satisfaction.

Through this research study an attempt has been made not only to ascertain the degree of job satisfaction prevailing among the Bank employees but also to elicit employee's views on the different extrinsic factors contributing to their job satisfaction, in the light of current realities.

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.

Rahman et al., (2009) conducted research for job satisfaction of Bangladesh bank employees. This study found that remuneration and reward, recognition, pride in work and talent utilization are the most important ones for improving job satisfaction and also, factors like job security, relation with colleagues and Bureaucracy are not significant for job satisfaction.

Public and private banks were significantly different from each other. Private sector bank employees perceive greater satisfaction with pay, social and growth aspects of job as

compared to public sector bank employees. On the other hand, public sector bank employees have expressed greater satisfaction with job security as compared to private sector bank employees (Shrivastava and Purang, 2009).

Grover and Wahee (2013) found that working environment seems to be one of the most important ingredients of job satisfaction followed by job security, salary and benefits and training. Secure job environment enhances the degree of job satisfaction. Researcher recommended that, management must create an environment of job security among employees apart from job security and provide job stability.

Mansor et al., (2012) suggested that competition is the most influential construct associate with job satisfaction level among the employees; followed by working environment, reward system, motivational factors and supervision and leadership by using Pearson Correlation Analysis. However, further analysis using multiple regression, revealed that only four independent variables were significant which were competition, working environment, reward system and motivational factors but supervision/ leadership factors was not significant. Further, Rashid Saeed et al., (2013) revealed that a positive link exists between leadership, motivation, benefits, job organization and job satisfaction.

The researchers Devi and Nagini (2013) undertaken to study job satisfaction of employees in banking sector in Vijayawada. The results suggested that the respondents are more satisfied with factors like working conditions in bank, benefits received, healthy work environment, welfare policies, challenging and responsible jobs, dignity and respect provided by the job, good opportunities for growth of employees and relatively less satisfied with working hours, study or training leaves, attitude of management, role overload, tedious work and quality time for family members.

Panghal and Bhambu (2013) suggested that commercial banks perceived pay and promotion is an indispensable factor to decide their satisfaction level. The employees have significant inclination towards optimistic supervisory behavior and pleasant organizational setup. The factor analysis meticulously identified that the job suitability as well as the working condition and other interpersonal relationship among the workers are able to ascertain their level of satisfaction within the working domain.

Research Methodology

Objectives of the study

The aim of the research study is to achieve the following objectives:

1. To explore private and government bank employees' job satisfaction in Amparai region.
2. To analyze the extrinsic job satisfaction with demographic factors.

Data Collection

Study area includes all employees of selected branches in Ampara region government and private banks. The data collection was carried out during the period from January 2014 to March 2014. Out of 180 questionnaires administered personally among the respondents, only 105 questionnaires were received which indicate the 58.33% response of the respondents. Simple random sampling method was used to select the sample.

Questionnaire

Respondents provided the required information on a structured questionnaire based on the pertinent research objectives, classified into two sections. The first category consists of demographic information such as respondents' gender, type of bank, ethnicity, age, marital status, years of experience, distance to working place and educational qualification. In the second category consists of five-point Likert scale questions. The questions were designed to facilitate the respondents to identify the various factors contributing towards job satisfaction of employees. The endeavors were to identify the key extrinsic job satisfaction issues, on which employee's perception can be obtained like extrinsic factors such as Social Status, Compensation, Security, Supervision and Working Condition. Each factor consists of five sub factors/five questions to measure the extrinsic job satisfaction.

The respondents were requested specifically to ignore their personal prejudices and use their best judgment on a 5 point Likert scale. The purpose of this exercise was to make the response a true reflection of organization reality rather than an individual opinion. The structure of the scale was based on the following categories: 1-Highly not satisfied, 2-Not satisfied, 3-Satisfied, 4-Very satisfied and 5- Extremely satisfied.

Conceptual Model

Conceptual model of the study has been depicted in figure 1. In this study the Demographic Factors, such as Gender, Type of Bank, Ethnicity, Age, Marital Status, Years of Experience, Distance to Working Place and Educational Qualification were mainly selected as independent variables and Extrinsic Job Satisfaction, such as Social Status, Compensation, Security, Supervision and Working Condition were considered as dependent variables.

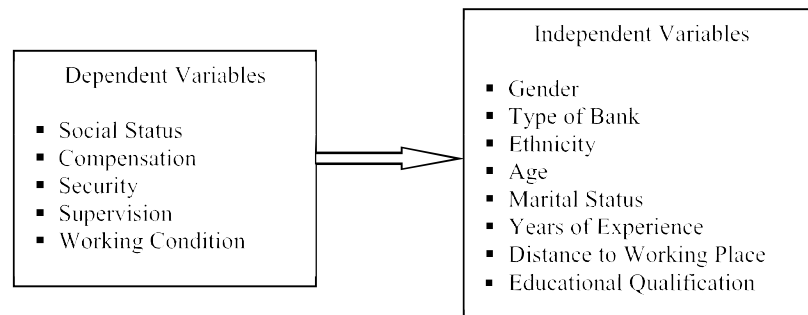


Figure 1. Conceptual model of the study

Data Analysis

For data analysis purpose, SPSS-20 and MINITAB 16 were used. The collected Likert scale data (qualitative data) were converted into quantitative data using principle component and factor analysis for the purpose of statistical analysis. Reliability Test, t-Test, ANOVA, Mean Comparison Test, Correlation and Regression Analysis were carried out on the converted quantitative data.

Results and Discussion

Descriptive Statistics for Demographic Factors

Frequency distribution for demographic factors has been illustrated in table 1.

Table 1. Frequency distribution table for demographic factors.

Demographic Factors		Frequency	%	Demographic Factors		Frequency	%
Gender	Male	79	75.2	Years of experience	less than 5	60	57.1
	Female	26	24.8		5-10	25	23.8
Type of Bank	Private	50	47.6		10-15	7	6.7
	Government	55	52.4		15-20	8	7.6
Ethnicity	Muslim	54	51.4		above 20	5	4.8
	Tamil	41	39.0	O/L	5	4.8	
	Sinhalese	9	8.6	A/L	44	41.9	
Age	below 30	62	59.0	Diploma	29	27.6	
	30-35	22	21.0	Degree	19	18.1	
	35-40	7	6.7	Post Graduate	4	3.8	
	40-45	8	7.6	Other	4	3.8	
	45-50	3	2.9	Distance to working place	less than 5km	32	30.5
above 50	3	2.9	5-10 km		16	15.2	
Marital Status	Single	47	44.8		10-20 km	21	20.0
	Married	57	54.3		20-30 km	12	11.4
				above 30 km	24	22.9	

Reliability Test

Hair et al., (2008) used measure of reliability to check the internal consistency among sub variables. The rationale for internal consistency is that the individual items or indicators of the scale should all be measuring the same construct and thus be highly inter-correlated. Internal reliability of the instrument was checked by using Cronbach's alpha. The generally agreed upon lower limit for Cronbach's alpha is 0.7, although it may decrease to 0.6 in exploratory research.

The cronbach's alpha estimated for this study has been given in table 2. The cronbach's alpha results indicated that the factors are reliable.

Table 2. Reliability Statistics Values

Variable	Cronbach's Alpha	No of Items
Social Status	0.826	5
Compensation	0.832	5
Security	0.858	5
Supervision	0.920	5
Working Condition	0.871	5

Principal Component Analysis (PCA)

To reduce the respondents' responses from each 5 sub factors to one factor, PCA was performed. In this way 25 sub factors have been reduced to 5 extrinsic factors. Those are: Social Status, Compensation, Security, Supervision and Working Condition. The proportion of variance explained has been shown in table 3.

Table 3. Eigen analysis and Proportion of Variation

Social Status				Compensation			Security		
	Eigen value	Proportion	Cumulative	Eigen value	Proportion	Cumulative	Eigen value	Proportion	Cumulative
1	3.1482	0.614	0.614	2.6667	0.609	0.609	2.4034	0.652	0.652
2	0.8332	0.162	0.776	0.6487	0.148	0.757	0.4812	0.130	0.782
3	0.5028	0.098	0.874	0.4105	0.094	0.850	0.4207	0.114	0.896
4	0.3752	0.073	0.948	0.3772	0.086	0.937	0.2338	0.063	0.96
5	0.2686	0.052	1	0.2782	0.063	1	0.1485	0.040	1

Supervision				Working Condition		
	Eigen value	Proportion	Cumulative	Eigen value	Proportion	Cumulative
1	3.3891	0.764	0.764	2.8778	0.67	0.670
2	0.3938	0.089	0.852	0.6365	0.148	0.818
3	0.2758	0.062	0.915	0.3257	0.076	0.893
4	0.2302	0.052	0.966	0.2943	0.068	0.962
5	0.1489	0.034	1	0.1635	0.038	1

According to the principal component criterion (Cadima and Jolliffe 1995), to explain Social Status, Compensation, Security, Supervision and Working Condition extrinsic job satisfaction only first two principal components are sufficient because the cumulative proportion is more than 70% but Supervision extrinsic job satisfaction only first principal component is sufficient.

t-Test Results and Discussion

The independent samples t-test procedure compares means for two groups of cases. In this research, t-test is used to check whether extrinsic job satisfaction is differed based on variables: Gender (Male and Female), Types of Bank (Government and Private) and Civil Status (Single and Married). The test results are shown in table 4.

Table 4. t-Test results for variables Gender, Types of Bank and Civil Status

Independent Samples Test									
	Levene'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
Gender	4.240	0.042	1.133	103	0.260	.30263018	.2669923	.2268861	.83214648
Types of Bank	35.125	0.000	5.582	103	0.000	1.1355692	.2034401	.7320937	1.5390447
Civil Status	2.286	0.134	1.212	102	0.228	.2822769	.2328806	-.17964076	.74419458

The probability value in the above table 4.4, Civil Status is $p=0.134$ this indicates Married and Unmarried employees extrinsic job satisfaction are same. Whereas Gender probability values is $p=0.042$ this means Male and Female extrinsic job satisfaction are different at 10% level, further Male employees extrinsic job satisfaction higher than the Female employees. Types of Bank probability values is $p=0.000$ this value indicates that private and government bank employees extrinsic job satisfaction are different at 1% level, also Private bank employees extrinsic job satisfaction is higher than the Government bank employees.

One Way ANOVA and Discussion

In this research one way ANOVA is used to test for the differences among three or more means of variables such as: Ethnicity, Years of Experience, Educational Qualification, Distance to Working Place and Age to check the extrinsic job satisfaction.

Age ANOVA Results and Discussion

Variable Age is categories into six levels (see Table 1) and one way ANOVA results for this variable has been given in Table 5.

Table 5. ANOVA Results for Age Variable

ANOVA					
Source of Variations	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.260	5	0.252	0.173	0.972
Within Groups	144.161	99	1.456		
Total	145.422	104			

Ethnicity ANOVA Results and Discussion

Variable ethnicity is categories into three levels (see Table 1) and one way ANOVA results for this variable has been given in Table 6.

Table 6. ANOVA Results for Ethnicity Variable

ANOVA					
Source of Variations	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.541	2	1.771	1.261	0.288
Within Groups	141.863	101	1.405		
Total	145.404	103			

Years of Experience ANOVA Results and Discussion

Variable years of experience is categories into five levels (see Table 1) and one way ANOVA results for this variable has been given in Table 7.

Table 7. ANOVA Results for Years of Experience Variable

ANOVA					
Source of Variations	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.741	4	.435	.303	.875
Within Groups	143.681	100	1.437		
Total	145.422	104			

According to the p value ($p=0.875$), this is not significant. So it can be concluded that, years of experience categories are same with extrinsic job satisfaction.

Educational Qualification ANOVA Results and Discussion

Variable educational qualification is categories into six levels (see Table 1) and one way ANOVA results for this variable has been given in Table 8.

Table 8. ANOVA Results for Educational Qualification Variable

ANOVA					
Source of Variations	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.331	5	1.466	1.051	.392
Within Groups	138.091	99	1.395		
Total	145.422	104			

The p value of this variable is $p=0.392$, this is not significant. So it can be concluded that, educational qualification categories are same with extrinsic job satisfaction.

Distance to Working Place and Discussion

Variable Distance to Working Place is categories into five levels (see Table 1) and one way ANOVA results for this variable has been given in Table 9.

Table 9. ANOVA Results for Distance to Working Place Variable

ANOVA					
Source of Variations	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	35.762	4	8.941	8.153	.000
Within Groups	109.660	100	1.097		
Total	145.422	104			

The p value of this variable is $p=0.000$, this is significant. So it can be concluded that, at 1% significant level at least one distance to working place categories are different with extrinsic job satisfaction.

In the above ANOVA table 4.9 there is no information available to say which category is different from others. Therefore a mean separation is to be followed to find out which categories are different from each other. The mean separation results are show in table 10. According to the p value in table 10, above 30 km is different from other distances with extrinsic job satisfaction.

Table 10. Turkey Mean Separation for Distance to Working Place Variable

Multiple Comparisons						
EJS						
Turkey HSD						
Distance	Distance	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
less than 5 km	5-10 km	.33226755	.31710207	.832	-.5486985	1.2132336
	10-20 km	-.11423290	.29084844	.995	-.9222617	.6937959
	20-30 km	-.01704484	.35056953	1.000	-.9909894	.9568997
	above 30 km	-1.24542123*	.27965774	.000	-2.0223602	-.4684822
5-10 km	less than 5km	-.33226755	.31710207	.832	-1.2132336	.5486985
	10-20 km	-.44650045	.34367240	.692	-1.4012836	.5082827
	20-30 km	-.34931240	.39549576	.902	-1.4480701	.7494453
	above 30 km	-1.57768878*	.33425493	.000	-2.5063085	-.6490691
10-20 km	less than 5km	.11423290	.29084844	.995	-.6937959	.9222617
	5-10 km	.44650045	.34367240	.692	-.5082827	1.4012836
	20-30 km	.09718806	.37477459	.999	-.9440025	1.1383786
	above 30 km	-1.13118833*	.30945993	.004	-1.9909231	-.2714535
20-30 km	less than 5km	.01704484	.35056953	1.000	-.9568997	.9909894
	5-10 km	.34931240	.39549576	.902	-.7494453	1.4480701
	10-20 km	-.09718806	.37477459	.999	-1.1383786	.9440025
	above 30 km	-1.22837639*	.36615793	.010	-2.2456283	-.2111245
above 30 km	less than 5km	1.24542123*	.27965774	.000	.4684822	2.0223602
	5-10 km	1.57768878*	.33425493	.000	.6490691	2.5063085
	10-20 km	1.13118833*	.30945993	.004	.2714535	1.9909231
	20-30 km	1.22837639*	.36615793	.010	.2111245	2.2456283

*. The mean difference is significant at the 0.05 level.

Table 11. Correlation results for extrinsic job satisfaction factors

	Social Status	Compensation	Security	Supervision
Compensation	0.488			
	0.000			
Security	0.471	0.585		
	0.000	0.000		
Supervision	0.513	0.496	0.604	
	0.000	0.000	0.000	
Working condition	0.631	0.578	0.695	0.680
	0.000	0.000	0.000	0.000

According to the p value in table 11, the results conclude that there is a positive significant relationship between each extrinsic job satisfaction factors (Social Status, Compensation, Security, Supervision and Working Condition). This means extrinsic job satisfaction sub factors are measuring the research objectives.

Regression Analysis

Analytical techniques used in the study were multiple linear regressions. The dependent variable is extrinsic job satisfaction(Y), and the independent variables (Xn), namely the Social Status(X₁), Compensation(X₂), Security(X₃), Supervision(X₄) and Working Condition(X₅). The results of regression analysis are shown in table 4.12.

Table 12. The Regression Analysis Result

Predictor	Coef	SE Coef	T	P
Constant	0.1586	0.1102	1.44	0.153
Social Status (X ₁)	0.17499	0.01825	9.59	0.000
Compensation (X ₂)	0.21966	0.01941	11.32	0.000
Security (X ₃)	0.19342	0.02253	8.59	0.000
Supervision (X ₄)	0.17028	0.01512	11.26	0.000
Working Condition (X ₅)	0.20297	0.02396	8.47	0.000

$$S = 0.198930 \quad R\text{-Sq} = 97.1\% \quad R\text{-Sq}(\text{adj}) = 97.0\%$$

Based on the results obtained in the above table 12, the regression model is:
 $EJS = 0.159 + 0.175 X_1 + 0.220 X_2 + 0.193 X_3 + 0.170 X_4 + 0.203 X_5$

The results of regression analysis with the above equation shows that the contribution of the independent variables Social Status (X₁), Compensation (X₂), Security (X₃), Supervision (X₄) and Working Condition (X₅) on the dependent variable extrinsic job satisfaction (Y) is statistically positive significant. Further, the magnitude of the coefficient of multiple determination (R²) is 97.1%.

ANOVA result for this extrinsic job satisfaction factor has been shown in table 13.

Table 13. Analysis of Variance

Source	DF	SS	MS	F	P
Regression	5	132.071	26.414	667.48	0.000
Residual Error	99	3.918	0.040		
Total	104	135.989			

According to the p value ($p=0.000$), this is significant. So it can be concluded that, at 1% significant level that the model is significant.

Conclusion

The purpose of the study is to identify the extrinsic job satisfaction contribute with demographic factors in Ampara region government and private bank employees. The t-test result concludes that, there is a significant different between (gender and extrinsic job satisfaction) and (type of bank and extrinsic job satisfaction) whereas there is no different between (civil status and extrinsic job satisfaction). Hence, extrinsic job satisfaction for government and private, male and female bank employees are significantly different in Ampara region.

Furthermore, ANOVA result concludes that, there is no significant different between (year of experience and extrinsic job satisfaction), (age and extrinsic job satisfaction), (ethnicity and extrinsic job satisfaction) and (educational qualification and extrinsic job satisfaction) but there is significant different between (Distance to Working Place and extrinsic job satisfaction). So, distance wise the extrinsic job satisfaction significantly different in bank employees in Ampara region.

Correlation and regression result conclude that, each extrinsic job satisfaction factors (Social Status, Compensation, Security, Supervision and Working Condition) are statistically positive significant.

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