



**FACTORS AFFECTING JOB SATISFACTION
OF
BANKING EMPLOYEES**

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Abstract

Concept - Job satisfaction is a positive feeling toward a person's job. It is the combination of feelings and beliefs that encompass the mental, emotional, and physical domains. **Purpose** – The purpose of this study is to analyse the factors of employee job satisfaction in Nepalese Commercial Banks. **Methodology Used** – Descriptive and empirical research designs have been used for the study. Primary data through the questionnaires has been collected using convenience and judgmental sampling from the Nepalese commercial banks. Questionnaires have been developed in five point Likert Scale and Cronbach's alpha test has been conducted to test the reliability of the data.

Findings – Psychological, physical, and environmental factors are affected to the job satisfaction of employees working in different banks.

Key words: Job Satisfaction, Physical, Psychological and environmental factors

Paper Type: Research

Background

Employee's job satisfaction plays a significant role in the success and failure of any organization. If employees are highly satisfied with the job they will perform effectively and efficiently which directly or indirectly enhances contribution and productivity. Employee's satisfaction simply is a measure of how happy workers are with their job and working environment. In this competitive environment, it is essential to know the views of employees

towards their job and measure the level of satisfaction across various aspects of job satisfaction. Job satisfaction is the feelings that an individual has towards his/her job and different aspects of job.

Job satisfaction can be defined as a worker's emotional response to different job-related factors resulting in finding pleasure, comfort, confidence, rewards, personal growth and various positive opportunities, including upward mobility, recognition, and appraisal done on a merit pattern with monetary value as compensation (George & Jones, 2005).

According to Greenberg & Baron (2008), job satisfaction is a positive feeling or association toward a person's job. It is the combination of feelings and beliefs, which include the mental, emotional, and physical domains. Job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job experiences (Locke, 1976). Dawis&Lofquist (1984) defined job satisfaction as the result of the worker's appraisal of the degree to which the work environment fulfills the individual needs, and Zierden (1980) defined job satisfaction as one's reaction against his/her occupation or organization. In general, job satisfaction is the response to a job that results from the person's comparison of actual outcomes with their desired, anticipated, or deserved (Oshaghemi, 2000)

The search for an understanding of the causes of job satisfaction and/or dissatisfaction is an ongoing area of interest for social scientists and managers; the premise being that satisfied workers will be more productive and remain with organization longer, whereas dissatisfied workers will be less productive and more inclined to quit (Sarker, Crossman, & Chinmeteepituck,2003).

The level of job satisfaction of employees in any organization play a vital role for the retention and attraction of competent human capital in the organization. Satisfied workers tend to be less absent from their jobs, contribute for the benefit of the company and would like to stay in the organization. On the other hand, a dissatisfied employee has negative attitude and would prefer to remain absent. They are likely to always remain unhappy with the supervisor, co-workers and try to leave the company once an opportunity is available, and remain in stress. Therefore, it is very essential for the organization to create a satisfactory environment for the workforce.

Maslow (1954) suggests that humans needs form different levels of a hierarchy ranging from physiological needs, safety, belongingness and love, esteem to self-actualization.

Herzberg et al. (1959) formulated the two-factor theory of job satisfaction and postulated that satisfaction and dissatisfaction were two separate and sometimes even unrelated phenomena.

Intrinsic factors named 'motivators' (that is, factors intrinsic to the nature and experience of

doing work) were found to be 'job satisfiers' and included achievement, recognition, work itself and responsibility. Extrinsic factors which they named 'hygiene' factors were found to be job 'dis-satisfiers' and included company policy, administration, supervision, salary, interpersonal relations and working conditions.

There are three generally accepted dimensions of job satisfaction. They are (Luthan, 2002):

- a. Job satisfaction is an emotional response to a job situation.
- b. Job satisfaction is determined by how well outcomes are met or exceed expectations.
- c. Job satisfaction represents several attitudes, they are: pay, promotion opportunities, working conditions, co-workers relationship, supervision and the work nature

Job satisfaction is analyzed across the three factors affecting the employee job they are Physical, Psychological and Environmental factors.

Commercial Banks in Nepal

A bank can be defined as the financial intermediary between depositors and entrepreneurs. The intermediation takes place when banks accept deposit from general public, corporate bodies and private organizations and deploy that deposit for profitable purposes in the forms of loans and advances. A bank is also a financial service institution that generates its earnings primarily by means of intermediations. A bank or banker is a dealer in debts, his own and other people's (Shekhar&Shekhar, 2000).

According, to Nepal Commercial Bank Act 2031 B.S. "A commercial bank refers to such type of bank which deals in money exchange, accepting deposits and advancing loans and other commercial transactions other than some special functions performed by specified bank such as co-operative, agriculture and industrial bank."

Objectives of the study

The main objectives of study is to analyze the importance and impacts of physical, mental and external factors on job satisfaction of employees working in banks Other specific objectives are:

- a) To explore the factors of employee job satisfaction in Nepalese Commercial Banks.
- b) To analyse the level of job satisfaction of employees of Nepalese Commercial Banks.

Limitations of the Study

The following are the limitations of this study:

1. Out of twenty-eight commercial banks in Nepal, only four commercial banks have been considered for this study
1. Only three factors of job satisfaction have been tested, i.e. physical factor, psychological factor and environmental factor
2. Interview has been conducted with top level, middle level and lower level employees.

Methodology Used

This study has followed both descriptive and empirical approach of research. A questionnaire survey has been conducted for getting the answer of research questions.

There are total of twenty-eight commercial banks in Nepal, which constitute the population of the study. For this study, only four commercial banks, i.e. RastriyaBanijya Bank Limited (RBBL), Nepal Bank Limited (NBL), Nabil Bank Limited (Nabil) and Standard Chartered Bank Limited (SCBL) have been selected as sample banks. Selection of sample banks was done on convenience and judgmental basis.

The three-page questionnaire including 11 questions, were distributed to thirty i.e. ten each from top, middle and lower level employees of various departments of each bank.

Respondent's Profile

Table 1

a) Gender Wise Respondents

Name of the Banks	Male (No.)	%	Female (No.)	%	Total
RastriyaBanijyaBank Limited	18	15	12	10	30
Nepal Bank Limited	20	16.67	10	8.33	30
Standard Chartered Bank Limited	22	18.33	8	6.67	30
Nabil Bank Limited	20	16.67	10	8.33	30
Total	80	66.67	40	33.33	120

Table 1 depicts the characteristics of the respondents' gender wise. Majority of respondents were males, i.e. 66.67%. Female respondents were also satisfactory in number, i.e. 40 out of 120. The reason behind low number of female respondents is that all banks have high number of male employee.

Table 2**b) Age Wise Respondents**

Name of the Banks	below 30	%	30- 40	%	40- 50	%	above 50	%	Total
RastriyaBanijya Bank Limited	8	6.67	10	8.33	6	5	6	5	30
Nepal Bank Limited	6	5	12	10	8	6.67	4	3.33	30
Standard Chartered Bank Limited	8	6.67	14	11.67	4	3.33	4	3.33	30
Nabil Bank Limited	8	6.67	10	8.33	6	5	6	5	30
Total	32	26.67	46	38.33	24	20	20	16.67	120

Table 2 presents the characteristics of respondents' age wise. Majority of respondents were found to be between 30 to 40 years group, i.e. 38.33 percent. Very few respondents fall in the category of above 50 years group, i.e. 16.67 percent. Respondents in category below 30 years group were higher than between 40 to 50 years, i.e. 26.67 percent is greater than 20 percent. Cronbach's Alpha test has been done to test the reliability of data. Every variable has been tested and it was found that it was above 74%, which clearly indicates that Cronbach's Alpha test was accepted.

Five Points Likert Scale ranging from the best/most acceptable (rating scale of 5) to the worst/most unacceptable (rating scale of 1) has been used to analyze and interpret the subjective answer of the respondent

Analysis and Findings

Analysis has been done for getting the answer to 'the factors of employee job satisfaction and the level of job satisfaction of employees of Nepalese Commercial Banks'.

Psychological factor

Psychological factors the factors that provide employees with mental satisfaction e.g. Health & Safety, Job security, Promotion and Recognition etc.

Employees attitude toward Health and Safety

Health and safety refer to maintaining a safe and healthy work environment. Good health and safety bring more benefits, greater productivity and can produce at a higher quality. The question was asked to the employees whether they are satisfied with health plan and safety measures of the banks.

Table 3

Employees attitude toward Health and Safety

Level	RBBL	%	NBL	%	SCBL	%	Nabil	%	Total	%
Strongly Agree	6	20	5	16.67	7	23.33	7	23.33	25	20.83
Agree	12	40	11	36.67	10	33.33	11	36.67	44	36.67
Neutral	6	20	8	26.67	6	20	7	23.33	27	22.5
Disagree	4	13.33	3	10	4	13.33	3	10	14	11.67
Strongly Disagree	2	6.67	3	10	3	10	2	6.67	10	8.33
Total	30	100	30	100	30	100	30	100	120	100

Table3 shows out of the total, 36.67 percent employees are satisfied with the health and safety terms. 22.5 percent showneutral response. Likewise, 20.83 percent of the total employees are strongly satisfied with the health and safety facilities given by the banks. Only about 20 percent employees seem to be dissatisfied with the provision of health and safety of the banks. In every bank, more than 80 percent employees are satisfied with the provisions of health and safety taken by the banks.

Employees attitude towards Job Security

Job security is the freedom of employees from the doubt or insecurity that they will have the job in the long term due to low chance of losing it. Job security has a greater influence in increasing job satisfaction of its employees. The questionwas askedto the employees for getting the answer of employees' securities in theirjob.

Table 4

Employees attitude toward Job Securities

Level	RBBL	%	NBL	%	SCBL	%	Nabil	%	Total	%
Strongly Agree	8	26.67	8	26.67	12	40	10	33.33	38	31.67
Agree	10	33.33	12	40	10	33.33	11	36.67	43	35.83
Neutral	10	33.33	8	26.67	4	13.33	5	16.67	27	22.5
Disagree	2	6.67	2	6.67	2	6.67	2	6.67	8	6.67
Strongly Disagree	0	0	0	0	2	6.67	2	6.67	4	3.33
Total	30	100	30	100	30	100	30	100	120	100

Table 4 indicates that, 35.83 percent of the respondents are agreed with the job security given by their banks where as 31.67 percent of the respondents among total sample are highly agreed with their job security. Only 10 percent employees has very low attitude towards job satisfaction. More than 90 percent employees of all sample banks feel that they are secured from their job.

Employees attitude towards Promotion

Job promotion is the advancement of employees within an organization position or job tasks. The question was asked for getting the answer of ‘whether employees have adequate promotion and other opportunities in their organization’.

Table 5

Employees attitude towards Promotion

Level	RBBL	%	NBL	%	SCBL	%	Nabil	%	Total	%
Strongly Agree	4	13.33	4	13.33	5	16.67	5	16.67	18	15
Agree	10	33.33	8	26.67	8	26.67	9	30	35	29.17
Neutral	6	20	5	16.67	5	16.67	6	20	22	18.33
Disagree	6	20	8	26.67	7	23.33	6	20	27	22.5
Strongly Disagree	4	13.33	5	16.67	5	16.67	4	13.33	18	15
Total	30	100	30	100	30	100	30	100	120	100

Table 5 explains that about 30 percent the respondents are agree with their promotional opportunities, 15 percent of the respondents are strongly agree with their promotional opportunities, 22.5 percent of the respondents are disagree with their promotional opportunities, similarly about 19 percent of the respondents shows neutral response with their promotional opportunities. More than 50 percent respondents are agreed that their bank provides promotion to their employees considering experience, service, talents or their abilities.

Employees attitude towards Recognition

Recognition means recognizing the employee contribution by the employer in terms of rewards, praise or any other benefits given to employee. The question was asked for getting the answer of employees works are recognized or acknowledge by supervisor and management of the banks.

Table 6

Employees attitude towards Recognition

Level	RBBL	%	NBL	%	SCBL	%	Nabil	%	Total	%
Strongly Agree	8	26.67	7	23.33	8	26.67	8	26.67	31	25.83
Agree	10	33.33	11	36.67	11	36.67	10	33.33	42	35
Neutral	4	13.33	6	20	4	13.33	5	16.67	19	15.83
Disagree	4	13.33	2	6.67	4	13.33	3	10	13	10.83
Strongly Disagree	4	13.33	4	13.33	3	10	4	13.33	15	12.5
Total	30	100	30	100	30	100	30	100	120	100

Table 6 shows that about 25 percent of total respondents are strongly agree and 35 percent are agree with the recognition policy of the banks. Whereas about 23 percent (i.e. 10.83 percent disagree and 12.5 percent strongly disagree) employees shows negative attitude towards recognition. Majority employees of every banks are agreed with the recognition practices.

Physical factors

Physical factors are the factors other than mental and external that determines the level of employee job satisfaction. Such as, Relation with Coworkers, Salary/payment, Welfare Services, Use of Skills & Abilities and Participation on Decision Making etc.

Employees relation with Co-workers

It is very important for employees to maintain good and friendly relation with their coworkers and management as it helps to determine employee job satisfaction. The question was asked to answer about employees' good relation with co-workers and management.

Table 7

Employees relation with Co-workers

Level	RBBL	%	NBL	%	SCBL	%	Nabil	%	Total	%
Strongly Agree	12	40	12	40	13	43.33	13	43.33	50	41.67
Agree	12	40	11	36.67	10	33.33	10	33.33	43	35.83
Neutral	4	13.33	5	16.67	5	16.67	5	16.67	19	15.83
Disagree	2	6.67	2	6.67	2	6.67	2	6.67	8	6.67
Strongly Disagree	0	0	0	0	0	0	0	0	0	0
Total	30	100	30	100	30	100	30	100	120	100

Table 7 exhibits that only 6.67 respondents have bad relationship with coworkers and management. About 87 percent (41.67 percent strongly agree and 35.83 percent) respondents are agreed with their relationship with management and coworkers of their bank. Likewise, 15.83% of total respondents have average relationship between teams and management. It shows that there is mutual relationship and coordination between teams of every bank.

Employees attitude towards Salary and Payments

Payment and salary are the monetary rewards based on performances that foster satisfaction of higher-level needs. The question was asked for getting the answer of ‘whether employees are given adequate remuneration for their performance in fair and unbiased bases.

Table 8

Employees attitude toward Salary and Payments

Level	RBBL	%	NBL	%	SCBL	%	Nabil	%	Total	%
Strongly Agree	6	20	5	16.67	8	26.67	8	26.67	27	22.5
Agree	7	23.33	7	23.33	9	30	8	26.67	31	25.83
Neutral	6	20	7	23.33	6	20	6	20	25	20.83
Disagree	6	20	5	16.67	4	13.33	5	16.67	20	16.67
Strongly Disagree	5	16.67	6	20	3	10	3	10	17	14.17
Total	30	100	30	100	30	100	30	100	120	100

Table 8 clearly defines that about 31 percent (16.67 percent disagree and 14.17 percent strongly disagree) of total respondents are not satisfied with the payments scheme of their bank. About 23 percent of total respondents are highly satisfied with the payments and 25.83 percent of total respondents are satisfied with the payments given by the company. In all the banks number of satisfied respondents are higher than dissatisfied respondents that means the payments are given fairly and in unbiased manner.

Employees attitude towards Welfare Services

Employee's welfare services include other financial facilities excluding salary such as medical allowances, housing and transport facilities, insurance, bonuses etc. The question was asked for getting the answer of ‘whether employees needs are addressed by current welfare services.’

Table 9

Employees attitude toward Welfare Services

Level	RBBL	%	NBL	%	SCBL	%	Nabil	%	Total	%
Strongly Agree	8	26.67	7	23.33	6	20	6	20	27	22.5
Agree	10	33.33	11	36.67	9	30	10	33.33	40	33.33
Neutral	6	20	7	23.33	7	23.33	6	20	26	21.67
Disagree	3	10	3	10	6	20	5	16.67	17	14.17
Strongly Disagree	3	10	2	6.67	2	6.67	3	10	10	8.33
Total	30	100	30	100	30	100	30	100	120	100

Figure 9 indicates that about 55percent of total employees were satisfied with the welfare services provided to them whereas about 21percent of the total employees are neither satisfied nor dissatisfied with the welfare services provided by the bank. Only about 23 percent are dissatisfied with the welfare services provided to employees. Analysis shows that every bank is more concerned about the welfare services provided by them.

Employee attitude towards Participating in Decision Making

Decision-making refers to participating employees of all level in important decision related activities to make them feel that they are integral part of organization. The question was asked for getting the answer of the question of ‘whether employees are involved in decision related activities by top level management’.

Table 10

Employees attitude toward Participating Decision Making

Level	RBBL	%	NBL	%	SCBL	%	Nabil	%	Total	%
Strongly Agree	5	16.67	5	16.67	4	13.33	4	13.33	18	15
Agree	4	13.33	5	16.67	6	20	5	16.67	20	16.67
Neutral	4	13.33	4	13.33	3	10	4	13.33	15	12.5
Disagree	8	26.67	8	26.67	10	33.33	9	30	35	29.17
Strongly Disagree	9	30	8	26.67	7	23.33	8	26.67	32	26.67
Total	30	100	30	100	30	100	30	100	120	100

Table 10 shows that about 27 percent of total respondents strongly disagree with the decision-making activities, which are in practice in their work place. Likewise, number of employees

dissatisfied with the participation in decision-making activity are about 30percent of the total respondents. It shows that every employee working in the banks are not given equal chance to participate in decision related activities. Only about 32 percent of the total respondents are satisfied with the decision-making activities.

Employees attitude towards using Skill and Abilities

Skills and abilities are the competencies that every employee has, which are used by the banks for achieving their objectives. The question was asked for getting the answer of ‘whether banks used employee's skill and abilities in proper way’.

Table 11

Employees attitude toward using Skill and Abilities

Level	RBBL	%	NBL	%	SCBL	%	Nabil	%	Total	%
Strongly Agree	8	26.67	7	23.33	8	26.67	7	23.33	30	25
Agree	10	33.33	11	36.67	10	33.33	10	33.33	41	34.17
Neutral	6	20	7	23.33	6	20	7	23.33	26	21.67
Disagree	3	10	2	6.67	3	10	3	10	11	9.17
Strongly Disagree	3	10	3	10	3	10	3	10	12	10
Total	30	100	30	100	30	100	30	100	120	100

Table 11 indicates that about 60 percent of total respondents are agreed with attitude towards using employee's skill and abilities out of which 25 percent employees are strongly agree. About 22 percent employees were neither agreed nor disagreed.

Environmental Factor

Environmental factors are the external stimuli which when fulfilled, motivate employees to work effectively and efficiently which ultimately leads to increase in productivity, e.g. working environment and organization culture & management style etc. are the environmental factors that satisfy or dissatisfy the employees.

Employees attitude towards Working Environment

Working environment is the surrounding where the workers work, so it should be fresh, clean, comfortable, stress manageable to meet employee's needs. The question was asked get

the answer to ‘whether employees are given comfortable,adequate andstress-freeenvironment which helps to meet employee’s needs’.

Table 12

Employees attitude toward Working Environment

Level	RBBL	%	NBL	%	SCBL	%	Nabil	%	Total	%
Strongly Agree	6	20	6	20	10	33.33	10	33.33	32	26.67
Agree	6	20	5	16.67	10	33.33	10	33.33	31	25.83
Neutral	6	20	7	23.33	4	13.33	5	16.67	22	18.33
Disagree	8	26.67	6	20	3	10	3	10	20	16.67
Strongly Disagree	4	13.33	6	20	3	10	2	6.67	15	12.5
Total	30	100	30	100	30	100	30	100	120	100

Table 12 explains that about 30 percent of total respondents are dissatisfied with the working condition likewise, 18.33 percent of total respondents shows average attitude. About 52 percent (26.67 percent strongly agree and 25.83 percent agree) of total respondents are satisfied with the working conditions of their banks.

Employees attitude towards Organization Culture and Management Style

Organization culture and management style is the organizational pattern of beliefs, expectations and values, the question was asked for getting the answer of ‘whether the employees accept organizations culture and management style’.

Table 13

Employees attitude towards Organization Culture and Management Style

Level	RBBL	%	NBL	%	SCBL	%	Nabil	%	Total	%
Strongly Agree	9	30	9	30	10	33.33	9	30	37	30.83
Agree	11	36.67	11	36.67	10	33.33	11	36.67	43	35.83
Neutral	6	20	5	16.67	5	16.67	6	20	22	18.33
Disagree	3	10	4	13.33	2	6.67	3	10	12	10
Strongly Disagree	3	10	3	10	3	10	1	3.33	10	8.33
Total	30	100	30	100	30	100	30	100	120	100

Table 13 shows that about 31 percent employees are highly satisfied and about 36 percent are satisfied with the organization culture and management style of their banks. Out of the total respondents, 18.33 each are neutral and dissatisfied with the organization culture and management style.

The important findings from the study are:

- a. Every bank has developed appropriate provision for health and safety for their employees.
- b. Welfare and promotion strategies adopted by the banks are satisfactory and most of the employees feel secure on their job.
- c. Management frequently communicate about work responsibility to their employees.
- d. Every bank provides friendly and flexible working environment to their employees.
- e. Organization culture and management style of the banks are familiar to the employees needs
- f. Majority of the employees have been provided opportunities to participate in decision-making process and able to use their skills and capabilities

Conclusion

Job satisfaction has a direct impact on the performance of employees in different levels of profession. Employees play an important role to determine the success and the failure of any organization where job satisfaction is a major concern to increase productivity and profitability. Job satisfaction is always important in the present-day business world. It helps the employees to be self-motivated, content and happy with their job.

Job satisfaction is dependent on a wide range of variables. These variables are not the same for all organizations and institutions. Even patterns of organizations and policies determine the job satisfaction of the staff.

The finding of this study indicates that psychological, physical, and environmental factors are related to job satisfaction of employees working in the sample banks. But there are other factors that affect the level of job satisfaction. Employees are interested in having friendly environment and good relationship with colleagues & management. Therefore, the management should pay more attention on making friendly environment and providing employees welfare services, payments, promotional strategy to their employees. Similarly, every employee should be included in the decision-making process; their involvement in the decision-making process will motivate them and will make them feel more challenged with what they are doing.

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