

**FACTORS AFFECTING JOB SATISFACTION IN BANKING SECTOR OF PAKISTAN- A CASE  
STUDY OF DISTRICT OKARA AND SAHIWAL**

**Rai Imtiaz Hussain**

Lecturer, University of Education, Okara Campus, Pakistan  
Cell No. ++92-333-6977983      Email: [Rai\\_imtiaz\\_hussain@ue.edu.pk](mailto:Rai_imtiaz_hussain@ue.edu.pk)

**Abstract**

**Research Objectives:** The objective of the study is to find out the relationship between human resource factors and job satisfaction in banking sector of Pakistan. Only commercial banks are considered in banking sector. It includes both private banks and public owned banks. Furthermore, level of job satisfaction of female employees and male employees is tested.

**Research Methodology:** Primary data is used in the study that was collected through questionnaire. Data was collected from the employees of commercial banks both public and private of district Okara and Sahiwal. 150 questionnaires were distributed among these banks but only 117 questionnaires were returned. So, actual response rate was 78%. Descriptive statistics, correlation, regression and independent T-test was used to analyzed the results of the study.

**Results:** The results of the study indicate positive and strong association between human resource factors and job satisfaction. All the three independent variables job autonomy, leadership behavior and team member have significant impact on level of job satisfaction. Moreover, female employees are found more satisfied with their job than the male employees.

**Research limitations:** The research was conducted in Okara and Sahiwal district only and sample size selected is not comprehensive on the basis of which the results cannot be generalized to other districts.

**Practical implications:** The study will enable the practitioners and employers to reduce job turnovers and increase the level of job satisfaction. Because retaining an experience employee is better than hiring a new one and trained them.

**Value/originality:** The particular study will contribute to literature of HRM by analyzing the different factors. The results of the study are helpful for both private and public owned banks' employers.

**Key words:** job satisfaction, job autonomy, leadership behavior, team member, banking sector, Pakistan

## INTRODUCTION

A widely discussed issue in the literature on organizational behavior is job satisfaction. A lot of work has been done on the issue of job satisfaction which reveals that it minimizes the rate of absenteeism and turnover. A large number of practitioners, academicians and researchers are agreed on several important determinants of job satisfaction like team work environment, job autonomy, behavior of leadership, organizational commitment and nature of work. But they have no confidence about the effect of each of these determinants in different conditions and environment. It is important to understand that retaining an employee is better than to hire new ones and train them to get desired result. Turnover is important issue that needs to be addressed by making employee more satisfied and make their intention to stay whether to leave the organization (Hussain et al., 2011).

Better human resource management (HRM) practices also play a central role in enhancement of productivity of an organization (Bloom and Van Reenen, 2007). HRM practices may also affect employee turnover and productivity may increase (Sels et al., 2006). Petrescu and Simmons (2008) find that HRM practices increase satisfaction with pay and their overall job satisfaction. Ivancevich et al. (1997) defined job satisfaction as feeling and perception of a worker regarding his/her work and how he/she feels him/herself well in organization. According to Davis and Newstrom (1999) job satisfaction is an experience which has various aspects. Most of the significant aspects are two which are related to working conditions and the nature of work. Low job autonomy, low job security, low wages and low expectation for promotion negatively affect job satisfaction of employees (Guest, 2004 and Silla et al., 2005).

About more than a decade banking sector in Pakistan is experiencing a very high and considerable growth. A growing competition has to be faced by the firms involved in banking business due to emergence of new firms. For the survival in the competitive market, the banks will have to build or improve banking services at lower prices.

The current study will find the impact of different human resource management practices like job autonomy, team work environment and leadership behavior on employee job satisfaction. The study also investigates the main determinants of job satisfaction in Pakistan commercial banking sector. The further evaluation in this study is the level differences in job satisfaction between male and female employees.

### **Literature review:**

The effect of different factors on employee's job satisfaction has been studied in this literature. The study relates the work and working conditions at the work place with the job satisfaction. In the same way, fair promotion system in the organization, job autonomy, leadership behavior, social relations and the job itself are also among the important factors of job satisfaction (Dawson, 1987).

Rank, age, gender, length of service effect of all these on job satisfaction was studied by Oshagbemi (2003) for the universities in United kingdom (UK).the research found a strong correlation between employees rank and job satisfaction. On the other hand there was negative relation between the length of service and job satisfaction. An insignificant relation was found between job satisfaction and age and gender. Role of gender is widely discussed in the literature but, the findings or the end results of different studies create some great controversy. Some studies prove that females feel more job satisfaction then males, but the other studies prove vice versa (Weaver, 1974; Shaprio and Stern, 1975; Forgionne and Peters, 1982; Clark, 1997; Ward and Sloane, 1988). Cambell et al. (1976) argued while discussing the aspect of job satisfaction that males and females have lot of differences in expectations regarding their jobs. According to him that differences may be the cause of different level of job satisfaction between males and females.

Involvement in decision making process results in more job satisfaction (Lee and Ho, 1989). Lam et al. (2001) in Hong Kong studies the job satisfaction among the Chinese restaurant managers. According to results of study it was found that job itself, work environment and rewards are the main elements of job satisfaction in that industry.

Following are the hypothesis generated by this study in different aspects.

### **Job satisfaction**

The argument in the literature, regarding the relationship between job satisfaction and gender relates to following hypothesis

**H<sub>0</sub>:** There is no significant difference between men and women' job satisfaction.

**H<sub>1</sub>:** There is a significant difference between men and women' job satisfaction.

### **Job autonomy**

Factors that determine the jobs satisfaction of sales manager was studied by (Garrido et al., 2005). The conclusion of the study was human resource practices based compensation type and job design in terms of autonomy and resources are the essential determinants of sales manager' job satisfaction.

**H<sub>2</sub>:** Job autonomy has significant impact on level of job satisfaction.

### **Leadership Behavior**

Markow and Klenke (2005) and Milliman et al. (2003) state that a major element of enhancing the employee performance is leadership. Employees turnover are decreased by job satisfaction and loyalty. Job satisfaction is a multifaceted phenomenon that contains factor such as supervision at work, work itself, benefits and compensation, organization promotion policies, appraisal and attitude of coworkers. Pay and leadership are in more concerns of people.

**H<sub>3</sub>:** Leadership behavior has significant impact on level of job satisfaction.

### **Team Work**

Patel and Cardon (2010) suggested that leadership is adopted in group culture, as well as adopting effectively HRM practices are for improving job satisfaction and labor productivity. The spiritual cause of consistently growth in importance of work leads to strategic benefits to the business unit and due to significant cooperation of team work spiritually.

**H<sub>4</sub>:** Team work environment has significant impact on job satisfaction.

### **Research Methodology**

Population of the study was the employees working in banking sector both private and public in district Okara and Sahiwal. The sample of our study consisted of 150 employees working in the commercial banking sector of Okara and Sahiwal district, of which 117 were returned and processed; a 78% response rate was generated. The survey was completed in 1 month. Potential respondents were both males and females, aged between 20 and more than 35 years.

The primary data was collected from employees of banking sector through questionnaire. The questionnaire consists of two parts; first part consists of demographic factors of employees, and the second part consists of job satisfaction measurement. Likert scale ranking (5-point likert scale) was used in which 5 is the highest degree of agreement and 1 is the lowest degree of agreement. The statistical package social science program (SPSS) was used for the analysis.

Elementary and hierarchical linkage analysis method was developed by Emery (1997) and Williams (1988) adopted it further and determine the association order between survey items and job satisfaction in teams and the present study includes the same scale ( Williams, 1988)and three items were used to measured job autonomy from Hackman and Oldham (1980).

### **Theoretical Framework**



### **Procedure:**

The whole study was based on primary data. The questionnaire was self-distributed among the 150 respondents. All the questions were explained to the respondents for their ease in completing the questionnaire and the relevant results. One respondent was assigned with only one questionnaire. Data collection was followed by convenient sampling technique.

### **FINDINGS AND DISCUSSION**

The results of the study indicate the impact of different factors on job satisfaction in banking sector of Pakistan.

Table I provides the information regarding the gender frequencies of the sample taken in the study. It is cleared from the data that male workers are more than the female worker. The results are 86% of the sample is male and 14% of the sample is female. The reason is that the sample is taken from Okara and Sahiwal district which are not yet established and modernized that women are allowed to work with male society.

**Table I**  
**Gender**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	101	86.3	86.3	86.3
	Female	16	13.7	13.7	100.0
	Total	117	100.0	100.0	

Table II provides the information of the sample in terms of age. It is cleared from the data that 8% of the sample is between the ages of 20-25 years, 73% of the sample is between the ages of 25-30 years and remaining 19% is between the ages of 30-35 years. So, most of the sample is quiet young. The reason is private commercial banks that prefer to take young employees and trained them to get desired results.

**Table II****Age**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-25	9	7.7	7.9	7.9
	25-30	83	70.9	72.8	80.7
	30-35	22	18.8	19.3	100.0
	Total	114	97.4	100.0	
Missing	999	3	2.6		
Total		117	100.0		

The other tested used in the study includes correlation and regression which will tell us about the relationship of different variables and the strength of relation. Further regressions analysis is used to access the impact of independent variables on the dependent variable.

**Table III****Correlations**

		Level of job satisfaction	Job autonomy	Leadership behavior	Team members
Level of job satisfaction	Pearson Correlation	1	.620**	.672**	.662**
	Sig. (2-tailed)		.000	.000	.000
	N	117	117	117	117
Job autonomy	Pearson Correlation	.620**	1	.462**	.459**
	Sig. (2-tailed)	.000		.000	.000
	N	117	117	117	117
Leadership behavior	Pearson Correlation	.672**	.462**	1	.830**
	Sig. (2-tailed)	.000	.000		.000
	N	117	117	117	117
Team members	Pearson Correlation	.662**	.459**	.830**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	117	117	117	117

\*\*, Correlation is significant at the 0.01 level (2-tailed).

Table III show the correlation between independent variables and dependent variable. In this study level of job satisfaction is response variable and job autonomy, leadership behavior and team members are explanatory/predictor variables. The results of study indicate that there is positive strong relationship between job autonomy and level of job satisfaction. The value of

$r = 0.62$  and  $P = 0.000$ . So the relationship is significant at 0.01. The correlation between leadership behavior and job satisfaction is 0.672. It is also significant relationship. There is also positive relationship between team member and job satisfaction and value of correlation is 0.662. These relationships are also shown through the figure I.

**Figure I**

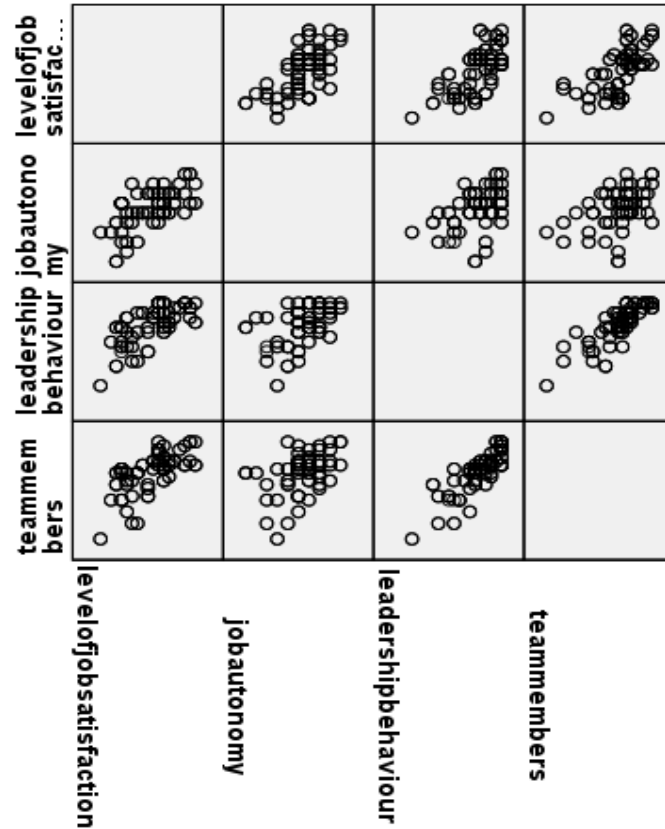


Figure 1 shows the diagramed presentation of the correlation between dependent and independent variable through SPSS. The intimacy of the respondents' results shows the strength of the relationship.

**Table IV**

Variables Entered/ Removed <sup>b</sup>			
Model	Variables Entered	Variables Removed	Method
1	Team members, job autonomy, leadership behavior <sup>a</sup>		. Enter

a. All requested variables entered.

b. Dependent Variable: level of job satisfaction



**Table V****Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.769 <sup>a</sup>	.592	.581	2.98312

a. Predictors: (Constant), team members, job autonomy, leadership behavior

**Table VI****ANOVA<sup>b</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	1456.073	3	485.358	54.541	.000 <sup>a</sup>
Residual	1005.585	113	8.899		
Total	2461.658	116			

a. Predictors: (Constant), team members, job autonomy, leadership behavior

b. Dependent Variable: level of job satisfaction

**Table VII****Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-2.297	1.838		-1.250	.214
Job autonomy	.868	.161	.371	5.405	.000
Leadership behavior	.351	.129	.297	2.715	.008
Team members	.214	.095	.245	2.245	.027

a. Dependent Variable: level of job satisfaction

The regression equation for this study can be summarized as under:

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3$$

Y = level of job satisfaction

X<sub>1</sub> = Job autonomy

X<sub>2</sub> = Leadership behavior

X<sub>3</sub> = Team members

Level of job satisfaction = (2.297) + 0.868 job autonomy + 0.351 leadership behavior + 0.214 team members

The value of  $\beta$  shows the change in the value of dependent variable due to change in independent variables. The dependent variable level of job satisfaction will positively change 0.868 and with leadership behavior 0.351 and with team members 0.214.

Table VI shows fitness of model. The value of  $P=0.000 > 0.05$  so the model is good fit. The value of adjusted R square is 0.581 that shows the value of correlation coefficient.

**Table VIII**  
**Group Statistics**

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Level of job satisfaction	Male	101	20.1485	4.47747	.44552
	Female	16	24.0000	4.09878	1.02470

Table VIII shows the level of job satisfaction of male and female. The results depicts that female employees are more satisfied than the male employees. It means that females in banking sector are more satisfied than males.

**Table IX**  
**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
Level of job satisfaction	Equal variances assumed	.435	.511	-3.231	115	.002	-3.85149	1.19198	-6.21256	-1.49041
	Equal variances not assumed			-3.447	21.094	.002	-3.85149	1.11736	-6.17453	-1.52844

Table IX shows that Levene's test is of  $H_0$ : population spreads are equal. The insignificant value of T-test ( $p=0.511$ ) means that there is no evidence against the hypothesis. Usually this is used to ascertain that we should use the assumption of equal variance. The t-statistics

assuming equal variance is -3.231. P-value is given under the column of sig. (2-tailed). The value of significance is  $p=.002$  providing strong evidence against the null hypothesis and favor the alternative hypothesis that the level of job satisfaction of male and female employee is different.

## **CONCLUSION RECOMMENDATION AND LIMITATION**

The conclusion of the studies shows that job autonomy, leadership behavior and team members have strong and significant relation with level of job satisfaction. Furthermore, the female employees are found more satisfied than the male employees. The reason may include the pay package that is available to banking sector and females are mostly working in or near their home district that may add to the level of their job satisfaction.

The level of job satisfaction can be increased through more competitive compensation packages, friendly environment with team members and more job autonomy. The limitation of the study includes that the sample is short and also restricted to only two districts so the results cannot be generalized to other districts.

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