



# Job Satisfaction of Banking Service in Bangladesh: A Comparative Study on Public and Private Bank

Mir Mahmudul Haque Chowdhury

M.Phil. Fellow

Department of Accounting & Information System

Islamic University, Kushtia, Bangladesh

Email: leon.ais.iu@gmail.com

## Abstract

The purpose of the study is to show a comparative study of job satisfaction in public and private bank sectors in Bangladesh. This paper will investigate as to what extent job satisfaction has led to good working performance in formal organization. This study has examined the factors that influence employee's job satisfaction in the organization such as job involvement, organizational commitment, quality of work life, organizational climate and job content. The study finds that private bank officers have higher levels of job satisfaction than those from the public sector as they enjoy better facilities and supportive work environment. Primary data were collected with a sample size of 300 which was collected at random from 10 equally selected public and private banks. Finally, an attempt has been made to regression and correlation analysis on job statistics and variables among the public and private bank employees in Bangladesh.

**Key words:** job satisfaction, banking sectors, contributing variables, Performance analysis.

## 1.0 Introduction

Banking industry is one of the fastest growing sectors in the economy of Bangladesh. Like other organizations, human resource is considered as one of most valuable asset for this industry too. Proper human resource management is considered to be the most crucial matter of concern in any organization. Accordingly, the degree of success by banks depends on proper management of human resources. It is a great challenge to manage the human resources as it is very difficult to satisfy human's desire from any field. So the case is true for bank employees also. Employee's productivity is expected to be high if they are highly satisfied with their job. On the other hand, organizations will suffer much because dissatisfied employees are less committed to their organization.

Job satisfaction describes how content an individual is with his or her job. The happier people are within their job, the more satisfied they are said to be. Job satisfaction is not the same as motivation, although it is clearly linked. Job design aims to enhance job satisfaction and performance; methods include job rotation, job enlargement and job enrichment. Other influences on satisfaction include the management style and culture, employee involvement, empowerment and autonomous work groups. Job satisfaction is a very important attribute which is frequently



measured by organizations. The most common way of measurement is the use of rating scales where employees report their reactions to their jobs. Job satisfaction in regards to one's feeling or state of mind regarding nature of their work. Job can be influenced by variety of factors like quality of one's relationship with their supervisor, quality of physical environment in which they work, degree of fulfillment in their work, etc. Positive attitude towards job are equivalent to job satisfaction whereas negative attitude towards job has been defined variously from time to time. In short job satisfaction is a person's attitude towards job. Job satisfaction is an attitude which results from balancing & summation of many specific likes and dislikes experienced in connection with the job- their evaluation may rest largely upon one's success or failure in the achievement of personal objective and upon perceived combination of the job and combination towards these ends.

According to Pest –one-jee, Job satisfaction can be taken as a summation of employee's feelings in four important areas. These are:

1. Job-nature of work (dull, dangerous, interesting), hours of work, fellow workers, opportunities on the job for promotion and advancement (prospects), overtime regulations, interest in work, physical environment, and machines and tools.
2. Management- supervisory treatment, participation, rewards and punishments, praises and blames, leaves policy and favoritism,
3. Social relations- friends and associates, neighbors, attitudes towards people in community, participation in social activity scalability and caste barrier.
4. Personal adjustment-health and emotionality.

Job satisfaction is an important indicator of how employees feel about their job and a predictor of work behavior such as organizational citizenship, the issue of job characteristics and employee satisfaction has been looked at from a number of perspectives. One view, which is followed by many, is the importance of money. A number of employers feel that in today's multiple opportunity, flexi choice, work from home environment, money is the basic reason for a person to take up a job, furthermore that people work only for money.

With the opening up of the economy of Bangladesh, a dramatic change has been observed both in manufacturing and in service sectors. This has brought higher employment opportunities, increases in income level, changes in consumption pattern and consequently there emerges a competitive environment in the country. Specifically, the expansion of private banking business, along with customized services, has created a severe implied competition in this sector. This competition has made the service gap wider as private banks offer better services to their internal and external customers. The scenario has created an urge to the bank policy makers to identify the underlying reasons and brought them into consideration the job satisfaction issue. It has been further envisaged that officers in banking sector play the key role in manipulating their services through implementing policy that has appeal to their customers. In such situation, job satisfaction



of bank officers becomes an important issue that has to be taken care of in order to achieve ultimate goals of the banking sector in Bangladesh.

It is an undeniable fact that the future of business enterprise depends upon the satisfaction level of its workforce. Dissatisfied workforces cause immediate problems only to their particular businesses.

## **2.0 Objectives of the study**

Every research has some specific objectives. The main objective of this study is to identify the level of job satisfaction of bank officers in Private and Public sectors in Bangladesh. Bank officers in this study refer to first and second class employees (not third and fourth class employees such as, clerks, assistants, peons, guards, drivers, cleaners etc.) in Bangladesh. The specific objectives are:

1. To measure the level of job satisfaction among public and private bank employees.
2. To find out the factors contributing towards the job satisfaction of public and private bank employees.
3. To find out relationship between job satisfaction and contributing variables.

## **3.0 Literature Review**

A review of the literature on job satisfaction revealed that a number of researcher and HR professionals have emphasized the importance of the factors affecting job satisfaction. Job satisfaction involves different facts such as satisfaction with pay, promotion opportunities, benefits, job security and the importance of the job (Nquye et, al., 2003). The private banks specially created a cut throat competition by offering new products and services to gain more market share. The employment patterns in the banking sector changed the focus become performance and targets rather than experience and loyalty. Hence, pay and job satisfaction becomes a primary factor for the banking employees which needed attentions so as to achieve the long term goals of the bank (Islam & Saha). Determinates such as pay, work itself, relationships with coworkers, supervision and opportunities for promotions have been found to contribute to job satisfaction (Opkara,2002). There is a significant difference in the job satisfaction levels of employees based on their income (Yasir & Fawad 2009). Generally, employees with lowest earnings reported lower levels of job satisfaction relative to other income groups. The Literature indicates that the performance of the private and foreign banks has been stronger than that of public sector banks (IBA, 2008). A study by Slevraj (2009) states; private banks were more successful then public sector in terms of implementing Total Quality Management (TQM) initiatives, in context of HR, customer focus, and top management commitment. Public sector banks structure compensation in a way such that there are lower pay differentials between the employees, long-term tenure is rewarded and there is a high base pay, whereas in the private sector banks, there are larger pay differentials, fewer rewards for tenure, and pay for performance (D'Souza, 2002). However, private sector banks do not provide job security and would lay off their employees in



cases of poor performance or adverse market conditions (Jha, Gupta & Yadav, 2008). Various studies have been conducted on the job satisfaction but a very few studies have been done on the job satisfaction of private sector in Bangladesh’s socio – economic context especially in the banking sector. This research gap induced the author to undertake the present study.

#### 4.0 Research Methodology

A research design is the arrangement of conditions for collections and analysis of data in a manner that aims to combine relevance to the research purpose with the economy in procedure. Descriptive research design was adopted in order to achieve the objectives of the study. This type of research design is more flexible to carry out the research. The design provides the opportunity for considering different aspects of the problem.

The researcher adopted the method of experience survey to collect the data. Subjects of the present study were selected from managerial and non-managerial staff of public and private sector banks from Bangladesh. 5 public sector banks and 5 private sector banks were selected for the study. A total of 400 subjects were selected equally from the 10 Organizations selected for the study. Here we consider Job satisfaction as a dependent variable and other contributing variables such as Job involvement, Organizational commitment, Quality of work life, organizational climate and Job content are considering as independent variables.

The data collection pertaining to this study involves both primary and secondary methods. The primary data was collected using questionnaire from randomly selected samples. The secondary data were collected from sources like manuals, company records, magazines and internet. Here we use Pearson correlation co-efficient to find out the association between job satisfaction and all others contributing variables. Also we run stepwise regression among all the variables.

#### 5.0 Findings and Analysis

Job satisfaction is a combination of psychological, physiological and environmental conditions providing satisfaction to person with his job. The job satisfaction perceived by the employees based on the opinion.

**Table 5.1: Opinion level of job satisfaction among employees in public banks.**

**Public sector banks**

Opinion level of job Satisfaction	Frequency	Percentage
Low	130	65
Medium	60	30
High	10	05
Total	200	100



From the table we see that, among the employees in the opinion, 65 percent of the employees have state that the job satisfaction is Low,30 percent of the employees have stated that the job satisfaction is Medium and 5 percent of them state that the job satisfaction is high. At outset it is implied that majority of the employees perceive Low level of job satisfaction, few employees perceive medium and very few employees perceive High level of job satisfaction. It is interesting to note that only minimum percent of the employees High-level of job satisfaction. So organizations try to concentration on employees need in public banks

**Table 5.2: Opinion level of job satisfaction among employees in private banks.**

**Private sector banks**

Opinion level of job Satisfaction	Frequency	Percentage
Low	04	2
Medium	56	28
High	140	70
Total	200	100

From this table we see that, Among the employees in the opinion, 2 percent of the employees have state that the job satisfaction is Low, 28 percent of the employees have stated that the job satisfaction is Medium and 70 percent of them state that the job satisfaction is high. At outset it is implied that majority of the employees perceive High level of job satisfaction, very few employees perceive Low level of job satisfaction. It is a good sign and it indicates that the organization has higher environment for the private bank employees to job.

**5.1 Correlation coefficient**

Correlation coefficients are used in statistics to measure how strong a relationship is between two variables. The quantity r, called the linear correlation coefficient, measures the strength and the direction of a linear relationship between two variables. The linear correlation coefficient is sometimes referred to as the Pearson product moment correlation coefficient in honor of its developer Karl Pearson. The mathematical formula for computing r is:

$$r = \frac{n \sum xy - (\sum x)(\sum y)}{\sqrt{n(\sum x^2) - (\sum x)^2} \sqrt{n(\sum y^2) - (\sum y)^2}}$$

Where, n is the number of pairs of data.

**Table6.1: Relationship between job satisfaction and contributing variables among public sector banks. Public sector banks**

Job Satisfaction		Job Involvement	Organizational commitment	Quality of work life	Organizational climate	Job content



	<b>Pearson correlation</b>	0.340	0.781	0.090	0.062	0.657
	<b>Significant (2 tailed)</b>	0.000	0.000	0.660	0.759	0.002
	<b>Total (N)</b>	200	200	200	200	200

The result shows that the job involvement (0.340), Organizational commitment (0.781) and Job content (0.657) is positively and significantly correlated with job satisfaction among the public bank employees. The R-value 0.781 from the table for organizational commitment of employees is highly influenced (highest among other variables) by job satisfaction. Job Involvement is correlated with job satisfaction but not high. The other variables Organizational climate (0.062) and quality of work life (0.090) are not significantly correlated with job satisfaction. From the correlation table it is found that there is significant relationship between the job satisfaction and job involvement, Organizational commitment and job content except organizational climate and quality of work life.

**Table6.2: Relationship between job satisfaction and contributing variables among private sector banks Private sector banks**

		<b>Job Involvement</b>	<b>Organizational commitment</b>	<b>Quality of work life</b>	<b>Organizational climate</b>	<b>Job content</b>
<b>Job Satisfaction</b>	<b>Pearson correlation</b>	0.760	0.528	0.860	0.822	0.041
	<b>Significant (2-tailed)</b>	0.002	0.000	0.000	0.001	0.854
	<b>Total (N)</b>	200	200	200	200	200

The result shows that the job involvement (0.760), Organizational commitment (0.528), Quality of work life (0.860) and Organizational climate (0.822) is positively and highly significantly correlated with job satisfaction among the private bank employees. The R-value 0.860 from the table for quality of work life and job satisfaction clearly implies that quality of work life of employees is highly influenced by job satisfaction among other variables. Organizational commitment (0.528) is correlated with Job satisfaction but not high. The only dimension of Job content 0.041 is not significantly correlated with job satisfaction.

### 5.2 Stepwise Regression

In statistics, stepwise regression includes regression models in which the choice of predictive variables is carried out by an automatic procedure. Usually, this takes the form of a sequence of F-tests, but other techniques are possible, such as t-tests, adjusted R-square. Stepwise regression is a modification of the forward selection so that after each step in which a variable was added, all candidate variables in the model are checked to see if their significance has been reduced below



the specified tolerance level. If a non-significant variable is found, it is removed from the model. Stepwise regression requires two significance levels: one for adding variables and one for removing variables. The cutoff probability for adding variables should be less than the cutoff probability for removing variables so that the procedure does not get into an infinite loop.

A regression equation allows us to express the relationship between two (or more) variables algebraically. It indicates the nature of the relationship between two (or more) variables. In particular, it indicates the extent to which you can predict some variables by knowing others, or the extent to which some are associated with others. A multiple regression equation is usually written by

$$Y_i = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \dots + \beta_nX_n, \quad i=1, 2, 3, 4, \dots, n$$

Where, Y=The dependent variable, X=The independent variable (or covariate),  $\beta_0$ =The intercept term,  $\beta_1, \beta_2, \beta_3, \dots, \beta_n$ =The slope coefficient or regression coefficient of the model,  $\epsilon$ =The error term. The equation will specify the average magnitude of the expected change in Y given a change in X.

**Table 7.1: Stepwise multiple regression analysis for the job satisfaction and contributed variables among public sector bank employees.**

Details regarding contributed variables	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	S.E	F-Value	Significant
Organizational commitment	0.781	0.609	0.605	0.31456	24.54	0.000
Job content	0.817	0.667	0.659	0.28943	21.56	0.000
Job involvement	0.839	0.704	0.778	0.24582	18.87	0.001

A stepwise regression analysis explains about contributing variables among bank employees. It is observed that the organizational commitment, Job content and job involvement significantly contribute towards the job satisfaction. The compute F-value for these factors is found to be significant at 5 percent level of significance. The R<sup>2</sup> value 0.609 of organizational commitment is indicate that highest percentage of variances on job satisfaction could be determined by these factors. The R<sup>2</sup> value 0.667 and 0.790 indicate that Job content and job involvement are the most contributed variables for the job satisfaction among the bank employees.

**Table 7.2: Job satisfaction and outcome variables among public sector bank employees**

	Unstandardized Coefficients		Standardized Coefficients	t – value	Significant
	B	Std. Error	Beta		
(Constant)	0.782	0.351		1.678	0.010



<b>Organizational commitment</b>	0.131	0.123	0.276	3.212	0.000
<b>Job content</b>	0.089	0.074	0.183	2.817	0.002
<b>Job involvement</b>	0.021	0.029	0.093	2.459	0.004

A stepwise regression analysis was performed keeping job satisfaction as the dimensions of organizational commitment, Job content and job involvement as independent variables. It is found that among the organizational commitment, Job content and job involvement is found to significantly influence the job satisfaction. Organizational commitment (0.276) highly influencing the job satisfaction and job involvement (0.093) least influencing the job satisfaction.

**Table 7.3: Stepwise multiple regression analysis for the job satisfaction and contributed variables among private sector bank employees.**

Details regarding contributed variables	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	S.E	F-Value	Significant
<b>quality of work life</b>	0.860	0.739	0.735	0.30567	22.65	0.002
<b>Organizational climate</b>	0.887	0.786	0.781	0.23675	19.76	0.000
<b>Job involvement</b>	0.891	0.794	0.789	0.19097	15.98	0.001
<b>Organizational commitment</b>	0.913	0.834	0.828	0.15654	12.99	0.000

A stepwise regression analysis explains about contributing variables among bank employees. It is observed that the quality of work life, Organizational climate, job involvement and Organizational commitment significantly contribute towards the job satisfaction. The compute F-value for these factors is found to be significant at 5 percent level of significance. The R<sup>2</sup> value 0.739 of quality of work life is indicate that highest percentage of variances on job satisfaction could be determined by these factors. The R<sup>2</sup> value 0.786, 0.794 and 0.834 indicates that Organizational climate, job involvement and Organizational commitment are the most contributed variables for the job satisfaction among the private sector bank employees.

**Table 7.4: Job satisfaction and outcome variables among private sector bank employees Private sector banks.**

This table is performed a stepwise regression analysis keeping job satisfaction as the dimensions of quality of

	Unstandardized Coefficients		Standardized Coefficients	t – value	Significant
	B	Std. Error	Beta		
<b>(Constant)</b>	-2.341	0.232		2.765	0.011
<b>Quality of work life</b>	0.356	0.021	0.436	6.897	0.000
<b>Organizational climate</b>	0.297	0.011	0.271	4.765	0.002



<b>Job involvement</b>	0.276	0.003	0.124	3.455	0.000
<b>Organizational commitment</b>	0.189	0.056	0.096	2.876	0.021

work life, Organizational climate, job involvement and Organizational commitment as independent variables. It is found that all the contributing variables are significantly influence the job satisfaction. Quality of work life (0.436) highly influencing the job satisfaction and Organizational commitment (0.096) least influencing the job satisfaction.

### 6.0 Recommendation

The job satisfaction depends up on the feeling of employees about their working environment. When their physical and psychological environment is conducive they will perceive a good job satisfaction. Some of the ways through which the job satisfaction can be improved are It has been found that employees of private sector banks were more satisfied with their jobs compared to employees of public sector banks. To increase their satisfaction, public sector banks need to improve quality of work life, organizational climate and salary (Income). Relationship with co-workers and supervisors makes the employees to feel better and it help to increase productivity and responsibility of workers and it helps to increase profit of the organization. It was found that level of job satisfaction, job involvement, quality of work life and organizational climate for public bank employees are not satisfied with job. So the public banking sectors try to consider the respondents needs and fulfill the same. At outset it is implied that majority of the public bank employees perceive medium and low level of job satisfaction, very few employees perceive high level of job satisfaction. So organizations try to concentration on employees need in public banks.

### 7.0 Conclusion

Job satisfaction, its causal factors and its effect upon organizational health are all part of the various factors under study for this assignment. Job satisfaction for an individual can be influenced by a number of factors that include first the job itself, the salary, the promotion policy of the company, the attitudes of the co-workers, the physical and mental stress levels involved, the working conditions, the interest and challenge levels.

This study effort to appraise job satisfaction of bank employees in Bangladesh. It centers on the relative consequence of job satisfaction factors and their impacts on the overall job satisfaction of officers. It also examines the impacts of bank type, work knowledge, age, and sex differences on the attitudes to job Satisfaction. The result shows that salary, efficiency in work, fringe supervision, and co-worker relation are the most vital factors connecting to job satisfaction. 70% of the employee’s state that the job satisfaction is high in Private banking. Whereas 65% of the employees have state that the job satisfaction is Low in Public sector banking. Private bank employees have higher levels of job satisfaction than those from public sectors as they like better facilities and supportive work environment. A work skill is found as the next most significant



factor moving job satisfaction. The overall job satisfaction of the bank officers is at the positive level.

Higher job satisfaction has been linked with employees who are able to exercise private and with those who have a higher level of job involvement. Women have been found to report significantly higher job Satisfaction than men although this gender gap appears to be narrowing. The correlation coefficient shows a positive relationship existing among the contributing variables such as Organizational commitment, job involvement, and quality of work life, organizational climate and job content. Quality of work life (0.860) and Organizational climate (0.822) is positively and highly significantly correlated with job satisfaction among the private bank employees. Whereas the Organizational climate (0.062) and quality of work life (0.090) are not significantly correlated with job satisfaction among the public bank employees.

Job satisfaction perceived by public and private bank employees. Researcher found that public bank employees perceived medium and low level of job satisfaction and private bank employees perceived high and medium level of job satisfaction. The study implies that the overall job satisfactions by the bank employees is medium and also observed that private bank employees are very satisfied with job. So management tries to concentration on employee satisfaction level especially on public banks. It will be help to increase pay, promotion, job security, rewards and reduce work load etc.

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