

# Job Satisfaction of Private Sector Banks Executives in Bangladesh: A Factor Analysis Strictly as per the compliance and regulations of

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## Abstract

The present study has been attempted to understand and explain the job satisfaction, which influenced by utilitarian reasons (e.g., to increase productivity and organizational commitment, lower absenteeism and turnover, and ultimately increase organizational effectiveness) as well as humanitarian interests (i.e., the notion that employees deserve to be treated with respect and have their psychological and physical well-being maximized). The satisfied workers also tend to engage in Organizational Citizenship Behaviour (OCB) i.e., altruistic behaviours that exceed the formal requirements of a job. Dissatisfied workers show an increased propensity for counterproductive behaviours, including withdrawal, burnout, and workplace aggression. The present study emphasized on job satisfaction of private sector bank's executives in Bangladesh. For primary data some bank executives have been selected purposively in Chittagong, Bangladesh with the sample size of thirty five. We used sophisticated statistical model Principal Component Analysis (PCA). The study has identified eight factors based on factor loadings named as 'better working environment'; officer's view'; 'worked efficiently'; 'present work'; 'improving interpersonal relationship'; 'bank treatments'; 'colleagues' and 'challenging work'. However only 'colleagues' factor is significantly correlate with overall job satisfaction of bank executives

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**Index terms**— Turnover Job Satisfaction; Organizational Citizenship Behaviour; Bank Executives.

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Keywords : Job Satisfaction; Organizational Citizenship Behaviour; Bank Executives.

## 2 I.

## 3 PRELUDE

by day. To cope with the changes and upcoming challenges, organisations must identify the factors, which have profound impact on organisational performance as well as job satisfaction. With the o brought higher employment opportunities, increases in change has been observed both in manufacturing and Opening up of the economy of Bangladesh, a dramatic in service sectors. This has income level, and 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 clients. 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 executives 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 executives becomes an important issue that has to be taken care of in order to achieve ultimate goals of the banking sector in Bangladesh.

## 4 II.

## 5 LITERATURE REVIEW

Job satisfaction has been defined as a general attitude toward one's job ??Huang, 1999). Locke (1976) has defined job satisfaction as the pleasurable emotional state resulting from the appraisal of one's job or job experiences. Hoppock (1935) defined job satisfaction as any combination of psychological, psychological and environment circumstances that cause a person truthfully to say, "I am satisfied with my job". This is not really a definition of job satisfaction. It merely points to various types of circumstances helpful for job satisfaction. Smith (1955) defined job satisfaction as an employee's judgement of how well his job has satisfied his various needs. But Locke (1976) gave a more acceptable definition of job satisfaction. He defined job satisfaction as the pleasurable emotional state resulting from the perception of one's job as fulfilling one's important job values, providing these values are compatible with one's needs.

The work environment is more important in shaping worker job satisfaction than are demographic characteristics and the job satisfaction is a highly salient antecedent of turnover intent (Lambert, Hogan & Barton, 2001). Satisfaction and commitment each contribute independently to the intention of the executives and intentions are predicted more strongly by satisfaction than by commitment ??Tett & Meyer, 1993). About 30% of the observed variance in general job satisfaction is due to genetic factors (Avery, Bouchard, Segal and Abraham, 1989).

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Global Journal of Management and Business Research Volume XII Issue I Version I Abstractn today's dynamic and ever changing environment the job satisfaction has emerged as the key fact for motivating employees towards the organizational goals and objectives. This issue has also been identified as one of the most important issues in today's service sector, especially in serve competitive banking sector of Bangladesh. In the development of information and communication technology (ICT), the fact of job satisfaction is becoming more complex day I Bullok (1952) defined job satisfaction as an attitude which results from a balancing and summation of many specific likes and dislikes experienced in connection with the job. According to Smith (1955), it as an employee's judgement of how well his or her job has satisfied his/her various needs. Blum & Naylor (1968) defined it as a general attitude formed as a result of specific job factors, individual characteristics, and relationships outside the job. The overall job satisfaction depends on what one expects what he or she receives. An employee will remain satisfied with fewer amenities, provided he or she expects less. However, dissatisfaction occurs when one gets less than what he or she expects. Overall or general job satisfaction describes a person's overall affective reaction to the set of work and work related factors (Cranny, Smith & Stone, 1992). It involves workers' feelings toward different dimensions of the work and work environment (Cranny et al., 1992).

A study conducted in the jute and textile sectors among the mid level male industrial managers found that job satisfaction and job involvement are positively correlated and it identified salary as the most contaminating factor in this relationship (Haque, 1995). In another study effort was made to find out the effects of organisational climate on job involvement, job satisfaction and personality of mid level managers (Jahan & Haque, 1993). It found some significant influence of organisational environment on job satisfaction of managers. Khaleque & Rahman (1987) found that the satisfaction variables are not unidirectional in their effects. Job facets can be sources of satisfaction as well as dissatisfaction. Overall satisfaction of industrial workers appears to be influenced by the satisfaction with job facets and personal life. The degree of satisfaction seems to depend upon the satisfaction with the number of job facets as well as their perceived importance.

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A 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.

### 7 III. OBJECTIVES

The main objective of the study is 1. To identify the level of job satisfaction of bank executives in Bangladesh 2. To focus on the relative importance of job satisfaction.

IV.

### 8 HYPOTHESES

The following hypotheses are formulated for the study H 1: All factors are significantly correlated with overall job satisfaction. H 2 : All factors determine the job satisfaction is significant.

V.

### 9 MATERIAL AND METHODS SAMPLING DESIGN

The sample for this study was private banks in Chittagong city in Bangladesh. A purposive sampling technique was used to select the organizations. Initially researchers identified five private banks such as National Credit and Commercial Bank Ltd; Mutual Trust Bank; ICB Islamic bank Ltd; AB bank ltd; Uttar Bank Ltd, then, decided to distribute questionnaires among seven executives (e.g., Manager, Assistant Manager, and Senior officers) from each bank. In a way thirty five were used for the study as an ultimate sample.

### 10 VI. DATA COLLECTION

Primary and secondary data were used for the study. Primary data were collected through the written questionnaire following direct personal interviewing technique. The secondary data were gathered from journals, books, magazines, etc.

### 11 VII. SURVEY INSTRUMENT

The questionnaire was administrated among the selected respondents in selected sample banks. The questionnaire was designed by the researchers a seven item scale from strongly disagree (-3) to strongly agree (+3) was adopted to identify the key factors of job satisfaction. In this study, this model is "Factor Analysis (FA)" (Principal Component Varimax Roated Factor Analysis Method) has been used to group the factors.

### 12 VIII. RELIABILITY AND VALIDITY

The reliability value of our surveyed data was 0.860 for variables of job satisfaction. If we compare our reliability value with the standard value alpha of 0.7 advocated by Cronbach (1951), a more accurate recommendation (Nunnally & Bernstein's, 1994) or with the standard value of 0.6 as recommended by Bagozzi & Yi's (1988) we find that the scales used by us are sufficiently reliable for data analysis.

### 13 IX.

### 14 MODE OF DATA ANALYSIS

The present study has used a sophisticated method of statistics -FA using varimax rotation analyzing the data collected. In order to obtain interpretable characteristics and simple structure solutions, researchers have subjected the initial factor matrices to varimax rotation procedures ??Kaiser, 1958). Varimax rotated factors matrix provides orthogonal common factors. Correlation analysis was carried out to find out the relationship among the factors. Finally t-test was used to test the hypotheses.

### 15 X. RESULTS AND DISCUSSION

Before using factor analysis the data adequacy was tested. Data adequacy shows KMO (Kaiser-Meyer-Olkin) and Bartlett's Test of Sphericity. KMO indicator varied from 0 to 1. In case the indicator is closer to 1, data adequacy is higher. The criterion of Bartlett's Test of Sphericity is Chi-Square value is 726.31 with 325 degree of freedom at the 0.05 level of significance. KMO indicator .895 shows that data is adequate near to 1 and also Bartlett's Test of Sphericity shows that significant is valued perfectly because of the significance  $p < 0.05$ . It was decided the appropriateness of factor analysis and also suggested further investigation using principles components analysis method. (F For details, please see annexure -I).

The results from the survey were coded and entered for statistical analysis. The data obtained for the study were analysed by using "Factor Analysis" for identification of the "key factors" preferred by the respondents. Factor analysis identifies common dimensions of factors from the observed variables that have a high correlation with the observed and seemingly unrelated but no correlation among the factors. Principal component factor analysis with rotated factor loadings (Table 1) was performed on the survey data. Principal Component Analysis

(PCA) is the commonly used method for grouping the variables under few unrelated factors. Variables with a factor loading of higher than 0.5 are grouped under a factor. A factor loading is the correlation between the original variable with specific factor and the key to understanding the nature of that particular factor (Pal, 1986; Pal & Bagi, 1987). When the original twenty six variables were analysed by the Principal Component Analysis (PCA) with varimax rotation, an eight fact extracted from the analysis with an Eigen value of greater than one, then one variable were dropped from the analysis because of their low loadings and difficulty of interpretation. The analysis of the remaining twenty five variables yielded eight indicators, which explained 79.32 percent of the total variance. The result of the factor analysis is presented in Table 1. Further, the communalities of the variables constituted the factors are found very strong which indicates strong relationships among the variables.

Factor 1 named as 'better working environment' consisted of six variables. The names of the variables are working properly (.870), welfare facilities (.865), chances of income (.827), good relationship between union and management (.792), chances of promotion (.629) and income comparison with other banks (.538).

Factor 2 named 'officer's view'. The factor is constituted by five variables including officer's view (.852), performance (.741), supervision of departments (.703), immediate supervisor (.674) and suggestions (.619).

factor is measured by improvements (.749), work allotments (.705) and chances to do best (.644).

Factor 6 named as 'bank treatments'. This factor is measured by bank treatments (.798), bank policy (.687) and increment allotment method (.592).

Factor 7 included two item scales and was named as 'colleagues'. This is formed by colleagues (.849) and present salary (.687).

Factor 8 named as 'challenging work'. This factor is consisted return on capital employed (.718) Factor 3 named as 'worked efficiently' which is formed by three variables such as worked efficiently job offered to other organisation with factor loading of .830; .753 respectively.

Factor 4 named as 'present work'. This factor consists of three variables. The variables are present work (.766), personal development programmes (.762) and leave rules regulations (.603).

Factor 5 included three item scales and was named as 'improving interpersonal relationship'. This <sup>1 2</sup>

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Figure 1: Table 1 :

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Table 2 indicates the mean, standard deviation and t value for each factors related to job satisfaction of banking executives . t -value indicates that all variables determining to overall job satisfaction is significant. Therefore hypothesis two is accepted.

Figure 2: Table 2 :

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		Correlations					
		F1	F2	F3	F4	F5	F6
F1	Pearson Correlation	1	.364*	.100	.440**	.346*	-.052
	Sig. (2-tailed)		.032	.566	.008	.042	.765
F2	Pearson Correlation	.364*	1	.457**	.385*	.280	.119
	Sig. (2-tailed)	.032	.006	.022	.103	.494	.005
F3	Pearson Correlation	.100	.457**	1	.153	.059	.022
	Sig. (2-tailed)	.566	.006	.381	.736	.902	.004
F4	Pearson Correlation	.440**	.385*	.153	1	.171	-.066
	Sig. (2-tailed)	.008	.022	.381	.326	.706	.422*
F5	Pearson Correlation	.346*	.280	.059	.171	1	.231
	Sig. (2-tailed)	.042	.103	.736	.326	.181	.310
F6	Pearson Correlation	-.052	.119	.022	-	.231	1
	Sig. (2-tailed)	.765	.494	.902	.066	.181	.091
F7	Pearson Correlation	.465**	.477**	.172	.422*	.310	.091
	Sig. (2-tailed)	.005	.004	.324	.012	.070	.605
F8	Pearson Correlation	.323	.414*	.440**	.283	.117	.037
	Sig. (2-tailed)	.058	.013	.008	.099	.505	.832
OS	Pearson Correlation	-.081	.066	.026	.040	-.081	-.174
	Sig. (2-tailed)	.643	.707	.882	.819	.644	.318

. Correlation is significant at the 0.05 level (2-tailed).

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

## XI. CONCLUSIONS

Based on the factor analysis, eight factors are identified, which are contributing towards job satisfaction of banking executives in private banks in Bangladesh. Factors are as 'better working environment'; officer's view'; 'worked efficiently'; 'present work'; 'improving interpersonal relationship'; 'bank treatments'; 'colleagues' and 'challenging work'. However only 'colleagues' factor is significantly correlate with overall job satisfaction.

[Note: Extraction Method: Principal Component Analysis.]

Figure 3: Table 3 :



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