

1 Job Satisfaction of Private Sector BanksExecutives in
2 BangladeshA Factor Analysis Strictly as per the compliance and
3 regulations of

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7

8 **Abstract**

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

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

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28 Bangladesh: A Factor Analysis**

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

43 **2 I.**

44 **3 PRELUDE**

45 by day. To cope with the changes and upcoming challenges, organisations must identify the factors, which
46 have profound impact on organisational performance as well as job satisfaction. With the o brought higher
47 employment opportunities, increases inchange has been observed both in manufacturing and Opening up of the
48 economy of Bangladesh, a dramatic in service sectors. This has income level, and changes in consumption pattern
49 and consequently there emerges a competitive environment in the country. Specifically, the expansion of private
50 banking business, along with customized services, has created a severe implied competition in this sector. This
51 competition has made the service gap wider as private banks offer better services to their clients. The scenario has
52 created an urge to the bank policy makers to identify the underlying reasons and brought them into consideration
53 the job satisfaction issue. It has been further envisaged that executives in banking sector play the key role in
54 manipulating their services through implementing policy that has appeal to their customers. In such situation,
55 job satisfaction of bank executives becomes an important issue that has to be taken care of in order to achieve
56 ultimate goals of the banking sector in Bangladesh.

57 **4 II.**

58 **5 LITERATURE REVIEW**

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

68 The work environment is more important in shaping worker job satisfaction than are demographic character-
69 istics and the job satisfaction is a highly salient antecedent of turnover intent (Lambert, Hogon & Barton, 2001).
70 Satisfaction and commitment each contribute independently to the intention of the executives and intentions are
71 predicted more strongly by satisfaction than by commitment ??Tett & Meyer, 1993). About 30% of the observed
72 variance in general job satisfaction is due to genetic factors (Avery, Bouchard, Segal and Abraham, 1989).
73 .

74 **6 91**

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

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

98 A various studies have been conducted on the job satisfaction but a very few studies have been done on the
99 job satisfaction of private sector in Bangladesh's socio -economic context especially in the banking sector. This
100 research gap induced the author to undertake the present study.

101 **7 III. OBJECTIVES**

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

104 IV.

105 **8 HYPOTHESES**

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

109 **9 MATERIAL AND METHODS SAMPLING DESIGN**

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

115 **10 VI. DATA COLLECTION**

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

119 **11 VII. SURVEY INSTRUMENT**

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

124 **12 VIII. RELIABILITY AND VALIDITY**

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

129 **13 IX.**

130 **14 MODE OF DATA ANALYSIS**

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

136 **15 X. RESULTS AND DISCUSSION**

137 Before using factor analysis the data adequacy was tested. Data adequacy shows KMO (Kaiser-Meyer-Olkin)
138 and Bartlett's Test of Sphericity. KMO indicator varied from 0 to 1. In case the indicator is closer to 1, data
139 adequacy is higher. The criterion of Bartlett's Test of Sphericity is Chi-Square value is 726.31 with 325 degree
140 of freedom at the 0.05 level of significance. KMO indicator .895 shows that data is adequate near to 1 and
141 also Bartlett's Test of Sphericity shows that significant is valued perfectly because of the significance p<0. 05.
142 It was decided the appropriateness of factor analysis and also suggested further investigation using principles
143 components analysis method. (F For details, please see annexure -I).

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

15 X. RESULTS AND DISCUSSION

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

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

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

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

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

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

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

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

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

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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 .465
	Sig. (2-tailed)			.032 .566	.008	.042	.765 .005
F2	Pearson Correlation	.364*	1	.457** .385*	.280	.119 .477** .414*	
	Sig. (2-tailed)	.032		.006	.022	.103	.494 .004
F3	Pearson Correlation	.100	.457**	1	.153	.059	.022 .172
	Sig. (2-tailed)	.566	.006		.381	.736	.902 .324
F4	Pearson Correlation	.440**	.385*	.153	1	.171 -.066	.422*
	Sig. (2-tailed)	.008	.022	.381		.326	.706 .012
F5	Pearson Correlation	.346*	.280	.059	.171	1	.231 .310
	Sig. (2-tailed)	.042	.103	.736	.326		.181 .070
F6	Pearson Correlation	-.052	.119	.022	-	.231	1 .091 .066
	Sig. (2-tailed)	.765	.494	.902	.706	.181	.605
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 .388*	
	Sig. (2-tailed)	.058	.013	.008	.099	.505	.832 .021
OS	Pearson Correlation	-.081	.066	.026	.040	-.081 -.174	.381*
	Sig. (2-tailed)	.643	.707	.882	.819	.644	.318 .024

. 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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