Identifying Factors that Affect for the Job Satisfaction of Banking Employees in Sri Lanka

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1 INTRODUCTION

Employees are considered as one of the key elements of an organization. Success of an organization vastly depends on the Employees contributions to the organization. However, employee contribution to the organization depends on his/ her job satisfaction. Locke (1976) defines job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". Especially in the Banking sector, where employees are more susceptible to routine work this may increase the level of dissatisfaction. If employees are not satisfied with their job then it may increase cost, reduce efficiency of the work flow, decline turnover (or profit), and waste time (Zeffane et al. 2008) and also result in customer dissatisfaction. Mike Jeram proposed that promotions and personal professional development of employees will be useful to gain competitive advantage over their competitors. Sowmya and Panchanatham (2011) and Devi and Suneja (2013) performed studies to identify the job satisfaction of employees in private sector and public sector banks while others investigated overall job satisfaction associated with demographic factors (Jahufer, 2015). In this study, we investigate the effect of factors on the job satisfaction of employees in the Banking sector (Sri Lanka). Our objectives are to analyse the effect of economic factors (i.e. Net salary, Monetary benefits, Non-monetary benefits, Retirement monetary and non-monetary benefits, Recreational facilities), demographic factors (*i.e.* Gender, Age, Marital states, Religion, Educational level, Distance, Number of dependents), organizational factors (i.e. Freedom to use own judgments, Job rotation, Recreational facilities, Monotonous duties assign in the job, Experience in banking sector, Work load) and social factors (*i.e.* Relationship with the Boss, Relation among co-workers, Personal and family problem, Psychological stress, social status).

2 METHODOLOGY

2.1 Questionnaire design

There were 32 questions in the questionnaire. The questionnaire was structured into two sections. Section-1 consisted of demographic information and section-2 collected information on economic factors, organizational factors,

and social factors in a five-point scale (extremely satisfied, very satisfied, satisfied, not satisfied and highly dissatisfied). The questions were designed to facilitate the respondents to identify the various variables contributing towards Job satisfaction of employees.

2.2 Study area and the data collection scheme:

The total sample size was 150. The questionnaire was handed over to the employees in four banks in the private sector and three banks in the public sector in the Kandy district. Sample size was selected in a way that includes all types of employees in the banking sector (see Table 1). 75 employees from each sector were selected.

Table 1: Sample proportions sector and staff grade.

Banking Sector in Kandy District (Sample size %)	Staff Grade
Public Sector (50%)	Staff Assistant Level (60%)
	Executive Level (30%)
	Management Level (10%)
Private Sector (50%)	Staff Assistant Level (60%)
	Executive Level (30%)
	Management Level (10%)

2.3 Multinomial logistic regression:

We performed correlation test, independence test, and multinomial logistic regression analysis. In our study Y_{ik} is the satisfaction level ($k = 1, 2, ..., 5$) of the ith individual that can take one of the several discrete values.

$\pi_{ik} = \Pr\{Y_{ik} = k\}$ denotes the probability that the ith individual falls in the kth category. Therefore, Y_{ik} is an indicator variable with two values either zero or one. Multinomial logistic regression uses a linear predictor function;

$$\ln\left(\frac{\pi_{ik}}{\pi_{ib}}\right) = \beta_{0,k} + \beta_{1,k}x_{1,i} + \beta_{2,k}x_{2,i} + ... + \beta_{31,k}x_{31,i}$$

Where b denotes the baseline category.

$$\Pr(Y_i = k) = e^{\beta_1 X_i} \Big/ \sum_{k=1}^{K} e^{\beta_k X_i} \ .$$

Analysis was performed using R (R Core Team, 2017)**.**

3 RESULTS AND DISCUSSION

Figure 1 shows correlation among variables (highly correlated variables are shown in dark blue (positive) and dark red colors (negative)).

Y	Job Satisfaction
X1	Sector
X2	Gender
X3	Age
X4	Marital state
X5	Religion
X6	Education level
X7	Present position
X8	Current position experience
X9	Banking sector experience
X10	Distance
X11	Dependents
X12	Come from home
X13	Net salary
X14	Feeling social status
X15	Monetary benefit
X16	Non-monetary benefits
X17	Retirement monetary
X18	Opportunity use skills
X19	Work environment
X20	Promotion opportunities
X21	Union activities
X22	Training programme
X23	Work load
X24	Job rotation

X25	Job freedom	X28	Relationship of co-workers
X26	Recreational facilities	X29	Personal and family problems
X27	Boss-subordinate relationship	X30	Monotones duties
		X31	Psychological stress

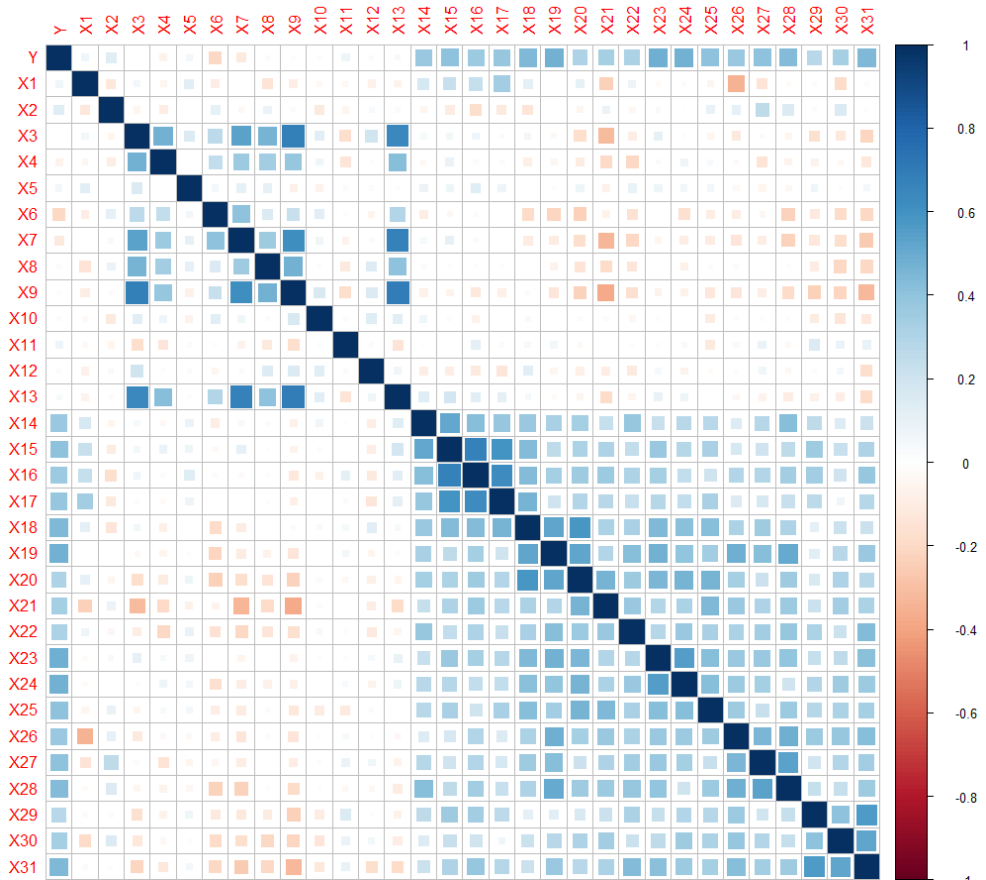**Figure 1:** correlation matrix for 32 variables (one response and 31 explanatory variables)

Variable	Description	P-value	
X1	Sector	0.03247	*
X8	Current position experience	0.02452	*
X11	Dependents	8.39×10^{-12}	***
X14	Feeling social status	1.41×10^{-6}	***
X15	Monetary benefit	0.000124	***
X16	Non-monetary benefits	0.0003988	***
X17	Retirement monetary	1.44×10^{-5}	***
X18	Opportunity use skills	3.06×10^{-8}	***
X19	Work environment	4.46×10^{-9}	***
X21	Union activities	3.32×10^{-7}	***
X22	Training programme	0.003935	**
X23	Work load	8.11×10^{-11}	***
X24	Job rotation	1.08×10^{-8}	***
X25	Job freedom	7.48×10^{-6}	***
X26	Recreational facilities	7.90×10^{-7}	***
X27	Boss and subordinate relationship	3.46×10^{-11}	***
X28	Relationship among co-workers	1.69×10^{-6}	***
X30	Monotones duties	4.02×10^{-6}	***
X31	Psychological stress	7.89×10^{-11}	***

Table 1. Chi-square independent test for variables
Note: Only significant results were shown * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

Table 2: Multinomial logistic regression model coefficients

Explanatory variable	Level	Response variable (Satisfaction)			
		2	**3**	**4**	**5**
Intercept		-11.02	-20.85	-21.40	-18.22
Marital	4	-13.69***	-1.46***	12.50***	1.20***
Religion	3			-6.89***	-0.19***
Religion	4	30.34***	-11.76***	1.55***	
Dependents	3			-2.34***	-1.26***
Dependents	5			-11.64***	19.43
Social status	4		8.27***		
Monetary benefit	4				2.36***
Non-monetary benefits	5				0.60***
Retirement benefits	2				-2.34***
Skills	5	2.02***			-0.27***
Environment	5		5.70***		
Promotion	2			-2.47***	
Work load	5				-5.99***
Job rotation	5	-10.89***		-4.78***	
Relationship co-workers	5		0.61***		

Note: only significant results were shown **$p<0.05$: ***$p<0.01$

Table 2 presents logit coefficients relative to the baseline category. For example, if workload increases by one unit then logit coefficient for extremely satisfied employee relative to extremely unsatisfied will decrease by 5.99. Initially we had very large values for relative risk ratios. We divided the coefficients by 100 to get the values in Table 2.

Table 3. Relative risk ratios for multinomial logistic regression (significant results*)

Explanatory variable	*Level*	*Response variable (Satisfaction)*			
		2	*3*	*4*	*5*
Marital	4	0.872***	0.986***	1.133***	1.012***
Religion	3			0.933***	0.998***
Religion	4	1.354***		1.016***	
Distance	4			1.001***	
Dependents	3			0.977***	0.988***
Dependents	5			0.890***	
Social status	4		1.086***		
Monetary benefit	4				1.024***
Non-monetary benefits	5				1.006***
Retirement benefits	2				0.977***
Skills	5	1.020***			0.997***
Environment	5		1.059***		
Promotion	2			0.976	
Work load	5				0.942***
Job rotation	5	0.897***		0.953***	
Relationship co-workers	5		1.006***		

Table 3 presents relative risk ratios. For example, keeping all other variables constant, if workload increases by one unit, an employee is 0.942 times more likely to stay in the extremely satisfied category compare to extremely unsatisfied category.

4 CONCLUSIONS AND RECOMMENDATIONS

Our results indicate that promotion, monetary benefits, job rotation, skill enhancement, retirement benefit, relationship with co-workers and environment can increase the level of job satisfaction of an employee significantly. When hiring an employee it is worthwhile for the organisation to consider employees marital status and distance to workstation. In our study we had 32 variables each having at least two groups. Our sample size is 150. Usually multinomial logistic regression needs larger sample sizes than the binary logistic models. Large relative risk ratio values arise due to complete or quasi-complete separation (Hauck-Donner effect) or small sample sizes where model become unstable due to very few or zero cases in most of the cells of the cross tabulation table.

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