An Empirical Study on the Relationship Between Determinants of Job Satisfaction and Job Satisfaction Itself among the Employees of Both Public and Private Sector Banks of Guntur Urban Region

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Abstract: A descriptive cross-sectional study was carried out in different private and public sector banks in Guntur Urban area. A simple random sample of 60 employees was analyzed. The aim of the study is to check effect of determinants of job satisfaction on job satisfaction itself. The 4 determinants, supervisory support, training and development, reward and work environment were considered. Survey was conducted through an adapted questionnaire with Likert scale of 1-5. Correlation and regression tests were applied for analysis. The study provides, thought provoking managerial ideas in order to improve the job satisfaction among employees not only by mere increase in the reward but also by focussing on certain factors like supervisory support, training and development and work environment.

Key words: Job satisfaction, supervisory support, reward, work environment, banking industry

INTRODUCTION

A lot of research has been carried out on the constructs of job satisfaction. It's important determinants are like, reward, quality of work environment, challenging job, supervisory support, job security and training and development (Bontis and Serenko, 2007). Selected determinants for this study are Training and Development (T&D) Reward (R), Supervisory Support (SS), Work Environment (WE).

Contextual dimensions: Industry selected for the purpose is banking sector. India's Rs. 77 trillion (US$ 1.30 trillion) banking industry is well at par with global standards and norms. Prudent practises and conventional framework adopted by the regulator, Reserve Bank of India (RBI), have insulated Indian banks from the global financial crisis.

The country has 87 scheduled commercial banks with deposits worth Rs. 71.6 trillion (US$ 1.21 trillion) as on 31st May, 2013. Of this, 26 are public sector banks which control over 70% of India's banking sector, 20 are private banks and 41 are foreign banks. Of the total, 41 banks are listed with a total market capitalisation of Rs. 9.35 trillion (US$ 158.16 billion) as per the recent statistics. For the purpose of this study, 3 banks each from both public and private sector were selected for the

survey. As the data to be kept confidential as it relates to sensitive factors like reward and employee satisfaction the names of the banks were not disclosed.

Purpose of study: The study is aimed to evaluate the relationship of determinants of job satisfaction (T&D, R, SS and WE) and job satisfaction itself.

Literature review: Literature review to include definition of factors, earlier works, theories and relationship of Job Satisfaction (JS) with its determinants will be discussed.

Job satisfaction (JS): The concept of job satisfaction is a heavily researched area within industrial psychology, sociology and the field of organisational behaviour, the Hawthorne studies of work place behavior of 1930s. Later, 5 steps hierarchy of needs theory by Maslow *et al.* (1970) explained that motivators like shelter and pay will cease to motivate an individual when these get fulfilled, further explained about the higher level of motivators like self esteem and self actualization. Similarly, two factor theory of job satisfaction is also a very well recognized and practiced concept (Herzberg *et al.*, 1957). The study, also concluded that there exists a moderate yet consistent relationship of JS with working conditions, reward and recognition (Herzberg *et al.*, 1957). Spector (1997) job

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satisfaction can be defined as a variable of the attitude which explores and evaluates all possible aspects of an employee's job. Locke as discussed by Al-Zoubi (2012), defined job satisfaction as a pleasurable or positive emotional state, resulting from the appraisal of one's job experience. Such a definition indicates that job satisfaction refers to an individual's positive emotional reactions to a particular job. Lately positive relationship of T&D, pay satisfaction and SS with the construct of job satisfaction has been established (Bontis and Serenko, 2007; Hulin, 1991). It has been hypothesized that the construct of Job Satisfaction (JS) gets directly and positively affected by the factors of T&D, R, SS and WE.

Training and Development (T&D): The word training is used to explain the effort by an organization to promote learning among the employees (Snell *et al.*, 2010). Experts by and large agree that training is more related to immediate and short term performance needs and development is more inclined towards improving an individual's skills for future assignments (Snell *et al.*, 2010). Researchers also explained that the phrase, training and development is to recognize the combination of activities, organizations put in place to enhance the skills of their employees. Due to technical advancements and realization about the multidimensional advantages of training and development, employers in many developed countries are offering implicit deals to their employees. With these implicit deals, an organization may have to let the employee go due to extreme business constraints but will help the individuals to develop the marketable skills necessary to find the alternate job (Mathis and Jackson, 2002; Farrell and Rusbult, 1981). Training and development methods contribute to increased motivation, job satisfaction and morale among employees. Methods, if effectively implemented imply that organizations are more employee-centric in order to improve the skills, as well as increase their satisfaction in the ongoing jobs, resulting into a win-win situation. Hence, a positive relationship between T&D and JS is being considered in this study.

Reward (R): Reward is defined, as intrinsic or extrinsic compensation on completion of a project or meeting performance objectives. Intrinsic reward often includes praise while extrinsic reward is tangible and can be in the shape of direct or indirect compensation. Former includes base pay and variable pay and later can comprise of life insurance, medical insurance and retirement pension. For quite some time, employee's thinking of reward and its equity was considered as one of the key factors influencing degree of job satisfaction. This supports the work by lot many researchers who established a positive

relationship between reward and JS (Judge and Welbourne, 1994; Lawler, 1971). In line with these studies of the renowned scholars, reward is hypothesized to have positive and direct relationship with JS.

Supervisory Support (SS): Jaworski and Kohli (1991), the nature of supervisory support influences the perception of employee about the work place and job satisfaction. With the increased monitoring tools and supervisor's influence on the reward, employee is more concerned about the relationship with the supervisor. Different aspects like fair treatment by the supervisor, feedback on performance and trust in the manager/supervisor have positive correlation of organizational loyalty and JS of the employee. On the basis of these studies, it has been hypothesized that SS has positive impact on JS of the employees.

Work Environment (WE): Taiwo (2010) asserted that the ability of employees of an organization to share knowledge throughout the system depends on the conditions of their work environment. However, the survey revealed that many organizations do not fully leverage their physical work environment to enable increase collaboration, innovation and improve work effectiveness. It is also observed that employees tend to be more productive in a well-facilitated work environment. The quality of comfort derivable from work environment determines the level of satisfaction and productivity of workers. Whereas, workers productivity cannot be optimal, if the conditions of work environment are not favourable. Hence, improved work environment will enhance employee productivity and satisfaction towards the job entitled.

Hypothesis:
H_1: Training and Development (T&D) has positive relationship with Job Satisfaction (JS)
H_2: Reward (R) has positive relationship with Job Satisfaction (JS)
H_3: Supervisory Support (SS) has positive relationship with Job Satisfaction (JS)
H_4: Work Environment (WE) has positive relationship with Job Satisfaction (JS)

MATERIALS AND METHODS

Sample size: A sample size of 80 from 6 different banks comprising of 3 private and public sector banks was taken for the study. Whereas 68 respondents given their responses out of which 8 questionnaires were not completely filled in. After rejecting the unfilled questionnaires, finally the filled in questionnaires stood at 60.

Sampling technique: Convenience sampling technique has been used as 3 banks from each private and public sector only have been surveyed for limitation of time and resources.

Instrument development: The variables Training Development (TD), Reward (R), Work Environment (WE) and Supervisor Support (SS) on Job Satisfaction (JS) have been tested by 37 item questionnaire. Items relating to these four variables have been adapted after changes to suit the requirements of study in hand and the local environments. Hence, the reliability of scale was first checked through a pilot study of 37 cases.

The survey questionnaire has two parts. First part is on demographics with questions about gender, age, education level, tenure with the company, department and position. Second part has questions about the model on a Likert scale of 1-5 with strongly disagree as one and strongly agree as rating five.

Data collection procedure: Data was collected through the earlier mentioned 37 item survey questionnaire which was explained to the nominated representatives of the companies and got the questionnaires filled. Confidentiality of the companies and respondents is being maintained.

Data analysis technique: For the analysis of data, software of SSPS (window version 21) has been used. Correlation and regression tests were applied for evaluation of data.

RESULTS

A total of 75 questionnaires were floated in 6 banks and 60 fully filled-in responses were received with response rate of 80%. For analysing demographic variables, descriptive statistics used, correlation and regression techniques were applied to find out the required results for analysis.

Demographic analysis: As give in Table 1, male are 76.7% and female only 23.3% of the total respondents. Employees in age group 25-35 are in majority with 61.6% and those over 45 years are just 18.3%. In level of education, post graduates are leading with 48.3%, graduates with 40% and professionals are just 11.7%. Whereas, the service with the current organization leads to very less as 45% of the total respondents have <5 years of service with the current organization. Subsequently 20% of the respondents have more affinity towards the organization in terms of their tenure.

Table 1: Demographics

Variables	Frequency	Percent
Age (years)		
<25	12	20.0
26-30	14	23.3
31-35	11	18.3
36-40	3	5.0
41-45	9	15.0
>46	11	18.3
Total	60	100.0
Tenure (years)		
<5	27	45.0
6-10	10	16.7
11-15	2	3.3
16-20	3	5.0
21-25	6	10.0
>26	12	20.0
Total	60	100.0
Marital status		
Single	20	33.3
Married	40	66.7
Total	60	100.0
Gender		
Male	46	76.7
Female	14	23.3
Total	60	100.0
Education		
Graduation	24	40.0
Post graduation	29	48.3
Professional	7	11.7
Total	60	100.0

Table 2: Descriptive analysis

Variables	JS	WE	SS	T&D	R
N	60.00000	60.0000	60.00000	60.00000	60.00000
Mean	3.85610	3.9083	4.01670	4.00830	3.60830
SD	0.47865	0.6071	0.62522	0.69953	1.11268
Skewness	-0.07500	-0.3550	-0.85800	-0.31900	-0.47300
SE of skewness	0.30900	0.3090	0.30900	0.30900	0.30900
Kurtosis	0.22300	0.2970	1.76800	-0.23600	-0.57700
SE of kurtosis	0.60800	0.6080	0.60800	0.60800	0.60800

Table 3: Reliability statistics

Cronbach's alpha	No. of items
0.942	37

Descripive analysis: As shown in Table 2, value of mean is 3.85 or more for all variables except reward which is 3.6 on Likert scale of 1-5. It shows that most of the respondents are in agreement to the questions asked in the instrument. For data to be normal and free of negative or positive skewness, value of skewness should be between +2 to -2. In Table 2, all values are within range, hence no skewness is found in the data. Similarly for data to be normal, value of kurtosis should be positive. As values of 4 variables, less T&D and reward are positive, hence data is mostly in the range of normality.

Reliability of scale
Reliability testing: A survey of 60 respondents from 6 commercial banks was conducted for confirming the reliability of scale (Table 3).

The minimum value of Cronbach's alpha came out to be 0.942, against minimum acceptable limit of 0.6. Hence, the scale was found reliable and fit for use.

Correlation: To find out the correlation of variables, Pearson correlation test was run as the data was found to be normal from skewness and kurtosis. The strongest correlation is between JS and SS at 0.703 and weakest between R and WE at 0.32. All correlations are significant with $p<0.01$ (2-tailed).

From Table 4, it is evident that there exists strong positive correlation between job satisfaction and work environment at 0.55. Also, similar strength of correlation between reward and supervisory support at 0.536. A correlation of 0.478 between job satisfaction and T&D.

A correlation value of 0.435 between work environment and supervisory support shows a positive relationship and 0.426 between work environment and T&D.

Regression: To test the hypothesis, linear regression was applied. From Table 5, value of R is 76.5% which means that model is 76.5% fit and considered good being above 50% mark. The R^2 reflects the effect of independent variables on the dependent variable and is 58.6%. It means that all four independent variables combined

(T&D, R, SS and WE) have 58.6% effect on the dependent variable (JS). Adjusted R^2 is for total population for which effect of all independent variables combined reduces to 55.6%.

Hypotheses testing

Testing of hypothesis 1: H_1 is about positive relationship of T&D and JS. From Table 6, it is evident that the value of p is 0.167, hence the relationship is not significant at $p<0.05$. Value of t is 1.4. As $t<2$, relationship is indicated as weak but not negative while positive sign shows that relationship between TD and JS is positive.

Beta value indicates the effect of T&D on JS and is 0.101. It means that T&D brings a chance of 10.1% in JS. All combined, the results reflect that relationship of TD with JS is not much significant, positive and weak. Hence, H_1 is accepted. This indicates that in banking industry, employees who receive better T&D have more JS than those who do not get an opportunity for T&D.

Testing of hypothesis 2: This hypothesis also is about positive relationship of R with JS. On the lines explained for testing H_1, Table 6 shows significant relationship at 0.858 ($p<0.05$), positive and weak can be treated as negligible with value of t as 0.180 ($t>2$) and R effecting JS at 0.8%. This concludes that relationship of R with JS is not very much significant ($p<0.05$), positive (negligible) and weak leading to mere 1% chance of influence on JS. Hence, H_2 can be rejected with its negligible percentage influence on job satisfaction. This means that employees of banking industry getting more pay than their peers will have greater JS and vice versa.

Testing of hypothesis 3: This hypothesis like the previous two is about positive relationship of SS and JS. In Table 6, researchers observe that relationship is significant with value of 0.00 ($p<0.01$). Value of t at 4.669 shows a strong and positive relationship ($t>2$) of SS and JS. Effect of SS on JS is 0.399 which confirms the positive relationship with effect of only 39.9%. Hence, the hypothesis 3 is accepted. This means employees of banking industry having good relationship with their supervisors shows greater job satisfaction and vice versa.

Testing of hypothesis 4: This hypothesis is regarding positive relationship of WE with JS. Again referring to

Table 4: Correlation analysis

	WE	SS	T&D	R	JS
WE					
Pearson correlation	1	0.435**	0.426**	0.225	0.550**
Sig. (2-tailed)	-	0.001	0.001	0.084	0.000
N	60	60	60	60	60
SS					
Pearson correlation	0.435**	1	0.409**	0.536**	0.703**
Sig. (2-tailed)	0.001	-	0.001	0.000	0.000
N	60	60	60	60	60
T&D					
Pearson correlation	0.426**	0.409**	1	0.453**	0.478**
Sig. (2-tailed)	0.001	0.001	-	0.000	0.000
N	60	60	60	60	60
R					
Pearson correlation	0.225	0.536**	0.453**	1	0.423**
Sig. (2-tailed)	0.084	0.000	0.000	-	0.001
N	60	60	60	60	60
JS					
Pearson correlation	0.550**	0.703**	0.478**	0.423**	1
Sig. (2-tailed)	0.000	0.000	0.000	0.001	-
N	60	60	60	60	60

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

Table 5: Regression analysis; Model summary[b]

					Change statistics				Sig.
Model	R	R^2	Adjusted R^2	SE of the estimates	R^2 change	F change	df1	df2	F change
1	0.765[a]	0.586	0.556	0.31900	0.586	19.458	4	55	0.000

[a]Predictors = Constant R, WE, T&D, SS; [b]Dependent variable = JS

Table 6: Regression coefficients[a]

Model	Unstandardized coefficients		Standardized coefficients		
	β	SE	β	t-value	Sig.
1					
Constant	1.030	0.334	-	3.081	0.003
WE	0.202	0.080	0.256	2.514	0.015
SS	0.399	0.085	0.521	4.669	0.000
T&D	0.101	0.072	0.148	1.400	0.167
R	0.008	0.047	0.019	0.180	0.858

[a]Dependent variable = JS

Table 7: Hypotheses status

Hyphothesis	Test	Results
H₁	T&D has positive relationship with JS	Confirmed
H₂	R has positive relationship with JS	Rejected
H₃	SS has positive relationship with JS	Confirmed
H₄	WE has positive relation with JS	Confirmed

Table 6, relationship is significant at 0.015 ($p<0.01$), strong and positive with value of t as 2.514, ($t>2$). Value of β is 0.202. It confirms the positive relationship and effect of 20.2% of WE on JS. With this analysis, H_4 is accepted, meaning that employees with better WE are more satisfied than those how have lower WE. With highest effect of 20.2%, WE becomes most significant and important determinant of JS for the employees who have been surveyed.

Regression equation:

$$JS = 1.03 + 0.02^*(WE) + 0.399^*(SS) + 0.101^*(T\&D) + 0.008^*(R)$$

This equation shows that Working Environment (WE) influences 20.2%, Supervisory Support influences 39.9%, Training and Development (T&D) influences 10.1% and Reward (R) influences a mere 0.8% on the unit increase in the Job Satisfaction (JS).

Summary of hypotheses testing: All hypotheses except H_2 have been accepted and result of hypotheses testing is shown in Table 7.

DISCUSSION

Mostly the results of the study have been discussed under relevant table of analysis or with each hypothesis testing. Reliability of scale for all factors and instrument as a whole is 0.942 which is >0.7. It means that the scale is fit for use. Results of correlation showed significant relationship amongst of all the variables at $p<0.01$ (2-tailed). The strongest correlation is between JS and EE at 0.703 and weakest between R and JS at 0.423. All correlations are significant with $p<0.01$ (2-tailed). In contrary R and JS enjoy least correlation of all. Later in multiple regressions, this weak relationship of R and JS

also failed to be significant with $p = 0.858$ ($p>0.05$). Also value of β is 0.008 which means a positive and weak relationship at 0.8%. Hence, hypothesis of positive relationship of R and JS got rejected.

The survey supports that three out of four factors to include TD, SS and WE have positive and direct relationship with JS in the banking industry and three related hypotheses stand approved. This is in line with the earlier studies on the subject where positive relationship of training and development, supervisor support and work environment with the construct of job satisfaction has been established (Bontis and Serenko, 2007). However, R showed weak positive relationship (nearing to 0) with JS and hypothesis got rejected. It also reflects that the direct relationship of SS and JS which was positive, proves to be the significant impact on job satisfaction.

CONCLUSION

Management of banking industry should find out the reasons for weak positive relationship of Reward (R) and Job Satisfaction (JS). There may be many more reasons behind mere increase in the pay and benefits for employees to give their best and optimum productivity. In addition, to draw maximum advantage of significant relationship of T&D, SS and WE with JS, management should lay enhanced emphasis on these determinants so as to be employee centric. This will lead to more satisfied employees which can reduce the turn over and increase productivity.

LIMITATIONS

Job satisfaction has lot many determinants but only four of them are included to keep the study manageable. Secondly, the population includes the only 6 of the available banks only in the urban area of Guntur District.

RECOMMENDATIONS

Hypothesis relating to positive relationship of Reward (R) and Job Satisfaction (JS) has been rejected. This is in contradiction to earlier theories and studies which show positive relation of Reward (R) and Job Satisfaction (JS). Further research can be carried out with a larger sample to explore the relationship of R and JS.

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