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## Job Satisfaction of Private Sector Bank's Executives in Bangladesh: A Factor Analysis

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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

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

**GJMBR Classification** : JEL Code:G21 ,O15, M14,



*Strictly as per the compliance and regulations of:*



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

## I. PRELUDE

In 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 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.

## II. 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, Hogon & 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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Bullock (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 is 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.

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.

### 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. 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. 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.

### 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.

### 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 Rotated Factor Analysis Method*) has been used to group the factors.

### 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.

### IX. 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.

### 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. (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).

Table 1: Varimax Rotated Factor Matrix for Job Satisfaction of Bank Executives

Variable	Factor – I	Factor –II	Factor – III	Factor – IV	Factor – V	Factor – VI	Factor – VII	Factor –VIII	Communality
V24	.870								.926
V25	.865								.870
V26	.827								.926
V21	.792								.859
V19	.629								.848
V18	.538								.838
V10		.852							.837
V11		.741							.790
V7		.703							.821
V6		.674							.749
V15		.619							.677
V5			.830						.843
V22			.753						.669
V17				.766					.836
V20				.762					.851
V23				.603					.823
V9					.749				.666
V2					.705				.726
V1					.644				.627
V16						.798			.786
V13						.687			.681
V14						.592			.793
V8							.849		.865
V3							.687		.873
V4								.718	.770
Eigen Value	7.886	3.402	2.381	1.715	1.598	1.495	1.142	1.025	
% Variance	30.25	13.08	9.15	6.59	6.14	5.75	4.39	3.94	
Total Variance	79.32%								

Source : Survey data (For details, please see Annexure – II, III and IV)

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 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 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)

*Table 2 : Descriptive Statistics for Job satisfaction of Banks Executives*

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

Variables	Min	Max	Mean	Std.dev	t - value
<b>F1:</b> Better working environment	-.035	.969	.467	1.461	1.889* (.000)
<b>F2:</b> Officer's view	1.047	1.730	1.389	.995	8.254* (.000)
<b>F3:</b> Worked efficiently	1.062	1.909	1.486	1.234	7.125* (.000)
<b>F4:</b> Present work	1.087	1.770	1.429	.995	8.491* (.000)
<b>F5:</b> Improving interpersonal relationship	1.244	2.375	1.809	1.645	6.506* (.000)
<b>F6:</b> Bank treatments	.380	1.181	.781	1.165	3.963* (.000)
<b>F7:</b> Colleagues	.893	1.621	1.257	1.059	7.018* (.000)
<b>F8:</b> Challenging work	.798	1.716	1.257	1.336	5.567* (.000)
Overall Job satisfaction	1.347	1.853	1.600	.736	12.867* (.000)

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.



Table 3 : Correlation matrix for Job satisfactions of Bank executives

Correlations		F1	F2	F3	F4	F5	F6	F7	F8	OS
F1	Pearson Correlation	1	.364*	.100	.440**	.346*	-.052	.465**	.323	-.081
	Sig. (2-tailed)		.032	.566	.008	.042	.765	.005	.058	.643
F2	Pearson Correlation	.364*	1	.457**	.385*	.280	.119	.477**	.414*	.066
	Sig. (2-tailed)	.032		.006	.022	.103	.494	.004	.013	.707
F3	Pearson Correlation	.100	.457**	1	.153	.059	.022	.172	.440**	.026
	Sig. (2-tailed)	.566	.006		.381	.736	.902	.324	.008	.882
F4	Pearson Correlation	.440**	.385*	.153	1	.171	-.066	.422*	.283	.040
	Sig. (2-tailed)	.008	.022	.381		.326	.706	.012	.099	.819
F5	Pearson Correlation	.346*	.280	.059	.171	1	.231	.310	.117	-.081
	Sig. (2-tailed)	.042	.103	.736	.326		.181	.070	.505	.644
F6	Pearson Correlation	-.052	.119	.022	-.066	.231	1	.091	.037	-.174
	Sig. (2-tailed)	.765	.494	.902	.706	.181		.605	.832	.318
F7	Pearson Correlation	.465**	.477**	.172	.422*	.310	.091	1	.388*	.381*
	Sig. (2-tailed)	.005	.004	.324	.012	.070	.605		.021	.024
F8	Pearson Correlation	.323	.414*	.440**	.283	.117	.037	.388*	1	-.102
	Sig. (2-tailed)	.058	.013	.008	.099	.505	.832	.021		.561
OS	Pearson Correlation	-.081	.066	.026	.040	-.081	-.174	.381*	-.102	1
	Sig. (2-tailed)	.643	.707	.882	.819	.644	.318	.024	.561	

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

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

As depicted in table 2, only one factor (i.e., colleagues) is significantly correlate with overall job satisfaction. Hence hypothesis one is partially accepted.

## 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.

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*Annexure - I*

*KMO and Bartlett's test*

<b>Kaiser – Meyer- Olkin Measures of Sampling Adequacy</b>			<b>.895</b>
<b>Bartlett's Test of Sphericity</b>			
Approx.	Chi- Square	726.317	
	df	.325	
	Significance	.000	

*Source : Survey data*

*Annexure – II*

*Total Variance Explained*

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.866	30.254	30.254	7.866	30.254	30.254	4.058	15.607	15.607
2	3.402	13.083	43.337	3.402	13.083	43.337	3.851	14.812	30.419
3	2.381	9.158	52.494	2.381	9.158	52.494	2.549	9.805	40.224
4	1.715	6.596	59.091	1.715	6.596	59.091	2.412	9.278	49.502
5	1.598	6.148	65.239	1.598	6.148	65.239	2.171	8.351	57.854
6	1.495	5.751	70.990	1.495	5.751	70.990	2.121	8.159	66.013
7	1.142	4.392	75.382	1.142	4.392	75.382	1.741	6.697	72.710
8	1.025	3.943	79.326	1.025	3.943	79.326	1.720	6.615	79.326
9	.971	3.736	83.062						
10	.748	2.879	85.940						
11	.642	2.470	88.410						
12	.582	2.237	90.647						
13	.486	1.871	92.518						
14	.397	1.526	94.044						
15	.363	1.395	95.439						
16	.279	1.073	96.512						
17	.244	.938	97.450						
18	.187	.719	98.169						
19	.162	.622	98.791						
20	.122	.469	99.260						
21	.084	.324	99.584						
22	.047	.182	99.766						
23	.030	.114	99.880						
24	.014	.054	99.934						
25	.013	.049	99.983						
26	.004	.017	100.000						

Extraction Method: Principal Component Analysis.

Annexure - III  
*Rotated Component Matrix*

	Component							
	1	2	3	4	5	6	7	8
V24	.870							
V25	.865							
V26	.827							
V21	.792							
V19	.629							
V18	.538							
V10		.852						
V11		.741						
V7		.703						
V6		.674						
V15		.619						
V5			.830					
V22			.753					
V12								
V17				.766				
V20				.762				
V23				.603				
V9					.749			
V2					.705			
V1					.644			
V16						.798		
V13						.687		
V14		.562				.592		
V8							.849	
V3							.687	
V4								.718

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.



Annexure – IV *Code sheet*

V1	Job gives chances to do things felt best
V2	Satisfied with work allotments
V3	Satisfied with present salary
V4	Fair chances given for better work
V5	Not lose job if worked efficiently
V6	Immediate supervisor is reasonable
V7	Satisfied with general supervision of departments or units
V8	Satisfied with recognition by colleagues
V9	Superior encourages suggestion for improvements
V10	Bank is sympathetic to officers view
V11	Bank appreciates performance
V12	Prefer working with present colleagues
V13	Bank's policy is to overdrive workers to get the maximum
V14	Satisfied with increment allocation method
V15	Superior gives reasonable attention to suggestions
V16	Bank treats officers worse than other banks
V17	Able to do better than present work
V18	Income is higher than other banks
V19	Satisfied with the chances of promotion
V20	Satisfied with Personal Development Programmes
V21	Very good relationship between union and management
V22	Would not leave job if similar job offered to other organisation
V23	Leave rules cover average requirements adequately
V24	Maximum facilities given for working properly
V25	Satisfied with the welfare facilities
V26	Satisfied with the chances of income increase
OS	Overall Satisfaction

