AN EMPIRICAL STUDY OF THE FACTORS AFFECTING JOB SATISFACTION: EVIDENCE FROM BANKING SECTOR OF PAKISTAN

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Abstract- Non-financial rewards are playing a key role in the job satisfaction of the employees at banking sector of Pakistan. Moreover, there exists a difference between the preferences of the non- financial rewards among the male and female employees. This study is aimed to investigate the impact of different non-monetary rewards in the eyes of the employees at banking sector of Pakistan. Quantitative data is collected through questionnaires from a sample of 249 respondents. Analysis is done using SPSS 17.0 and the results suggest that there exists a positive correlation among the non-financial rewards and job satisfaction. Different non-financial rewards like learning & promotions, trainings, work autonomy, work life balance, working environment etc play an important role in employee's satisfaction towards their jobs. It is concluded from the study that if the organizations want to get a quality output from their employees, they should accommodate them with non-financial rewards as much as possible along with the financial rewards.

Keywords- Job Satisfaction, Non-financial rewards, Survey Method

I. INTRODUCTION

The phenomena of employee satisfaction have got a significant place in human resource management. A number of researches have been conducted in this respect. Organizations adopt different tools, ways and techniques in order to motivate and satisfy their employees. Clifford (1985) defined different types of rewards that effect employee's satisfaction towards their jobs. Highly satisfied employees give high productivity and express more interest into their work. And the rewards in monetary terms are said to be the most effective tool of motivation among employees. Conversely, organizations offer non-financial rewards along with the financial rewards to boost up the satisfaction and the level of motivation of their employees.

Locke (1969) explained job satisfaction in terms of positive emotional reaction of an employee that arises as a result of evaluation that what he expect and what he actually gets from his job. Luthans (1998) divided employee rewards into two categories i.e. financial and non-financial which are used to motivate employees at work place. But Ellis and Pennington (2004) argue that financial rewards are proved the short term motivation factors for the employees. So that non-monetary rewards are mandatory to use as the long term motivation factors for the employees. Non-financial rewards include authority, promotion and participation in management, recreation holidays, better working environment and the sense of belongings. Rewards and incentives play an important role not only in order to satisfy and motivate the employees but also the source of increased productivity and sustained competitive advantage for the organizations.

Highly motivated and satisfied employees are the precious possessions of any working business. Human resource management put a lot of focus on the theory of worker's satisfaction. Locke (1976) argues that more than 3000 researchers have been worked in this area. The rationale behind the enormous concern in this area is the faith that the job satisfaction has an impact on productivity of employees, their performance, turnover rate, absenteeism and ultimately the working performance of the organizations. In 2006, Richard argued that organizations do plan and then put these plans into practice in form of rewards packages in order to attract, retain and hold their workers. Richard(2006) also originated that the huge complexity that the organizations face is to forecast an individual's behavior. Several employees give value to certain rewards which are important to them but other prefer to different. These rewards may diverge considerably with the passage of time and living styles. Clifford(1985) recommended that different rewards make different strength of association with the job satisfaction. Extremely satisfied employees, turn out to be more productive, loyal, dedicated and devoted towards their work. So the employee's job satisfaction is an important area of concern for the management of any organization. According to Vlosky et al. (2009), in any setting, male and female employees are equally satisfied with their jobs.

The present study has been conducted in the context of Pakistani banking sector which is aimed to explore the impact of non-financial rewards on job satisfaction, incorporating the expectations of

employees towards these rewards. This study uses the quantitative data, collected through a structured survey and examines the relationship among the variables using statistical techniques.

Problem Statement

A number of studies have been found on financial and non-financial rewards affecting the job satisfaction but a few works have been found on the non-financial factors affecting job satisfaction in Pakistan.

Organizations do offer different non-financial rewards to its employees. But here the purpose is to investigate the banking sector of Pakistan to identify the different type of non-financial rewards they offer that increase the employee's motivation level, job satisfaction and hence the productivity of the individuals and the organizations.

Research Objectives

This study is aimed find the relationship within the non-financial factors and employee's job satisfaction in the banking sector of Pakistan. Along with this, the objectives of the study are:

- To find the effect of non-financial rewards on the job satisfaction.
- To provide general recommendations to the management of the organizations regarding employee's satisfaction.

Research Questions

This study is supposed to find the solution of the following questions:

- Are the organizations using non-financial rewards to motivate their workers?
- What is the extent to which the employees are awarded with the non-financial rewards by their organizations?
- Do the non-financial rewards influence employee's job satisfaction level?

Significance of the Study

This study examines the impact of non-financial rewards on job satisfaction in the context of banking sector of Pakistan. Study results will provide the evidences to the management of the banks that how they can satisfy their employees that in turns increase their satisfaction in jobs, performance quality and hence their commitment to the organizations.

II. REVIEW OF LITERATURE

Affective response of any worker towards the total working circumstance is called the job satisfaction (Rehman et al, 1995). In the words of Gupta, job satisfaction is a positive and joyful emotional condition that outcomes from the assessment of someone's job. Theory Discrepancy by Locke (1976) states that the employees measure their satisfaction by comparing their current achievements with what they consider they deserve. Locke (1969) again argued that the job satisfaction is an encouraging sense of emotions. Richard (2006) sates that it is very hard to recognize the degree and potency of satisfaction but it's confirm that the employees get satisfaction from their jobs.

Most of the studies show positive and considerable relationship between non-financial rewards and job satisfaction. Tausif (2012) investigated the relationship of non-financial rewards like job enrichment, promotion and autonomy against job satisfaction with age as moderating variable in education sector of Pakistan. Using the quantitative method of research, he concluded that non-financial rewards are surely linked with job satisfaction. Moreover, job satisfaction increases with an increase in age.

Steven et al. (2000) conducted a research in medium businesses of Canada to find the association of job satisfaction, job enrichment, recognition, pay equity and managerial skills with income levels as mediating variable. He analyzed his quantitative data using Pearson's correlation and ANOVA test and found positive and significant relationship within non financial incentives and job satisfaction.

Abdullah & Wan (2013) conducted a qualitative study in Malaysia to present the theoretical prove of the affiliation of non-monetary rewards with job satisfaction. They used theoretical and empirical evidences to support their claim and found positive and significant relation among the dependent and independent variables.

Pruden, Cunningham & English (1972)attempted to conduct a quantitative research in United States to investigate the influence of status pay, privilege pay and power pay on salesmen job satisfaction. They analyzed the data using Spearman's rank order correlation test and found the positive relation between the variables.

Lambouret, al. (2010) took the quantitative data of health sector of Cyprus to investigate the motivation factors for nursing staff of hospitals that lead to their job satisfaction. Remuneration, job attributes, coworkers and achievements were taken as independent variables against job satisfaction. Lambouret, al. applied the ANOVA test and found achievement is the major factor of job satisfaction among nursing staff of Cyprus. Remaining variables are also significantly related with job satisfaction.

Kumar & Singh (2011) investigated the relation of job satisfaction with job characteristics, job expectation and work motivations. Data was collected from the Tata Consultancy Services, India. After applying inter correlation analysis, it is accomplished that employees are more motivated than satisfied with their jobs. They prefer non-financial incentives on financial rewards.

Rahman, Gupta & Moudud-Ul-Huq (2012) used a number of variables of non-financial rewards against

job satisfaction. Data from the private commercial banks of Bangladesh was collected through questionnaires. The results pointed towards a positive association among the dependent and independent variables.

Saba & Zafar (2013) collected the data from public and private universities of Pakistan to determine the relationship between teacher's satisfaction and non-financial rewards. Work itself, promotion opportunities, job security and working conditions are taken as non-financial rewards. It is found the direct relation of these variables with job satisfaction.

On the other hand a number of studies show the opposite results. Erbasi & Arat (2012) investigated the relationship of non-monetary incentives with job satisfaction keeping gender, union membership and income level as mediating variables in the food sector of Turkey. This quantitative study shows a direct relation of financial incentives and job satisfaction. It is concluded from the results that employees prefer financial rewards than the non-financial rewards.

III. THEORETICAL MODEL

Figure 1
Research Model

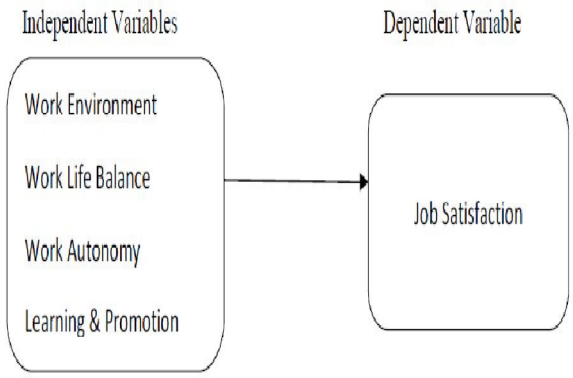


Figure 1 explains the conceptual model of the study where work environment, work life balance, work autonomy and learning & promotions are taken as independent variable against the dependent variable i.e. job satisfaction.

Formation of Hypotheses

Working environment in any organization consists of physical environment, mental environment and the social environment and it should be maintained in any institution to satisfy and encourage the employees. Stress, boredom, workload, fatigue and overtime are the main factors that increase job dissatisfaction (Jain &Kaur, 2014). Moreover, it is recommended in the study that good work environment, safety and health facilities, recreation and refreshment facilities and the workplace fun enhances the job satisfaction. Connis; Braukmann; Kifer; Fixsen; Phillips & Wolf (1979) reported a huge connection between the factors of work environment and job satisfaction. Kinzl; Knotzer; Traweger; Lederer; Heidegger &Benzer(2005) conducted a study and conclude that high job satisfaction is linked with high efficiency of the employees. So, it is very important for the management to create the better working environment that promotes job satisfaction.

H1: There is a positive relationship between work environment and job satisfaction

Work life balance implies the balance between work and the personnel life. Kanwar; Singh &Kodwani (2009) provided the evidence in their study that there exists upbeat link between work life balance and job satisfaction. Work life balance maintains a positive relationship with job satisfaction and negative relationship with turnover (Malik; Gomez; Ahmad &Saif 2010). Mukhtar(2012) conducted a research at Iowa State University and found a positive relationship between work life balance and job satisfaction.

H2: There is a positive relationship between work life balance and job satisfaction

Learning refers to the opportunities to develop and enhance one's skills. It is a very old concept as Herzberg conducted a research in 1959 to discover the factors of employee's job satisfaction. He discovered that if the employees are provided opportunities to advance, their satisfaction tends to increase. On the other hand, Graham et al (1998) provided evidence or least relationship between learning opportunities and employee satisfaction. Employees find it important to get new knowledge and chance to learn (Linz, 2003).

Lam; Zhang & Baum (2001) examined an association between promotion and job satisfaction and the results indicated significantly positive relationship between the two. There exists a direct relation between promotion and job satisfaction (Vasilios, 2011).

H3: There is a positive relationship between learning & promotion and job satisfaction

Work autonomy establishes significantly positive relation with job satisfaction and also becomes a source of high productivity and motivation in employees (Ravinder et al, 1977). Work autonomy is a degree to which employees are given power to schedule their work (DeCarlo&Agarwal, 1999).Chelladurai (2006) defined work autonomy as provision of considerable freedom to the employees. Employees at manager level want to have an autonomous environment (Baard et al, 2004). Jenaibi (2010) says that if the employees are given empowerment at work place, they shall be more satisfied with their jobs. Similarly, Han et al (1995) found a positive relationship between job satisfaction and work autonomy. Karim & Roger (2005) are of the view that more autonomy at work place enhances the job satisfaction. Moreover, Lather et al (1976)

diagnosed a direct positive relation between wok autonomy and job satisfaction. So, after having a view of all above discussion, it is hypothesized that:
H4: There is a positive relationship between work autonomy and job satisfaction

IV. RESEARCH METHODOLOGY

Research Design

Research implies a technique used to investigate something in an organized way (Merriam, 2014, P.3). Various types of researches have been used in the field of social sciences. Educational research is typically separated into two main categories; qualitative and quantitative research. Quantitative research is associated with autonomous (independent) and induced (dependent) variables (Hopkins, 2000). There are three anticipated ways to conduct quantitative research i.e. experimental, non-experimental and quasi experimental (Randall et. al, 2011).

Sampling Techniques and Data Collection

The data was collected from the different branches of Lahore that were chosen randomly. Lahore was selected as to be one of the largest and most urbanized cities of the Pakistan. Lahore is the Capital of province Punjab with good infrastructure and high literacy rate. Convenience sampling had been employed to collect the data.

Sample Size

Present study data was taken from privately owned banks of Pakistan. The sample of 249 respondents was selected from the target population. Sekran's (2006) table had been used to calculate the sample. Categorized group of respondents are: Managers, Assistant Managers, Cashiers and others like clerical staff.

Research Group

A group of respondents is selected to be investigated. A sample of 249 respondents has been selected. The selected group includes 61.4% of males and 38.6% of females. Private sector banks of Lahore like MCB, Allied bank, Bank of Punjab are selected to collect the data.

Instrument Design

An established survey was used for gathering data which was taken from the dissertation of Narsee (2013) and Pruden; Cunningham & English (1972). The questionnaire was composed of questions regarding job satisfaction, learning and promotion, work environment, work life balance and work autonomy. All the questions related to independent and dependent variables are measured on a 5 point likert scale where 1- strongly disagree, 2- disagree, 3- undecided, 4- agree, 5- strongly agree.

Data Analysis Method

Service industry has been playing a significant role in the growth of any economy and its importance has been increasing day by day. A lot of organizations are based on pure services while the others get these services by setting in separate in-house service departments.

The present study has been conducted in services industry of Pakistan considering the importance of services sector. The Banking sector offer financial services to its customers and the communities. It is the need of time to provide the employees non-financial rewards along with the monetary compensations to make them satisfied with their jobs. Because if the workers are satisfied, they are more dedicated and put their highest input into their work which eventually increases the output of the organizations.

V. FINDINGS OF THE STUDY

Reliability Analysis

The measurement of the variables is one of the most challenging jobs in a research. Use of unreliable measurements of variables to analyze is straight forwardly a useless effort in social sciences. A measurement is said to be reliable if it reflects frequently true scores against the error. Reliability of a measure is a degree to which it is bias less and show consistent results across time and items (Sekaran, 2006).

Sekaran (2006) argues that the most commonly used coefficient to check reliability is Cronbach's Alpha that exhibits how strongly the items measuring a variable are positively correlated to each other.

Table 1
Reliability Analysis

Variables	Value of Cronbach's Alpha
Job satisfaction	0.715
Working environment	0.701
Wok life balance	0.773
Learning and promotion	0.699
Work autonomy	0.747

Yielded values of Cronbach's alpha suggest that the instrument used to compute the variables was a reliable instrument.

Correlation Analysis

Table 2
Correlation Analysis

Variable	Job satisfaction
Working environment	.505**
Work life balance	.420**
Learning & promotion	.437**
Work autonomy	.646**

The above table of Pearson's correlation determines the relationships among job satisfaction, working environment, work life balance, learning and promotion, and work autonomy. The table correlation values clearly show the positive and considerable relationship of non-financial rewards and job satisfaction. Pearson's correlation coefficient of working environment with job satisfaction is 0.505 that reflects the level of association between the two. Similarly, the Pearson's correlation value of work life balance is 0.420, learning and promotion is 0.437 and work autonomy is 0.646.

Table 3
Model summary

Model	R	R Square	Adjusted R square	Std. Error of Estimate	F change	Sig.	Durbin-Watson
1	.715	.511	.503	.49344	63.826	.000	1.822

The table 3 explains the model summary. The value of R square indicates that keeping other factors constant, almost 50% variation in job satisfaction is explained by the independent variables included in theoretical model. The model is fit (F=63.826) and significant. The value of Durbin Watson shows that there exists no autocorrelation in the data.

Table 4
ANOVA

Model		Sum of squares	Df	Mean square	F	Sig.
1	Regression	62.163	4	15.541	63.826	.000[a]
	Residual	59.411	244	.243		
	Total	121.574	248			

Table 5
Regression Analysis

Model	Unstandardized coefficients		Standardized coefficients	Collinearity statistics	
	B	Std. Error	Beta	Tolerance	VIF
Constant	.387	.212			
Work environment	.284	.052	.281	.761	1.313
Work life balance	.179	.057	.174	.644	1.552
Learning &promotion	.095	.059	.090	.628	1.593
Work autonomy	.349	.051	.398	.597	1.676

Table 5 is showing the regression coefficients. VIF values are quite satisfactory that show that there exists no multicollinearity in the data. So, we can write the regression equation as:

Job Satisfaction = 0.387+ 0.284 Work environment+ 0.179 Work life balance+ 0.095 Learning & promotion+ 0.349 Work autonomy

DISCUSSIONS AND CONCLUSIONS

The rationale behind this study was to examine the impact of non-financial rewards on job satisfaction of the employees of the banking sector in Pakistan. This study took the private sector banks of the city Lahore as the area of investigation. After having the results, it is interpreted that our H1 is accepted as there exists a direct and positive relationship between non-financial rewards and job satisfaction.

After having a complete and in depth analysis, it's time to answer the research questions that organizations are using non-financial rewards in order to motivate and satisfy their employees in Pakistan. The impact of non-financial rewards on job satisfaction cannot be denied but the degree to which the non-financial rewards are been provided to the employees is not very good in Pakistan.

Research Implications

This study investigated the impact of non-financial rewards on job satisfaction. It is accomplished that job satisfaction increases with an increase the in non-financial rewards.

The results of this research study can help the Human Resource managers in this way that they can design the efficient packages of compensation for the employees by including the more of the non-financial rewards along with the monetary compensations in order to motivate, to facilitate and to get positive outcomes of their jobs.

Limitations of the study

This study has several limitations. Firstly, job satisfaction is completely an individual phenomenon that may vary from one individual to another. So, it is not wrong to say that non-financial rewards and job satisfaction are mainly based on attitudes and perceptions of the respondents of the study using a questionnaire. Therefore, possible chances of inaccuracy might be present in the collected data.

Secondly, all the respondents of this research study belonged to the private sectors banking of Pakistan. So the findings cannot be generalized to the public sector banking.

Future work avenues

This study mainly discusses the impact of non-financial rewards such as working environment, work life balance, learning and promotion, work autonomy on job satisfaction. The next step of this study could be to observe the combine effect of non-financial and financial rewards on job satisfaction. Moreover, the effect of moderating variable such as age differences,

gender, experience, managerial level etc. can be estimated. Along with this, future researchers may include more variables as non-financial reward to check their impact on job satisfaction.

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