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Factors Affecting Job Satisfaction: A Comparative Study Of Public And Private Sector Banks In Peshawar

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Abstract

This study investigates the factors influencing job satisfaction among employees in public and private sector banks within Peshawar, Pakistan. By focusing on key variables such as working hours, compensation, supervisor behavior, and reward structures, the study aims to identify determinants of job satisfaction and assess their impact on employee well-being and organizational performance. The research employs a quantitative approach using structured questionnaires distributed to 100 respondents. Analysis is performed using SPSS software, with simple regression techniques applied. The findings indicate that all variables except compensation significantly impact job satisfaction, emphasizing the importance of work environment and management practices over financial incentives.

Keywords: Job satisfaction, work environment, compensation, employee performance, workload

1. Introduction

Human resource management (HRM) plays a pivotal role in enhancing organizational performance. Effective HRM practices lead to improved employee satisfaction, which is essential for achieving organizational goals. The banking sector, essential to Pakistan's economic growth, faces significant challenges related to HRM, resulting in job dissatisfaction. This study explores the adverse effects of inadequate HRM practices in the banking sector of Peshawar, highlighting the impact on employee satisfaction and overall organizational success.

Effective human resource management (HRM) is essential for enhancing employee satisfaction and overall organizational performance in the banking sector. This sector often encounters challenges such as high stress levels, inadequate career development, and insufficient employee engagement, which can lead to job dissatisfaction and increased turnover (Jamwal, 2023; Ayyash & Khalil, 2024). Research indicates that factors like a supportive organizational climate, effective service quality, and comprehensive employee development methods significantly contribute to job satisfaction (Khan & Srivastava, 2023; Dalentang & Fadhilah, 2024). Moreover, improving HRM practices can help mitigate these challenges, leading to better employee retention and enhanced organizational success (Radha & Aithal, 2024).

Job dissatisfaction has been rising in various sectors, including banking, where issues like work overload and inadequate career development have affected employee performance and satisfaction. Addressing these HRM challenges is therefore critical for fostering a productive and satisfied workforce within the banking industry. Recent studies have shown that high job stress and lack of career progression opportunities are significant contributors to employee turnover

1.1 Problem Statement

Job dissatisfaction has been rising in various sectors, including banking, where issues like work overload and inadequate career development have affected employee performance and satisfaction. This study seeks to explore these challenges and provide actionable strategies for improvement.

1.2 Research Questions

1. What are the factors influencing job satisfaction among banking sector employees?
2. What is the impact of each determinant on employees' job satisfaction?

1.3 Research Objectives

1. To identify factors influencing job satisfaction in the banking sector.
2. To evaluate the impact of these determinants on employee satisfaction and stress.

1.4 Significance of the Research

This study fills a gap in the literature on job satisfaction in developing countries, specifically within Pakistan's banking sector. It offers insights into stressors affecting bank employees and suggests strategies to mitigate these issues, thereby improving customer service quality and contributing to a stronger economy.

2. Literature Review

Job satisfaction is a multidimensional construct influenced by various factors, including working hours, compensation, supervisor behavior, and reward structures. In the context of the banking sector, these factors play a crucial role in determining employee satisfaction and, consequently, their overall performance and well-being. This literature review focuses on these specific variables to understand their impact on job satisfaction, drawing insights from relevant studies.

2.1 Working Hours and Job Satisfaction

Working hours have consistently been identified as a significant determinant of job satisfaction in the banking sector. Excessive working hours can lead to burnout, reduced productivity, and lower job satisfaction. Vinaykumar and Ravinarayana (2021) highlight that in private sector banks, the long working hours contribute to lower levels of job satisfaction among employees. This finding aligns with broader research indicating that manageable working hours are essential for maintaining a healthy work-life balance, which in turn enhances job satisfaction.

2.2 Compensation and Job Satisfaction

Compensation is often considered a fundamental factor in determining job satisfaction. However, its impact can be complex and context-dependent. Salim, Kustiani, and Supanto (2024) found that while compensation does influence job satisfaction, its effect is often moderated by other factors such as leadership style and work environment. Interestingly, the study in Peshawar suggests that compensation does not significantly impact job satisfaction, implying that other non-monetary factors may have a more profound influence on employee contentment in this specific context.

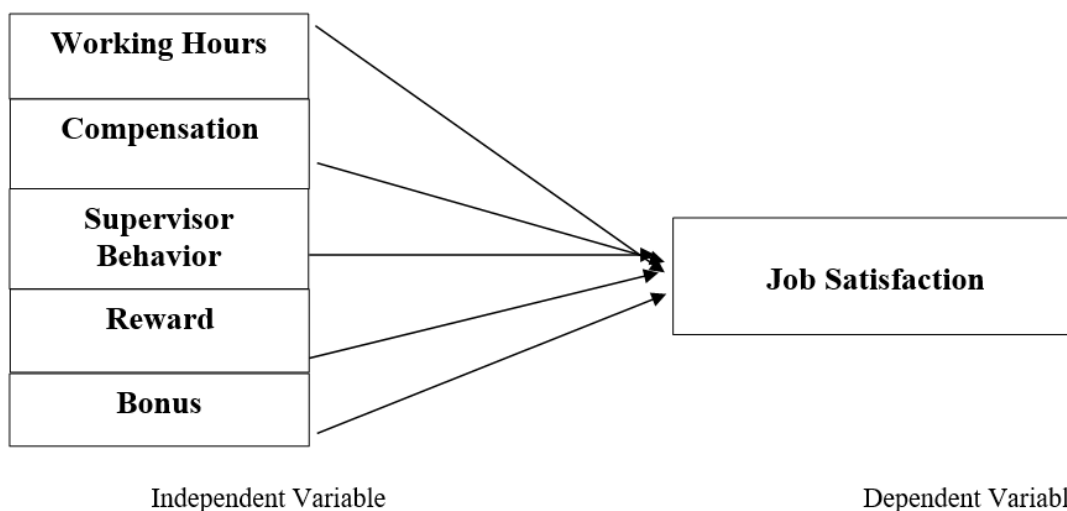
2.3 Supervisor Behavior and Job Satisfaction

Supervisor behavior is a critical factor in shaping job satisfaction. Effective and supportive supervisors can significantly enhance employees' job satisfaction by fostering a positive work environment. Muhammad and Umar (2024) emphasize that in the banking sector, the relationship between supervisors and employees is crucial for maintaining high levels of job satisfaction. Their study found that supportive supervisor behavior is linked to higher job satisfaction and improved organizational citizenship behavior, underscoring the importance of management practices over financial incentives.

2.4 Reward Structures and Job Satisfaction

Reward structures, both monetary and non-monetary, play an essential role in determining job satisfaction. Adeosun (2023) and Rajendran and Jeyalakshmi (2024) both emphasize the importance of well-designed reward systems in enhancing job satisfaction in the banking sector. These studies suggest that recognition, career development opportunities, and performance-based rewards contribute significantly to job satisfaction. In the context of the study conducted in Peshawar, it was found that reward structures, along with supervisor behavior and working conditions, are more influential than compensation in determining job satisfaction.

2.5 Conceptual Framework



The conceptual framework of this study is built on the premise that job satisfaction is influenced by multiple factors, including working hours, compensation, supervisor behavior, and rewards. Recent research has also emphasized the importance of flexible working arrangements in improving job satisfaction.

2.6 Research Hypotheses

- H1: Fewer working hours are associated to job satisfaction
- H2: Compensation is related to job satisfaction
- H3: Supervisor behavior is associated to job satisfaction
- H4: Rewards are related to job satisfaction
- H5: Bonuses are associated to job satisfaction

3. Research Methodology

The study employs a quantitative approach, using a structured questionnaire to collect data from employees in public and private banks in Peshawar. The sample consists of 100 respondents selected through random sampling. Data analysis is conducted using SPSS, with simple regression techniques applied to test the hypotheses.

3.1 Population and Sampling

The study includes employees from public (National Bank of Pakistan, Bank of Khyber) and private (Allied Bank Limited, Habib Bank Limited) banks in Peshawar, with a total sample size of 100 respondents.

3.2 Data Collection Tool

Data was collected using a structured questionnaire, focusing on personal demographics, work environment, compensation, and rewards. The Likert scale was employed to measure responses.

3.3 Data Analysis

Data analysis was conducted using SPSS, with reliability tests (Cronbach’s Alpha), descriptive statistics, correlation analysis, multicollinearity analysis (VIF), autocorrelation analysis (Durbin Watson), and regression analysis applied.

4. Results

4.1 Reliability of Data

Table 1: Reliability Statistics

| S.No | Variable Name | Cronbach’s Alpha | Number of Items |
|------|--------------------------|------------------|-----------------|
| 1 | WH (Working Hours) | 0.704 | 4 |
| 2 | COM (Compensation) | 0.733 | 5 |
| 3 | SB (Supervisor Behavior) | 0.717 | 4 |
| 4 | REW (Reward) | 0.719 | 5 |
| 5 | JS (Job Satisfaction) | 0.700 | 4 |
| 6 | BNS (Bonus) | 0.861 | 5 |

Interpretation: The Cronbach’s Alpha values for all variables exceed the acceptable threshold of 0.70, indicating a high level of internal consistency among the items in the questionnaire. This suggests that the data collected is reliable for further analysis.

4.2 Descriptive Statistics

Table 2: Descriptive Statistics

| S.No | Variable Name | N | Minimum | Maximum | Mean | Std. Deviation |
|------|--------------------------|-----|---------|---------|-------|----------------|
| 1 | JS (Job Satisfaction) | 100 | 1.00 | 5.00 | 4.118 | 0.77749 |
| 2 | WH (Working Hours) | 100 | 1.00 | 5.00 | 3.929 | 0.77919 |
| 3 | COM (Compensation) | 100 | 1.00 | 5.00 | 4.430 | 0.56336 |
| 4 | SB (Supervisor Behavior) | 100 | 1.00 | 5.00 | 4.335 | 0.52976 |
| 5 | REW (Reward) | 100 | 1.00 | 5.00 | 3.721 | 0.76337 |
| 6 | BNS (Bonus) | 100 | 1.00 | 5.00 | 3.98 | 0.65171 |

Interpretation: The mean values for the variables indicate that, on average, respondents report relatively high levels of job satisfaction, supervisor behavior, and compensation. The standard deviations suggest moderate variability, with the most variability observed in job satisfaction and reward variables.

4.3 Correlation Analysis

Table 3: Correlation Matrix

| | | | | | |
|-----|-----------|-----------|------------|-----------|------------|
| | JS | WH | COM | SB | REW |
| JS | 1 | | | | |
| WH | .394** | 1 | | | |
| COM | .477** | .446** | 1 | | |
| SB | .507** | .564** | .781** | 1 | |
| REW | .430** | .603** | .382** | .542** | 1 |

Note: Correlation is significant at the 0.01 level (2-tailed).

Interpretation: The correlation matrix indicates that job satisfaction (JS) is positively correlated with all independent variables, with supervisor behavior (SB) having the strongest correlation ($r = 0.507$). This suggests that as positive perceptions of supervisor behavior increase, so does job satisfaction.

4.4 Regression Analysis

Table 4: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1 | .514a | .501 | .403 | .34121 |

Predictors: Working Hours, Compensation, Supervisor Behavior, Reward, and Bonus

Interpretation: The R Square value of 0.501 indicates that approximately 50.1% of the variance in job satisfaction is explained by the independent variables in the model. This suggests that the model has a moderate explanatory power.

Table 5: ANOVA

| Model | Sum of Squares | DF | Mean Square | F | Sig. |
|-------|----------------|---------|-------------|--------|--------|
| 1 | Regression | 47.412 | 4 | 11.853 | 26.511 |
| | Residual | 103.107 | 245 | .421 | |
| | Total | 150.519 | 249 | | |

Dependent Variable: Job Satisfaction

Interpretation: The ANOVA table shows that the model is statistically significant ($F = 26.511, p < 0.05$). This indicates that the independent variables, collectively, have a significant effect on job satisfaction.

Table 6: Coefficients

| Model | Variable | Unstandardized Coefficients (B) | Std. Error | Standardized Coefficients (Beta) | t | Sig. |
|-------|----------|---------------------------------|------------|----------------------------------|-------|------|
| 1 | WH | .537 | .154 | .051 | 2.519 | .010 |
| | COM | .068 | .071 | .068 | .955 | .340 |
| | SB | .317 | .117 | .230 | 2.704 | .007 |
| | REW | .261 | .140 | .178 | 2.857 | .025 |
| | BNS | .209 | .071 | .205 | 2.936 | .004 |

Dependent Variable: Job Satisfaction

Interpretation: The regression analysis shows that supervisor behavior (SB), reward (REW), and bonus (BNS) have significant positive effects on job satisfaction ($p < 0.05$). Compensation (COM), however, does not have a significant impact on job satisfaction ($p > 0.05$). This indicates that factors such as effective supervision, rewards, and bonuses are more influential in determining job satisfaction than compensation.

4.5 Multicollinearity and Autocorrelation

Table 7: Multicollinearity (VIF) Analysis

| Variable | Tolerance | VIF |
|----------|-----------|-------|
| WH | .556 | 1.799 |
| COM | .386 | 2.588 |
| SB | .305 | 3.274 |
| REW | .571 | 1.750 |

Interpretation: All VIF values are below 10, indicating that multicollinearity is not an issue in this model. This suggests that the independent variables are not highly correlated with each other, ensuring the reliability of the regression coefficients.

Table 8: Autocorrelation Analysis

| Model | Durbin-Watson |
|-------|---------------|
| 1 | 1.956 |

Interpretation: The Durbin-Watson statistic is 1.956, which is within the acceptable range (1.5 to 2.5). This indicates that there is no significant autocorrelation in the residuals, ensuring the validity of the regression model.

5. Conclusion and Recommendations

The study concludes that factors like working hours, supervisor behavior, rewards, and bonuses significantly influence job satisfaction in the banking sector of Peshawar, with compensation having no significant impact. The research recommends flexible work practices, regular updates to compensation policies, and the introduction of rewards and bonuses to enhance employee satisfaction.

5.1 Directions for Future Research

Future studies should expand the scope to other cities and sectors, increase sample size, and consider additional variables to provide a more comprehensive understanding of job satisfaction factors.

5.2 Limitations

The study was limited by time constraints and potential biases in respondent self-reporting. A broader scope and diverse methodologies could address these limitations in future research.

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