

**FACTORS AFFECTING JOB SATISFACTION AMONG IT
PROFESSIONALS IN COMMERCIAL BANKS IN THE KATHMANDU
VALLEY**

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Content

1. Introduction
 - 1.1 Background
 - 1.2 Statement of the problem
 - 1.3 Objective of the study
2. Literature Review
3. Proposed research framework - Identification of study variables and their interrelate
4. Research methodology
 - 4.1 Study Area
 - 4.2 Methods of data collection:
 - 4.3 Data Analysis and writing
 - 4.4 Limitations of the Study
5. Organization of the Study - Chapter Plan for the thesis
6. References

CHAPTER I

INTRODUCTION

1.1 Background of the Study

The IT industry plays a crucial role in providing support services to various sectors and department. From healthcare to finance, education to transportation, almost every industry relies on IT infrastructure and services to operate efficiently, and even it is more important in banking sectors. Job satisfaction is an important topic in IT industries research because of its many effects on the overall wellbeing of the organization. Banking is a service industry for which human capital is very much paramount. Nowadays, the banking sector is experiencing the changing performance of its human resources. However, the sublime performance of the human resources of bank depends on their job satisfaction. So, job satisfaction is nothing but the degree or the extent to which one likes or dislikes the job. The concept of job satisfaction has been developed in many ways by many different researchers and practitioners. One of the widely used definitions in organizational research is that of Locke (1969), who defines job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. Vroom in his definition on job satisfaction focuses on the role of the employee in the workplace. Thus, he defines job satisfaction as affective orientations on the part of individuals toward work roles which they are presently occupying (Vroom, 1964). Job satisfaction is an attitude that employees have about their work and is based on numerous factors, both intrinsic and extrinsic to the individual. Job satisfaction is important from the perspective of maintaining and retaining the appropriate employees within the organization; it is about fitting the right person to the right job in the right culture and keeping them satisfied. Employees are considered valuable assets to the corporation, and the success of any Bank is directly linked to the satisfaction of the employees who embody that Bank.

The assessment of job satisfaction through employee anonymous surveys became common place in the 1930s. Although prior to that time there was the beginning of interest in employee attitudes, there were only a handful of studies published. Latham and Budworth note that Uhrbrock in 1934 was one of the first psychologists to use

the newly developed attitude measurement techniques to assess factory worker attitudes. It also noted that in 1935 Hoppock conducted a study that focused explicitly on job satisfaction that is affected by both the nature of the job and relationships with co-workers and supervisors. Other researchers showed Job satisfaction was the most important factor for 56 Percentage of UK workers in securing happiness in the workplace, in contrast to just over a third (36 Percentage) who ranked pay above all else in one of the research projects.

The business world is continuously changing due to the advances and developments in technology. Innovations in technology can change the way business activities are performed. Information Technology (IT) has played an important role in business and the use of technology to reduce costs, improve operations, enhance customer service, and improve communications has progressed rapidly over the years.

New technologies can result in employees working smarter as well as providing high-quality products and more efficient services to customers. Attar and Sweiss (2010) stated that Companies have realized the greatest gains from new technology have human resource management practices that support the use of technology to create what is known as high-performance work systems.

Economies in emerging markets are experiencing rapid growth in demand for customer support services, supply chain management, business process optimization and innovation, all of which enterprises are looking toward IT to cater for. The focus, however, has become much more holistic, with organizations fast realizing that IT is more of a business function than ever before. The result is a shift towards IT professionals who are able to see the big picture, with a focus on IT solutions being part of the requirement. Human Resource (HR) is considered to be the most valuable asset in any organization. HR is the most important pillar of economic, social and cultural developments. Employee performance is influenced to a large extent, by motivation and job satisfaction (JS). In other words, employees' opinion about the organizations they work for is very important and their performance depends on their satisfaction of the work. (Uyargil, 2010). Strictly speaking, one of the effective factors on HR performance is Job Satisfaction (JS). The term 'job satisfaction' refers to the attitudes and feelings people have about their work. Positive and favorable attitudes towards the job indicate job satisfaction. Negative and unfavorable attitudes towards

the job indicate job dissatisfaction (Armstrong, 2006). JS is a topic of wide interest to both people who work in organizations and people who study them.

As shown in figure 1, each person needs to be in five different categories. According to Maslow, the manager needs to know where an employee is on the hierarchical pyramid in order to motivate him/her. Then they need to focus on meeting that person's needs at that level (Robbins, 1999). As one moves up in Maslow's pyramid their needs become more complicated. In order to reach each higher lever, one should first fulfil the needs of the lower level. Therefore, when the need in the highest level of Maslow's pyramid is met, more JS is generated and HR will be converted into human capital. It causes organization's growth.

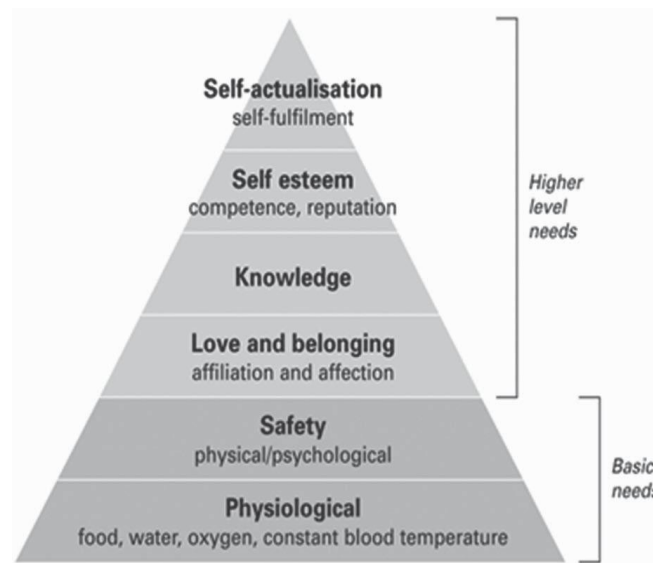


Fig 1. Maslow pyramid

Job satisfaction is measured according to each person's needs in each organization and its fulfilment. This indicates that Job satisfaction of employees in any organization is important as human capital. Job satisfaction is the key ingredient that leads to recognition, income, promotion, and the achievement of other goals that lead to a feeling of fulfilment (Kaliski, 2007).

The word 'job' literally means forcing someone to work (Shafiabadi, 1997). The concept of job characteristics model focuses on designing a job so that it motivates a person (Droar, 2006). The five core job features, which are task significance, task variety, task identity, autonomy, and feedback are believed to positively correlate with job satisfaction and performance (Hunter, 2006).

1.2 Problem Statement

Nepal is a challenging country in which to advance the development of information communication technology (ICT). The first computer was introduced to Nepal as late as 1971, and it was only in 2004 that a second mobile phone operator was licensed. The general population is poor and with limited literacy, and spread over hard-to-access mountainous terrain. Furthermore, Nepal is in one of the more competitive regions of the world in terms of the IT industry, with its two neighbors, China and India, fast establishing their dominance in hardware and software exports respectively. Nepal has taken an active approach to advancing its e-agenda, initially embodied by an IT Policy established in 2000. It has increasingly opened the infrastructure sector to competition, increased the government's on-line presence, built an IT park, grown IT exports at a healthy 20 percentages a year, and is annually graduating a cadre of well-training ICT professionals from a mix of universities and smaller private training institutions.

Organizations are increasingly stating that employees are their most important assets, and as a result they are constantly endeavoring to create an employment brand that is attractive to both existing employees and potential talent, while competing in a "war for talent" (Glen 2006). This has led researchers to emphasize the importance of reviewing the factors that influence individual's job satisfaction and organizational commitment within the organizational environment (Lumley 2010). But with the growth in the Information Technology industry, competition is also getting intense. All the competitive issues are leading to a serious challenge for the Human Resource Management. The IT sector's charm is still high and more educations related to IT field are coming up. With this increase it becomes very necessary for the banks to keep an eye on its Human Resource and do the needful to maintain the charm and help in the progress.

The HR professionals are concentrating on Job Satisfaction of employees and creating a work environment where employees are able to satisfy their important personnel needs through working in the organization. But, despite introducing different Job Satisfaction mechanism, managers fail to achieve employees' job satisfaction. First, employees vary in their needs; so, all the employees cannot be motivated with same types and levels of Job Satisfaction measures. Second, in past,

money was the major goal of employment. But these days, apart from money, people place higher value to those factors that satisfy their self-esteem and self-actualization needs (Saklani, 2004). Third, the ownership of the organization also varies the level of Job Satisfaction of employee's experience in their work place.

Hence, job satisfaction of employees is required for the long-term success in any bank and industry as a whole. To know the true job satisfaction level of the IT professionals working in different banks, the researcher is interested to conduct research in this topic. The research provides answers to the following research questions.

- What are the factors affecting Job Satisfaction and which one is more important for IT employees in bank?
- Is there any measure or measures for improving the job satisfaction of IT employees working in banks?

1.2 Objectives of the Study

The main objective of the study is to identify the factors that influence the job satisfaction of IT professionals working in selected commercial bank in the Kathmandu Valley

1.3 Rationale of the study

There has not been any study as such to observe the job satisfaction of IT professionals in Kathmandu valley. IT sector is new in Nepal and it is gaining a big attention. With the business growing the educational sector are also pushing more of IT courses. The youths are also seen more inclined to join this field and make a good career. In this competitive scenario IT has provided a direction to build a talent and skills that gives a good payoff for individuals.

By accessing the Job Satisfaction of current IT professionals, we will be able to understand the current job situation and analyze the future trend in IT industry of Nepal.

This study gives management an indication of general levels of satisfaction in a company. It will indicate the specific areas of satisfaction or dissatisfaction and the particular groups of employees who are satisfied or dissatisfied. The organizations

under IT industry then can develop policies to enhance the job satisfaction of their employees. Employers plan and monitor new trainings or other programs, by getting feedback on proposed changes in advance and then conducting a follow-up survey to evaluate the actual response. Employees will as results feel more valued and increased job satisfaction will enhance the commitment towards the company and employers will get benefited.

Government can also take the result from this research to understand the current status of the IT industry and help this new industry to shape in future. Different foreign aids, projects and rules and regulations can be formed accordingly.

1.4 Limitations of the study

No research is absolutely free from constraints and limitations. In the same way, this present research had some limitations which are as follows:

- The study is limited to sample size of 52 respondents within the Kathmandu valley
- The study will cover from assistant level employees to Assistant manger level employees of Sanima Bank Limited and Machhapuchre Bank Limited.
- Only limited no of analytical tools has been used.
- Lack of proper data availability is also obstacle to focus on any variable for satisfactory outcome.
- The validity of the study depends on the accuracy of the information provided by the respondents to be covered on the study.
- The study is based on conceptual framework that has used only limited variables job satisfaction measures

CHAPTER II

LITERATURE REVIEW

This chapter contains a comprehensive review of recent and relevant literature related to the topic. Literature review is basically a process of searching the available literature in field of research to review and analyze them. The literature survey provides the researcher with the knowledge to the status of their field of research. That helps the researcher to find out what research studies have been conducted in own chosen field of survey and what remains to be done. It provides the foundation for developing a comprehensive theoretical framework from which hypothesis can be developed for testing. Attempts have been made to review reports, journals, articles published in different newspapers, magazines etc. The literature has been collected, compiled and reviewed.

Vrinda and Jacob (2015) examined the impact of job satisfaction on their job performance. This study concluded that the satisfying event of human resources in the job, why they continue or leave the bank that also a determination of job satisfaction. The findings of the study are job satisfaction and their performance was found to be even higher for professional jobs than for a less complex job.

Romel (2017) when analyzing job satisfaction, the human resources should be satisfied. Therefore, job satisfaction of human resource is the major concern for the success of the bank and also considered as a topic for the discussion in this paper. This can be defined as an individual general attitude toward his or her job. It plays an important role in improving the financial standing of bank. Job satisfaction and morale is derived from and is caused by many inter-related factors.

Mohammd Abuhashesh, Rand Al-Dmour and Ra'ed Masa'de (2019) This study has focused on the main factors that can influence employee satisfaction and performance, with the results highlighting the factors with the biggest impact. The study sample consisted of 147 valid responses to a survey that was distributed randomly among Jordanian industrial factory employees. The survey indicated that Jordanian employees were prepared to leave their job in case of finding a job with a higher salary elsewhere. Based on the study result, it is evident that the two major factors that

lead to employees leaving their jobs is low salary and a negative organizational culture

Ong Choon Hee (2020) examined the factors influencing job satisfaction among academic staffs. This research explored factors that influence job satisfaction among academic staffs in a private institution in Malaysia. This study has successfully identified significant factors that influence job satisfaction among the academic staffs in Malaysia. The findings of this study generate managerial actions that focus on pay and benefits, work environment and top management leadership to increase job satisfaction among the academic staffs. This research is in tandem with the direction of the Malaysian Quality Evaluation System for Private Colleges (MyQUEST) to elevate the quality level of education and achieve six stars in the rating system. This study has some limitations that need to be addressed in future research. First, the research context and findings were limited to one academic institution in Malaysia. Therefore, the results may not be able to generalize for the entire education industry in the country. In future, researchers may consider increasing the population to cover more institutions in Malaysia. In addition, based on different theories that have been explained previously, there are other determinants such as mentorship, coaching, career planning and job rotation that may influence job satisfaction.

Tala Helmi, & Malak Abunar (2021) examined the impact of job satisfaction on employee job performance. The study concluded that Job satisfaction helps employees to be satisfied and comfortable, while job performance is the way the employee performs his or her job. The findings of the study the workforces in Saudi Arabia are satisfied with their job. Thus, organizations should follow a specific strategy to maintain the satisfaction and performance of employees in order to achieve their objectives in the long run

2.3 Conceptual Framework for the Study

The term job satisfaction refers to the positive and negative attitude and feelings people have about their work that leads to the satisfaction and dissatisfaction level to rise between the employees (Armstrong 2006). Job satisfaction represents a combination of positive and negative feelings that workers realize during their working hours. Meanwhile, when a worker is employed in a business organization,

he brings it with the needs, desires, and experience which determine expectations that he has dismissed. Job satisfaction represents the extent to which expectation is matched to real awards. Job satisfaction is linked to that individual's perception in the workplace (Davis & Nestrom, 1985). The research deals with job satisfaction and the factors that lead to job satisfaction. There are many aspects of job satisfaction, which affect the level of job satisfaction in employees. There are also several studies and research performed focused on the topic of job satisfaction and its level of affection towards the employees. In the figure below, a conceptual framework is presented to explore the level of job satisfaction among the employees

Independent Variables

Dependent Variable

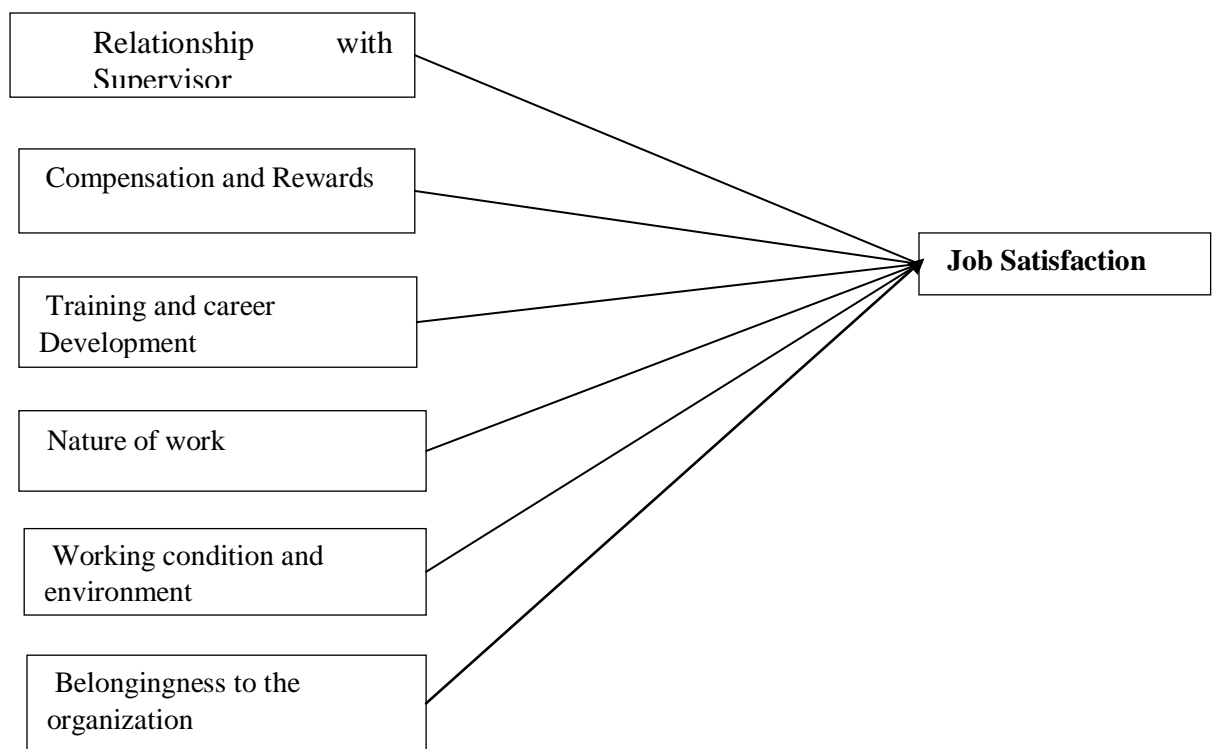


Figure 1: Conceptual Framework for the study

CHAPTER III

RESEARCH METHODOLOGY

This chapter sets out overall plan associated with a study. It provides a basic framework on which the study is based. This chapter presents the methodology to be employed for data collection as well as the relevant statistical analytical tools that was employed for analyzing the survey results gathered during the study to obtain the stated objective. It explains the research design used, population and sample of the study, nature and sources of data, instrumentation, data collection procedures and method of analysis

3.1 Research Design

This research is applied research as existing theories and concepts were applied. The research is conclusive research in which hypotheses were tested to determine relationship and provide a conclusion about the tested variables. Survey research design has been adopted to collect data from multiple employees of both the commercial banks by using sets of questionnaires. This research is descriptive research where the analyses were taken as conclusions.

Questionnaires were administered to the employees in both banks and the respondents were asked to give their opinion about their job and the prevailing situation of HR practices in the organization. Questions were structured with the five-point Likert scale to know the opinion on the practices and some performance variables. The dependent variable in this study was factors affecting job satisfaction while the independent variable was job satisfaction.

3.2 Population and Sampling

The population for this study comprised of the employees working in two commercial banks in Nepal inside the Kathmandu Valley. Among the commercial banks, these two banks were considered for the study since both the banks were established in similar time period. According to the date from Nepal Rastra Bank, there are altogether 21 commercial banks and 17 development banks. The sample is based on banks that are established on 2000 to 2004 before the royal takeover. Sanima, promoted by prominent and dynamic Non-Resident Nepalese (NRNs)

Businessmen, commenced its operation in 2004 as a National Level Development Bank. Since February 2012, Sanima has been functioning as an "A" Class Commercial Bank. Sanima Bank limited currently has 1398 employees among them 1200 are permanent employees and 198 are contract employee. Machhapuchchhre Bank Limited was registered in 1998 as the first regional commercial bank from the western region of Nepal and started its banking operations from 2000. A total population of 30 employees is working in Sanima Bank Limited and 28 employees in Machhapuchree Bank Limited in inside Kathmandu valley. Out of the total population, 55 employees working in the different positions are provided with the standardized questionnaire. The questionnaires are distributed among the employees working at various levels, such as Assistant, Senior Assistant, Manager and Deputy Managers. For this purpose convenience sampling method is used. The primary information for analyzing association between job satisfaction and employee commitment was collected from questionnaire survey which was conducted among 55 respondents

3.3 Sources of Data

This section details the nature and sources of data used in the study. The data were collected from both primary and secondary sources. The primary data were collected through self-administered questionnaire. These responses were collected form Google form and send to all IT professionals using different IT forums and personal email ids. The secondary data were acquired through journals, research articles, magazines, newspapers etc. The questionnaire is the main research tool of this study. It consists of demographic questions, single response questions, and likert scale questions.

Demographic questions include elements like gender, age, marital status, education level. Study related questions will include statements related to relation with supervisor, compensation and benefit, organization development, working condition, career development and work task factors in a likert scale. The necessary information has been collected through the structured questionnaire from the employees working in both commercial banks. The total of 52 usable questionnaires has been analyzed

3.4 Data analysis plan

A total population of 30 employees is working in Sanima Bank Limited and 28 employees in Machhapuchree Bank Limited in inside Kathmandu valley. Out of the total population, 55 employees working in the different positions are provided with the standardized questionnaire. The reason behind the selection of Kathmandu as the point of study is that, majority of the employees of these two banks are working in Kathmandu and all the youths transfer their higher studies to the capital city with a lot of expectations and hopes that they get better opportunity in Kathmandu. Also, there is an easy and a quick access to internet and banking facilities as compared to the branches outside Kathmandu. The questionnaires are distributed among the employees working at various levels, such as Assistant, Senior Assistant, Manager and Deputy Managers. A set of questionnaires was sent to the responsible commissioners through email and the questionnaires are distributed to the employees by the firm. Later when the responses were collected from the employees, the firm sent back the responses in the summarized form in the same procedure using emails. The company sent the summary in a way that they could protect the company policies and their employee's confidentiality. Out of the sample group, 52 employees responded to the questions. A well-structured questionnaire is prepared as the main instrument to collect data from the respondents. The survey is divided into two sections: 1) personal background, i.e. classification question, which obtains information regarding employees' age and gender and 2) job satisfaction segments and organizational factors, i.e. questions that collect information regarding employees' level of satisfaction. A different source of secondary data studied to prepare the questionnaire is websites, books and magazines, and the previous studies and theses. The questionnaire survey was designed to understand the views of the respondents concerning their job satisfaction on factors like work environment, rewards, recognition, training and development and job security. A set of questions including yes/no questions, ranking method, and multi-item Likert scale questions were developed. A survey is designed to find out the objectives of research through specific questions. The questionnaire is presented in Appendix.

Regression Analysis

Regression analysis is a technique used to estimate impact of two or more variables on dependent variable. The linear regressions model was as follows

$$JS = \beta_0 + \beta_1 WE + \beta_2 RWS + \beta_3 CAR + \beta_4 TAD + \beta_5 NW + \beta_6 BO$$

JS = Job Satisfaction

β_0 = Constant

β_1 = Regression of Coefficient

WE = Working condition and environment

RWS = Relationship with supervisor

CAR = Compensation and Rewards

TAD = Training and development

NW = Nature of work

BO = Belonging to organization

e_i = Error Terms

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