

The Impact of Demographics towards Job Satisfaction in Banks

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This thesis studies the relationship between demographic variables and job satisfaction in the banking sector of Karachi (Pakistan). The following demographic variables were selected as predictors: age, income, gender, marital status and tenure; while job satisfaction was measured based on the following factors: empowerment, feedback, compensation and incentives, growth opportunities, and work environment. A structured questionnaire was used to collect data in a survey involving employees working for different banks. ANOVA and Independent T-test were used for analyzing the data. It was found that differences in demographics do have a substantial relationship with employees' perceptions for job-related factors, determining the level of job satisfaction.

Keywords: Demographics, Job Satisfaction

1. Introduction

The Banking industry has always been identified for long hours, formalized tasks, and high customer interaction. It has now become crucial for organizations to keep the employees satisfied for high performance and retention. This research aims to determine how demographic variables are related with job satisfaction amongst bank employees.

Data collected from 200 bank employees was analyzed using SPSS. ANOVA and Independent T-tests were done to compare different dimensions of job satisfaction with selection of demographic variables including marital status, gender, age, income and tenure. Survey was carried out to obtain data with the help of a structured questionnaire.

It was found that a difference in perception exists towards variables related to job on grounds of marital status, gender age, income and tenure.

1.1 Outline of the Paper

This paper is organized into 6 main parts. Part 2 presents a review on the literature related to the problem being studied. Part 3 describes the research methods used for sampling, data collection, instrument and the research framework. Part 4 consists of the statistical tables and their analyses, while part 5 contains conclusions drawn from the statistical inference. Part 6 gives a list of references cited in the paper.

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2. Literature Review

Hulin and Smith (1965) emphasized that age, tenure, and satisfaction were unlikely to be similarly interconnected under all conditions for all individuals. Relationships exist between satisfaction with work and increase in tenure; employees adjust their expectations with real opportunities and try to adapt within the working environment of the company.

The study by Logan, O'Reilly and Roberts (1973) carried out comparability of full time employees with part time hospital personnel. While the demographic profiles of both types of employees were similar, the levels of satisfaction related to the work environment, varies. Full time employees were more satisfied with their jobs as they were given proper incentives (such as promotions) as compared to part time employees.

Hall and Gordon (1973) found that part time working women reported greater role overload and lower satisfaction than did married women or full time housewives or full time workers. Demographics of both types of women were not similar but part time workers were not given promotions, were subjected to late sittings; they faced more conflicts and workload, which brought about a decrease in job satisfaction.

Herman, Dunham and Hulin (1975) explored whether the equality of part time workers continues to be related to job attitudes; once demographic characteristics were made homogenous, there was a chance that all employees had a greater level of job satisfaction.

Gannon and Brainin (1971) concluded that part time workers and multiple job holders must be given helpers or voluntary services to reduce the work load and increase job satisfaction.

Andrews and Withey (1974) found that job satisfaction was associated with health. Employees who were healthy enough to face the work load were more satisfied with their jobs.

Seashore (1976) found that cultural noise also stresses the working environment (such as strikes etc), due to which employees had to face lots of problem.

Rabinowitz and Hall (1977) found that the satisfaction that employees experience with various job situations, such as, the work, the work environment, pay, promotion, are related to the demographics of the employees.

Sekaran and Wagner (1980) found that psychological rewards and a sense of control over the work environment i.e. a sense of competence, increases the job satisfaction level.

Cherns, Davis and Taylor (1975) suggested that involvement in job, sense of competence, and satisfaction from job were considered to be three of the indicators of the quality of work life.

Litwin and Stringer (1968) found that satisfaction with job comprised of several important variables which include the characteristics of the job itself and the organizational demographics.

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Hackman and Oldham (1975) concluded that job involvement was related to the job characteristics of skill, task identity, task significance, self sufficiency and feedback. Hulin and Blood (1968) found that employees need to work hard and try to instill a sense of competition within the workplace.

Patchen (1970), Ruh and White (1974) and Siegel and Ruh (1973) provided the conclusion that job involvement was positively correlated towards employees' participation in decision making. Whereas Lyons (1971) and Sekaran (1977) found that job involvement had a negative impact on job satisfaction as it leads to stress in employees. Variables such as proper management of fresh air in office, health of the employees, flexible timings, rest room facility etc must be there in banks for productive output.

Studies by Lorsch and Morse (1974), Sekaran (1977) and Wagner (1976) reflect the confidence employees had at work through the subordination of the work environment. If employees were happy with the work surroundings and the job itself their level of output was high and they were well satisfied with the work.

Gannon and Brainin (1971) concluded that part time workers and multiple job holders must be given helpers or voluntary services to reduce the work load and increase job satisfaction. While Sims, Szilagyi and Keller (1976) found that skills, knowledge, task, ethics etc which are all related with the working environment of the company, play an important role in creating job satisfaction. Absence of any one of these factors leads towards stress and job dissatisfaction.

Aronowitz (1973) studied organization culture, and found that younger workers expect more from the jobs and there were not enough challenging jobs to fulfill the expectations of these workers, which leads to frustration and dissatisfaction with job.

Tsui and O'Reilly (1989) found that race, education, and gender differences between superiors and the subordinates along with relational demographics, were associated with role effectiveness and interpersonal relationships.

According to Appelbaum (2000) productivity of branch employees was important which could be achieved by creating an autonomous human relations environment at the branch level of banks, where employees are free to make their decisions. He pointed out the importance of variables like skills, product knowledge, communication, recognition and rewards leading to high-performance of employees and job satisfaction. Task repetition leads to feelings of boredom and fatigue because employees get bored with the same kind of work; they want appreciation and change of style with passage of time.

3. Methodology and Research Model

The following hypotheses were formulated in the context of previous research that focused on personal characteristics of employees with respect to job satisfaction (for example: Hall & Gordon, 1973; Tsui & O'Reilly, 1989).

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The fundamental assumption that there is no impact of demographics on job satisfaction is reflective of constructive skepticism on the part of the authors, and is in line with universal research standards.

H1: There is no significant difference in job satisfaction for male and female employees.

H2: There is no significant difference in Job Satisfaction for married and unmarried employees.

H3: There is a significant relationship of Age with Job Satisfaction.

H4: There is a significant relationship of Income with Job Satisfaction.

H5: There is a significant relationship of Tenure with Job Satisfaction.

3.1 Data Collection

A survey was carried out for conducting this research. Employees working for various banks in Karachi were contacted personally by the researcher and a subsequent interview, with the help of a questionnaire, was carried out.

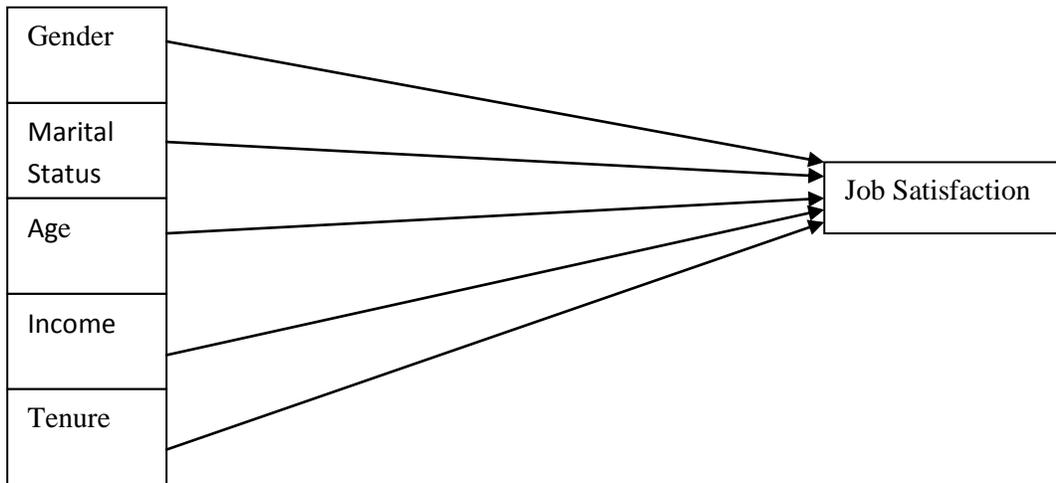
3.2 Sampling

The unrestricted non-probability sampling (convenience sampling) technique was used where the subjects were chosen based on the easy accessibility to the researcher. Limitation of resources where the authors could only rely on their own contacts and efforts for carrying out the survey meant that a convenience sampling was the only possibility left. A sample of 200 employees working in banks has been used in this study.

3.3 Instrument

A questionnaire containing structured questions to determine the demographic variables of the subjects, as well as the perceptions towards job satisfaction variables, was employed in this study. The following constructs of job satisfaction were used in the instrument: Empowerment; work environment; training and development; growth opportunities; incentives and compensation; and feedback and communication. Responses on these constructs were taken on a five point likert scale, to measure the extent of satisfaction or dissatisfaction of employees with each job-related factor.

3.4 Research Framework



4. Findings

Statistical techniques used in this research are “Independent T-Test” and Chi Square. The first two hypotheses relating job satisfaction with gender and marital status were tested through the independent t-test as it required a comparison of means only in two groups. Whereas, for Age, Income and Tenure the Chi-square has been applied due to the presence of more than two groups.

Table 4.1: Independent Samples Test for Job Satisfaction in Male and Female Employees

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Job Satisfaction	Equal variances assumed	1.526	.218	-2.114	198	.036	-.38415	.18168	-.74243	-.02586
	Equal variances not assumed			-1.381	41.914	.175	-.38415	.27825	-.94571	.17742

In table 4.1 (given above), a significant value of 0.036 (> 0.05) shows that the null hypothesis is rejected, which shows that job satisfaction varies between male and female employees.

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Table 4.2: Independent Samples Test for Job Satisfaction in Married and Unmarried Employees

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Job Satisfaction	Equal variances assumed	.274	.602	2.108	198	.036	.31342	.14870	.02019	.60666
	Equal variances not assumed			2.335	196.731	.021	.31342	.13420	.04876	.57808

In the table given above (4.2), again, a significant value of 0.036 (> 0.05) shows that the null hypothesis is rejected, which means that job satisfaction varies between married and unmarried employees.

Table 4.3: Chi-Square Test for Age & Job Satisfaction

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	102.119 ^a	84	.087
Likelihood Ratio	104.855	84	.061
Linear-by-Linear Association	10.431	1	.001
N of Valid Cases	200		

a. 101 cells (91.8%) have expected count less than 5. The minimum expected count is .01.

In the table given above (4.3), a significant value of 0.087 (< 0.10) shows that the hypothesis is accepted, which means that there exists a relationship between age and job satisfaction.

Table 4.4: Chi-Square Test for Income Level & Job Satisfaction

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	121.770 ^a	84	.004
Likelihood Ratio	122.301	84	.004
Linear-by-Linear Association	7.525	1	.006
N of Valid Cases	200		

a. 102 cells (92.7%) have expected count less than 5. The minimum expected count is .07.

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In the table given above (4.4), a significant value of 0.004 (< 0.10) shows that the hypothesis is accepted, which means that there exists a relationship between income and job satisfaction.

Table 4.5: Chi-Square Test for Tenure & Job Satisfaction

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	70.121 ^a	42	.004
Likelihood Ratio	72.063	42	.003
Linear-by-Linear Association	10.505	1	.001
N of Valid Cases	200		

a. 54 cells (81.8%) have expected count less than 5. The minimum expected count is .17.

In the table given above (4.5), a significant value of 0.004 (< 0.10) shows that the hypothesis is accepted, which means that there exists a relationship between tenure and job satisfaction.

4.1 Hypotheses Assessment Summary

Sr. No	Hypotheses	Test	t / F Value	Sig	Empirical Conclusion
1	There is no significant difference in job satisfaction for male and female employees	Independent T-Test	-2.114	.036	Rejected
2	There is no significant difference in job satisfaction for married and unmarried employees	Independent T-Test	2.108	.036	Rejected
3	There is a significant relationship of age with job satisfaction	Chi-square	4.206	.087	Accepted
4	There is a significant relationship of income with job satisfaction	Chi-square	2.996	.004	Accepted
5	There is a significant relationship of Tenure with job satisfaction	Chi-square	6.983	.004	Accepted

5. Conclusion

Impact of demographics has always been of interest to researchers and writers on management and organizations. This study takes the idea further by applying the framework within the banking industry in Karachi (Pakistan). The findings of the study are in line with the existing literature available on the problem, wherein it was found that demographic variables: age, income, tenure, gender and marital status, do have a significant relationship with perception of job related factors, which were: empowerment, feedback, growth, compensation and work environment.

There was found a difference in perception for the job satisfaction variables on consideration of marital status, gender, income, age, and tenure. Job satisfaction of female employees was shown to be greater than male employees, while that of married employees was higher than unmarried employees. For age, there were differences in job satisfaction

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levels between different age groups with job satisfaction being greater for higher age groups, while the same was the case for income levels and tenure: employees belonging to higher income brackets and with extended tenures demonstrated a higher level of job satisfaction.

This study on job satisfaction and demographics is useful for both, managers and teachers, as it provides a basis for disintegrating the attitudes on job satisfaction and also elaborates the differences between individual demographic groups. This study will also be useful for banks in particular, to specifically focus on job satisfaction on the basis of work related and demographic variables.

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