

Working Environment and Job Satisfaction: A Study on Banking Sector

Dr. Binay Krishna Halder

Deputy Controller of Examinations, University of Gour Banga, W.B. India

Abstract: The aim of this paper is to determine the relationship between working environment and job satisfaction in banking sector in the city of Kolkata, India. Simple random sampling is used for collection of data. The standard structure questionnaire is administered for collection of data from 230 employees working in banking sector in the city of Kolkata. The standard structured questionnaire named “Working Environment (WE) Scale” designed and developed by Spector (1997), and Job Satisfaction (JS) Scale designed and developed by Weiss et al. (1967) was administered. The hypotheses formulated in the study were analysed by using appropriate statistical test like mean, SD, t-test, ANOVA and regression analysis. The results reveals that the working environment and job satisfaction is positively correlated and has a positive relationship between working environment and job satisfaction of the employees in banking sector. The study concludes that the organisation needs to understand the importance of the healthy working environment for achieving the highest level of job satisfaction of the employees. High level of job satisfaction leads to motivate their employees and encourage to work hard for attaining the goals and objectives of the organisation.

Keywords: Working Environment, Job Satisfaction, Banking Sector, Kolkata.

Introduction:

In an organization, employee is an integral part in the process of achieving the goals of businesses, and to ensure the quality of their work, employees should meet the performance criteria set by the organization. The organization should understand the importance of working environment for employee job satisfaction to attain the goals of the organization. Once employees get a favourable working environment, then they become more dedicated to their assigned tasks which ultimately improves their performance. Employees spend a major considerable amount of time at work, and their working environment has an impact on their performance in integrated ways. Employees who are satisfied with their work environment are more likely to have positive work output (Wang X, Zhang Z, Chun D. 2022). According to Lane, et al. (2010) working environment consists of different factors such as wages, working hours,

autonomy given to employees, organizational structure and communication between employees and management may affected job satisfaction. Arnetz (1999) observed that mostly employees have problems with their supervisor who is not giving them respect they deserve; super ordinates show harsh behaviours to subordinates due to which they are not comfortable to share good and innovative ideas with their bosses. Spector (1997) observed that most businesses ignore the working environment within their organization resulting in an adverse effect on the performance of their employees. According to him working environment consists of safety to employees, job security, good relations with co-workers, recognition for good performance, motivation for performing well and participation in the decision-making process of the firm. He further discussed that once employees realize that the firm considers them importance, they will have high level of commitment and sense of ownership for their organization.

Job satisfaction is a concept which expresses the general attitude of individuals towards their jobs, is explained as a phenomenon that occurs when the characteristics of the job and the employee's wishes match each other and determines the employee's satisfaction with his job (Bakan & Biiyiikbese, 2004; Bayar & Ozturk, 2017). Vroom (1964) defined as job satisfaction is an orientation of emotions that employees possess towards role, they are performing at the work place. Job satisfaction is the important aspect for employee motivation and encouragement towards better performance. According to Hoppok & Spielgler (1938) job satisfaction is the integrated set of psychological, physiological and environmental conditions that encourage employees to admit that they are satisfied or happy with their jobs, and the role of employees at workplace is emphasized as there is an influence of various elements on an employee within the organization.

Literature Review

Work has been done to understand the relationship between work environment and job satisfaction all around the world in different contexts over the years. The study is gaining more and more importance with the passage of time because of its nature and impact on the society. Danish conducted a study and suggest that a firm can increase its productivity through the improvement of physical dimensions of work environment (internal climate) and may have a positive impact on firms' productivity (Buhai, Cottini, &Nielseny, 2008).

The working environment consists of two broader dimensions such as work and context. Work includes all the different characteristics of the job like the way job is carried out and completed, involving the tasks like task activities training, control on one's own job-related activities, a sense of achievement from work, variety in tasks and the intrinsic value for a task. Further they described the second dimension of job satisfaction known as context comprises of the physical working conditions and the

social working conditions (Sousa-Poza & Sousa-Poza, 2000; Gazioglu&Tanselb, 2006; Skalli, Theodossiou, & Vasileiou, 2008).

Petterson (1998) suggested that the interaction between employees within a business is crucial for accomplishing the organizational goals. He also described that the communication of information must be properly done in a timely manner so that the operations of the business are running smoothly. If there is a clash between co-workers then it is difficult to achieve the objectives of organization.

Sell and Cleal (2011) developed a model on job satisfaction by integrating economic variables and work environment variables to study the reaction of employees in hazardous work environment with high monetary benefits and non-hazardous work environment and low monetary benefits. The study showed that different psychosocial and work environment variables like work place, social support has direct impact on job satisfaction and that increase in rewards does not improve the dissatisfaction level among employees.

Catillo& Cano (2004) conducted a study on the job satisfaction level among faculty members of colleges and found that if proper attention is given towards interpersonal relationships, recognition and supervision, the level of job satisfaction would rise. Bakotic&Babic (2013) argues that for the workers who work under difficult working conditions, working condition is an important factor for job satisfaction, so workers under difficult working conditions are dissatisfied through this factor. To improve satisfaction of employees working under difficult working conditions, it is necessary for the management to improve the working conditions. This will make them equally satisfied with those who work under normal working condition and in return overall performance will increase.

Tariq et al. (2013) conducted a study on telecom sector and suggested that there are different variables like workload, salary, stress at work place and conflicts with family due to job leads an employee towards dissatisfaction that further 720 Abdul Raziq and RaheelaMaulabakhsh / Procedia Economics and Finance 23 (2015) 717 – 725 results in turnover. At final stage these independent factors impact negatively on organizational performance which is negatively influenced by these factors.

Chandrasekar (2011) revealed that an organization needs to pay attention to create a work environment that enhances the ability of employees to become more productive in order to increase profits for organization. He also argued that Human to human interactions and relations are playing more dominant role in the overall job satisfaction rather than money whereas management skills, time and energy, all are needed for improving the overall performance of the organization in current era.

Clark (1997) identified that if employees are not satisfied with the task assigned to them, they are not certain about factors such as their rights, working conditions are unsafe, co-workers are not cooperative, supervisor is not giving them respect and they are not considered in the decision-making process; resulting them to feel separate from the organization. He also highlighted that in current times, firms cannot afford

dissatisfied employees as they will not perform up to the standards or the expectations of their supervisor, they will be fired, resulting firms to bear additional costs for recruiting new staff.

Based on the above literature, the conceptual model tested in this paper is presented in Fig 1. The independent variable in this research is the working environment in which the employees are working within an organization and the dependent variable is the Job satisfaction of employees. Working environment includes the working hours, job safety, job security, relationship among employees, esteem needs of employees and the influence of top management on the work of employees.

Job satisfaction expresses the general attitude of individuals towards their jobs, it is explained as a phenomenon that occurs when the characteristics of the job and the employee's wishes match each other and determines the employee's satisfaction with his job (Bakan&Büyükbeşe, 2004; Bayar & Öztürk, 2017).

Ugboro&Obeng, 2000; Timuroğlu&İşcan, (2008) defined job satisfaction as a feeling of satisfaction that emerges as a result of the harmony between the working life or the workplace conditions of the main person and a positive attitude towards the job he/she has.

Job Satisfaction can be defined as “a positive or negative evaluation judgment about a person's job or job status” or “the degree to which employees' needs and requests are met at the workplace”. Job satisfaction, which is associated with the dimensions of individuals' love or enjoyment of their work, is affected by both situational and spiritual factors (Keller & Semmer, 2013; Yang et al., 2014; Tekingündüz et al., 2015).

Misener et al. (1996) have stated that the dimensions related to job satisfaction are constituted wages, benefits from work, promotion opportunities, working conditions, management, colleagues and organizational experience (Eroğlu, 2011).

According to Deniz, (2005); Özyayın&Özdemir, (2014) Job satisfaction occurs in two forms, and these are internal and external satisfaction. While satisfaction obtained as a result of work such as wages and economic rewards are expressed as “external satisfaction”, the satisfaction felt during the study, such as the sense of achievement, is expressed as “inner satisfaction”.

Based on the above discussion, the objective of this paper is to determine the relationship between the working environment and employee job satisfaction.

Objectives of the Study:

1. To identify the impact of working environment on employee's job satisfaction.
2. To examine the relationship between working environment and job satisfaction.
3. To see the influence of working environment on employee's job satisfaction

Hypotheses of the Study:

H₁: Job Satisfaction of employees is different for each demographic characteristic like Age and Gender.

H₂: Working Environment has positive and significant effect on employees' Job Satisfaction.

H₃: Job Satisfaction will be positively related with the Working Environment

H₄: Working Environment is a significant predictor of employees' Job Satisfaction.

Methodology:

Methodology includes sample, measures/test or adaptation of tools, and administration of tests for collection of data.

Population and Sample:

The population of the study consists of employees working in a banking sector in the city of Kolkata. The primary data was collected with the help of survey method from the employees of five public sector banks (State Bank of India, Punjab National Bank, Canara Bank, Bank of India and UCO Bank). From each bank, 46 respondents were chosen that allow us to get 230 respondents working in five banks through the use of self-administered questionnaires. Werner & Eleanor, 1993 suggested that self-administered questionnaire distributed by hand and through emails is most suitable in many researches.

Measures/ Tests:

The study attempted to find out the relationship between working environment as the independent variable and job satisfaction as the dependent variable.

The data has been collected with the help of standardized tests such as Working Environment (WE) test developed by Spector (1997), consists of 15 items and five dimensions and Job Satisfaction (JS) Scale developed by Weiss et al. (1967), consists of 20 items and two (2) sub-dimensions. A 5-point Likert scale is used for scoring system ranging from strongly agree = 5 to strongly disagree = 1.

Test Administration:

The study is based mainly on primary data and supported by secondary data. The primary data is collected from the employees to assess the job satisfaction and find out the relationship with the working environment. This research was done by administering the questionnaires face to face in order to get a valid response on the scales like job satisfaction and working

environment.

The formulated hypotheses with respect to the objectives stated above were tested with appropriate statistical techniques through Statistical Package for Social Sciences (SPSSversion20).

Results and Discussion

Table 1: Demographic Profile of Respondents.

Profile	Labels	Frequency	Percentage
Age	21 - 30 years	60	26.1
	31 - 40 years	62	27.0
	41 - 50 years	78	33.9
	Above 50 years	30	13.0
	Total	230	100
Gender	Male	193	83.9
	Female	37	16.1
	Total	230	100

The two demographic items of the questionnaire were age and gender in the organisation as shown in Table 1. The data consists of 230 employees 83.9 % were male employees and 16.1 % were female employees. Out of 230, 33.9 % employees belong to the largest age category 41 - 50 and the next largest age group employees 62 % is between 31 - 40 years of age group.

Table 2: Distribution of Scale Scores

Dimensions	Item	n	Mean	Sd.	Skewness	Kurtosis
Job Satisfaction Scale	20	230	54.20	13.53	-.162	-.236
Working Environment	15	230	54.92	13.69	-.814	-.328

Table 2 exhibits the distribution of data. The mean score obtained from job satisfaction scale was 54.20 and the mean score obtained from the working environment was 54.92. The skewness and kurtosis values of the data ranges between -2, and +2, the research data showed a normal distribution (George and Mallery, 2010).

H₁: Job Satisfaction of employees are different for each demographic characteristics like Age and Gender.

Table 3: Results of ANOVA – Age and Job Satisfaction of employees

Age Groups	N	Mean	Std. Deviation	F	Significance
21 – 30 years	60	55.78	12.14	.728	.537
31 – 40 years	62	52.27	12.76		
41 – 50 years	78	54.19	15.13		
Above 51 years	30	55.03	13.47		
Total	230	54.20	13.53		

Table 3 expresses the results of the ANOVA to determine whether the age of an individual has impact on job satisfaction. From the analysis it is found that age has no significant impact on job satisfaction ($p > 0.05$).

Table 4: Results of t Test: Gender and Job Satisfaction of Employees

Gender	N	Mean	Std. Deviation	t	Significance
Male	193	53.74	13.77	-1.189	.122
Female	37	56.62	12.09		
Total					

The number of female employees were comparatively less in the sample. In Table 4 there were only 37 (56.62, SD = 12.09) female employees whereas the number of male employees was 193 (53.74, SD = 13.77). It is found from the Table 4 that the calculated value of t is -1.189 and the corresponding significant value of 0.122 which is greater than 0.05 ($p > 0.05$) suggesting that there is no significant difference between the mean scores of employees of the male and female employees in banking sector.

H₂: Working Environment has positive and significant effect on employees' Job Satisfaction.

Table 5: Results of t Test: Comparing means of Job Satisfaction and Working Environment

Gender	N	Mean	Std. Deviation	t	Significance
Job Satisfaction	230	54.20	13.53	-1.511	.000
Working Environment	230	54.92	13.69		
Total	260				

Table 5 shows the results of the t- test to identify whether working environment effects the means obtained from the scales. The results shows that the effect of working environment on job satisfaction of employees in an organisation. Job satisfaction and working environment are statistically significant at 0.05 i.e. $p < 0.05$.

H₃: Job Satisfaction will be positively related with the Working Environment

In order to know the degree and nature of relationship between J Sand WE, the correlation coefficient has been calculated. The result sare reported below.

Table6: Correlation between JS and WE Scores of employees

	N	Mean	SD	r	Level of Significance
Job Satisfaction	230	54.200	13.53	.860	0.000
Working Environment	230	54.92	13.69		

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

From the above Table 6, it was found that the correlation coefficient (r) is 0.860 with a p (significance level, two-tailed) = 0.000. As the table showed $p < 0.05$, the (H₃) is accepted.

H₄: Working Environment is a significant predictor of employees' Job Satisfaction.

As the results of the above Table 6, revealed positive and significant correlation between job satisfaction and working environment, the researcher intends to conduct linear regression analysis between job satisfaction and working environment to frame the prediction equation for the study.

Table 7.1: Model Summary of WE and JS

Model	R	RSquare	Adjusted RSquare	Std. Error of the Estimate
1	.860 ^a	.740	.739	6.91746

a. Predictors: (Constant), WE

Table 7.1 shows that the correlation coefficient (R) between JS and WE is 0.860 and the adjusted R² is 0.739 meaning that 73% of the variance in job satisfaction can be predicted from the working environment.

Table 7.2: Results of ANOVA^a in terms of WE

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	31032.722	1	31032.722	648.525	.000 ^b
	Residual	10910.078	228	47.851		
	Total	41942.800	229			

a. Dependent Variable: JS

b. Predictors: (Constant), WE

From the Table 7.2, it was observed that $F = 648.525$ with a $p = 0.000$. As the table showed $p < 0.05$, therefore, it can be concluded that working environment is a significant predictor of job satisfaction.

Table 7.3: Results of Coefficients of JS and WE

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.513	1.889		3.977	.000
	WE	.850	.033	.860	25.466	.000

a. Dependent Variable: JS

Table 7.3, reveals that the value of $t = 25.466$, which is significant at 0.05 level. As the Table showed $p < 0.05$, the alternative hypothesis is accepted. The result leads to infer that the working environment is a significant predictor of job satisfaction. The regression equation that can be formulated based on the information obtained is as follows:

$$\text{Job Satisfaction (JS)} = 7.513 + .850(\text{Working Environment}).$$

Conclusion

The based on the findings of the study, it is estimated that there is a significant and positive relationship between working environment and job satisfaction among the employees working in banking sector and suggested that working environment plays a significant role in attaining job satisfaction. In the arena of competitive market,

in order to operate up their maximum potential, have to ensure that their employees are working in a conducive and friendly environment.

The result of the regression analysis revealed that working environment has positive impact on job satisfaction as R^2 is 0.740 means 74 %, therefore organisation must pay attention towards working environment. This study is supported by Lee & Brand (2005) suggested that job satisfaction is increased by conducive working environment. As Kinzl et al. (2005) found that job satisfaction has positive relationship with opportunities provided to employees by the organisation. Working environment has a positive impact on job satisfaction. Employees potential and capabilities are restricted due to bad working condition and hampered to attain a full attention to their activities, so it is important to the organisation to put emphasis on the good working environment for job satisfaction of the employees. The performance of the employees shall be increased due to relaxed and burden free environment in the organisation. High level of job satisfaction leads the employees more committed towards their business and more motivated the employees to work hard to get high productivity for their organisation.

Limitation of the Study

The research has had some limitations, such as the research was conducted in banking sector only. Secondly, the respondents from the respective banks were not available to the researchers due to restriction and anonymity. Thirdly, the availability of time to conduct research for obtaining the required data. Finally, the information collected was not easy because the employees of the organisation were hesitant to share their right opinions.

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