

## Comparative Study on Job Satisfaction Level between Private and Public Banks (A Case Study of Debre Markos Town)

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### ABSTRACT

The Aim of this study was to make comparison of job satisfaction level in between public and private bank employees. Job satisfaction is attitude of employees towards their work. The study used MSQ standardized questionnaire. The questionnaire has 20 items with 5 likert scale. The validity of the questionnaire was checked by the designers of these questionnaires. In this study SPSS version 21 used. The researcher used means to make comparison and used t-test to check whether their difference is significant or not. In addition the researcher used leven's test to check the homogeneity of variance. The result of study is public bank employee satisfied more in overall satisfaction supervision, and promotion. In case of pay private employee respondents are more satisfied than public however in all case their difference is insignificant except supervision.

**Keywords:** Job satisfaction, public sector, private sector, bank employees.

### INTRODUCTION

Bank industry in Ethiopia begins with the establishment of Abyssinia in 1906. Further followed 1951 by development bank of Ethiopia, 1963 commercial bank of Ethiopia and consequently in 1975 construction and business bank were being established. The expansion of new banks and their branches in the whole country has not been so fast; especially due to the socialist philosophy of derg regime made it stopped. Following the downfall of derg regime and the declaration of market economic has improved the economic growth and follows the development of the bank industry (Melese, 2006).

Today, Ethiopia is growing with two digit annual growth rate, which is the highest in the history of the country. The rate of bank industry for such growth is extremely significant. In relation to this; the number of banks in private and public bank grows in higher rate. In the same way in the case of this town Debe Markos for the last 11 years 6 private banks has opened. Four of them were opened 2012 - 2015. As a result, these branches are still too young. On the other hand for the last 50 years, 8 public banks were opened with their branches in the town. Three of them opened in between 2012-2015.

To support such expansion & growth of these banks the purpose why this research has been conducted which could be a vital to improve quality service and increase customers' satisfactions intern to support of the economy. More over human resource is one of these aspects and the most sensitive area that require detail study. This is because human resource is considered as the engine of a company.

Taking this in to account managers & policy makers of banks in both private & public banks must understood factors that affect Job satisfaction and their degree of influence. To fill the knowledge gap of leaders, managers, policy makers of these sectors need a scientific study of job satisfaction is crucial issue. Based on this justification, the study had tried to answer the following research questions.

- Is there a difference between the job satisfaction level of public and private banks employees?
- Do pay promotion and supervision have impact on differently on job satisfaction level in between each sector?

### HYPOTHESIS

H1-there is no significance difference in job satisfaction level between private and public sector employee in selected banks.

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H2- there is no significance differences in job satisfaction level due to 'pay' in between public and private banks employees in the town.

H3- there is no significance differences in job satisfaction level due to 'promotion' in between public and private banks employees in the town.

H4- there is no significance differences in job satisfaction level due to 'supervision' in between public and private banks employees in the town.

### LITERATURE REVIEW

#### Definitions, Effects of Job Satisfaction and Factors

##### Definition

Job satisfaction is people's positive feeling and favorable attitude towards their work (Armstrong, 2006). It is the perception of employees about their job how well it fulfill what they require from that job (Luthans, 2011). That means it is a positive feeling of a person about job that result from evaluation its characteristics (Robbins, 2013). Job satisfaction is a positive feeling and favorable attitudes of people about their job resulting from evaluation of the job based on the job holder requirements and/or expectation. Job satisfaction has three dimensions. These are an emotional response to job situation, degree of feeling of meeting expectations and it represent several related attitudes or affective response (Luthans, 2011)

##### Factors Affecting Job Satisfaction

According to Laurie J. Mullins (2010) Job satisfaction level is affect by the following factors:-

##### Individual Factors

It includes personality, education and qualifications, intelligence and ability age, marital status, orientation to work.

##### Social Factors

It includes relationship with co-workers, group working and norms, opportunities for interaction, informal organization.

##### Cultural Factors

It includes underlying attitudes, beliefs and values.

##### Organizational Factors

It consists nature and size, formal structure, HR

policies and procedures, employee relations, nature of the work, technology and work organization, supervision and styles of leadership, management systems, working conditions.

##### Environmental Factors

This factors consists of economic, social, technical and government influences.

Job satisfactions factors can be categorized also in to the work itself, pay, promotions, supervision, work group, work condition (Luthan, 2011).

These factors are explained as follows:

##### Work Condition

It is one of factor for job satisfaction that represent the suitability of the work place or environment for operation. It includes light, cleanliness, enough space for work, ventilation; generally good surrounding (kondalkar, 2007). These factors can affect physical & psychological health conditions of an individual. Physical health conditions include damage of any part of the employee physical body, psychological health condition include mental health related to anxiety, feeling of helplessness confusion etc. (Harrisand et al, 2002).

##### Work Group

If work group are friendly and cooperative it become source of support, comfort, advice assistance for a worker. So intern it become source of job satisfaction (Kondalkar, 2007). It consists social harmony and respect (Schermeshorn and et al, 2010).

##### Supervision

It is related to leadership and one of the main factor that affect job satisfaction (Kondalkar, 2007). It has two dimensions. One is participation or influence. Which means the chance that give workers more participants in decision and contribution of ideas. The other dimension is employee centeredness. This dimension is represented by how much supervision interested in take care of his/her employees (Luthans, 2011). It also consists of technical help and social support (Schermeshorn and etal, 2010)

##### The Work Itself

It represents the content of the work. The work must be interesting give opportunity to learning and the acceptability of responsibility. It is full

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fill the above lists of part of the work it make the employee satisfy (Luthans, 2011). Too tough work makes the worker frustrate. On the other hand too little challenge leads feeling of being failed moderately tough create job satisfaction in time of complementation (Kondalkar, 2007). This variable consists of responsibility, interest, Varity, opportunity use one's skills and autonomy (Schermeshorn and etal, 2010).

### Promotion

Is the chance for further advancement (Schermeshorn and etal, 2010). It is the term referee to passing from lower to higher in a hierarchy. It is a kind of reward that affects job satisfaction (Luthan, 2011).

### Pay

It is a financial remuneration that include wages & salaries. It also includes other benefit packages lines, transportation cafeteria plan (Luthan, 2011). It demands appropriate procedures distributive justices with properly designed system of pay for performance have effect on pay satisfaction and job satisfaction. It also encourages retention and attraction of workers to organizations (Locke, 2009). Generally this variable consists of adequacy of pay and perceived equity (schermeshorn and etal, 2010).

## METHODOLOGY

This study is descriptive type. In such studies data is/are recorded, described, interpreted, analyzed & compared.

### PROCEDURE

The questionnaire will be administered to the two groups- Private & public banks. After gathering data it will be processed in SPSS version 21. Based on the calculated result interpretation will be given & in order to made this more acceptable the researcher interviewed two employee from each banks i.e. one managerial and one non manager staff. In other word triangulation method is used in this study.

### SAMPLING METHODS

**Table3.1.** Subjects from public banks

Name of bank	Number of supervisor	Non supervisor clerical	Total
CBE D/markos	6	50	56
Contraction& business S.c	2	8	10

Source: CBE D/markos, Contraction& business S.c

The research has used multiphase sampling. First he has used judgmental sampling to select banks. In debremarkos town there are six private and eight public. From these banks the researcher will include in the study:

- Commercial bank of Ethiopia debre markos branch from public banks
- Construction bank of debremarkos branch from public banks
- Dashin bank from private banks
- Abyssinia bank from private banks

The researcher will purposefully select these branches because these branches have existed much earlier than other banks rendering similar services (source from banks). Even though Development bank of Ethiopia Debre Markos branch opened early like others selected for study its service is not similar when compare to the selected banks. Unlike other banks this bank focus on huge investment projects only and no services like money transfer and verity of deposit and loan service (2012).which means customer are less in number, Varity of tasks may be different from other banks. As a result it is not logical to categorize in a group with other banks.

Next to selecting banks the researcher used purposeful sampling for the second time to select subjects. In this study are non clerical was not included. This is because these employees are outsourced in most banks (source: banks). The study included only clerical employee as respondents.

### CENSES

No sampling method is employed to select the respondents from clerical employees of four banks. The researcher included all clerical employees. This is because the population from these banks is below 100 which were manageable. As a result censes method is select subjects for the study.

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**Table 3.2.** Subjects from private banks

Name of bank	Number of supervisor	Non supervisor clerical	Total
Abyssinia bank	4	13	17
Dashin bank	3	8	11

Source: Abyssinia bank, Dashin bank

### DATA SOURCE

#### Secondary Data Source

##### Instrument

The researcher has used questionnaire and interview .so that he used triangulation method to gather data. The short form of Minnesota satisfaction Questionnaire (MSQ) will be used for data gathering. This instrument was originally developed in University of Minnesota by David J.weiss and his associate in 1967. likert scale with 20 items

### DATA ANALYSIS

Mean, standards deviation, frequency distribution and percentage will be used in the analysis step. T-test will use for comparison of the two groups.

#### Validity and Reliability

##### Reliability

Reliability is defined as means researchers evaluate their instruments if it give the same result at any time in the same condition or about its consistency (Adams,Khan, Raesaide and white,2007).

The researchers used MSQ (Minnesota satisfaction questionnaire) which was used since 1967, improved 1997. it is standardized and its reliability checked.

##### Validity

Validity is a concept that refers to accuracy of measurement in a research (Greener, martelli, 2015). It is a method that involves non researcher people.

##### Fact Validity

To check face validity the research has given the English and Amharic variation of the questionnaire to the people work on banks. And he checked that the questionnaire was valid, in the eye of employees of banks employees.

##### Construct Validity

It is a concept that hew the researcher operational zed concepts in the study to the acted causal relationship that he/she is trying to

study (Adams, Khan , Raeside and white,2007). In relation to construct validity the questionnaire the research employed is MSQ which standardized questionnaire. However to check the validity of the Amharic version the researcher has used panel of experts who teach in Debra Marko university.

### DATA ANALYSIS AND DISCUSSIONS

In this study the research dispatch the questionnaire For 25 private & 68 public totally for 93 employees. 3 from private and 8 from public banks were not returned. This means that 99.9% of the public, 88% of the private 99.1 of the total were returned.

Some of the returned questionnaire had 27 missed values. The researcher had replaced the missed data using SPSS using series mean.

### RESPONDENTS' PROFILE

#### Job Satisfaction Level

To measure job satisfaction level the researcher employed MSQ with 20 items and the researcher has used the average as overall job satisfaction of the employees. Since this thesis is comparative study it is best to narrate each sector satisfaction level.

#### Comparisons of Job Satisfaction Level

Independent Samples Test and Analysis of hypothesis tests

*$H_0^1 =$  There is No Significant Difference in Job Satisfaction Level between Private and Public Sector Employee in Selected Banks.*

To decide either accept or reject this hypostasis it is must to analysis t-test in the independent sample test. In the t-test the statics result is (-1.238) with 95% confidence interval with 80 degrees of freedom the significant value is 0.219. The value is much higher than alpha value of 0.05. This result shows that there is no significant difference in their mean. As a result the hypothesis is accepted (table 4.6b).

Even though the hypothesis is accepted it is best to see the levene's test for equality of variance. The statics result shows 5.202 and the p value is

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0.025. This p value or significant value is less than 0.05. This shows that their variances are not equal. That means respondents of each sector have difference standard deviations. Indicated on table 4.6b public sector has 0.62436 standard deviation and private have 0.47673. Public banks have higher standard deviation than private banks.

### *H<sub>0</sub><sup>2</sup> = There is No Significance Difference in Job Satisfaction Level Due to 'Pay' in between Public and Private Bank Employees of Selected Banks.*

From table 4.6b the t-test result indicates 0.182 tactical result with 80 degree of referendum the p-value is 0.856 which higher than 0.05 alpha value. This shows there is no significant difference exists in means in between the two sectors. Based on this result the null hypothesis is accepted.

Even though the sectors have nearly the equal mean it is good to compare their variance. Leven's test is best for this. In case of leven's test the statistics value is 0.002 and p-value is 0.962. That means the sectors have no significance difference in between their variances. This can be seen on standard deviation. The standard deviation of public sector has 1.017 and private sector has 1.082. This shows there is almost equal variance.

### *H<sub>0</sub><sup>3</sup> There is No Significant Difference in Job Satisfaction Level Due to Promotion in between Public and Private Bank of Clerical Employees in the Town.*

From table 4.6b the statistical value of t-test is (-0.130) with degree of freedom 80 the p-value is 0.897 which higher than 0.05 alpha value. This indicates no significant difference in mean in between the two groups. As a result null hypothesis is accepted. In addition the statistical value levene's test is 0.002 and the p-value is 0.962 higher than 0.05 alpha values which mean no significant difference in between variance. To clarify it is good to compare their standard deviation. The standard deviation of public is 1.146 and private is 1.211. Generally both t-test and leven's test indicate satisfaction of employee in the two group almost similar level and almost similar distribution of rating of respondents (table 4.6b).

### *H<sub>0</sub><sup>4</sup> = There is No Significance Difference in Job Satisfaction Level Due to 'Supervision' in between Public and Private Bank Clerical Employees in the Town.*

The statistical value of t-test is (-2.042) with degree of freedom 80 the p-value significance values is 0.044 which below alpha values of 0.05. This shows that the p-value is higher than alpha value. This indicates that the null hypothesis is rejected. That means there is significance difference in between these bank sectors on job satisfactions level of clerical employees.

However based on statistical value of levene's test 0.842 the p-value is 0.361 which higher than alpha value of 0.05. This show than there is no significant difference in variance of the two sectors. That means the data collected indicate homogeneity of variance. To clarify this it is best compare standard deviation. The standard deviation of public is 0.99305 and private is 1.03196 (table 4.6b).

## MAJOR FINDINGS

- Public banks employees are younger than private banks. This is because especially CBE is expanding its branch in every corner of the county. As a result the bank employee fresh graduate continuously and transferring experienced employees to the new branch in promotion. Due to this majority of the respondents from public bank employees are young. In addition to expanding strategy the CBE needs young and new blood to the organization (source: interview).
- In overall satisfaction public bank employee are more satisfied than private. However their difference is insignificant. In addition to this the variance or the respondents rate with high difference in among them in public bank. Private have less variability in rating.
- In case of promotion the public bank respondents have higher satisfaction than private one. However no significance difference in satisfaction level. In addition employee in each group almost similar distribution of rating of respondents.
- In case of supervision public banks respondents have higher satisfaction than private one. In contrast active than private one. In contrast of the other variable the satisfaction level has significant difference. However rating distribution of respondent

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has almost equal variability.

- In case of compensation/ pay private banks have greater satisfaction than public banks. However the difference is not significant. Even no significance difference in their means respondents are rate almost with similar variability.

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