

*Alina Hyż**

**JOB SATISFACTION AND EMPLOYEE PERFORMANCE
OF GREEK BANKING STAFF:
AN EMPIRICAL INVESTIGATION**

1. Introduction

In the new globalization era banks face an increasingly competitive environment, replete with threats from non-banking institutions operating under different kinds of regulations. Changing circumstances provide for banks opportunities as well as challenges. One aspect of the competitive challenges faced by retail banks lies in the management of human resources. The use of human resources is of particular importance since this factor is the most important asset of any bank and the successful implementation of any strategic objective depends on the inspiration and hard work of the staff. To understand the critical importance of people in the organization is to recognize that the human factor and the organization are synonymous. A well-managed organization usually sees an average worker as the root source of quality and productivity gains. An organization is effective to the degree to which it achieves its goals. The effective organization has to make sure that there is a spirit of cooperation and sense of commitment and satisfaction among their employees.

The aim of the present paper is to investigate the problem of job satisfaction based on the results of research conducted in the Greek banking sector. Multiple theoretical frameworks regarding job satisfaction are used as the theoretical guide. The author examines the effect of individual attributes, job characteristics and organizational variable on job satisfaction. In the second part of the paper the study investigates the interaction effect of job satisfaction and work motivation and productivity. Responses gathered by means of a questionnaire survey from Greek banks were generated and analyzed using t-test, Anova and correlation analysis.

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2. Definition of Job Satisfaction

Job satisfaction is one criterion for establishing the health of an organisation; rendering effective services largely depends on the human source (Fitzgerald et. Al., 1994) and job satisfaction experienced by employees will affect the quality of service they render. The impact of other variables on efficiency, such as infrastructures and internal relationships is also widely recognised.

Job satisfaction has been defined as a positive emotional state resulting from the pleasure a worker derives from the job (Locke, 1976; Spector, 1997) and as the affective and cognitive attitudes held by an employee about various aspects of their work (Kalleberg, 1977; Mercer, 1997; Wright and Cropanzano, 1997; Wong et.al., 1998); the later implying that satisfaction is related to the component facets rather than the whole job, which is consistent with Spector's (1997) view. This definition suggests job satisfaction is a general or global affective reaction that individuals hold about their job. While researchers and practitioners most often measure global job satisfaction, there is also interest in measuring different "dimensions" of satisfaction. Examination of these facet conditions is often useful for a more careful examination of employee satisfaction with critical job factors. Traditional job satisfaction facets include: co-workers, pay, job conditions, supervision, nature of the work and benefits. (Williams, 2004).

According to Mitchell and Lasan (1987), it is generally recognized in the organizational behaviour field that job satisfaction is the most important and frequently studied attitude. While Luthan (1998) posited that there are three important dimensions to job satisfaction: 1/. Job satisfaction is an emotional response to a job situation. As such it cannot be seen, it can only be inferred; 2/. Job satisfaction is often determined by how well outcome meet or exceed expectations. 3/. Job satisfaction represents several related attitudes which are most important characteristics of a job about which people have effective response.

Job satisfaction research has been carried out for over forty years (Locke, 1976; Spector, 1985); and several types of instruments have been developed, for example, global or multidimensional instruments, multi- or single-item instruments, instruments designed for jobs in general or for a specific workforce.

3. The Determinants of Job Satisfaction

While some researches have theorized about more or less specific work factors relevant to job satisfaction (Locke, 1976; Hackman, 1975) there is no "gold standard" that indicates which job aspects should be taken into account when job satisfaction is measured.

For the practitioner, knowledge of the determinants, the consequences and other correlates of job satisfaction can be vital. An understanding of factors involved in job satisfaction is necessary and relevant, on one hand in improving the well being and life of significant number of people and the enterprise on the other. Organizations may reach competitive levels of quality, either at a product level or a customer service level, if their personnel feel satisfied or identify with the company. Many scientists and researchers involved with the recording of the factors affecting employee satisfaction. Some theorists (e.g. Rose, 2001) have viewed job satisfaction as a bi-dimensional concept consisting of intrinsic and extrinsic satisfaction dimensions. Intrinsic sources of satisfaction depend on the individual characteristics of the person, such as the ability to use initiative, relations with supervisors, or the work that the person actually performs; these are symbolic or qualitative facets of the job. Extrinsic sources of satisfaction are situational and depend on the environment, such as pay, promotion, or job security; these are financial and other material rewards or advantages of a job. Both extrinsic and intrinsic job facets should be represented, as equally as possible, in a composite measure of overall job satisfaction. It is observed that the level of job satisfaction is determined by four main groups of factors: economic aspects, interpersonal relations, working conditions and personal fulfilment, including:

1. Pay. The amount and fairness or equity of salary is considered as a factor crucial for all matters relating to human labour. A salary is a payment which persuades an employee to commit his personal time and work. The problem of the salary is also a main source of cost for the operation and development of business (Oshagbemi, 2000). There is no clear view on the relations between job satisfaction and salary. Characteristic is the view of Herzberg who integrates the salary to the "hygiene factors". On the other hand, theorists such as Locke and Porter concluded that if the salary is equal to or greater than expected from the employee the employee's satisfaction increase and the opposite result occurs when the salary is lower than expected¹.

2. Working Hours. According to several surveys the job satisfaction is affected by the existence of a conflict of roles of the employee. The role conflict occurs when at the same time requires the employee to perform two or more roles and success in one precludes success in another. A worker might sometimes be experiencing role conflict, which arises from the difficulty of bringing balance between professional demands and personal expectations. The conflict of roles associated with the discomfort of the work, share common causes. Examples of such causes are naughty working hours and frequent overtime. The

¹ According to Appelbaum and Kamal (2000) economic aspects don't affect employee satisfaction. The same is a conclusion of Smith, (1999). The Crow and Hartman, (1995) mention that the psychological uplift of a salary increase is short lived.

role conflict and employee satisfaction are also because when a worker spends most of his time working, sacrificing the quality of life and involvement with friends and family factors that influence the employee's satisfaction (Pors, 2003).

3. Working conditions. This term refers to the work place where workers are performing their work. According to the researches the work environment should have three goals: excellence in organizational terms, meet the needs of customers and employees.

4. Supervision (fairness and competence at managerial tasks by one's supervision) and co-workers (perceived competence and pleasantness of one's colleagues). According to Cranny, Smith, Stone, (1992) creation the loyalty in the job helps people to learn to contribute and to feel freedom in their work. A similar view was expressed by Morrow and Reichers (Chen, 2001), who argued that the good relationships with co-workers is one of the most important factors affecting their employment behavior and satisfaction.

5. The Human Resources Department. The role of human resources department is connected with the recruitment, selection, organizational design and development, business transformation and change management, performance, conduct and behavior management, industrial and employee relations, human resources analysis and workforce personnel data management, compensation, rewards, and benefits management, training and development. These functions and values are directly related to employee satisfaction.

6. Job design. Many theorists believe that the characteristics of the job description affect job satisfaction. Such characteristics are autonomy, variety, encourage and reward employee initiative, recognition, appreciation, and other motivators, skill improvement opportunities and clarity of function (Abraham, Medoff, 1984; Abraham, Medoff 1985; Pors, 2003). As part of the job design should be also mentioned the risk of absence of clarity of tasks, which negatively affects job satisfaction.

7. Stress

8. Demographic characteristics.

There have been numerous studies into job satisfaction which explore the impact of demographic characteristics such as age, gender, tenure, and education. The results suggest the existence of relationships between demographic characteristics and job satisfaction, but the evidence tends to be mixed, with positive and negative relationships sometimes identified for the interactions between same variables.

One key demographic characteristic that influence the job satisfaction is the age of the employee. Different studies conducted show that older workers are more satisfied (Davis, 1988).

Another one important factor is a professional experience. An employee employed for a long time in the company invests more mentally and physically

than a younger employee. Extensive research showed a positive correlation between professional experience and job satisfaction (Lim and Teo, 1998). Also, Smith et al, 1969 found a positive correlation between these two variables, but they also concluded that the highest satisfaction is experienced by the workers with an experience less than six months. From the survey conducted by Boyle (1997) an interesting point is the lack of relationship between years of experience at the same job and the dedication to it. Other surveys indicate that the level of commitment is high somewhere in the middle of the employee career and very low at the beginning and at the end. The findings of various studies differ and collide. The Pors (2003) and Oshagbemi (1998) consider these two as independent variables. In contrast, Morgan et al (1995) conclude that there is a correlation between two variables and concludes that job satisfaction seems to be greatly reduced in the older employees with many years of professional experience. Finally, the relationship between the gender and job satisfaction is another area of apposition between the completely conflicting opinions and research conclusions. While some surveys show men most likely to be dissatisfied with their jobs, others come to completely opposite conclusions (Oshagbemi, 1999)².

Another important demographic feature is the hierarchical level to which the employee belongs. According to the researches people who work in high levels of management are more satisfied. The Oshagbemi (1997) found a positive correlation between job satisfaction and the hierarchical level to which one belongs. O Pors (2003) reached the same interesting conclusion, finding that the lower tier employees are less satisfied mainly because of the lack of freedom and autonomy.

9. The results of some other studies have shown meaningful relations between job satisfaction and possibilities of promotion, gaining respect, the size of the organization and self development and achievement of the use of talents.

4. The Consequences of Job Satisfaction

In this part of the paper we will try to investigate the job satisfaction as an independent variable. The satisfaction will now be seen as the cause, determinant, the factor which may have consequences for the individual or/and by extension for the firm. Various scientific studies have indicated and discussed

² Inconsistencies in finding concerning the relationship between gender and job satisfaction may be due to a variety of factors. Not only might males and females in the same organizations differ in the job level, promotion prospects, pay and so on, they may differ in the extent to which the same job satisfies their needs. A job high on skill utilization and career prospects may results in higher job satisfaction for females than for males, whereas in occupational allowing little scope for social relationships, the differences in satisfaction might be in the opposite direction.

several possible variables dependent on the level of employee satisfaction. It is appropriate to separate two main categories of effects: 1/. Those that are directly related to the motivation of the employee (increased productivity and improved quality of customer service), and 2/. Those that results on an increase in the loyalty of the employee (reducing absenteeism and delays, staff rotation and reduce redundancy). The relationship between employee satisfaction and performance at work is a field of continuous contrasts and conflicting conclusions. It may be a common sense that the happy worker can work more effective, but the survey results are not consistent with all this. So the only safe conclusion is that the efficiency of workers is affected by a variety of factors, among which one is a satisfaction (Appelbaum, Kamal, 2000). The cause and effect determinants are still unclear and it cannot be assumed that satisfaction leads to high performance, or that high performers are necessarily satisfied with their jobs.

In contrast, the influence of the level of employee satisfaction on the quality of customer service, researchers and theorists seem to agree among themselves by accepting the positive correlation between these two variables. Most researches conclude that the level of job satisfaction determine the willingness of the employee to leave or stay at the same job (Low et al, 2001, Chiu and Francesco, 2003). Many studies, finally, agree on a negative relationship between employee satisfaction and delays or absences from work (Ho, 1997).

5. Research Methodology

The study used a descriptive survey design. The purpose of descriptive surveys is to collect detailed and factual information that describes an existing phenomena. The target population of the study was bank personnel in Greece. A total enumeration sampling technique was used to select 200 bank personnel. However we have used the following additional selection criteria for the sample: a/. Permanent staff of the bank. 2/. Have at least six months experience in the bank. 3/. Do not absent from work on leave (pregnancy, educational, child-rearing). The survey was conducted during the period November 2008 – January 2009. A modified questionnaire tagged job satisfaction and productivity was used for the collection of data on the study. The questionnaire was specifically designed to accomplish the objectives of the study. The first section collected information such as age, sex, experience, professional status, position, and so on. The second section contained items that measure bank's personnel's job satisfaction. It is a 5-point Likert scale: Very Dissatisfied, Dissatisfied, Undecided, Satisfied and Very Satisfied. The questions and the scale of job satisfaction were based on the existing theoretical framework. Before the final distribution the questionnaire was pre-checking (pretesting) to a group of bank employees by the method of cognitive interviewing.

6. Survey results

The majority of respondents are satisfied or very satisfied (43.2%) with their job. It is worth noting that the percentage of the opposing view is not negligible, amounting to 37.6%. We have to mention also some others interesting conclusions, for example: 1/. A very large proportion of workers considers their salary as unfair (63.2%), 2/. A significant proportion of staff (63.3%) feel safe, 3/. Particularly interesting is the overwhelming proportion (75.3%) of workers said they often or always experienced intense negative stress. The percentage of those who do not have this problem is very small 5.3%. 4/. The 78.0% say that they are very interested on the improvement of customer service, and overall, 54% of respondents indicated that that their performance was improved last year. 5/. Finally, 82.3% of the respondents are not willing to change a job.

The statistical analysis³ of the survey (with dependent variable “job satisfaction”) shows the lack of correlation between the demographic characteristics such as age, gender, years of experience and educational level of respondents. The variables are independent of each other⁴. The exception is the position in the organization and access to organizational decision making. As long as the position of an employee grows his/her satisfaction from the job increases also. This finding may be probably explained by the fact that the higher positions imply greater benefits, autonomy, more creative work etc. Finally, well-educated employees are characterizing by the significantly lower satisfaction with their salary. Also as educational level increase the bank employees are willing to find work elsewhere.

Table 1

Variables	Somers-d	Approx. Sig.
Satisfaction – Gender	0,162	0,134
Satisfaction – Age	– 0,009	0,817
Satisfaction – Years of Experience	– 0,017	0,822
Satisfaction – Hierachical Level	0,334	0,051
Satisfaction – Educational Level	– 0,064	0,610

³ In the statistical analysis of the survey Somers-d was used. The value of Somers-d shows the nature of a possible correlation between two variables, and statistical significance (column Approx. Sig.). The value of this index can range from -1 through 1. Negative values indicate a negative correlation and positive a positive one.

⁴ Many researchers have found positive relationships between education levels and job satisfaction (Rogers, 1991). Falcone (1991) in her study found that educated managers expressed more job satisfaction in both public and private sectors than less educated managers.

In the Table 2 are presented all main factors that affect the level of job satisfaction. In this case the job satisfaction is the dependent variable.

Table 2

Independent Variable	Somers-d	Appr. Sig.
Stress	– 0,466	0,000
Recognition	0,402	0,000
Security	0,173	0,070
Working Hours	0,140	0,260
Autonomy	0,261	0,003
Facilities	0,254	0,004
Education	0,273	0,002
Working groups	0,233	0,006
Salary	0,401	0,001
Quality of life	0,171	0,055
Supervision	0,344	0,001
Prospects	0,293	0,000
Personal values	0,489	0,000
Clarity of responsibilities	0,300	0,024
Relationships with co-workers	0,322	0,000
Department HR	0,333	0,001

The vast majority of the variables are correlated with job satisfaction. We can note a statistically significant relationship between the variable “job satisfaction” and the factors that determine it. The exceptions are three variables: “working hours”, “security” and “quality of life”. The highest value (0.489) of the index Somers-d we meet at the dependent variable named “personal values of employees”. This value indicates statistically significant correlation. The variable "stress" has negative correlation –0.466 which indicates that as increases the stress decreases satisfaction. Other factors which are interesting to mentioned are “recognition” (.402), “satisfaction with salary” (0.401), “the relations with colleagues” (0.322), “support from the Human Resources Department” (.333).

Important findings are revealed by analyzing the relationship between 'job satisfaction' and variables, such as efficiency, commitment, customer service, the intention to change a job, absences and delays. The following table 3 shows Somers-d and Appr.Sig.

Table 3

Variables	Somers-d	Appr. Sig.
Job satisfaction – Efficiency	0,333	0,000
Job Satisfaction – Commitment	0,265	0,006
Job Satisfaction – Customer Service	0,211	0,010
Job Satisfaction – Willingness to change a job	– 0,153	0,068
Job Satisfaction – Absenteeism	– 0,166	0,074
Job Satisfaction – Delays	0,006	0,965

The efficiency, commitment and willingness of employees for better customer service is not independent from the satisfaction, mainly when the satisfaction increases than also these three variables increases. The largest positive correlation was noted between the satisfaction and the efficiency.

This research shows that there is negative correlation between job satisfaction and the willingness to change a job. This finding is in contrast with a series of articles and researches which conclude that an unsatisfied employee cultivates thoughts about possible job changing and in many cases he decides it (Chiu and Francesco, 2003). Perhaps the explanation is in increased insecurity in the labor market in Greece. Moreover, unlike the other researches leading to a negative relationship between the satisfaction of the worker and the delays or absences from work (Ho, 1997), this research had found no correlation and negative correlation between satisfaction and these variables.

7. Conclusions

While earlier generations may have viewed their jobs predominantly as a source of income, today's employees see their careers as more. In the modern environment of businesses and organizations the human element is an important source of building and sustaining a competitive advantage. It is common belief that we are in a period of intense change and escalating confrontations that take place both in banking and in the wider context of human resource management and industrial relations. Job satisfaction is one of the most widely discussed and enthusiastically studied constructs in such related disciplines as industrial-organizational psychology, personnel and human resource management and organizational management. Job satisfaction also plays a central role in the study of behaviour at work. It is imperative to recognize that factors that impact the bank's employees as an individual can impact his or her performance as a service provider as well. The main aim of this research was to broaden the research agenda of job satisfaction to the banking sector in general and to the

Greek in particular. The results of this research indicate that job satisfaction is not independent in all job facets and that satisfaction with one facet might lead to satisfaction with another. The survey results show that:

- There are no correlation between the demographic characteristics (gender, age, years of experience and the educational level) and the level of satisfaction. The exception is the position in organization and contribution to the decision making process, showing a positive correlation with “job satisfaction”.
- Factors such as recognition, autonomy, working with groups, prospects, clarity of responsibilities, relationships with co-workers and cooperation with the department of human resources show a positive correlation with job satisfaction. However, the intensity varies considerably.
- According to the survey results the job satisfaction is correlated with the efficiency, commitment, customer service. Instead, for reasons mainly connected with the labor market situation in Greece there is not a statistically significant correlation between satisfaction and intention to change a job.

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(Summary)

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