

SC

**Study on Employees' Job Satisfaction and
Its' Impact on
the Organizational Commitment
in Banking Sector of
Sri Lanka**

by



Dissanayake Mudiyansele Asanka Madhawa
B. Sc (Business Studies), AIB (Sri Lanka)

Student No: FGS/02/10/02/2003/19



The Research Dissertation Submitted to the
Faculty of Graduate Studies- University of Kelaniya, Sri Lanka
in Partial Fulfillment of the Requirements for the
Master of Commerce Degree Programme (M.Com)

2003/2004



ABSTRACT

The research study focuses such two important attitudes called banking sector employees' job satisfaction and their organizational commitment. Job satisfaction and commitment to the organization of bank employees have recognized highly important work related attitudes in banking sector. Study of bank employees' job satisfaction, analyse to gain a better understanding of the relationship between job satisfaction and the organizational commitment of bank employees is the prime objective of this research study with the focus of developing satisfied , organizationally committed work force within the banking sector of Sri Lanka.

Total 442 bank employees were surveyed, basically representing bank employees of licensed commercial banks and licensed specialized banks to obtain required information. Bank employees' job satisfaction was measured by internationally standard questionnaire called "Minnesota Satisfaction Questionnaire (MSQ) and their organizational commitment was measured by also using internationally recommended questionnaire called "Potter's Organizational Commitment Questionnaire". Statistical analytical techniques such as univariate analysis-descriptive statistics (to analysis job satisfaction and organizational commitment) , bivariate analysis-pearson product moment correlation(to analysis relationship between job satisfaction and commitment) and multivariate analysis-stepwise multivariate regression under the OLS regression-(to analysis best job satisfaction factors which predict the commitment) were occupied using statistical software called SPSS 11.5 version for windows and other manual techniques for analysis of data.

According to this scientific research study, banking sector employees are satisfied and committed to the organization. But it is basically found out that bank employees have average level of job satisfaction and average level of organizational commitment. Therefore bank management would not expect higher positive out comes of job satisfaction and commitment unless those attitudes are positively increased considerable level beyond the average. Bank employees' job satisfaction to intrinsic job factors such as "Achievement", "Job Security", "Authority/Autonomy" and "Social Service" and also satisfaction to extrinsic job factors such as "Recognition". "Supervision (HR)", "Promotional Opportunities" have direct positive correlation with bank employees' overall job satisfaction. Mean while it was found out that Bank employees job satisfaction have positive correlation with their organizational commitment. Further was revealed that "Job Security", "Achievement" and "Present Pay/Compensation" were the factors of satisfaction which significantly predict the bank employees' organizational commitment.

Therefore, practically it is recommended to bank management to identified the areas which have gap between out come wanted and perceived out come received (discrepancy) and enhance the satisfaction level of those areas in order to achieve desired level of higher level of job satisfaction and commitment. Further it is suggested bank management to take counteractive action to enhance the job satisfaction and use this as a pathway to boost the bank employees' level of commitment to the organization. Ultimately results would be well satisfied work forces with emotional attachment to the organizations bring desired positive organizational out comes such as productivity, negative impact on labour turn over, absenteeism, increase level of service excellence, customer satisfaction and employees' life satisfaction.