

Employee's Salary and Job Satisfaction in Banking sector of Nepal

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Abstract

Introduction: In contemporary Nepalese corporate sector, banking sector has played crucial role for uplifting the overall national economy. Bank from past few decades has been on the top for outreaching the Nepalese corporate growth. However, employee working in the banking sector who are the foundation on banking success rarely been priorities and discussed on banking growth and development. It is unenvied facts that the success of banks depend on the efficiency of their human resources. But, employee related concerned are shaded somewhere in the glorious success of banking industry. Thus, research regarding the banking employee job satisfaction related aspect has to be studied. In this regard, research has studied employee salary and job satisfaction in banking sector to find whether bankers (banking employee) are satisfied with the compensation they are receiving from bank. In highly competitive market of Nepal, compensation (Job's salary) play vital role in job satisfaction of employee. Therefore, salary can be the factor of motivation in banking sector.

Objectives: Banking employees has to work very hard for achieving banking goals of profitability. The works in banking sector are ongoing throughout the year. So, employee has to be satisfied from their job for enriching the banking objectives. Therefore, the main aim of this research is to examine the role of employee's salary and job satisfaction in banking sector of Nepal.

Design: The research regarding banking sector are always conducted through the medium of primary data collection. Consequently, this research is also based on the banking sector thus researcher has used quantitative research design. For getting primal information, research has used self design questionnaire techniques for data collection from 'A' graded banking sector. Researcher has used quantitative research design because this technique helps to analyze date in statistical measures effectively.

Findings: Nepalese banking sector has been intensely facing competition and challenges every now and then. In this mean era, banking sector has to perform best of the best all time. This immense pressure of being on the top of performance has to be handled by the employee of banking sector. Thus, banking employee has to work with passion and dedication for achieving the banking objectives. Through deep statistical analysis, research has found that there is significant relationship between job satisfaction and employee's pay scale. The employee's salary can be the motivating factor for enriching job satisfaction of employee. The pay scale of banking employee has to be the motivating tools for enhancing banking performance and ensuring job performance.

Practical Implication: Research regarding the banking sector has always been the factors for development of economy. The banking research also provides the pathway for further analysis and helps to guide corporate sector in path of social welfare. This research also has practical values for policy maker and banker for ensuring banking profitability. Likewise, research opens

new dimension for study for upcoming researcher to widen the ideas for enriching job satisfaction.

Originality/ Value: This research is based on primitive and native work of research. Therefore, research is original work of research. The research has higher reliability as data for research is collected from field survey of bank and are collected from employee of bank. The data are first hand collected from ‘A’ graded commercial bank of Nepal. The employee consent is taken for before data collection and their immense support has further enhanced the originality of research and value.

Keywords: Salary, Job Satisfaction

Paper type: Research Paper

1. Introduction

The contemporary global context is the prevailing structures of corporate where wars are fought and defended at business. Hence, in present context, corporate are the essence of every economy. Thus, Nepalese corporate sectors are also the leader of business in Nepal. They are the primitives of investment. Thus, such crucial need the potential human resource to lead the overall economy. Being the sector of business hub for investment and leader of Nepalese economy, Banking jobs are the most searched and is eye candy job for job seeker. Although being the sector of limelight at initial stage, perception of employee working in banking sector quickly change regarding their jobs as percentage of job retention is one of the highest in Nepal (Adhikari, 2020). These crucial differences from initial phase of hiring to working environment and job satisfaction among banking employee raise the queries regarding the factors determining the employee perpetual engagement in banking sector (Belias, Koustelios, Sdrolas, & Aspridis, 2015). Hence, research regarding the factors determining the job satisfaction is one of the prominent questions of recent globalized world. As of now, the research regarding banking sector has been outnumbered but research which peculiarly focuses on banking salary structure and it's associations with job satisfaction is properly examine through survey in this very research.

1.1.Objective of the Study

The objective of the study on the title “Employee’s Salary and Job Satisfaction in Banking sector of Nepal” are:

- To analyze the factors on employee’s satisfaction in banking sector of Nepal.
- To study the factors on job satisfaction in banking sector of Nepal.
- To find out the relationship between employee’s satisfaction and job satisfaction in banking sector of Nepal.

1.2.Hypothesis of the Study

The hypothesis of the study on the title “Employee’s Salary and Job Satisfaction in Banking sector of Nepal” are:

H1: There is significant relationship between employee’s salary and job satisfaction in banking sector of Nepal.

1.3. Problem Identification

Nepalese banking sector has been suffering from the problem of employee turnover from years ago. The proper solution for this problem has not been found yet as employee turnover not only disturb the efficient work balance of bank but also impact on profitability of banks (Khan, Iqbal, Khan, & Haider, 2015). Therefore, the most crucial queries of contemporary Nepalese banking sectors are how to overcome the problem of employee turnover. To solve this problem, firstly the factors associated with the banking jobs have to identify. Thus, the primal aspect of any employee on utmost every employment opportunities is remuneration. Remuneration is one of the important aspects of every job. It not only ensures the employee engagement but also is the factor of employee's motivation in any institution. In the current idle time, when any wrong decision can shatter economic growth of Nepal bank has to act precisely. Thus, banking has to motivate their employees and has to enhance job satisfaction of employee. So, they can perform with their full potential. Therefore, bank now has to understand whether they are paying compensation at level of employee expectation and as per their potential or not which can be the hot topic for discussion (Adhikari, 2020).

1.4. Rationale of the Study

In the competitive and adverse scenario created by COVID pandemic, economy need the boost factor for upraising Nepalese economic growth. In this regard, role of bank is inevitable. Therefore, the bank has to lead the entire investment sector through creation of positive working atmosphere within the communal corporate sector. Bank can enhance the performance through continuity of potential work culture. Thus, creating positives in bank working environment is essential for creating positive investment atmosphere in community. In this regards, bankers (banking employees) has to work with positives which can only be possible if they are satisfied from their job. Thus, research regarding the enhancement of banking job satisfaction is very essential in contemporary context. The research regarding employee's job satisfaction can be the tools for enhancing banking spectral growth. Consequently, banking growth is helpful for overall growth of country. Hence, this research is asked of today's challenging environment prevailing in economy.

1.5. Scope of the Study

This research has wider scope as it is helpful for leading economy in days to come. It is the driving factor as employee is the life blood of any organization. This research deals with employee job satisfaction related queries which can be helpful to mitigate the uprising huddle of employee turnover prevailing in Nepalese commercial bank. This research also provides new area of search for new comer as research define core problem of banking sector. Research also helps to self enlighten banking sector by highlighting the factor which is, are the employee getting enough what they are searching for. Likewise, research can helps in innovative ideas and though process for implying effective policies for banking growth.

2. Literature Review

The literature review widens the learning on subject matter of research through precise analysis of previous writings. It also helps to know the contemporary knowledge prevailing in the topic of research. Literature review is the proper path to plan the research work in corrective path. Researcher can take beforehand knowledge on subject matter through knowledge of prior

research writings. It is helpful for understanding the queries regarding the survey which is to be conducted to obtain the answer of research questions. The past analytical studies always make researcher best on analyzing the subject matter precisely. Thus, for this research, researcher has studied variables associated in preceding paragraphs.

2.1. Conceptual Review

Conceptual review is the structural research frame where relevant variables for research are studied. It guides the researcher to lead research work forward. The conceptual framework analyzes the research and structure research in corrective path. Conceptual framework is the blue print for researcher where plans for guiding the research are drafted. It is the basics for presenting ideas in structural format. It is the pre-hand planning done before any research work.

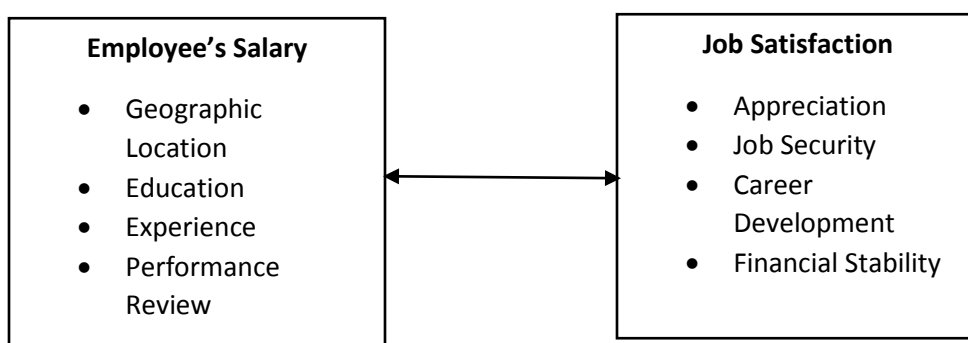


Figure 2.1. Conceptual Framework of the Study

2.2. Employee's Salary

There are various ways to address the ideas in research. In this research, researcher has stated two way dimensional queries to find the answer of research problem. The core subject of the research is to understand the relationship between employee's salary and job satisfaction (Khan S. S., 2015). Employee's salary is very important for ensuring banking profitability. In current scenario, employee salary's is directly related with core performance of banking sector (Jahufer, 2015). Employee's salary depends upon various factors such as geographic location, education and performance review.

2.2.1. Geographic Location

Banking sector are widely extended sector that render services all over the country (Shrestha, 2018). Banking employee often has to work in different areas and adjust their life style accordingly. This is the challenging scenario for employee. In this regards, bank also has to pay the compensation according to the job location. If employee are working in remote location then banks has to provide compensation for their hard work from remote path. Hence, compensation has to be based on location which can enhance employee's job satisfaction.

2.2.2. Education

Banking job is challenging and competitive job (Bhandari & Soni, 2015). Banking employee has to tackle versatile scenario every day. This ensures the value of education in banking job. Education is important in every sector but in banking job need on education is most as it renders services to customer. The pay scale thus, in banking job has to include the sector of education also (Oumwense, 2018). Educated employee can do the job with ease as compared to semi educated employee. So, employee pay scale has to be adjusted on the basis of education.

2.2.3. Experience

Experience is the knowledge which is obtained by employee through the process of continuous learning. Experience matter the most in banking sector as banking jobs has tremendous pressure to meet the institutional objectives. Banks provide different services to the customer therefore customer has to be updated timely for understanding banking services (Belias, Koustelios, Sdrolias, & Aspidris, 2015). This task can be done easily by experienced employee. So, while providing the remuneration, experience related factor has to be considered (Varikunta, Kumar, & Reddy, 2019).

2.2.4. Performance Review

Banks has to be very serious regarding the employee performance review system (Neupane, 2019). Well evaluated review system can always direct organization in the path of success whereas poor review system can have adverse result. In the performance review system, negotiation and favouritism should not prevail as it can ruin the performance of overall employee in banking system (Ali, Khan, Ch, & Ch, 2018). Banks has to adopt fair performance review practice and has to provide the compensation accordingly.

2.3. Job Satisfaction

The most prominent problem banks are facing in this contemporary period is employee turnover. Well trained employee leaving the organization often leads to failure in performance. Hence, bank has to execute proper plans and policies for enhancing job satisfaction of employee. Job satisfaction is directly related to employee engagement in organization (Adhikari, 2020). Thus, banks needs to understand for having fair practices in banking sectors (Sumitha & Padmaja, 2017).

2.3.1. Appreciation

The bank jobs are hectic in nature as bank being the service oriented sectors (Pantha, 2020). Banking employee has to work for longer hours to meet the define goals set by the bank. In this hectic condition, banking employee often feel pressure from their social as well as from work life which can decline their efficiency (Chukwuma, 2020). Hence, to motivate banking employee banks has to practice several measures. Appreciation can be the best way to motivate employee working in banking sector.

2.3.2. Job Security

Employee can work properly in banking sector, when employees are certain about their job security (Khan, Iqbal, Khan, & Haider, 2015). Job security can provide the autonomy and independency in work which can be the game changer in enhancement of employee's

performance (Roy, 2021). Banking job has veracity (Kutesera, 2018). So, banking employee has to be provided with proper facilitation and has to be definite about their job security. Thus, job securities also enhance the job satisfaction which can ultimately leads in performance enhancement.

2.3.3. Career Development

Another crucial factor of job satisfaction is career development. Human beings are the social animal who wants to learn different skill every day has to be provided with skill development programs. As banking jobs often are monotonous with never ending workloads, career learning and development can easily motivate employee of banking sector (Nwannah & Purity, 2020). Career development and trainings can also enhance performance of banking employees (Chauhan, 2019).

2.3.4. Financial Stability

Employee generally does the job for being financially stable. Financial stability means safeguards of employee from monetary needs for fulfillment of basic needs (Gadanecz & Jayaram, 2016). Financial stability can provide employee the security to perform better for organization (Verhoff, 2020). Thus, banks has to maintain their pay scale in such a way that employee became financially stable (Xu, Hu, & Das, 2019). Banks has to arrange payment in such a way that employee does not have financial lacking to fulfill their basic needs. This can helps to enhance performance of banks.

3. Research Methodology

Descriptive research design is used in the research work to clarify all the factors in the study. Commercial bank in Nepal is used for the analysis of the data. Convenient sampling technique is used to analyze the data. Quantitative techniques is used in the study is used to answer questionnaire and receive the result in the fastest way. The tables are shown in the analysis part in order to explain the factors in the study. Open-ended questionnaire are distributed to the employees to know the true information from the respondents.

3.1. Instrumentation

The questionnaires includes four factors on employee’s salary and four factors on job satisfaction. Statistical tools like mean and standard deviation is used to calculate the data. The data is interpreted on the SPSS software for the analysis of the data.

3.2. Reliability Test

The reliability test on this research measures the employee’s salary and the job satisfaction before collecting the data entire data. The data is measured in order to meet the objective of the research.

Table 3.2. Reliability Test

Reliability Statistics	
Cronbach's Alpha	N of Items
.878	2

In the above Table 3.2, reliability test of employee’s salary and job satisfaction scores .878 which is found to be reliable for the study.

4. Data Analysis

In order to meet the research objectives, employees in the banking sector of Nepal are distributed the questionnaire. 120 employees are selected for the survey. The response is interpreted through the One-way ANOVA test and the descriptive statistics.

4.1.Descriptive Statistics

In the present research work, the descriptive statistics of employee’s salary and job satisfaction is described briefly through Likert five scale of questionnaire i.e. a) strongly agree, b) agree, c) neutral d) disagree and e) strongly disagree.

4.1.1. Descriptive Statistics of Employee’s Salary

The average mean and standard deviation is calculated on descriptive statistics of the employee’s salary. The highest and the lowest mean of employee’s salary is calculated through the factors geographic location, education, experience and performance review.

Table 4.1. 1. Descriptive Statistics of Employee’s Salary

	N	Descriptive Statistics			
		Minimum	Maximum	Mean	Std. Deviation
Geographic Location	120	1.00	5.00	2.5667	1.09032
Education	120	1.00	5.00	2.7000	.88498
Experience	120	1.00	4.00	2.0417	.83410
Performance Review	120	1.00	5.00	2.8250	1.03439
Average	120			2.53335	0.9609475

In the above table 4.1.1, the average mean of employee’s salary is 2.53335 and average standard deviation of employee’s salary is 0.9609475. The highest mean is found on performance review i.e. 2.8250 and the lowest mean is found on 2.0417. Similarly the mean found on the factor geographic location is 2.5667 and the mean found on education is 2.7000. The commercial bank in Nepal must focus on the performance review. Experience factor on employee’s salary is found to be on the good position.

4.1.2. Descriptive statistics of Job Satisfaction

The average mean and standard deviation is calculated on descriptive statistics of the job satisfaction. The highest and the lowest mean of job satisfaction is calculated through the appreciation, job security, career development and financial stability.

Table 4.1.2. Descriptive Statistics of Job Satisfaction

	N	Descriptive Statistics			
		Minimum	Maximum	Mean	Std. Deviation
Appreciation	120	1.00	5.00	2.3417	1.02487
Job Security	120	1.00	5.00	2.8583	1.03952
Career Development	120	1.00	5.00	2.3083	.92397
Financial Stability	120	1.00	5.00	2.5833	.96653
Average	120			2.5229	0.9887225

In the above table 4.1.2, the average mean of job satisfaction is 2.5229 and average standard deviation of job satisfaction is 0.9887225. The highest mean is found on job security i.e. 2.8583 and the lowest mean is found on 2.3083. Similarly the mean found on the appreciation is 2.3417 and the mean found on financial stability is 2.5833. Career Development on job satisfaction is found to be on the good position in commercial bank in Nepal. Job security factor is to be given more focus by commercial bank in Nepal.

4.2. One- Way ANOVA Test

One- way ANOVA test is used to analyze the significance level of employee’s salary and the job satisfaction. The p-value determines between the significance level between the variable.

Table 4.2. One-Way ANOVA Test

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2782.871	27	103.069	10.329	.000
Within Groups	918.054	92	9.979		
Total	3700.925	119			

The significance test between the employee’s salary and the job satisfaction is tested through One-way ANOVA test. The p-value found between the employee’s salary and job satisfaction is .000 which is less than .50. Thus, there is significant relationship between employee’s salary and job satisfaction. The F-value found between the variable is 10.329. Hence, H1: There is significant relationship between employee’s salary and job satisfaction in banking sector of Nepal is accepted.

5. Conclusion

The study concluded that there is significant relationship between employee’s salary and job satisfaction. The descriptive statistics shown on employee’s salary shows the good response on experience and poor response on performance review. The descriptive statistics shown on job satisfaction shows the better response on career development but job security must be given more focus.

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