

**JOB SATISFACTION: ITS DETERMINANTS AND RELATIONSHIP WITH
EMPLOYEE PERFORMANCE IN THE TANZANIAN BANKING SECTOR**

ANNETH PAUL MATOLO

**A DISSERTATION SUBMITTED IN THE PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF MASTER OF HUMAN
RESOURCE MANAGEMENT OF THE OPEN UNIVERSITY OF TANZANIA**

2015

CERTIFICATION

The undersigned certifies that have read and hereby recommends for acceptance by the Open University of Tanzania a dissertation etitled: “**Job satisfaction: Its determinants and relationship with employee performance in the Tanzanian banking sector**”, in partial fulfillment of the requirements for the degree of Master of Human Resource Management of the Open University of Tanzania.

.....

Dr. Proches Ngatuni
Supervisor

.....

Date

COPYRIGHT

No part of this dissertation may be reproduced, stored in any retrieval system, or transmitted in any form by any means, electronic, mechanical, photocopying, recording or otherwise without prior written permission of the author or the Open University of Tanzania in that behalf.

DECLARATION

I, **Annet Paul Matolo**, do hereby declare that this dissertation is my own original work and that it has not been submitted for a similar degree in any other university.

.....

Signature

.....

Date

DEDICATION

This work is dedicated to my family for their courage, support and inspiration during the period of undertaking my study.

ACKNOWLEDGEMENT

First, I take this opportunity to thank my God Almighty for blessing me with good health all the time while conducting this research. This journey of dissertation was possible through the help of many people. In particular, I would like to thank my supervisor, Dr. P. Ngatuni for his invaluable support, guidance, advice, insights and encouragement. I owe him heartfelt thanks for his time and effort that assisted me throughout my studies.

Secondly, I would like to thank Dr C. Matoka - Head of Department of Leadership and Governance - for his support. Thirdly, I would like also to thank you all the respondents for their time in filling in the questionnaires together with Management of National Microfinance Bank (NMB) Plc for their support. Lastly, I would like to express my sincerely thanks to my lovely family for their undivided love and support especially during my studies.

ABSTRACT

The main purpose of this research was to assess job satisfaction in order to identify its determinants and its effect on employee performance. Specifically it attempted to (i) analyse job satisfaction of employees across their demographic characteristics; (ii) analyse employees' job performance across their demographic characteristics; and to (iii) examine the relationship between job satisfaction and job performance. A total of 235 usable questionnaires from the 313 distributed to employees of the Eastern and Dar es Salaam Zones of the National Microfinance Bank Plc, including its Head office, were analysed. The job satisfaction scale (JSS) of Spector (1994) was used to assess job satisfaction while the employee performance scale was adapted from Crossman and Abou-Zaki (2003) – a combination of Yousef's (2000) questions and Baruch's (1996) seven point rating scale - was used to assess employee's job performance. Analysis of variance (ANOVA) was used to analyse both job satisfaction and employee performance across demographic characteristics. Regression analysis was used to assess the effect of job satisfaction on employees' job performance. The study finds statistically significant differences in the mean total job satisfaction scores across age, marital status, length of services and job position categories. It also finds statistically significant differences in the mean total job performance scores across age, and length of services. Moreover, the study finds job satisfaction statistically significantly negatively affects employees' job performance.

Key words: Job Satisfaction, Employee Job Satisfaction, Commercial Banks, Tanzania, Demographic Characteristics.

TABLE OF CONTENTS

CERTIFICATION	ii
DECLARATION	iv
DEDICATION	v
ACKNOWLEDGEMENT	vi
ABSTRACT	vii
TABLE OF CONTENTS	viii
LIST OF TABLES	xi
LIST OF FIGURES	xii
ABBREVIATION AND ACRONYMS	xiii
CHAPTER ONE	1
1.0 INTRODUCTION	1
1.1 Background to the Study	1
1.2 Historical Background of National Microfinance Bank.....	3
1.3 The Banking Sector and the Job Satisfaction-Job Performance Link	4
1.4 Statement of the Research Problem.....	6
1.5 Research Objectives	7
1.6 Research Questions-	8
1.7 Significance of the Study.....	8
1.8 Organisation of the Dissertation.....	9
CHAPTER TWO.....	10
2.0 LITERATURE REVIEW	10
2.1 Overview.....	10
2.2 Conceptual Definitions	10

2.2.1	Job Satisfaction.....	10
2.2.2	Employee Performance	11
2.3	Review of Theoretical Literatures	12
2.3.1	Determinants of Job Satisfaction.....	13
2.3.2	Job Satisfaction and Employee Performance	14
2.4	Review of Empirical Evidence	15
2.4.1	Social Demographic Determinants of Job Satisfaction.....	15
2.4.2	Relationship between Job Satisfaction and Employee Performance.....	18
2.5	Research Gap Identified.....	19
2.6	Conceptual Framework.....	20
2.7	Study Hypotheses	21
CHAPTER THREE.....		22
3.0 RESEARCH METHODOLOGY.....		22
3.1	Introduction.....	22
3.2	Research Design	22
3.3	Population and Area of Study.....	22
3.4.2	Sampling Design and Procedures.....	23
3.5	Variables and their Measurement.....	24
3.6	Methods of Data Collection.....	25
3.7	Data Cleaning, Processing and Analysis	25
3.7.1	Data Cleaning	25
CHAPTER FOUR		27
4.0 FINDINGS AND DISCUSSION		27
4.1	Overview	27

4.2	Description of the Sample.....	27
4.2.1	Age Distribution of Respondents.....	27
4.2.2	Gender Distribution of Respondents.....	28
4.2.3	Distribution of Respondents by Education Qualification.....	29
4.2.4	Distribution of Respondents by Marital Status.....	29
4.2.5	Distribution of Respondents by Job Position	30
4.2.6	Distribution of Respondents by Length of Service in Banking Industry	30
4.3	Analysis of Employees' Job Satisfaction	31
4.4	Age, Gender, Education Qualification, Marital Status, Job Position	31
4.5	Analysis of Employees' Job Performance.....	33
4.6	Relationship of Job Satisfaction and Employees Performance	34
4.7	Discussion of the Results.....	34
	CHAPTER FIVE	37
5.2	Summary of Key Findings.....	38
5.3	Conclusions.....	38
5.4	Implications	38
5.5	Recommendations	39
5.6	Areas for Further Research.....	39
	REFERENCES	40
	APPENDICES.....	49

LIST OF TABLES

Table 3.1	Cronbach's Alpha Values of Variables	26
Table 4.2	Gender of Respondents	28
Table 4.3	Educational Qualifications of the Respondents	29
Table 4.4	Distribution of Respondents by marital status	30
Table 4.5	Job Position of the Respondents	30
Table 4.6	Length of service regrouped.....	31
Table 4.7	Analysis of Job Satisfaction	32
Table 4.8	Analysis of Employee Performance.....	33
Table 4.9	Relationship between Job Satisfaction and Employee Performance	34

LIST OF FIGURES

Figure 2.1 Conceptual framework 21

ABBREVIATION AND ACRONYMS

NBC	National Bank of Commerce
NMB	National Microfinance Bank Plc
IPO	Initial Public Offering

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background to the Study

In any human activity, be it an industry, agriculture, trade commerce, politics or government, man is the source of action and also the target of action. A man's job is the main spring of his life. The satisfaction derived from it is his main source of joy. Job satisfaction is the feeling of the employee about his job. If he feels good and contained from the job, he is satisfied from it and vice versa. Job satisfaction is the prime necessity of the employee to keep them retained in any organization. Job satisfaction can also be defined as the extent to which employees like his or her job (Specter 1997). Job satisfaction is further defined as the discrepancy among people's expectations and wants related to the job, and what is really offered to them (Herslop, *et al.*, 2002).

From the above definitions, it may be inferred that job satisfaction is a general attitude towards ones job because if an employee is not satisfied with his job then he will not be loyal to the organization, and may search for other jobs (Read *et al.*, 1994), leading to turnover. It may also lead to employees' performance that is less than what is expected of them. Both turnover and less than expected performance represent some of the various aspects of employees' behaviour, which have an important bearing on the organization. For example, job satisfaction is directly proportional to staff turnover. Jackofsky and Peters (1983) were among the earliest researchers who pointed out that there is a relationship between the employees leaving the job and their job satisfaction, and subsequently, many researchers have established similar relationship. To gauge the magnitude of the effect turnover has on an organization's

success one needs to think about how costly are the processes of job analysis, job description, recruitment, orientation, development, etc. Once an investment is made on these processes, then an employee leaving the organization becomes a costly setback. Low job satisfaction is a sign of deterioration in the efficiency of an organization. It results in low productivity and, coupled with employees' turnover and absenteeism, and other counterproductive behaviours which in turn lead to poor employee performance. Consequently, it implies that an organization can benefit materially if it knows how satisfied its employees are and more importantly what individual attributes contribute to that level job satisfaction. Thus, studying job satisfaction and its determinants has broader implication for the employers, managers, social scientists, policy makers and employees.

Since employees are the real representatives of the organization, concentrating on their effective utilization and maintenance commands consideration. To be effective and productive, the employees should be satisfied with the job they do, hence it is very essential to analyze the degree of satisfaction which an employee derives from his or her job. It is therefore important to have a picture of employees' response to job satisfaction. Though it is not easy to understand the nature and the extent of human behaviour, it cannot be denied that a satisfied employee gives the best service. Knowing what predicts job satisfaction is very important not only for employees but also for the success of the organization (Lim, 2008). Researches designed to identify determinants of job satisfaction are divided in terms of what they look for. There are those which focus on the various aspects of the job to determine whether such job factors as the job itself, pay, promotion opportunity, supervision, and relationship with co-workers determine employees overall satisfaction level (Fitzgerald *et al*,

1994) . There are also those which look at how employees are satisfied with such aspects of the job in aggregate terms and determine whether such observed level is related to employees' social economic variables, (Mercer, 1997). Others do a mixture of the two categories of determinants and yet others do look at the social demographic variables as control variables in the relationship between employees' overall job satisfaction measures and the different aspects of the job, (Roberts & Roseanne 1998). Generally, however, the results are not uniform, as there are notable variations in them across industries.

The banking sector is not an exception. Job satisfaction of employees of banking Industry is more glaringly visible in business as their output is expressed in easily compressible terms that are momentary units. This business is more concerned about the performance of human beings hired as employees at work place. However, the behaviour of an employee is said to be influenced by his social economic background. The banking service provision process provides a fertile ground for studying the determinants of job satisfaction and its relationship with how employees perform on their jobs. The paucity of such empirical studies in Tanzania in general and in the banking sector in particular has been the main motivation for carrying out this study. Although there are many commercial banks licensed in Tanzania, focus was directed to one of the largest commercial banks, by profitability and branch network, – the National Microfinance Bank Plc.

1.2 Historical Background of National Microfinance Bank

The National Microfinance Bank Plc (NMB) is the largest commercial bank in Tanzania, licensed to provide banking and related services to individuals, small and medium entrepreneurs, corporate clients, as well as large businesses. It has almost 130

branches across Tanzania. The bank was established under the National Microfinance Bank Ltd Incorporation Act of 1997, following the breakup of the old National Bank of Commerce (NBC). Three new entities were created at the time, namely NBC Holding Ltd, National Bank of Commerce (1997) and National Microfinance Bank Ltd. Initially NMB could only provide payment services as well as offer saving accounts with limited lending capabilities, before becoming a full universal retail bank. In 2005, The Government of the United Republic of Tanzania privatized the bank when it sold parts of its share holding, 49% to a consortium cooperative central Raiffeisen-Boerenlee Bank (Rabo Bank Group). Subsequently there was further divestiture in 2008 when the Tanzania Government off-loaded another 21% of its shareholding to the Tanzanian citizens through an initial public offering (IPO).

The bank's mission is to offers affordable, customer-focused, financial services to the Tanzanian community through innovative distribution, and its extensive branch network NMB, in order to realize sustainable benefit for all its stakeholders. Its vision on the other hand is to become the preferred financial service partner in Tanzania. Management of NMB is comprised of the following members: Chief Executive Officer; Chief Human Resource Manager; Chief Financial Officer; Chief Information and Operations Officer; Chief Retail Banking Officer; Chief Risk Officer; and Chief Wholesale Banking Officer.

1.3 The Banking Sector and the Job Satisfaction-Job Performance Link

In today's changing world the business environment is changing rapidly. The emergence of e-commerce and development of information and technology play a significant role in the nature of work as well as their attitude towards organization

performance. Commercial banks play a vital role in the overall. In recent time banking industry have become the first choices for carrier development. People management is an important aspect of organizational processes. This emanated from the recognition that the human resource of an organization and the organization itself synonyms. Well managed banking organizations normally consider the average employees as the primary source of productivity gains. These organizations consider capital rather than employee's satisfaction and performance as the core foundation of the business and contributors to firm's development. To ensure the achievement of the firm's goals, the organization creates an atmosphere of commitment and corporation for its employees through policies that facilitate employee satisfaction.

Satisfaction of human resource finds close links to highly motivated employees; job satisfaction has been one of the most germane issues facing banking industry in Tanzania. In any business organization satisfaction of its employee is better to be determined by the management since satisfaction brings performance hence profit of the organization increase. The search for an understanding of the cause of job satisfaction and employee performance is an ongoing area of interest of any organization management, the premise being that satisfied employee will be more productive and remain with the organization longer whereas dissatisfied employees will be less productive and more inclined to quit the organization. The researcher's aim in the present study therefore was to broaden the empirical evidence in the banking industry on social demographic factors that determine job satisfaction and its effect on employee performance.

1.4 Statement of the Research Problem

In the age of information and technology we have seen changes occurring in every aspect of our life from personal to business, Government to private and national to international so the nature of the people and their expectation from their job is also changing. The study aimed to assess the determinants of job satisfaction in banking industry and how these determinants such as age, gender, job position, education and hours of work has contributed to job satisfaction and employee performance in general. The performance of an employee is always being achieved through satisfaction of what he/she is doing.

Many researchers have already studied on determinants of job satisfaction focussing on the demographic characteristics. However, these are biased towards the western environment, for example, Kavanaugh, Duffy & Lilly (2006), Koustellios (2001), Saiti & Papadopoulos (2015), Oshagbemi (2003); Middle East, see for example, Tlaiss (2013), Crossman & Abou-Zaki, (2003), and Al-Khatani & Allam (2013), and Far East (Yang & Wang, 2013; Paul & Phua, 2011; Sarker, Crossman & Chinmeteeptuck, 2003). The findings from these studies are often inconsistent or even conflicting (Yang & Wang, 2013), fragmented and mixed (Tlaiss, 2013). Similar studies in Africa are coming up albeit slowly – see for example, Okpara (2004) in Nigeria.

A few studies are coming up in Tanzania but are biased towards education (see for example, Machumu & Kaitila (2014); Mpeka (2012); Ngimbudzi (2009); Nguni (2005) and the medical/health care fields (see for example, Bklaauw, Ditlopo, Maseko, Chirwa, Mwisongo, Bidwell, & Normand, 2013). While the link between job satisfaction and job performance has been researched elsewhere e.g. Crossman &

Abou-Zaki (2003), little is known about the same in Tanzania and more so in the Tanzanian banking sector. Hackett & Sellen (2015) is a study that touched upon job satisfaction and job performance but focusing on community health workers participating in a mobile health (mHealth) program to improve maternal, newborn and child health (MNCH) in Rural Tanzania. It is important to know the connection of employee performance and their level of job satisfaction because job satisfaction experienced by employees will affect the quality of service rendered, and both job satisfaction and employee performance will have positive image towards organizational success. So it is important to both employees and employers to make sure that job satisfaction and employee performance are promoted together for the sake of organizational success. Social demographic variables such as age, gender, tenure, marital status, education and income have some effect on job satisfaction as well as employee performance. If the determinants of job satisfaction and their effects on employee performance are known then management would take necessary measures to mitigate the potential effects of the former on the latter.

1.5 Research Objectives

The objective of this of the study will be state in general and specific terms as follows;

1.5.1 Main Research Objective

The main purpose of this research was to assess the determinants of job satisfaction and its effect on employee performance in banking industry.

1.5.2 Specific Objectives

The general objective above will further break down into the following specific objective on the basis of which the research questions will be develop.

- (i) To assess job satisfaction of employees across their demographic characteristics.
- (ii) To assess job performance of employees across their demographic characteristics
- (iii) To determine the effect of job satisfaction on employees' job performance.

1.6 Research Questions-

The research questions of this case study will be state in general and specific terms as follows;

1.6.1 General Question

Is job satisfaction of employees in banking industry leads to employee performance?

1.6.2 Specific Questions

- (i) Are there differences in employees' job satisfaction across their demographic characteristics?
- (ii) Are there differences in employees' job performance across their demographic characteristics?
- (iii) Does the employees' level of job satisfaction affect their job performance?

1.7 Significance of the Study

The results of this research will inform bank managers about the extent to which employees are satisfied with their job and also the factor that might be behind the observed level of job satisfaction. In addition, the results will provide evidence on the

demographic characteristics which predict both job satisfaction and job performance. The benefit of knowing the determinants job satisfaction in banking industry include helping managers to earmark and put more effort to make sure that their employees are satisfied. It will also help in making managers estimate the extent of employees' performance emanating from investment in satisfying these employees. The findings will also inform top management of the bank while reviewing their policy, rules, regulations and procedures towards performance of employees.

1.8 Organisation of the Dissertation

The whole dissertation is presented in five chapters. The rest of it is organized as follows. Chapter two presents the review of related literature. Chapter three presents the research methodology used in the study. Chapter four presents and discusses the findings. Finally chapter five concludes and offers recommendations. Implications of the findings are also discussed.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Overview

This chapter presents a review of related literature. It is organized as follows: Section 2.2 provides the working definitions of the underlying concepts. Section 2.3 presents a review of relevant theories. Section 2.4 presents a review of relevant empirical literature. Section 2.5 restates the research gap identified in the literature, and finally the conceptual framework is presented in Section 2.6.

2.2 Conceptual Definitions

2.2.1 Job Satisfaction

Researchers define job satisfaction in several different ways. For example, Spector (1997) defines job satisfaction as the extent to which an employee likes his or her job. Herslop, *et al* (2002) on the other hand, defines job satisfaction as the discrepancy between people's expectations and wants related to the job and what is actually offered. From the above definitions, it may be inferred that job satisfaction is a general attitude towards ones job.

Moreover, job satisfaction has also been defined in Locke (1976) as a positive emotional state resulting from the pleasure a worker derives from the job; and in Spector (1997) as the effective and cognitive attitudes held by employees about various aspect of their work. Cranny, *et al.*, (1992) also define job satisfaction as an effective (emotional) reaction to a job that results from incumbents' comparison of actual outcomes with those that are desired and the degree to which people enjoy in doing that job. Fitzgerald, *et al.* (1994) argues that job satisfaction is one of the

criteria for establishing the health of an organization. Rendering effective services largely depends on human resource. Job satisfaction experienced by employees will affect the quality of service they render. It is evident from the definitions above that job satisfaction has many facets and therefore in this study, efforts were made to adopt a scale that measures these different facets. Consequently, the Spector's (1994) job satisfaction scale with 36 items was adopted. This scale captures respondents self reported satisfaction with nine (9) different dimensions of job satisfaction, namely pay, promotion, rewards, contingent rewards, satisfaction with supervisors, satisfaction with co-worker, nature of the job, working environment and organisational communication.

2.2.2 Employee Performance

Gregson & Bettis (1991) defines employee performance as a rating system used in most corporation to determine the abilities and output of an employee, which is divided into five components such as planning, monitoring, developing, rating and awarding. Robbins, *et al.*, (2003) defines job performance as an individual output in terms of quality and quantity expected from every employee in a particular job and most of the time it is determined by motivation and the will and ability to do the job. Authors agree that when conceptualizing performance one has to differentiate between an action (i.e., behavioural) aspect and an outcome aspect of performance (Campbell, *et al.*, 1990; 1993). The behavioural aspect refers to what an individual does in the work situation. It encompasses behaviours such as assembling parts of a car engine, selling personal computers, teaching basic reading skills to elementary school children, or performing heart surgery. Not every behaviour is incorporated under the performance concept, but only the behaviour which is relevant for the

organizational goals; thus, “performance is what the organization hires one to do, and do well” (Campbell, *et al.*, 1993). Moreover, performance is not defined by the action itself but by judgemental and evaluative processes (Ilgen & Shneider, 1991; Borman & Motowidlo, 1997). Therefore, only actions which can be scaled, i.e., measured, are considered to constitute performance, (Campbell, *et al.*, 1993). Yang (2008) defines “employees’ performance” as what employee does and what he doesn’t do. It entails quality and quantity of output, presence at work, accommodative and supportive nature and timelessness of output. Employee performance can also be self reported or supervisor rated, with the former suffering from possibilities of being over or underreported by the employee (Baruch, 1996; Yousef 2000; Crossman & Abou-Zaki, 2003). Nevertheless, this study used employees’ self reported performance to overcome the potential difficulties in accessing supervisors’ ratings from the organisation.

2.3 Review of Theoretical Literatures

Individual performance is a core concept within work and organizational psychology. Prior to 1990s, researchers made significant progress in clarifying and extending the performance concept (Campbell, *et al.* 1990). Moreover, advances have been made in specifying major predictors and processes associated with individual’s performance. With the on-going changes that we witnessed within organizations in the 1990s, the performance concepts and performance requirements are undergoing changes as well (Ilgen & Pulakos, 1999). Similar efforts are witnessed today and definitely, this decade won’t be the last. Job satisfaction is probably the most heavily examined concept in the field of organization behaviour (Blau, 1999). Its major impact on organizational outcomes, such as extra role behaviours, and performance has urged

researchers to delineate its antecedents (Dormann & Zapf, 2001). Although antecedents of job satisfaction that have been identified belong in two categories, organizational and individual, the latter has received the greatest attention by far (Judge *et al*, 2002). In addition, individual characteristics such as gender, age, education, tenure and previous working experience, have also been linked to the level of job satisfaction that employee experience (Johnson & Johnson, 2002; Palthe & Kossek, 2003). It appears, however, that individuals tend to experience greater levels of job satisfaction when their abilities, values and experiences can be utilized in the working and when their expectations are met (Buitendach & De Witte, 2005; Roberts & Roseanne, 1998).

Number of years spent in an organization is an age-related variable which has a direct relationship to job satisfaction. It can predict the affective response to work (or the positive feelings towards work). The contribution of this variable to the good feelings towards the job is positive (Bilgic, 1998). Borgen (1993) also argues that education, work experience, and age should be positively related to job satisfaction. Job rank, the level at which an individual works within the organization, has some influence on the satisfaction of employees. For example, Reilly *et al* (1993) argues that managerial employees have more opportunities for growth in an organization and are more involved in planning and implementing any changes for that growth. More positive responses might be expected from higher level employees.

2.3.1 Determinants of Job Satisfaction

It was mentioned by Sinha (1958) that interesting work was considered very important by office and manual workers. It was found by Desai, (1964) that job

satisfaction relates to the satisfaction of physiological needs, status needs, the need to belong and the employee's personality. Chakraborty, (1965) determined that satisfaction seems to bear significant relationship with socioeconomic status, education, success, and type of work, age and occupational experience. Kapoor, (1967) analysed some important determinants of job satisfaction and concluded that wages, housing and advancement opportunity may be considered workers' primary needs and placed into a 'hierarchy of prepotency' which if it remained unfulfilled would cause dissatisfaction.

Rao (1971) found that age, income, length of service and tenure had little relationship, while education, caste and skill had a stronger association with job satisfaction. It was reported by Chidambaram & Rama (2006) that the need importance ratings of the male employees were positively related to the hierarchical level of needs. Female employees were, however, different in that and they gave importance to the security need. Chidambaram & Rama (2006) also reported that Sharma (1979) had selected four factors namely education, monthly emoluments, work technology and type of supervision and studied their impact on job satisfaction. While emoluments and supervision failed to show a significant relationship with job satisfaction, work technology and education were found to be important determinants of job satisfaction.

2.3.2 Job Satisfaction and Employee Performance

Brockner (1988) considers the relationship between the two basic views of satisfaction and performance, and their effect on one another. One believes that satisfaction leads to performance while the other believes that performance leads to satisfaction. But it's hard to correlate these two aspects primarily because when

people are asked if they get job satisfaction from their job, a certain percentage will say yes just because they think if they say no, there could be negative consequences.

Job satisfaction is of great personal concern; employers are concerned with the consequences of job satisfaction for it greatly affects the behaviour of the employees in the work place. Therefore, it is important to examine the ways in which job satisfaction/dissatisfaction affects employee behaviour and consequently performance. Job satisfaction has consequences on employees productivity, absenteeism, turnover, and can lead to counterproductive behaviour.

2.4 Review of Empirical Evidence

2.4.1 Social Demographic Determinants of Job Satisfaction

Personal attributes and demographic features of the workforce have been acknowledged as critical factors which bring proportional variations in the job satisfaction (Khalizani, *et al.* 2011). Studies indicate that demographic variables such as gender and age always have varying impacts on total satisfaction of employees in workplace, e.g. Sattar, *et al.* (2010). Demographic attributes have also been used to forecast the level of job satisfaction's dimensions among workforce (Saifudin & Nawaz, 2010). Natraj & Hafeez, (1965) found that skilled workers were more satisfied than were those in the other categories. Age and education were found to be negatively related with job satisfaction. Tenure and job satisfaction were found to be positively related to job satisfaction. Length of service and aspiration level showed no relationship.

2.4.1.1 Job Satisfaction and Gender

Several researchers have examined the relationship between job satisfaction and gender (Goh, *et al* 1991; Mason, 1995; Mottaz, 1986). However, the results of these studies and those of several others concerning the relationship between job satisfaction and gender of the employee have been contradictory. For example, some studies find that women to be more satisfied with their jobs than men (Bartol & Wortman, 1975), others have found men to be more satisfied than women (Forgionne & Peeters, 1982). Clark (1997), in a study in Britain, revealed that job satisfaction remains significantly higher for women than for men, yet less satisfied on pay, even after a number of factors were controlled for. Research in Switzerland (Sauza-Poza & Sauza-Poza, 2007) on gender job satisfaction differences found that women were more satisfied with their jobs than men.

2.4.1.2 Job Satisfaction and Age

Kaya (1995) in reviewing results from 24 empirical and nine conceptual studies finds that most age-related factors have a positive effect on job satisfaction and decision to continue to work. These results were latter supported by findings by Wang & Chen (2006) and Kanfer & Ackerman (2004) in which older workers were found to have greater satisfaction on their jobs than their younger counterparts. Study by Brunet & Sabiston (2011) on workers in Canada revealed the importance of considering age when studying physical activity motivation due to behaviour towards job satisfaction as motivation outcome varied across age group. It was also concluded by Zhou, *et al.* (2011) that job satisfaction increased with age due to their capability in adjusting their expectations to the returns of their work. It is thus important to look at differences in job satisfaction across age groups in the banking sector in Tanzania

2.4.1.3 Job Satisfaction and Education Level

A Study by Gubruz (2007) had revealed a positive relationship between education and job satisfaction. Other studies reporting similar results include Rogers (1991) and Falcone (1991). Falcone (1991) for example, found in her study that educated managers expressed more job satisfaction in both public and private sectors than less educated managers.

2.4.1.4 Job Satisfaction and Marital Status

Another prominent variable that might have a bearing on job satisfaction is marital status of the employees. However, there are not enough studies to draw any conclusion about the effect of marital status on job satisfaction but the limited research conducted on this area consistently indicates that married employees are more satisfied with their jobs than are their unmarried co-workers (Austrom, *et al.*, 1988; Federico, *et al.*, 1976; Garrison & Muchinsky, 1977; Watson, 1981). The reason may be marriage imposes increased responsibilities that may make a steady job more valuable and important.

Elsewhere, it has been found by Azim & Rashid, (2013) that married and unmarried employees have no significant difference in terms of job satisfaction, thus contradicting the aforementioned findings. This finding may be ascribed to the significance of a job in one's career, irrespective of his/her marital status. To maintain a secured source of income everybody is concerned about having a steady job and consequently they try to develop a positive feeling about the job by ignoring its negative aspects. Moreover, even though a person is unmarried, it does not mean he/she doesn't have family burden.

2.4.1.5 Job Satisfaction and Tenure

It was reported by Chaudhuri, *et al.*, (2014) that the tenure term can be seen as another way of capturing the impact of age on job satisfaction. For males, their results show that tenure and job satisfaction are significantly positively related in the case of those reporting job satisfaction scores of “3” and “4”, whereas the relationship is negative and significant for those reporting job satisfaction scores of “6” and “7”. For females, tenure is significantly positively related to job satisfaction for those reporting “3”, “4”, and “5” on the job satisfaction scale, whereas it is significantly negatively related to job satisfaction for those reporting job satisfaction scores of “6” and “7”. This suggests that longer tenure increases job satisfaction for the most satisfied group of workers, a result that they might have expected. The results, overall, contrast with those of Barmby, *et al.* (2012) who find a negative linear relationship between tenure and job satisfaction.

2.4.1.6 Job Satisfaction and Job Position

Haward and Frink (1996) found that job satisfaction was positively affected by managerial position. That is managerial employees were more satisfied with their jobs than their non-managerial counterparts. In fact being managerial employee indirectly increased satisfaction with co-workers, supervision, and internal work motivation, as well as life satisfaction (Howards and Frink, 1996).

2.4.2 Relationship between Job Satisfaction and Employee Performance

The relationship between job satisfaction and performance is still open to debate. Although there is a consensus that job satisfaction has major impacts on organizational outcomes it would be unwise to assume that high job satisfaction leads

to high performance, or that high performers are more satisfied with their job, (Euske, *et al.*, 1980). The study by Hussin (2011) reports a positive relationship between job satisfaction components which were promotion, work itself, supervision and co-workers except for pay and employee job performance. There was a significant difference between job position and job performance. It was shown that job satisfaction dimensions (pay, promotion, work itself, supervision and co-workers) can contribute to 17.8 per cent to increase the job performance in the organization.

Shore and Martin (1989) found job satisfaction to be strongly related with supervisor ratings of performance of sample of bank tellers and hospital professionals. However, when job satisfaction was analysed jointly with organisational commitment, Shore and Martin show that organisational commitment had more effect than job satisfaction on job performance. They interpret this as an indicator that job satisfaction's effect on job performance could be through the organisation commitment as a moderating variable. In a meta-analytic study by Iaffaldano and Muchinsky (1985), involving a large amount of previous studies, it is shown that there is a negligible relationship between job satisfaction and job performance.

2.5 Research Gap Identified

Although many studies have been able to draw conclusions on effects of social demographic factors like age, marital status, education level, gender and job tenure on job satisfaction and consequently work performance, there is paucity of evidence on the effect of job satisfaction on employee performance on the banking sector employees in Tanzania. There were number of gaps left by different reviewed theoretical and empirical literature ranging for geographical, methodologies used,

time as well as the nature of organization studied, despite the fact that, many studies were conducted to explore factors influencing employees' job satisfaction and performance in the world. Therefore this calls for, and justifies, more studies to fill the gaps left by previous researchers especially in determinants of job satisfaction and its effects on employees performance in banking industry especially in Tanzania's banking sector.

2.6 Conceptual Framework

As indicated in Figure 2.1, it is conceptualized that job satisfaction which is an independent variable is affected by age, gender, marital status, and education level and job tenure. The level of job satisfaction affects the work performance of employees in an organization like the NMB bank. Work performance is a dependent variable which depends on the job satisfaction of a particular employee. A satisfied worker is expected to perform well and thus add value to his/her organization. The study intends to examine how age, gender, education level, marital status and job tenure of NMB bank employees affects their job satisfaction and eventually their work performance.

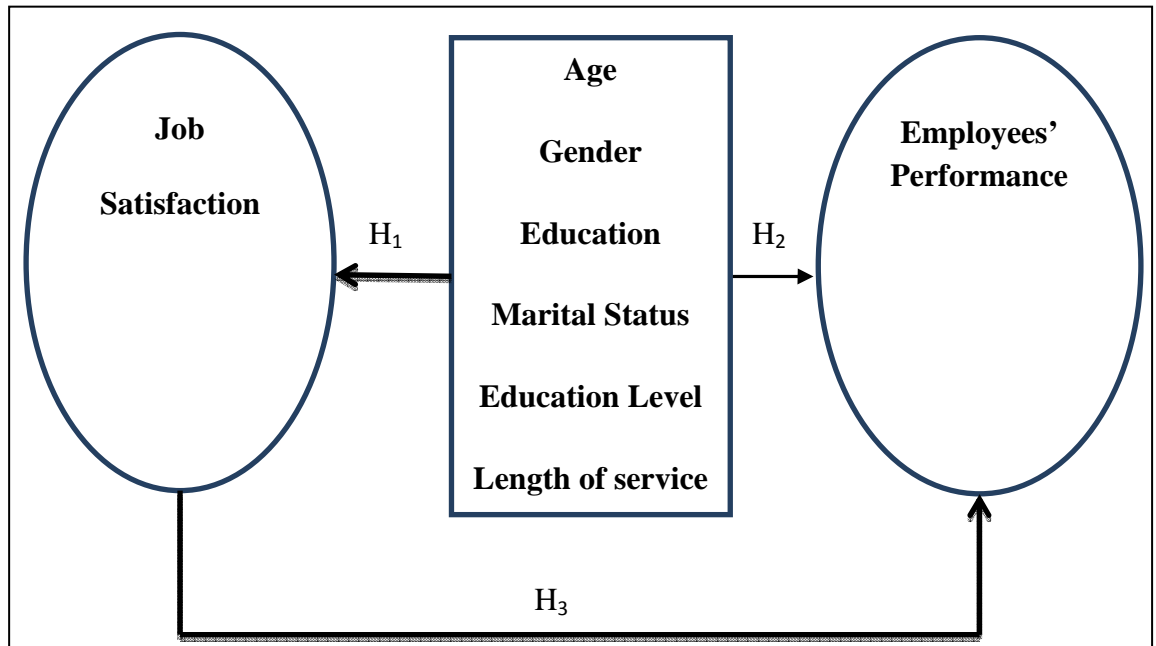


Figure 2.1 Conceptual Framework

2.7 Study Hypotheses

The following hypotheses were tested

- H₁ There are no differences in the job satisfaction scores across demographic characteristics
- H₂ There are no differences in the job performance scores across demographic characteristic
- H₃ Employees' job performance scores are not related to job satisfaction scores.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that was used in the study. The rest of the chapter is organized as follows: Section 3.2 present the research design, Section 3.3 focuses on population definition. Section 3.4 focus on sampling design and procedure while Section 3.5 deals with variables and their measurement. Section 3.6 deals with method of data collection and finally Section 3.7 presents data analysis techniques used.

3.2 Research Design

The study adopts a quantitative, descriptive, cross sectional survey research design in which the relationship between job satisfaction and employee performance in banking industry is determined. The study adopted known measurement scales in the on questionnaire designed to collect primary data. According to Saunders *et al.*, (2012), questionnaires are normally used for descriptive and explorative studies; therefore, primary data required for this study was collected through questionnaires self completed by a sample of bank employees.

3.3 Population and Area of Study

The universal population consisted of all 3,825 employees of the National Microfinance Bank (NMB) Plc. However, this study covered selected branches from two zones, namely, the Eastern zone which has a total number of 195 staff in its twelve branches and the Dar es Salaam zone which has total number of 454 staff in its 18 branches including head office. In each zone four branches were selected

conveniently. The reason for choosing those branches in two zones is geographical location of the branches. On top of that the researcher preferred to select those branches in rural and urban location. Eastern zone branches selected, and total number of employees in brackets, were Kilombero (20), Ifakara (23), Kilosa (18), and Wami (35). On the other hand, Dar es Salaam zone branches selected were Temeke (25) Ilala (25), Magomeni (32) and NMB head office (135) employees. With a total of 96 employees from the Eastern zone and a total of 217 employees from the Dar es Salaam zone, the total survey population for this study was 313 employees.

3.4.2 Sampling Design and Procedures

The researcher adopted convenience sampling technique which is a non probability sampling procedure. This method was considered more suitable to obtain a large number completed questionnaires faster, conveniently and economically (Kothari, 2004). Targeted population for this study was 313 NMB bank employees working in the selected branches from the two zones.

Other factors such as cost and time were equally major considerations behind the choice of this sampling procedure. The researcher targeted all the 313 employees based on their convenience in terms of whether, and when they are available to attend to the questionnaires. The researcher used reminders to promote high response rates. The data collection was mainly on employee's job satisfaction and performance. But also data on demographic variables, in particular gender, age, length of service, marital status, education and job position. In the end 235 usable questionnaires were collected and used in the analysis.

3.5 Variables and their Measurement

The dependent variable of the study was employee performance and the independent variable was employee job satisfaction. Other variables of interest which are believed to have impact on job satisfaction were also assessed. These variables are age of respondent, marital status, education and gender, length of service and job position. The respondents were requested to select an appropriate age group from seven different age groups to which their ages fall. The advantage of using age group is from the fact that many respondents might not be willing to indicate their actual ages. Also respondents were requested to indicate their marital status by ticking in appropriate box against each of the four status provided i.e. whether married, single, widow and divorced. Likewise respondent was requested to indicate their gender i.e. whether male or female.

For education, respondents were given four educational levels varying from secondary education and below, certificate/diploma, bachelor and masters. For length of service, respondents were given a choice of seven different time groups from 5 years or less to 31 and above. Job satisfaction was measured by a 36 item scale adopted from Spector (1994). Spector's 36 items are grouped into 9 dimensions of 4 items each some of which are negatively worded. Negatively worded items in a scale increase its validity. These dimensions covered pay, promotion, rewards, contingent rewards, satisfaction with supervisor, satisfaction with co-workers, and nature of the job, work environment and organizational communication. The items were also scattered to improve validity of the scale (Spector, 1994). Respondents were given six points rating scale ranging from 1= disagree very much to 6= agree very much as proposed by Spector (1994).

Employee performance was measured by a 4 items scale adopted from Crossman & Abou-Zaki (2003). This was a combination of scale items by Yousef (2000) and ratings by Baruch (1996). Respondents were asked to assess their own performance as suggested by the items of the scale and provided self rating on a 7 point scale varying from 1= amongst the lower 50 percent to 7 =among the upper 5 percent employees.

3.6 Methods of Data Collection

A questionnaire was used to collect the data. It was designed to have five sections. Section one was the preamble. Section two consisted of 36 items to measure the job satisfaction variables. Section three consisted of 4 items scale designed to capture employee performance using the 7 point rating scale. Section four was designed to collect demographic data covering 6 items namely age, gender, marital status, education, length of service and job position. These questionnaires were sent to the Human Resource Officers of the selected branches to administer, collect and send them back to the researcher.

3.7 Data Cleaning, Processing and Analysis

3.7.1 Data Cleaning

A total of 235 questionnaires were received back from the respondents. Questionnaires were checked for completeness, consistency and correctness of the responses. All questionnaires passed this stage and were therefore retained in the analysis. Data were then coded and entered into SPSS version 16. A quick check was carried out by producing and examining frequencies and descriptive statistics to see whether there were any errors in entering the data. The several negatively items on the JSS scale were reverse-coded. From the frequency distribution tables it was observed

that the distributions for age, length of service, marital status and education were skewed. Length of service was re-grouped from 7 to 5 categories, marital status from 4 to 3 and also education from 4 to 3 categories. A scale test was performed on the job satisfaction and employee performance scale to determine the internal consistency (reliability) of each. The job satisfaction scale returned a Cronbach's alpha of 0.844. This implied high enough internal consistency compared to the recommended alpha of 0.7 (deVellis, 2012, cited in Pallant, 2013: 101). The scale for employee performance generated a Cronbach's alpha of 0.893. This also implies high enough internal consistency. Results are presented in Table 3.1.

Finally, total score for both job satisfaction and employee performance scales were computed as well as their descriptive statistics. Analysis of variances (ANOVA) was then used to analyse employee job satisfaction and employee performance across both personal and job characteristics. A standard regression technique was used to determine the relationship between job satisfaction and employee performance. The next chapter presents and discusses the findings of this study.

Table 3.1 Reliability Statistics

Variables	Cronbach's Alpha	Number of Items
Job Satisfaction	0.844	36
Employee Performance	0.893	4

Source: Field data 2015

CHAPTER FOUR

4.0 FINDINGS AND DISCUSSION

4.1 Overview

This chapter presents and discusses the findings by comparing them with other studies in the subject area. It is organised as follows: Section 4.2 presents a description of the sample. Sections 4.3 to 4.5 presents the results as per research objectives where Section 4.3 presents the results of the analysis of job satisfaction, Section 4.4 presents the results of the analysis of performance and Section 4.5 presents the results of regression analysis assessing the relationship between job satisfaction and employee performance. Section 4.6 ends the chapter by discussing the results linking them to findings of other studies in the subject area.

4.2 Description of the Sample

This section presents the results of the analysis of the sample based on the six social demographic variables examined in the study, namely age, gender, education, marital status, job experience (tenure) and job position. The analysis is based on the 235 returned and usable questionnaires.

4.2.1 Age Distribution of Respondents

Table 4.1 presents distribution of sample by age. The results show that, among the respondents, majority falls between the ranges of 36-45 years which constitute a total Of 92 respondents which is equivalent to 39.1%. This is followed by age categories of between 25-35 and 46-55 years with 30.6 and 20.9 percent, respectively. The bank also has young employees 25 years and below (3.8 percent) and older employees 55 years and above (5.5 percent). This distribution may imply that the bank is endowed

with employees with reasonably long working years before retirement age of 60 years.

Table 4.1 Age of Respondents

Age group	Frequency	Percent
25 Years and below	9	3.8
26 to 35 Years	72	30.6
36 to 45 Years	92	39.1
46 to 55 Years	49	20.9
55 years and above	13	5.5
Total	235	100.0

Source: Field data 2015

4.2.2 Gender Distribution of Respondents

Table 4.2 shows distribution of respondents by gender. The results show that there were more female (60 percent) than male (40 percent) respondents. The results may reflect the gender distribution of a typical bank in Tanzania and may reflect the general belief in society which argues that female are more trusted when it comes to handling money.

Table 4.2 Gender of Respondents

Gender	Frequency	Percent
Male	94	40.0
Female	141	60.0
Total	235	100.0

Source: Field Data 2015

4.2.3 Distribution of Respondents by Education Qualification

Table 4.3 presents the results of analysis of distribution of the respondents by their academic qualification. Results shows that majority of the respondents 180 (73.1%) have first degree, followed by 37 (15.7%) having masters and 18 (11.2%) respondents have diploma or certificate qualification. The distribution may imply that the bank is having the right employees for further training and development to grow them into best practitioners in banking out of which leaders in banking would come from.

Table 4.3 Educational Qualifications of the Respondents

	Frequency	Percent
Diploma or Certificate	18	11.2
Bachelor	180	73.1
Master Degree	37	15.7
Total	235	100.0

Source: Field data 2015

4.2.4 Distribution of Respondents by Marital Status

Table 4.4 presents results of the respondents by marital status. Originally respondents were asked to indicate their status based on four groups namely married, single, widowed and divorced. The last three groups showed a skewed distribution and therefore they were collapsed into one group named “others”. The results show that majority of employees are married at 75.3 percent followed by singles at 20.9 percent. This indicates that most of the employees are those with family responsibilities.

Table 4.4 Distribution of Respondents by Marital Status

	Frequency	Percent
Married	177	75.3
Single	49	20.9
Others	9	3.8
Total	235	100.0

Source: Field data 2015

4.2.5 Distribution of Respondents by Job Position

Table 4.5 presents the results of the analysis of respondents by their job position. Majority of the respondents (59.6 percent) were in lower level, followed by 33.2 percent in the middle level. Top management represents only 7.2 percent of the sample.

Table 4.5 Job Position of the Respondents

Position category	Frequency	Percent
Lower	140	59.6
Middle	78	33.2
Top	17	7.2
Total	235	100.0

Source: Field Data, 2015

4.2.6 Distribution of Respondents by Length of Service in Banking Industry

Table 4.6 presents results of respondents' length of service as a measure of experience on the job or job tenure. Originally the respondents were asked to indicate their belongingness into seven groups of 5-year intervals. The initial descriptive frequencies showed skewness where the last three categories had fewer and spread out number of cases. Thus, a decision was made to regroup these three categories into one group of "21 years and above" with a frequency of 17 equal to 7.2 percent of all

respondents. The results show that the majority of the respondents, about 79 percent have been attached with the current organization for a period not more than 15 years while the rest have been there for more than 15 years. Although the upper category may be a reflection of the banks history from the National Bank of Commerce era, the lower category may indicate that the bank has engaged many new employees since then.

Table 4.6 Length of Service Regrouped

Categories	Frequency	Percentage
5years or less	22	9.4
6 to 10 years	70	29.8
11-15 years	94	40.0
16- 20 years	32	13.6
21 years and above	17	7.2
Total	235	100.0

Source: Field Data 2015

4.3 Analysis of Employees' Job Satisfaction

The analysis of job satisfaction was organized in terms of age, gender, education qualification, job position and length of service in the current organization. The results are presented in Table 4.7 and they show a mean (S.D.) score of 153.03 (15.69) with minimum and maximum scores of 104 and 184, respectively.

4.4 Age, Gender, Education Qualification, Marital Status, Job Position, Length of Service and Job Satisfaction

The findings of the study as per Table 4.7 indicate that there are statistically significant differences in the job satisfaction mean total scores across the categories of age ($F = 5.36$; $\rho = 0.000$), marital status ($F = 5.128$; $\rho = 0.007$), job position ($F = 3.846$; $\rho = 0.023$), and length of service ($F = 6.413$; $\rho = 0.000$). There were no

statistically significantly differences in mean total scores in the rest of demographic variables, i.e. gender and education qualification.

Table 4.7 Analysis of Job Satisfaction

Variable	N	Mean	SD	F	Sig
<i>Age</i>				5.36	.000
≤ 25 years	9	150.2	25.4		
26-35years	72	150.5	14.5		
36-45years	92	151.7	16.4		
46-55years	49	161.6	12.8		
>55years	13	145.8	4.7		
<i>Gender</i>				.399	.528
Male	94	153.8	16.72		
Female	141	152.5	15.0		
<i>Education</i>				2.17	.116
Below Bachelor	18	157.2	19.5		
Bachelor	180	153.5	15.8		
Masters	37	148.7	12.2		
<i>Marital Status</i>				5.128	.007
Marriage	177	154.7	15.3		
Single	49	149.4	16.7		
Others	9	140.9	10.4		
<i>Length of service</i>				6.413	.000
≤5years	22	140.3	21.1		
6-10years	70	153.0	13.4		
11-15years	94	154.0	15.5		
16-20years	32	160.8	14.2		
>20years	17	149.5	9.8		
<i>Job Position</i>				3.846	.023
Lower cadre	140	155.3	16.9		
Middle cadre	78	150.3	13.0		
Top managerial	17	147.2	13.5		
<i>Overall Job Sat</i>	235	153.0	15.69		

Source: Field data 2015

From the results in Table 4.7, It can be concluded that job satisfaction statistically significantly vary across age, marital status, job position and length of service in the

current organization. Therefore, hypothesis one could not be rejected for gender and education qualification categories at 0.05 level.

4.5 Analysis of Employees' Job Performance

The analysis of employees' job performance was analysed in terms of age, gender, education qualification, job position and length of service in the current organization. The results presented in Table 4.8 revealed that mean total score is 8.642, with a SD of 2.27 and the minimum and maximum scores were 7.00 and 27, respectively. There were significant differences in the mean total job performance scores across age ($F = 24.85$; $\rho = 0.000$) and length of service ($F = 27.787$; $\rho = 0.000$). There were no statistically significant differences in the mean total job performance scores across the other four demographic characteristics. This implies that hypothesis two could not be rejected for gender, education, marital status and job position.

Table 4.8 Analysis of Employee Performance

Variable	N	Mean	SD	F	Sig
<i>Age</i>				24.85	.000
≤ 25years	9	14.8	6.6		
26-35years	72	8.7	1.8		
36-45years	92	8.4	1.6		
46-55years	49	8.0	0.3		
>55years	13	8.3	1.1		
<i>Gender</i>				.107	0.744
Male	94	8.7	2.1		
Female	141	8.6	2.4		
<i>Education</i>				2.899	.057
Below Bachelor	18	9.7	3.8		
Bachelor	180	8.7	2.3		
Masters	37	8.1	.8		
<i>Marital Status</i>				2.695	.070
Marriage	177	8.5	2.1		
Single	49	9.3	3.0		
Others	9	8.3	1.0		
<i>Length of service</i>				27.787	.000

≤5years	22	12.6	4.9		
6-10years	70	8.5	1.9		
11-15years	94	8.1	0.6		
16-20years	32	8.1	0.8		
>20years	17	8.2	1.0		
<i>Job Position</i>				2.518	.083
Lower cadre	140	8.9	2.7		
Middle cadre	78	8.3	1.4		
Top managerial	17	8.2	0.5		
Overall Employee performance		8.64	2.27		

Source: Field Data 2015

4.6 Relationship of Job Satisfaction and Employees Performance

Ordinary least square regression was used to assess the effects of job satisfaction of job performance. The results are presented in Table 4.9. The results show that the model had power to significantly predict job performance from job satisfaction scores ($F = 8.334$; $p = 0.004$) but explains only 3 percent of the variations in job performance ($Adjusted R^2 = 0.03$). This is surprisingly low. It may imply either that there are a lot of factors other than job satisfaction which explain the variation in job performance or that there are some difficulties with the model or data. The results also show that job satisfaction statistically significantly affect job performance negatively ($t = -2.887$; $p = 0.004$)

Table 4.9 Relationship between Job Satisfaction and Employee Performance

Parameter	β	S.E	t	Sig
Constant	12.76	1.433	8.902	.000
JOBSAT	-0.027	.009	-2.887	.004

F(1)=8.334 P=0.004
R-square 0.035
Adjusted R-square= 0.03

Source: Field Data 2015

4.7 Discussion of the Results

The main purpose of this research was to assess the determinants of job satisfaction and its effect on employee performance in banking industry. The first specific

objective was to analyse job satisfaction across demographic variables. The results show that there were significant differences in job satisfaction across age, marital status, job position and length of service categories. Thus, the first hypothesis that there are no differences in the job satisfaction scores across demographic characteristics could not be accepted from these categories. These results are consistent with those reported in the previous studies such as those of Kaya (1995), Zhou, *et al.* (2011) for age; Howard and Frinch (1996), for job position; Bambly, *et al.* (2012) for length of service and Austrom *et al* (1988) for marital status. However, the hypothesis was accepted for gender and educational qualifications as the findings indicate no significant differences in the job satisfaction across their respective categories. These results are inconsistent with those that were reported in Bartol and Wortman (1975), Forgionne and Peters (1982), and Clark (1997) who found significant differences across gender and in Gubruz (2007) and Falcone (1991) across education levels.

It was also hypothesised that there would be no effect of job satisfaction scores on those of the employees' job performance. The hypothesis was rejected. The results show that job satisfaction significantly negatively predicted employee job performance which also implies that the two are significantly negatively related. These results contradict the many other previous studies for example, which report significant positive relationship between job satisfaction and job performance, e.g. Shore and Martin (1989) and Hussin (2011). The results are however consistent with those reported in Euske, *et al.* (1980) who reported that the relationship between job satisfaction and performance is still open to question it would be unwise to assume that high job satisfaction leads to high performance or that high performers are

satisfied with their job and that the effect is still unclear. That is, it cannot be assumed that satisfaction leads to high performance, or that high performer are necessarily satisfied with their jobs.

CHAPTER FIVE

5.0 CONCLUSION, IMPLICATIONS AND RECOMMENDATIONS

5.1 Overview

The main purpose of this research was to investigate the effect of employees' job satisfaction on their performance in the banking sector. Specifically it attempted (i) To measure the level of job satisfaction of employees in the banking sector; (ii) To measure the employees' job performance; and (iii) to determine the relationship between job satisfaction and job performance. A sample of 235 employees was drawn from selected branches of the Eastern Zone of the National Microfinance Bank Plc as well as the Head office. A questionnaire was used to collect data on job satisfaction, job performance and respondents personal and job characteristics. The Job satisfaction scale (JSS) was adopted from Spector (1997) while the employee performance scale was adapted from Crossman and Abou-Zaki (2003) scale which combined Yousef's (2000) questions and Baruch's (1996) seven point rating scale.

Analysis of variance (ANOVA) was used to analyse both job satisfaction and employee performance across personal and job characteristics. Regression analysis was used to assess the relationship between job satisfaction and employee job performance. This chapter presents summary of the findings and concludes the study. The rest of the chapter is organised as follows: Section 5.2 presents a summary of the key findings of this study. Section 5.3 presents conclusions, Section 5.4 presents implications, Section 5.5 Recommendation; and Section 5.6 conclude the chapter with areas of future research.

5.2 Summary of Key Findings

The findings show no statistically significant differences in the means of job satisfaction scores across gender and education qualification categories. However, the study finds statistically significant differences in the mean job satisfaction across categories of age, marital status, length of service and job position. The findings also show no statistically significant differences in the means of employee performance scores across gender, education qualification, marital status and job position categories. However, the study finds statistically significant differences in the mean of employee performance across categories of age and length of service. Finally, the findings show significantly negative effect of job satisfaction of employees' job performance.

5.3 Conclusions

From the study's findings, it can be concluded that some demographic variables are important in explaining the variations in the job satisfaction and employees performance scores. While age, marital status, job position, and length of services can explain variations in job satisfaction, age and length of services can also explain the variation in employees' job satisfaction. It can also be concluded that job satisfaction affects the performance of bank employees negatively.

5.4 Implications

Overall the finding imply that job satisfaction affects job performance negatively and that the bank managers should take age, marital status, job position and length of service of employees into account when designing measures to enhance their job

satisfaction. They also imply that there could be a balance between some levels of job satisfaction and job performance

5.5 Recommendations

It is thereof recommended that managers should observe the age, marital status length of service and the job position of the employees when designing job satisfaction strategies. It is also recommended that since job performance differ across age and length of services, managers should look at these factors when designing performance enhancers. Finally it is recommended that a balanced view should be taken when designing job performance enhancers by altering job satisfaction of employees. Too much job satisfaction in a banks job may trigger a negative effect on the employees' performance.

5.6 Areas for Further Research

Lots of relevant questions could not be addressed in this research. For example, the following questions could attract future research; (i) How individual dimensions of job satisfaction vary across personal and job characteristics; (ii) How job satisfaction and it dimensions vary between urban and rural setting; and (iii) How typical are the results to the whole banking industry.

Furthermore, it has been shown in several of the meta-analytic studies such as Judge et al (2001), Petty, et al., (1984), etc that the job satisfaction - job performance relationship could be through moderator variables such as organisational commitment. It would be of interest if this argument is also tested in the Tanzanian context and specifically in its banking sector in which little research has been conducted.

REFERENCES

- Akinbobola, O. I. (2011). Conflict in Human relationship: The Impact of Job satisfaction on Job Involvement in a Work Place. *International Journal of Social Sciences and Humanity*. 1 (2), 92-95.
- Al-Kahtani, N. S. & Allam, Z. (2013). A Comparative Study of Job Burnout, Job Involvement, Locus of Control and Job Satisfaction Among Banking Employees of Kingdom of Saudi Arabia. *Life Science Journal*, 10 (4), 2135-2144.
- Austrom, D. R., Baldwin, T., & Macy, G. J. (1988). The Single Worker: An Empirical Exploration of Attitudes, Behaviour and Well-being. *Canadian Journal of Administrative Science*. , 22-29.
- Azim, M. T., & Rashid, A. C. (2013). Gender, Marital Status and Job Satisfaction: An Empirical Study. *International Review of Management*. 2 (2), 488-498
- Barmby, T. A., Bryson, A., & Eberth, B. (2012). Human Capital, Matching and Job Satisfaction. *Economic Letters*. 117, 548-551.
- Bklaauw, D., Ditlopo, P., Maseko, F., Chirwa, M., Mwisongo, A., Bidwell, P., & Normand, C. (2013). Comparing the job satisfaction and intention to leave of different categories of health workers in Tanzania, Malawi, and South Africa. *Global Health Action*, 6.
- Blau, G. (1999). Testing the Longitudinal Impact o Work Variables and Performance Appraisal Satisfaction on Subsequent Overall Job satisfaction. *Human Relations*. 52, 1099-1113.

- Brokner, J. (1988). *Self-esteem at Work: Research, Theory and Practice*. Lexington: D.C. Heath & Company.
- Brunet , J., & Sabiston, C. M. (2011). Exploring Motivation for Physical Activity across the Adult Lifespan. *Psychology of Sports and Exercise.* , 12, 99-105.
- Campbell, J. R., McHenry, J. J., & Wise, L. L. (1990). Modelling Job Performance in a Population of Jobs. *Personnel Psychology.* 43, 72-98.
- Cano, J., & Miller, G. (1992). A Gender Analysis of Job Satisfaction, Job satisfier Factors and Job Dissatisfiers of Agricultural Education Teachers (Electronic Version). *Journal of agricultural Education.* 33 (3), 40-46.
- Chakraborty, P. (1965). Job Satisfaction. *Industrial Relation*, 17 (3), 131-135
- Chakraborty, P. (1966). Factors Contributing to Job Satisfaction. *Productivity*, 17 (3), 93-96.
- Chaudhuri, K., Reilly, K. T., & Spencer, D. A. (2014). *Job Satisfaction, Age and Tenure: A Generalized Dynamic Random Effect Model*. Leeds.: University of Leeds.
- Chidambaram, K., & Rama, A. (2006). Determinant of Job Satisfaction of Bank Employees. *The IUP Journal of Bank Management* , 1-11.
- Clark, A. E. (1997). Job Satisfaction and Gender: Why are Woman so Happy at Work. *Labour Economics* , 14, 341-372.

- Cranny, C. J., Smith, P. C., & Stone, E. F. (1992). *Job satisfaction: How People feel about their Jobs and How it Affects their Performance*. New York: Lexington Books.
- Crossman, A. And Abou-Zaki, B. (2003). Job satisfaction and employee performance of Lebanese banking staff: A research note. *Journal of Managerial Psychology*, Vol. 18 No. 4, 2003 pp. 368-376.
- Desai, J. (1964). Employees Job Satisfaction. *Vidya* , 20-24
- Dormann, C., & Zapf, D. (2001). Job Satisfaction: A Meta-analysis of Stabilities. *Journal of Organizational Behaviour*. 22, 483-504.
- Euske, K. J., Jackson, D. W., & Reif, W. E. (1980). Performance and Satisfaction of Bank Managers. *Journal of Bank Research*. 11 (1), 36-42.
- Federico, J. M., Federico, P., & Lundquist, G. W. (1976). Predicting Women Turnover as a Function of Extend of Met Salary Expectations and Biodemographic data. *Personnel Psychology*. , 559 -566.
- Garrison, K. R., & Muchinsky, P. M. (1977). Attitudinal and Biographical Predictors of Incidental Absenteeism. *Journal of Vocational Behaviour*. , 221-230.
- Gregson, J. A., & Bettis, P. J. (1991). Secondary trade and Industrial Education Work Values Instructions: Emancipatory or Indoctrination? Paper Presented at the American Vocational Association. Convention. Los Angeles: CA.
- Griffin, R. W. (1980). Relationships among individual, task design, and leader behavior variables. *Academy of Management Journal*, 23(4), 665-683.

- Gubruz, A. (2007). Assessment on the Effect of educational Level on the Job satisfaction from the Tourism Sector Point of View. *D.ogus Universitesi Degrisi*, 8 (1), 36-46.
- Hackett, K. M., & Sellen, D. (2015). Job satisfaction, self-efficacy, and performance of community health workers participating in a mobile health (mHealth) program to improve maternal, newborn and child health (MNCH) in Rural Tanzania. *Annals of Global Health*, 81(1), 75.
- Hackett, K. M., & Sellen, D. (2015). Job satisfaction, self-efficacy, and performance of community health workers participating in a mobile health (mHealth) program to improve maternal, newborn and child health (MNCH) in Rural Tanzania. *Annals of Global Health*, 81(1), 75.
- Herzberg, F., Mausner, B., Peterson, R. O., & Capwell, D. F. (1957). Job Attitudes: Review of Research and Opinion. *Psychological Service of Pittsburgh*.
- Hunter, J. E., & Hunter, R. F. (1984). Validity and Utility of Alternative Predictors of Job Performance. *Psychological Bulletin*, 96, 72-98.
- Hussin, A. B. (2011). *The Relationship between Job Satisfaction and Job Performance among Employees in Trade winds Group of Companies*. Master's Project Submitted in Partial Fulfilment of the Requirements of the Degree of Master of Human Resources Management. University of Malaysia.
- Ilham, D. M. (2009). *The Role of Work Motivation on Employees Performance*. Master's Thesis. Kadah: University Utara Malaysia.

- Judge, T. A., Thoresen, C. J., Bono, J. E., & Patton, G. K. (2001). The job satisfaction–job performance relationship: A qualitative and quantitative review. *Psychological Bulletin*, 127(3), 376.
- Judge, T. A., Thoresen, C. J., Pucik, V., & Welbourne, T. M. (1999). Managerial coping with organizational change: A dispositional perspective. *Journal of Applied Psychology*, 84(1), 107.
- Kanfer, R., & Ackerman, P. L. (2004). Aging, Adult Development and Work Motivation. *Academy of Management Review*, 29 (3), 440-458.
- Kapoor, D. (1967). Some Determinants of Job Satisfaction. *Indian Journal of Social Research*, 51-54.
- Kavanaugh, J., Duffy, J. A. & Lilly, J. (2006). The relationship between job satisfaction and demographic variables for healthcare professionals. *Management Research News*, 29(6), 304-325.
- Kaya, E. (1995). *Job satisfactions of Librarians in the Developing Countries*. 61st IFLA General Conference. Istanbul: IFLA General Conference.
- Khalizani, K., Hamisah, M. S., & Siew-Phaik, L. (2011). Demographic Profiling on Job Satisfaction in Malaysian utility Sector. *International Journal of Academic Research*, 3 (4), 192-198.
- Koustelios, A. D. (2001). Personal characteristics and job satisfaction of Greek teachers. *International Journal of Educational Management*, 15(7), 354 – 358.

- Lee, C., Ashford, S. J., & Bobko, P. (1990). Interactive effects of "Type A" behavior and perceived control on worker performance, job satisfaction, and somatic complaints. *Academy of Management Journal*, 33(4), 870-881.
- Locke, E. A. (1970). Job satisfaction and job performance: A theoretical analysis. *Organizational Behavior and Human Performance*, 5(5), 484-500.
- Locke, E. A. (1976). The Natures and Causes of Job Satisfaction. In M. D. (ED), *Handbook of Industrial and Organizational Psychology*. (p. 1300). Chicago.: Rand McNally.
- Machumu, H. J., & Kaitila, M. M. (2014). Influence of leadership styles on teachers job satisfaction: A case of selected primary schools in Songea and Morogoro districts, Tanzania. *International Journal of Educational Administration and Policy Studies*, 6(4), 56-61.
- Mpeka, R. L. (2012). A study to examine the determinants of job satisfaction for professional accountants in Tanzania. *Afro-Asian Journal of Finance and Accounting*, 3(1), 15-33.
- Natraj, L., & Hafeez, A. (1965). A Study of Job Satisfaction among Skilled Workers. *Indian Journal of Social Work*, 26 (1), 9-12.
- Ngimbudzi, F. W. (2009). *Job satisfaction among secondary school teachers in Tanzania: The case of Njombe District*.
- Nguni, S. C. (2005). Transformational leadership in Tanzanian education: a study of the effects of transformational leadership on teachers' job satisfaction,

organizational commitment and organizational citizenship behaviour in Tanzanian primary and secondary schools. [Sl: sn].

Okpara, J. O. (2004). Personal characteristics as predictors of job satisfaction: An exploratory study of IT managers in a developing economy. *Information Technology & People* 17(3) 327-338.

Pallant, J. (2013). *SPSS Survival Manual: A step by step guide to data analysis using the IBM SPSS*. 5th edition. Berkshire: McGraw Hill.

Paton, N. (2011, June). Management Issues: Research. Retrieved 2014, from Management Issues: <http://www.management-issues.com>.

Paul, E. P. & Phua, S. K. (2011). Lecturers' job satisfaction in a public tertiary institution in Singapore: Ambivalent and non-ambivalent relationships between job satisfaction and demographic variables. *Journal of Higher Education Policy and Management*, 33(2), 141–151.

Rao, A. (1971). Social-Personal Correlates of Job Satisfaction. *Journal of Applied Psychology*, 55, 7.

Robbins, S. B., Davenport, M., Anderson, J., Kliewer, W., Ingram, K., & Smith, N. (2003). *The role of Motivation and Self-regulatory on First_ yaer College Adjustment*. Unpublished Manuscript . Iowa.

Saifudin, Z. K., & Nawaz, A. (2010). Impacts of Demographic Variables on Job Satisfaction of Academicians in Universities of NWFP. *Bulletin of Research and Development*, 32 (1), 53-68.

- Saleem, I., Hussain, S. A., & Saleem, A. (2012). Factors Affecting Job Satisfaction of Pakistan Bankers. *Journal of Business Strategies*, 6 (2), 21-29.
- Sarker, S. J., Crossman, A. & Chinmeteeputuck, P. (2003). The relationships of age and length of service with job satisfaction: an examination of hotel employees in Thailand. *Journal of Managerial Psychology*, 18 (7), 745-758.
- Sattar, A., Khan, S., & Nawaz, A. (2010). Predictor of job Satisfaction: A survey a District Executives in NWFP, Pakistan. *Gomal University Journal of Research*, 26 (1), 107-122.
- Saunders, M., Lewis, P., & Thornhill, A. (2012). *Research Methods for Business Students* (5th ed.). London: Prentice Hall/Pitman.
- Sauza-Poza, A., & Sauza-Poza, A. A. (2007). The Effects of Job Satisfaction on Labour Turnover by Gender: An Analysis for Switzerland. *The Journal of Socio-Economics*, 36, 895-913.
- Shore, L. M., & Martin, H. J. (1989). Job satisfaction and organizational commitment in relation to work performance and turnover intentions. *Human relations*, 42(7), 625-638.
- Shore, L. M., & Martin, H. J. (1989). Job satisfaction and organizational commitment in relation to work performance and turnover intentions. *Human relations*, 42(7), 625-638.
- Sinha. (1958). Job Satisfaction in Office and Manual Workers. *Indian Journal of Social Work*, 39-46.

- Spector, P. (1997). *Job Satisfaction: Application, Assessment, Causes and Consequences*. California: Sage.
- Tlaiss, H.A. (2013) Determinants of job satisfaction in the banking sector: the case of Lebanese managers. *Employee Relations*, 35 (4), 377-395.
- Wang, M., & Chen, Y. (2006). Age Difference in Attitude Change: Influence of Cognitive Resource and Motivation on Responses to Argument Quantity. *Psychology and Aging* , 21 (3), 581-589.
- Watson, C. J. (1981). An Evaluation and some Aspect of the Steers and Rhodes Model of Employee Attendance. *Journal of Applied Psychology* , 385-389.
- Zhou, Z., Jin, X. L., Vogel, D. R., Fang, Y., & Chen, X. (2011). Individual Motivations and Demographic Differences in Social virtual World Uses: An Exploratory Investigation in Second life. *International Journal of Informational Management*. 261-271.

APPENDICES

APPENDIX 1: QUESTIONNAIRES

Introduction

I am Anneth Paul Matolo, student at the Open University of Tanzania (OUT) taking Master degree in Human Resource Management (MHRM). I am conducting a research entitled of “Determinants of job satisfaction and its effect on employee performance in Banking industry” as a partial fulfilment of the requirements for the degree of Master of Human Resource Management ofThe Open University of Tanzania

As a part of my primary data collection method, I request you to kindly spare your time to attend to this questionnaire. It is estimated that the questionnaire will take less than 15 minutes of your time. I undertake to use the information you provide for the stated purpose and that it will be treated with utmost confidentiality and your identity will be protected throughout.

SECTION A: Please circle the number against each statement provided that comes closest to reflect your opinion regarding your job.

(1=Disagree very much, 2= Disagree moderately, 3= Disagree slightly, 4= Agree slightly, 5= Agree moderately, 6= Agree very much)

	STATEMENT	Disagree very much	Disagree moderately	Disagree slightly	Agree slightly	Agree moderately	Agree very much
1	I feel I am being paid a fair amount for the work I do.	1	2	3	4	5	6
2	There is really too little chance for promotion on my job.	1	2	3	4	5	6
3	My supervisor is quite competent in doing his/her job.	1	2	3	4	5	6
4	I am not satisfied with the benefits I receive.	1	2	3	4	5	6
5	When I do a good job, I receive the recognition for it that I should receive.	1	2	3	4	5	6
6	Many of our rules and procedures make doing a good job difficult.	1	2	3	4	5	6
7	I like the people I work with.	1	2	3	4	5	6
8	I sometimes feel my job is meaningless.	1	2	3	4	5	6
9	Communications seem good within this organization.	1	2	3	4	5	6
10	Raises are too few and far between.	1	2	3	4	5	6
11	Those who do well on the job stand a fair chance of being promoted.	1	2	3	4	5	6

12	My supervisor is unfair to me.	1	2	3	4	5	6
13	The benefits we receive are as good as most other organizations offer.	1	2	3	4	5	6
14	I do not feel that the work I do is appreciated.	1	2	3	4	5	6
15	My efforts to do a good job are seldom blocked by red tape.	1	2	3	4	5	6
16	I find I have to work harder at my job because of the incompetence of people I work with.	1	2	3	4	5	6
17	I like doing the things I do at work.	1	2	3	4	5	6
18	The goals of this organization are not clear to me.	1	2	3	4	5	6
19	I feel unappreciated by the organization when I think about what they pay me.	1	2	3	4	5	6
20	People get ahead as fast here as they do in other places.	1	2	3	4	5	6
21	My supervisor shows too little interest in the feelings of subordinates.	1	2	3	4	5	6
22	The benefit package we have is equitable.	1	2	3	4	5	6
23	There are few rewards for those who work here.	1	2	3	4	5	6
24	I have too much to do at work.	1	2	3	4	5	6
25	I enjoy my co-workers.	1	2	3	4	5	6
26	I often feel that I do not know what is going on with the organization.	1	2	3	4	5	6
27	I feel a sense of pride in doing my job.	1	2	3	4	5	6
28	I feel satisfied with my chances for salary increases.	1	2	3	4	5	6
29	There are benefits we do not have which we should have.	1	2	3	4	5	6
30	I like my supervisor.	1	2	3	4	5	6

31	I have too much paperwork.	1	2	3	4	5	6
32	I don't feel my efforts are rewarded the way they should be.	1	2	3	4	5	6
33	I am satisfied with my chances for promotion.	1	2	3	4	5	6
34	There is too much bickering and fighting at work.	1	2	3	4	5	6
35	My job is enjoyable.	1	2	3	4	5	6
36	Work assignments are not fully explained.	1	2	3	4	5	6

SECTION B: Against each of the following statements, please circle the number that closest reflect your opinion on how you rate your job performance in the current organization.

(7 = Among the upper 5%; 6= Among the upper 10%; 5= Among the upper 20%; 4 = Among the upper 30%; 3= Among the upper 40%; 2= Among the upper 50%, 1= Among the lower 50%)

		Among the upper 5%	Among the upper 10%	Among the upper 20%	Among the upper 30%	Among the upper 40%	Among the upper 50%	Among the lower 50%
37	How do you evaluate the performance of yourself at your job compared with that of your peers doing the same kind of work?	7	6	5	4	3	2	1

38	How do you evaluate the performance of your peers at their jobs compared with yourself doing the same kind of work?	7	6	5	4	3	2	1
39	How do you evaluate your performance on the job compared to peers with similar qualifications?	7	6	5	4	3	2	1
40	How do you evaluate your performance on the job compared to that of bankers with similar qualifications in other banks?	7	6	5	4	3	2	1

SECTION C: Here are four other statements about you and your job. How much do you agree or disagree with each? Indicate by circling the number which closely reflect the degree of your agreement or disagreement to each statement where; 1 = Strong Disagree, 2 = Disagree, 3 = Slightly Disagree, 4 = neither Agree nor Disagree, 5 = Slightly Agree, 6 = Agree, 7 = Strongly Agree.

		Strongly Disagree	Disagree	Slightly Disagree	Neither Agree Nor Disagree	Slightly Agree	Agree	Strongly Agree
41	I will probably look for a new job in the next year	1	2	3	4	5	6	7
42	I often think about quitting	1	2	3	4	5	6	7
43	Presently, I am actively searching for other job	1	2	3	4	5	6	7
44	The first pages of a newspaper I read daily are the job advertisement pages.	1	2	3	4	5	6	7

SECTION 1V

- 45 What is your age range?
- i) 25 years and below; (ii) 26 to 35 years; (iii) 36 to 45 years
 (iv) 46 to 55 years; (v) 55 years and above
- 46 What is your gender? (i) Male (ii) Female
- 47 Your Marital Status?
- (i) Marriage(ii) Single (iii) Widowed (iv) divorced
- 48 Educational Qualifications
- (i) Secondary education (ii) Diploma or Certificate
 (iii) Bachelor Degree (iv) Master Degree
 (v) PHDs
- 49 Length of service in banking industry
- (i) 5 years or less (ii) 6 to 10 years
 (iii) 11 to 15 years (iv) 16 to 20 years
 (v) 21to 25 years (vi) 26 to 30 years
 (vii) 31 years and above
- 50 Job position held by staff in current organization
- i) Top managerial level
 ii) Middle managerial level
 iii) Lower cadre

Please write branch/ working station

Appreciation; Thank you for your cooperation