

A COMPARATIVE ANALYSIS ON EMPLOYEE SATISFACTION: A STUDY ON CONVENTIONAL AND ISLAMI BANKS OF BANGLADESH

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Abstract:

The present study was designed to undertake a comparative study regarding employee satisfaction between conventional and islami banks of Bangladesh. Job satisfaction, compensation and benefit, promotion, supervision, communication, career development, work environment and work-life balance were selected as indicator of employee satisfaction. The sample was collected from five islami banks and five conventional banks. Fifty sample was collected from each type of bank. The study was conducted through a self-structured questionnaire. The results of the study indicated that the employee satisfaction is almost same for the both type of banks. However, the satisfaction is higher in conventional banks in case of job satisfaction and communication indicator.

Key Words: *Employee satisfaction, Islamic bank, conventional bank, Bangladesh*

JEL Classification: *C12, G21, J28, M54*

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1. Introduction

Employee satisfaction is crucial issue for today's organization. Extensive study has shown that employee satisfaction has a direct impact on the performance of employees in different profession. In Bangladesh, the demand for financial services has increased dramatically in recent years. For this reason, there is a rapid growth of private commercial bank has taken place. Moreover, there is an increasing trend in Islamic banking in Bangladesh. That is why, Islamic banking operation has occupied a greater place in banking sector of Bangladesh. Contemporary banking business considers the job of satisfying their employees most important for retaining their valuable skilled workforce (Islam & Hasan, 2005). The study tries to make a comparison between satisfaction level of employees of conventional and Islamic banks.

2. Literature Review

Although there is a large body of literature job satisfaction, the literature that particularly focuses on employee satisfaction of conventional bank compared to Islamic bank in Bangladesh is relatively smaller. However, we are going to review several studies that seem to be close to our study.

Shaheen and Nokir (2012) measured the job satisfaction of the bankers of Janata Bank Limited. They found that the job satisfaction of bankers mainly depends on salary, promotion, promotion, supervision, benefits, rewards, operating procedure, co-worker, nature of work, communication etc.

Masud, Hemanta and Sampa (2006) identified the important job satisfaction factors that are assoiated with the overall satisfaction of bank employees. Factors including payment, healthy relationship with colleagues, sense of personal accomplishment, adequate information available to do job, ability to implement new ideas and overall job satisfaction are found important for improving job satisfaction of bank employees in Dhaka city.

Professor Herzberg , Mausner and Synderman in 1959, after conducting a massive study developed 'Two Factor Theory' that identifies two set of factors contributing to Job satisfaction and dissatisfaction . Those are (1) *Hygiene factors*: salary, relation with superior and peer, quality of technical supervision, company policy and administration, working condition etc. and (2) *Motivation factors*: Achievements, recognition, work itself, responsibility, advancement and possibility of growth.

3. Objectives

The present study is aimed at making comparative analysis about satisfaction of conventional bank employees and Islamic banks employees of Bangladesh.

More specifically we can furnish the objectives as follows:

- To find out overall job satisfaction of conventional and Islamic bank employees.
- To identify the factors responsible for satisfaction or dissatisfaction of the employees of conventional and Islamic banks.

4. Methodology

4.1 Data and Information

The study is conducted based on information collected from primary sources. Data were collected from personal interview through a self-structured questionnaire.

4.2 Sample size

Fifty sample was collected from islami banks and also 50 sample was collected from conventional banks. Sample was collected randomly on the basis of availability.

4.3 Statistical tools used

- a) Descriptive statistics: Mean, standard deviations were calculated through SPSS software.
- b) Z-test: Z-ratio was computed to find whether the the difference between those banks are statistically significant.

4.4 Analytical Framework

Mean and standard deviation was calculated for each indicator separately for both type of banks. Then to compare the mean value of each indicator Z-test was used. From the test the findings wasdrawn whether the difference of mean value is statistically significant.

5.Result analysis

Table 1

Parameter	z value (calculated)	Remarks
Job satisfaction	-6.181*	Null hypothesis rejected.
Compensation and benefit	0.419*	Null hypothesis accepted.
Training and development	-0.0675*	Null hypothesis accepted.
Promotion	0.8625*	Null hypothesis accepted.
Supervision	0.9128*	Null hypothesis accepted.
communication	-1.3452****	Null hypothesis rejected.
Career development	-1.2475*	Null hypothesis accepted.
Work environment	-0.1692*	Null hypothesis accepted.
Work-life balance	0.2822*	Null hypothesis accepted.

Note: * stands for 99% confidence level ($\alpha = 0.01$), ** stands for 95% confidence level ($\alpha = 0.05$), *** stands for 90% confidence level ($\alpha = 0.10$), **** stands for 80% confidence level ($\alpha = 0.20$)

5.1 Job satisfaction

	Islamic bank	Conventional bank
Mean	4.2	4.436
Standard deviation	1.095	0.844
Sample size	50	50

From the table 4.1.1, it has been seen that the null hypothesis is rejected. The observed value of z is -6.181 which falls in the rejection region and thus we reject H_0 at 99% confidence level and conclude that the job satisfaction of Islamic bank and conventional bank differs significantly. That means the job satisfaction of conventional bank is higher.

5.2. Compensation and benefit

	Islamic bank	Conventional bank
Mean	3.91	3.815
Standard deviation	1.1085	1.156
Sample size	50	50

From the table 4.1.1, it has been seen that the null hypothesis is accepted. The observed value of z is 0.419 which falls in the acceptance region at 99%, 95%, 90% and even at 80% confidence level and conclude that the compensation and benefit of Islamic bank and conventional bank don't differ significantly.

5.3 Training and development

	Islamic bank	Conventional bank
Mean	4.18	4.193
Standard deviation	0.956	0.967
Sample size	50	50

From the table 4.1.1, it has been seen that the null hypothesis is accepted. The observed value of z is -0.0675 which falls in the acceptance region at 99%, 95%, 90% and even at 80% confidence level and conclude that the difference of training and development between Islamic bank and conventional bank is statistically insignificant.

5.4 Promotion

	Islamic bank	Conventional bank
Mean	3.96	3.76
Standard deviation	1.179	1.1363
Sample size	50	50

From the table 4.1.1, it has been seen that the null hypothesis is accepted. The calculated value of z is 0.8625 which falls in the acceptance region at 99%, 95%, 90% and even at 80% confidence level and conclude that in case of promotion the difference between Islamic bank and conventional bank is statistically insignificant.

5.5 Supervision

	Islamic bank	Conventional bank
Mean	4.136	4.296
Standard deviation	0.955	0.7858
Sample size	50	50

From the table 4.1.1, it has been seen that the null hypothesis is accepted. The calculated value of z is 0.9128 which falls in the acceptance region at 99%, 95%, 90% and even at 80% confidence level and conclude that in case of supervision the difference between Islamic bank and conventional bank is statistically insignificant.

5.6 Communication

	Islamic bank	Conventional bank
Mean	4.01	4.245
Standard deviation	0.854	0.8898
Sample size	50	50

From the table 4.1.1, it has been seen that the null hypothesis is rejected. The observed value of z is -1.3452 which falls in the rejection region and thus we reject H_0 at 80% confidence level and conclude that the difference between Islamic and conventional bank is statistically significant. That means the satisfaction regarding communication of conventional bank is higher.

5.7 Career development

	Islamic bank	Conventional bank
Mean	4.135	4.375
Standard deviation	0.9875	0.9205
Sample size	50	50

From the table 4.1.1, it has been seen that the null hypothesis is accepted. The calculated value of z is -1.2475 which falls in the acceptance region at 99%, 95%, 90% and even at 80% confidence level and conclude that in case of career development the difference between Islamic bank and conventional bank is statistically insignificant.

5.8 Work environment

	Islamic bank	Conventional bank
Mean	4.11	4.145
Standard deviation	1.0528	1.0128
Sample size	50	50

From the table 4.1.1, it has been seen that the null hypothesis is accepted. The observed value of z is -0.1692 which falls in the acceptance region at 99%, 95%, 90% and even at 80% confidence level and conclude that the satisfaction with work environment of Islamic bank and conventional bank don't differ significantly.

5.9 Work-life balance

	Islamic bank	Conventional bank
Mean	3.272	3.206
Standard deviation	1.3136	1.0024
Sample size	50	50

From the table 4.1.1, it has been seen that the null hypothesis is accepted. The observed value of z is 0.2822 which falls in the acceptance region at 99%, 95%, 90% and even at 80% confidence level and conclude that the difference of

satisfaction regarding work-life balance between Islamic and conventional bank is statistically insignificant.

6. Summary and conclusion

We found that among 9 indicators of employee satisfaction, only 2 indicators (job satisfaction and communication) differ significantly between Islamic and conventional bank and in both case the satisfaction is higher in case of conventional bank. On the other hand, the rest 7 indicators don't differ significantly. The difference is very slight that we can draw a conclusion that the employee satisfaction of Islamic bank and conventional bank is almost same. However the Islamic banks should concentrate more to raise job satisfaction and communication among employees.

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