

# **CHAPTER 1**

## **INTRODUCTION**

Job satisfaction and its related causes are amongst the most popular and widely debated topics in the areas of organizational behavior and employment relations (Butler, 1990; Pfeffer, 1990; Selladurai, 1991). The reasons for this popularity and interest are quite varied and are well documented (Locke, 1969; 1976; Smith et al., 1976;1977; Petty et al., 1984; Yitzhak, 1991). Amongst these reasons is the idea that an understanding of the potential correlates or antecedents of satisfaction should assist the development of applied models of organizational behavior (Yitzhak, 1991). Yet, despite the proliferation of studies on work attitudes, our understanding of the above causes has not advanced at a pace commensurate with research efforts (Selladurai, 1991). This is more evident when one considers the degree of confusion and antagonisms that suggestions from previous research have generated in various fields of application (Butler, 1990; Yitzhak, 1991).

This paper attempts to study job satisfaction to work of employees at Maybank in the Klang Valley.

### **1.1 OBJECTIVE OF THE STUDY**

In today's industrialized society, besides acquiring financial and physical resources, every organization needs people in order to function. The single most valuable asset of any organization is the people who work for it. A company's growth and development, its ability to reach expected goals, to realize an acceptable return on investment, to provide quality goods and services, and to survive and prosper are direct reflections of its manpower. Finally, the ability of each employee in each organization to contribute to the quality of life and, in turn, to be enriched by that

quality is largely a product of the successful interaction between man and the environment in which he functions (Peskin, 1971).

Katz and Kahn (1978) mentioned that organizations have three behavioral requirements ;-

- i. people must be attracted not only to join the organization but also to remain in it i.e. to RECRUIT & RETAIN;
- ii. people must perform the tasks for which they are hired, and must do so in a dependable manner, and;
- iii. people must go beyond this dependable role performance and engage in some form of creative, spontaneous, and innovative behavior at work.

As such, this paper in general attempts to study Job Satisfaction of employees at Maybank and examine the level of Job Satisfaction on each job facet as well as Overall Job Satisfaction .

## 1.2 RESEARCH HYPOTHESES

One of the questions raised in this study is whether there is a differential amount of job satisfaction among the employees at Maybank as a function of the differences in demographic background. Another important question dealt with in this study is the importance and the relative effects of several dimensions of work or work factors such as the adequacy of resources, monetary rewards, career development opportunity, relationship with their supervisors, co-workers, the relative comfort and convenience of the work place, as well as the occupational status and job satisfaction of work. These were some of specific aspects of work that this study has probed. Therefore, based on the information and rationale gathered by way of literature review, and based on analysis derived from personal experience working in Maybank for the past six years, the following hypotheses were formulated;

1.2.1. There is no significant relationship between the overall job satisfaction and satisfaction of the following job facets; work, supervision, co-workers, pay, promotion prospects and working conditions.

1.2.2. There is no significant difference between the overall job satisfaction of employees among the following categories of demographic groups:-

- 1.2.2.1 Head Office and Branches;
- 1.2.2.2 Male and Female;
- 1.2.2.3 Married and Single;
- 1.2.2.4 Those who have children and those without children;
- 1.2.2.5 Executive/Officer and Clerical Staffs;
- 1.2.2.6 Union members and Non-union members;
- 1.2.2.7 Five categories of Age Groups;
- 1.2.2.8 Ethnic groups of Malay, Chinese, and Indian;
- 1.2.2.9 Five categories of Tenure Groups/Length of Service;
- 1.2.2.10 Four categories of Educational Level Groups;
- 1.2.2.11 Four categories of Income Groups, and;
- 1.2.2.12 Three categories of number of companies that you have been working prior to present job.

1.2.3. There is no significant difference in the job satisfaction level of the job facets of employees among the following demographic groups:-

- 1.2.3.1 Head Office and Branches;
- 1.2.3.2 Male and Female;
- 1.2.3.3 Married and Single;
- 1.2.3.4 Those who have children and those without children;
- 1.2.3.5 Executive/Officer and Clerical Staffs;
- 1.2.3.6 Union members and Non-union members;
- 1.2.3.7 Five categories of Age Groups;
- 1.2.3.8 Ethnic Groups of Malay, Chinese and Indian;
- 1.2.3.9 Five categories of Tenure/Length of Service;
- 1.2.3.10 Four categories of Educational Level Groups;
- 1.2.3.11 Four categories of Income Level Groups, and;
- 1.2.3.12 Three categories of numbers of companies you have been working prior to present job.

### 1.3 DEFINITION OF TERMS

To allow for proper interpretation of findings, it is necessary to define the meaning of the terms to be used in this study especially those used in formulating the hypothesis; job satisfaction, employees and background of Maybank are hence explained and defined below.

#### 1.3.1 Job Satisfaction

The job satisfaction concept has been widely used and in many cases, somewhat vaguely defined. In many instances, people who deal with job satisfaction construct their own definition, which rarely corresponds with other writers' definitions. Locke (1976) defines job satisfaction as "a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". Later, after he reviewed the major theories of job satisfaction he expanded the definition as follows :-

"It is hypothesized that job satisfaction results from the appraisal of one's job as attaining or allowing the attainment of one's important job values, providing these values are congruent with or help to fulfill one's basic needs. These needs are of two separable but interdependent types; bodily or physical needs and psychological needs, especially the need for growth. Growth is made possible mainly by the nature of the work itself" (Harpaz, 1983).

Smith et al. (1969) proposed that "job satisfactions are feelings or affective responses to facets of the situation". In this sense, job satisfaction is an attitude, specifically, an attitude toward one's job. This definition is further supported by Herzberg et al. (1959) that job satisfaction is the way a person feels about a job relating to the tasks and performance on the job situation. The term 'job satisfaction' is most frequently used in referring to how people doing all types of work, feel and think about their jobs.

The concept of "job satisfaction" is one of the consequences of "need satisfaction". In effect, job satisfaction is experienced when the job satisfies some or all of the individuals' work-related needs. Job satisfaction is a concept that is not appropriately applied to the satisfaction of single, individual needs. Rather, it results from an

awareness that one's job provides an environment in which one's primary work-related needs can be satisfied on a continuing basis (Kolstad, 1938).

People who work in organizations usually develop some set of attitudes which could be described by the universal term job satisfaction. Job satisfaction, like other attitudes, is made up of affective, cognitive and behavioral components; can be in varying consistency and magnitude; can be obtained from diverse sources; and have different functions for the individual.

### 1.3.2 Employee

Employee is defined as any person or class of persons who have been employed by Maybank including permanent staff, contractual or apprentice. In this study employees include Clerks, Officers 1 and Officers 2 in the Klang Valley.

Officer 1 refers to those employees who assume higher responsibility and who have a minimum of one Officer 2 and seven clerical staff under them. Whereas, Officer 2 who assumes less responsibility, report to Officer 1, and has a minimum of one subordinate/clerk. Clerical staffs are those who assist the Officers and who assume no responsibility at all.

### 1.3.3 Background of Maybank

Maybank, a leading financial services group in Malaysia, was incorporated on 31st May 1960 with an authorized capital of RM20.00 million and a paid up capital of RM7.50 million made up of 1.5 million shares at RM5.00 each.

The founders of the Bank resolved that the Bank should have a clear Malaya character with regard to the shareholders, management and staff as well as its trading policy. Therefore, right from the beginning, Malaysian citizens and companies constituted the majority of the shareholders. The Tiger head was chosen as the logo to reflect the Malaysian identity of the Bank.

The Bank opened its doors for business at Jalan Bandar, Kuala Lumpur on 12th September, 1960 with a staff strength of 25 people. Thereafter, the bank expanded rapidly throughout the country and later in neighboring countries. By the end of June

1961, the Bank had 20 branches in Malaysia, four in Singapore and one in Brunei. During this period of rapid growth, the paid up capital was raised to RM10.00 million by an additional issue of 500,000 shares at RM5.00 each to cater for the rapid growth. In 1962, Maybank was listed on the Stock Exchanges of Malaya and Singapore. In 1965, the RM5.00 shares were converted to RM1.00 shares.

Business grew rapidly. Thirty four years later, total deposits and loans exceeded RM60.00 billion and RM39.00 billion respectively. As at 30th June 1994, it had an authorized capital of RM2.00 billion and a paid-up capital of RM1,141 million. The number of branches in operation increased to 226 in Malaysia, 22 in Singapore, two in Brunei and one each in Hong Kong, London, New York, Phnom Penh, Tashkent, and Beijing. It also provides the largest Automated Teller Machines (ATMs) network in Malaysia (620 machines). Human resource has increased to 11,262 people. There are a total of 3 Unions in Maybank i.e. NUBE for clerical staffs, AME for officer 2 and lately AMCO for officer 1 which was formed in January 1993.

Maybank also introduced an attractive package of benefits and remuneration to its employees. The following are some of the benefits which have been newly introduced or upgraded over the past two years :-

1. treatment cost for heart ailments,
2. staff housing loan plus second staff housing loan,
3. gratuity,
4. vaccination costs,
5. overseas official duties,
6. overtime and allowances,
7. cost of eye examination and spectacles,
8. traveling expenses,
9. computer loan,
10. car loan, etc.

The purpose of all these benefits and remuneration is to recruit and retain the employees of Maybank.

## **1.4 SCOPE OF THE STUDY**

The study is confined to Maybank in the Klang Valley only. To date, the number of branches in operation has increased to 226 in Malaysia, of which, 34 branches are in the Federal Territory of Kuala Lumpur and 41 branches in Selangor. In terms of work force, more than 60% of the 11,262 employees in Maybank are stationed in the Klang Valley. This study involves only employees in the categories of clerk, officer 2 and officer 1.

## **1.5 LIMITATIONS OF THE STUDY**

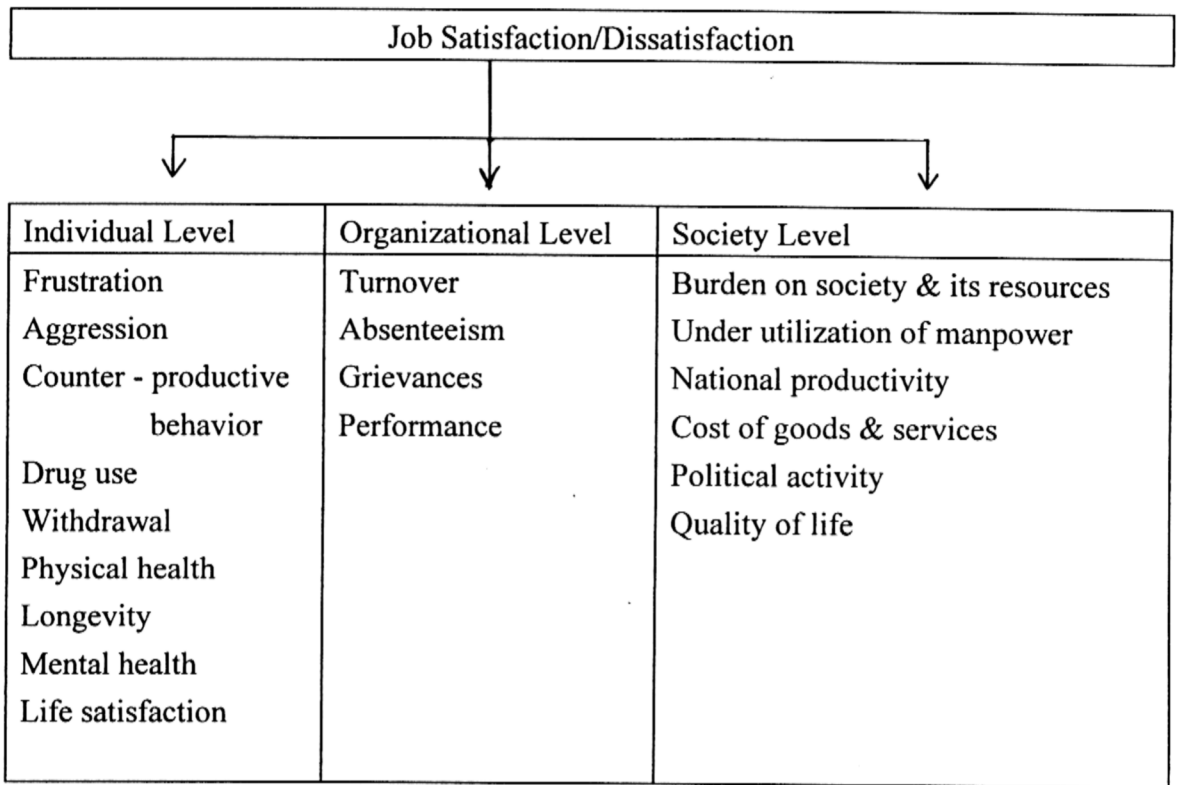
The study has several limitations as follows:-

- 1.5.1 The study is confined to the Klang Valley only, as such the sample selected is inadequate to reflect the job satisfaction of employees throughout Maybank in Malaysia.
- 1.5.2 The study is confined only to the non-managerial employees at Maybank, i.e. officer 1, officer 2 and clerks. The reason is management in Maybank does not allow this study to be conducted. Thus, the study is not able to cover the employees at managerial levels.

## **1.6 SIGNIFICANCE OF THE STUDY**

In most industrialized societies, people generally spend nearly half of their day's activities on the job. If that job does not provide some challenge and satisfaction, the person may feel frustrated, and this may be costly to the INDIVIDUAL, to the EMPLOYER and to the ECONOMY AND SOCIETY in general (Harpaz, 1983) (Figure 1).

**Figure 1 : Summary of empirical findings on the consequences and influence of job satisfaction/dissatisfaction on the individual, the organization and the society (Harpaz, 1983).**



Job dissatisfaction may have considerable impact on society as a whole. Based on major research on job satisfaction which have been conducted in the past few decades, Quinn et al. (1974) have made the following observations about dissatisfied workers and the implications on society :-

- i. Employees may become a burden to the society when, as a result of their job dissatisfaction, their jobs are terminated and they have to rely on unemployment benefits which drain national resources. In addition, they also may place a heavier encumbrance on national health care systems, if their mental or physical health is impaired by their jobs.
- ii. Dissatisfied workers may also contribute less to the society than they are able or wish to, since their skills and education are underutilized or abused.
- iii. Behavior such as excessive absenteeism, high turnover, sabotage, accidents etc., which are associated with employee dissatisfaction, will have an



influence on productivity levels and product cost. This in turn may impact on the total society as cost of goods and services rise while quality goes down.

- iv. Political behavior - A nationwide sample of 1500 employees revealed some relationship between job dissatisfaction and extremist political voting behavior (Sheppard and Herrick, 1972). Alienated workers were found to believe, much more than non-alienated, that political change is conceivable, and that the individual can take a role in making such change possible. According to Sheppard and Herrick (1972), alienation is closely related to job dissatisfaction and this was supported by Aiken and Hage (1976) that alienation is even defined as dissatisfaction.

This study will contribute towards better understanding of the direct effect of individual work values on the level of job satisfaction. It will also provide information in an area where there is a lack of such information. Most of the studies on responses to job and values towards work have been carried out in the United States. Hopefully it would provide further insight and understanding of the attitude and response of the Malaysian worker towards work in general. Hence it might prove useful for those people who intend to implement job redesign programs for workers in their organization.

This study allows the employees to express their view on their jobs. It also allows the employer to find out the level of job satisfaction of their employees in order for them to solve the grievances before reaching a critical point. This study not only offers some insight on job grievances of low-ranking employees, it also assists management in identifying the factors influencing the job attitudes of their employees and creating a harmonious work place. The findings of this study should contribute towards the healthy growth of this key financial institution, as well as promote research on job satisfaction here. In addition, it should also serve as a means of assessing the general level of employee job satisfaction in this industry.

## **1.7 ORGANIZATION OF THE STUDY**

This study comprises five chapters, including this one that serves as an introduction and detail the objectives of the study. Chapter 2 provides a review of some of the literature considered relevant to this study, such as the concept of job satisfaction, the dimensions of job satisfaction, the determinants of job satisfaction, measuring job satisfaction and the relationship between demographic factors and job satisfaction. The research methodology is discussed in detail in Chapter 3. The profile of the sample population, the nature of the research instruments used and the type of statistical methods used for analyzing the results are presented in this Chapter. The research findings are presented and analyzed in Chapter 4. The final Chapter provides a discussion of the findings from the study. A summary of the main findings from the study, the implications and some recommendations for further research are also given in this Chapter.