

**Factors Influencing Job Satisfaction of Gen X and Gen Y in a Financial Institution:
A Case Study of Global Payment Service Department**

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Abstract

Financial institutions are very competitive and developing its human resources is one of the strategies to make companies strong and competitive. Job satisfaction is one of the key factors that motivate employees to do their best. In this research, data was collected using offline and online questionnaire from 135 employees who currently work at a Global Payment Service Department. The survey included five-point Likert scale to measure four independent variables (participation in decision making, empowerment, reward and recognition and workplace environment) and job satisfaction. The findings indicated that it is important for managers to improve job satisfaction to enhance retention rate and job loyalty.

Keywords: job satisfaction, participation in decision making, empowerment, reward and recognition and workplace environment.

Introduction

Human resource is a key for success or failure of the business. Many big organizations pay more attention to HR & Management or HRM, developing employee skills, creating good attitude towards organization, and job satisfaction to increase the company efficiency. The measurement of how happy people are with their work is employee satisfaction. The Universum Global workforce happiness index cites Belgium as the country where employees are the happiest in the world.

Moreover, the generations of employees can also affect job satisfaction because the perception of each generation is different. The generations in these organizations are Gen X and Gen Y. Workers in Generation X have independence and self-reliance while the younger generations prefer to complete the task by themselves in a friendly work environment.

Financial institutions in Thailand are very competitive and need to make human

management as one of the strategies to make the company strong and competitive with other companies by recruiting and managing human resource efficiently. Job satisfaction motivates employees to do the best and may the reduce turnover rate.

B. Bank is a major player in Southeast Asia in business and SME banking. It has over 1,200 branches and 240 business centers nationwide network. It is the largest bank in Thailand, with over 20,000 employees and increases every year. However, it is confronted with the turnover rate. This study focused only on the factors influencing job satisfaction which are Participation in decision making, Employee's empowerment, Reward and Recognition and Workplace Environment.

Literature Review

Job Satisfaction refers to the employee perspective with their job caused by favorable and unfavorable feeling. (Newstrom, 2007).

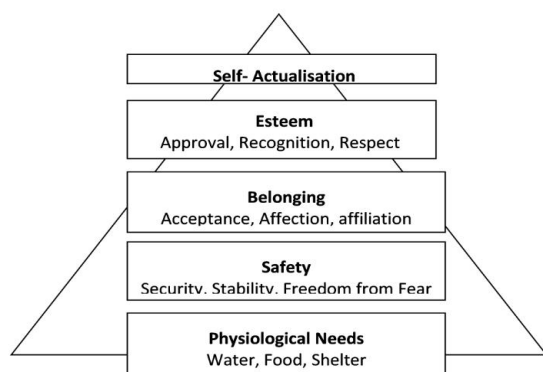


Figure 1 The hierarchy of Maslow's needs

Source: Hassard, Teoh, Cox, 2016

The hierarchy of Maslow's needs explains the motivation which ranges from physiological or basic need when people go for work to earn the money and get some of benefits such as healthcare. After the basic need is satisfied, they will move to 'Safety' to secure their lives which are served by the structure of company or work environment. 'Belonging' comes after Safety stage where the employees perceive that they belong and are accepted by their colleagues. Once this need is met, employees seek for the value of colleagues and organization. Lastly, at the 'Self-Actualization' level, the employees develop themselves to serve the company.

Participation in decision making

According to Waqas, Bashir, Sattar, Abdullah, Hussain, & Anjum, et al. (2014), participation in decision making has a positive strong relationship with job satisfaction. Appelbaum, Louis, Makarenko, Saluja, Meleshko, & Kulbashian (2013) also indicated that being a part of the decision making process has a significant relation with job satisfaction.

Empowerment

Spatz (2000) stated that empowerment linked to responsibilities as well as motivation in employee daily task increases satisfaction level, quality of working, job loyalty and productivity by giving employee self-respect. It also reduces the turnover rate. Ameer, Bhatti, & Baig (2014) showed that employees who are with authority effect on job satisfaction.

Reward and Recognition

Giving the reward is a tangible gift given to the one who contributes to company. This can be either formal or informal. Most companies give reward for completion of a particular task. The recognition is an acknowledgment of the employees contribution (Bowen, 2002). Reward and recognition are significant variables affecting job satisfaction. Sarwar and Abugre. (2013) showed the relation between reward and recognition job satisfaction. According to Jun, Cai, & Shin (2006), reward and recognition proved to be the key elements influencing the employee job satisfaction.

Workplace Environment

Donald and Siu (2001) found the link of workplace environment on job satisfaction. Many researchers supported this statement (Parvin, & Kabir, 2011). Pitaloka (2014) stated that the working environment leads to a positive effect on job satisfaction and company commitment. Chandrasekar (2011) argued that the productivity of the employee can be encouraged by the work environment.

Generation

Kupperschmidt (2000) defined generation as a group of age cohorts who share birth years and life experiences, which are influenced by a variety of crucial factors. Park and Gursoy (2012) stated that generation has a moderating effect on the job satisfaction. Moreover, among generations, they share the similar memory as they were born in the same period (Westerman & Yamamura, 2007).

Conceptual Framework

The Conceptual framework presents factors such as participation in decision making, employee empowerment, reward and recognition and workplace environment that could lead to job satisfaction. The worker's generation may influence different perception towards job satisfaction.

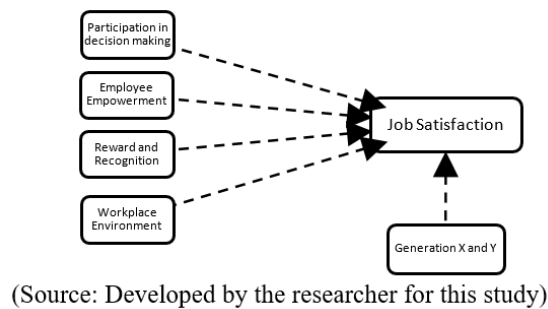


Figure 2 Conceptual Framework

Hypothesis

H1a: Participation in decision making has a significant relationship with Job Satisfaction of Gen X and Gen Y.

H2a: Employee's empowerment has a significant relationship with Job Satisfaction of Gen X and Gen Y.

H3a: Reward and Recognition has a significant relationship with Job Satisfaction of Gen X and Gen Y.

H4a: Workplace Environment has a significant relationship with Job Satisfaction of Gen X and Gen Y.

Research Methodology

The quantitative approach was applied in this study. Questionnaires were distributed to 135 employees working at the Global payment service division at a selected branch of B. Bank. The researcher applied non-probability random sampling technique. The independent sample t-test, correlation, and multiple regressions were used for data analysis.

The reliability analysis questionnaire as shown in Table 1 obtained the Cronbach's Alpha

= .921 indicating an acceptable reliability coefficient.

Table 1

Reliability Analysis of Research Instrument (N=30)

Variables	Number of items	Cronbach's Alpha
Job Satisfaction	5	.907
Participation in Decision Making	5	.932
Employee Empowerment	5	.934
Rewards and Recognition	5	.948
Workplace Environment	5	.856
Overall		.928

Data Analysis

Demographic of respondents

The demographic information of respondent is shown in Table 2 where 107 (79.3%) respondents are female and 28 (20.7%) are male. For the age between 16 to 35 years old or generation Y, 65 are female and 18 are male. For the ages between 36 to 56 years old, 42 are female and 10 are male.

Table 2

Descriptive Analysis

Gender		
<u>Attributes</u>	<u>Frequency</u>	<u>Percent</u>
Female	107	79.26%
Male	28	20.74%
Total	135	100.00%
Generation		
<u>Attributes</u>	<u>Frequency</u>	<u>Percent</u>
16-35 Years Female	42	31.11%
36-56 Years Female	65	48.15%
16-35 Years Male	10	7.41%
36-56 Years Male	18	13.33%
Total	135	100.00%

Hypothesis Testing

Correlation Analysis

Pearson correlation coefficient was applied to examine the direction of linear relationship between two variables. Table 3 shows the level of correlation between independent variables and dependent variable and their interpretations. Since, all variables have significant values at 0.01 levels (two tailed) and the value of the results was less than 0.01; therefore, the null hypotheses were then rejected.

All variables have positively strong relationship to independent variable except workplace environment which has positive moderate relationship.

Multiple Regression Analysis

In this study, the adjusted R Square value is .492 indicating that 49.2% of the variance in Job satisfaction can be predicted from the independent variables: Participation in Decision Making, Employee Empowerment, Rewards and Recognition, and Workplace Environment.

Table 3

Multiple Regression Analysis

Variables	B	Beta	Sig value
Participation in Decision Making	.276	.325	.003
Employee Empowerment	.290	.289	.003
Rewards and Recognition	.063	.074	.457
Workplace Environment	.145	.130	.097

The coefficient determines the significance degree of each independent variable on dependent variable. By considering the Sig. value in Table 3, independent variables having significance ($p < 0.05$) to Job Satisfaction are Participation in Decision Making ($p = 0.003$) and Employee Empowerment ($p = 0.003$). Whereas Rewards Recognition variable ($p = 0.457$) and Workplace Environment variable ($p = 0.097$) have no statistical significance on Job Satisfaction.

Independent sample t-test

The test was conducted to compare the difference in Job Satisfaction of Gen-X and Gen-Y. The 'Sig' value is greater than 0.05 indicating that there is no significant difference between Gen X and Gen Y.

Table 4

Summary of Hypotheses Testing

Null Hypothesis	Status
H1o Participation in decision making does not have a significant relationship with Job Satisfaction.	Rejected
H2o Empowerment does not have a significant relationship with Job Satisfaction.	Rejected
H3o Reward and Recognition does not have a significant relationship with Job Satisfaction.	Failed to rejected
H4o Workplace Environment does not have a significant relationship with Job Satisfaction.	Failed to rejected

Discussion and Conclusions

This study found that participation in decision making was the major factor influencing job satisfaction with the highest Beta of .325. The result supported the previous research of Bamidele and Ella(2003) stated that employees were satisfied with their jobs as their level of participation in decision making increase.

The second influencing job satisfaction with the B of .289 is empowerment. Results confirmed that of Ameer, Bhatti and Baig (2014) who states that empowerment has influence on job satisfaction.

The statistical result of the study show no significant relationship ($p>0.05$) of reward and recognition with job satisfaction. The result is different from the previous studies (Tessema, Ready, & Embaye, 2013) who stated that reward and recognition significantly affected job satisfaction as it motivates employees.

Workplace environment is not significant in affecting job satisfaction based on the multiple regression result ($p>0.05$). It is different from an investigation by Pitaloka (2010) which shows that working environment has a positive impact on job satisfaction. Although, workplace environment is not the key factor, the Pearson's correlation result showed that

workplace environment has a positively moderate relationship with job satisfaction ($p=0.484$).

Recommendations

Since financial institutions are very competitive and human resource is a key factor for company to generate success, therefore, the companies should focus on improving job satisfaction for effectiveness and efficiency at work. The research finding implies that the companies should give significant attention to factors influencing job satisfaction which are participation in decision making and employee empowerment.

Participation in decision making would enhance the levels of job satisfaction. The company should focus on encouraging employees to participate in making decisions. In this way, the employees will feel that the management considers them before making decisions. Secondly, employee empowerment creates a sense of ownership. This would benefit the company by allowing employees to decide and solve the problems related to their job. In this way, employees will feel that they are important and are of value to the company.

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