

Employee Satisfaction and Productivity: The Case of Banks and SMEs

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Abstract: Banks, Small and Medium Enterprises bread and butter of every employees they render their services to reach organizations objective and goal for profitability, thus organizations provide employees good benefits. This study looked into Employee Satisfaction and Productivity: The case of Banks and SMEs, the study utilized descriptive correlation methods of research. There 172 respondents involved in the study. The statistical tools used were frequency, percentage T-test, Pearson r, product moments correlation. The study revealed that the employment practices of the employers were similar when analyzed by educational qualification, gender, age, work experience, and marital status. The employees' level of job satisfaction and productivity were very high. There was a significant relationship between employment practices and job satisfaction and productivity. However there is no significant relationship between employment practices and job satisfaction when disturbed by educational qualification, gender, age, and marital status but significant relationship existed when disturbed by working experience. There is no significant relationship between employment practices and level of productivity of employees when disturbed by educational qualification, gender, age, working experience and marital status. Employers maintain their employment practices to sustain the high level of job satisfaction and productivity of employee.

Keywords: and Phrases: Employee, Satisfaction, Productivity.

1. INTRODUCTION

According to Ornstein (2008) with high level of motivation and ability, people will perform well especially when the situations support their goals. Necessarily, management has to arrange all conditions and resources so employees can achieve performance potential

Frederick Herzberg's insisted his Two Factors Theory, the intrinsic/extrinsic motivation that concludes that certain factors in the workplace result in job satisfaction, but if absent, they lead to dissatisfaction. He distinguished between motivators like challenging work, recognition, and responsibility give positive satisfaction, and hygiene factor like status, job security, salary and fringe benefits do not motivate if present, but, if absent, they will result in de-motivation.

Mc. Shane (2007), namely: job satisfaction and performance. It is a person's attitude regarding ones job and work content. It is an appraisal of the perceived job characteristic, work environment, and emotional experiences at work. Job satisfaction affects many employees behavior. Job security employees say "job security" is very important to their satisfaction levels

Like any other interested applicants they have very good reasons for joining though the conditions are not so attractive to allow work opportunities. It is a common knowledge that the natures of the jobs that are available in the city are not challenging, competitive and one has to do the same thing over and over again every day. It becomes boring and may cause young employees to leave for another organization. For the young workers the absence of excitement in the job is good reason to leave. Another reason that may account for the movement of an employee in the city from one organization to another is the lack of innovation in the organization.

Moreover, damaged relationships are common complaints of employees working in the city. It is not surprising anymore that they tend to leave their workplace. Thus competitive organizations may also pull up experienced staff from

organizations by offering them better salaries and benefits. This may also be used as a marketing tool of the organization. They pull the best employees from other organizations and use them to advertise their products and services.

Back Ground of the Study:

High Turn-over of Employees in Private Agencies and Corporation

Transfer of one Employee from One Organization to other organization or Place

Objectives of the Study

The study was conducted to some Banks and SMEs located in Dipolog City which has more than ten employees in their organization along their practices in recruitment placement, promoting and compensation, measure also the level of satisfaction and productivity among its employees in the organization.

1. Identify the Employment Practices among Private Agencies
2. Determine the Employees Job Satisfaction and
3. Assess Employees Productivity

2. LITERATURE REVIEW

Employees with higher job satisfaction typically believe that their organization will be satisfying in the long run. They will care about the quality of their work, will be more committed to the organization, will have higher retention rates, and will be more productive. Prudent organizations will carefully manage fairness. They will understand that there are different factors related to fairness. This will not only create a more satisfied workforce, but will make genuine contributions to the bottom-line while positioning your organization as an Employer of Choice

Satisfaction levels increase when employees know that their issues are being addressed. There is a direct link between employee satisfaction and financial results. The happier your employees are the more motivated and committed they will be to your organization's success.

Low job satisfaction is evident, when employees felt disconnected from the organization's short and long term goals, vision, and mission. Subsequent employee survey results showed significant increases on related survey questions, which impacted Total Company Job Satisfaction dramatically.

3. THEORETICAL CONSIDERATION

This study is anchored on Human Resource Management Theory of Pacita Abosolo (2010) which states that human resource recruitment, placement, granting incentives and benefits, promotion are considered the operative functions of personnel. Organizations performance and productivity proper maintenance, recognition, compensation and development program among employees are important aspect in the organizations. This relates to what types of employees are needed, finding these employees, selecting future type of employees from those who have submitted their intent to seek employment, and making the new employees adjust to their new jobs and working environment.

The Human resource planning on the other hand covers forecasting, anticipating the need for employees according to job categories, determine increase or decrease in employee requirements, and meet changes in productivity due to technology and management. Anticipating projected requirements for employees would involve consideration for the expansion plan of the organization, transfer and promotion, development and training, employee succession plan so as to determine the surplus or shortage of employees, and labor turnover due to retirement and resignation.

4. METHODS

The study utilized the descriptive methods of research, making use of information. There were 13 Banks and SMEs and 172 employees answer the questionnaire. Part I was designed for the Private Agencies Head of Office. It consist selected Chief Operating Officers, Human Resource Management Officers. Department Heads and Managers in selected private agencies and corporations who were responsible in recruitment, placement, promotion and granting of incentives and benefits for the employment practices among private agencies and corporations.

Part II dealt with the job satisfaction and productivity of employees in the private agencies and corporation.

5. RESULTS

Table 1 shows that employment practices in Banks and SMEs have lowest average weighted value obtained 4.20 which are described as often practiced. The rest of the items were rated too high which showed that these items were always practiced by the employers. They require applicants to submit application letters, conducts preliminary interview, conducts qualifying interview, conduct background investigation, conducts final interview and requires qualified applicants for medical examinations. All the recruitment procedures as stipulated in the human resource management procedure were followed by the employers of the private agencies and corporations. Employment practices of private agencies and corporations in terms of placement of employees showed that all the descriptors were rated by the respondents as always practiced with average weighted values that were within the range 4.21 – 5.00. This means that placement services of the private agencies and corporations are healthily functioning.

Table 1 Employment Practices of Banks and SMEs

Recruitment Practices		
Requires applicants to submit application letters	5.00	Always
Conducts preliminary interview	4.68	Always
Administer employment test/examination	4.20	Often
Conducts qualifying interview	5.00	Always
Conducts background investigation of qualified applicants	4.58	Always
Conducts final interview	5.00	Always
Requires qualified applicants for medical examination	4.23	Always
Mean	4.67	Always
Placement Practices		
Conducts orientation for newly hired employees	4.67	Always
Gives more knowledge related to their job.	4.32	Always
Requires to familiarize company's history	4.52	Always
Gives emphasis to their concern of immediate supervisor	4.30	Always
Requires to know the organization's mission, vision and goal	4.44	Always
Requires and inform company's policies	4.66	Always
Informs and gives information of company's competitors	4.64	Always
Informs employees on their responsibilities	4.68	Always
Affords familiarization of company's products	4.60	Always
Conducts orientation about company's market	4.55	Always
Mean	4.54	Always
Promotion Practices		
Counts employees length of service	4.21	Always
Credits the employee's performance	4.33	Always
Evaluates employee educational attainment	4.36	Always
Counts the employees seminars attended	4.35	Always
Assess employee leadership potential	4.33	Always
Gives emphasis being trustworthy	4.50	Always
Evaluates their capacity being hard working	4.68	Always
Accepts recommendations from top management	4.38	Always
Entertains recommendation from politicians	4.68	Always
Prioritizes promotion to the relatives of stockholders/owners	4.66	Always
Mean	4.45	Always

Employee Benefits		
Provides monthly basic salary	4.36	Always
Gives rice allowance	3.38	Sometimes
Provides transportation allowance	3.40	Sometimes
Gives quarterly bonus	3.26	Sometimes
Provides midyear bonus	4.45	Always
Gives yearend bonus	4.45	Always
Provides hazard allowance to those field officers	3.33	Sometimes
Provides employee health benefits and insurances	4.26	Always
Give additional compensation on overtime pay	4.35	Always
Provides profit sharing on extra income	4.15	Often
Mean	3.94	Often

Tables 2 revealed the data on the frequency of employees and their level of motivation. The table shows that generally, the workers in the private agencies and corporations find their job as rewarding. This may be because they have been staying in the company and that they are already attuned to the people in the workplace coupled with better pay and incentives. All of these make the job rewarding that would result to high level of job satisfaction. Job satisfaction describes how content an individual is with their job. The happier people are within their job, the more satisfied they are said to be. Job satisfaction is not the same as motivation or aptitude, although it is clearly linked. Other influences on satisfaction include the management style and culture, employee involvement, empowerment and autonomous work position. Job satisfaction is a very important attribute which is frequently measured employees report their reactions to their jobs. Questions relate to rate of pay, work responsibilities, variety of tasks, promotional opportunities, the work itself and co-workers. Some questioners ask yes or no questions while others ask to rate satisfaction on 1-5 scale (where 1 represents "not at all satisfied" and 5 represents "extremely satisfied").

Job satisfaction has been defined as a pleasurable emotional state resulting from the appraisal of one's job; an affective reaction to one's job; and an attitude towards one's job. Weiss (2002) explained has argued that job satisfaction is an attitude but points out that researchers should clearly distinguish the objects of cognitive evaluation which are affect (emotion), beliefs and behaviors. This definition suggests that the attitudes towards the jobs take into account the feelings, the beliefs, and the behaviors.

Table 2 Level of Job Satisfaction of Employees of Banks and SMEs

Level of Satisfaction	Respondents		Total
	Male	Female	
Motivated	16	16	32
Job Rewarding	54	79	133
Acceptable	4	1	5
Poor	1	1	2
Total	75	97	172
Mean	3.13	3.14	3.14
Description	Job Rewarding	Job Rewarding	Job Rewarding

Table 3 shows the level of productivity of the employees. The table revealed that the employees have very high level of productivity. This was proven by the mean, this means that the employees are really working too hard on their job. They could really reach the number of clients that they need to have each day. They reached at the level of efficiency required of them. Productivity is measured in ratio of output to the input.

The productivity ratio is an indicator of the efficiency with which an enterprise converts its resources (inputs) into finished goods or services (outputs). If the goal is to increase productivity, this can be done by producing more output with the same level of input. Industry and government officials have adopted three common types of productivity measures. Partial productivity is the simplest type of productivity measure; a single type of input is selected for the productivity ratio. The company or organization selects an input factor that it monitors in daily activity. Direct labor hours are a factor that most companies monitor because they pay their employees based on hours worked.

Total productivity is a productivity measure that incorporates all the inputs required to make a product or provide a service. The inputs could be grouped in various categories as long as they determine the total inputs required to produce an output.

Table 3 Level of Productivity of Employees of Banks and SMEs

Level of Productivity	Male		Female		Total	
	Frequency	Percent	Frequency	Percent	Frequency	Percent
Very High	33	44.00	45	46.39	78	45.35
High	39	52.00	50	66.67	89	51.74
Moderate	2	2.67	2	2.06	4	2.32
Low						
Very Low	1	1.33			1	0.58
Total	75	100.00	97	100.00	172	100.00
Mean	4.37		4.44		4.41	
D	High		High		High	

6. DISCUSSION

Banks and SMEs conduct orientation on the company's policies, their responsibilities and the company's market. Placement policy of the private agencies and corporations were strictly followed. They showed expertise in human resource placement and were able to do the right things needed for placement of human resources. The data on the promotion policies of the private agencies and corporations showed a computed mean of 4.45 which is described as always practiced. This means that the provisions for promotion are evident among the companies involved in this study. The employment practices of the private agencies and corporations relative to compensation. The data revealed that there were five items out of 10 that were always practiced by the employers and these are on providing basic salary, midyear bonus, year-end bonus, health benefits and insurance as well as compensation on overtime hours rendered by the employees.

The happier people are within their job, the more satisfied they are said to be. Job satisfaction is not the same as motivation or aptitude, although it is clearly linked. Other influences on satisfaction include the management style and culture, employee involvement, empowerment and autonomous work position. Job satisfaction is a very important attribute which is frequently measured employees report their reactions to their jobs. Questions relate to rate of pay, work responsibilities, variety of tasks, promotional opportunities, the work itself and co-workers. Some questioners ask yes or no questions while others ask to rate satisfaction

Productivity can also be increased by producing the same output with fewer inputs. One problem with trying to measure productivity is that a decision must be made in terms of identifying the inputs and outputs and how they will be measured. This is relatively easy when productivity of an individual is considered, but it becomes difficult when productivity involves a whole company or a nation.

Industry and government officials have adopted three common types of productivity measures. Partial productivity is the simplest type of productivity measure; a single type of input is selected for the productivity ratio. The company or organization selects an input factor that it monitors in daily activity. Direct labor hours are a factor that most companies monitor because they pay their employees based on hours worked. Total productivity is a productivity measure that incorporates all the inputs required to make a product or provide a service. The inputs could be grouped in various categories as long as they determine the total inputs required to produce an output

7. RECOMMENDATION

Based on the findings of the study hereby concludes that employment practices in private agencies did not differ in fact these were carefully observed by the employees to include recruitment, placement, promotion and compensation. These employment practices influence the level of job satisfaction of the employees as well as their level of productivity. The more often the practices are evident in the private agencies and corporations there is the better satisfaction among the employees would there be and the more productive would they become. Private agencies and corporations should provide hazardous allowance to those field worker employees. Employers maintain their employment practices as this lead to high level of satisfaction and productivity among employees.

Outcomes of the Study:

Basis for review of the Human Resource Management Manual specifically on:

- Provide Hazard allowance to field officers
- Give quarterly bonus
- Give rice allowance, financial and in-kind benefits

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