

# Job Satisfaction of Banking Sector Employees in the Federation of Bosnia and Herzegovina

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## ABSTRACT

*Banks worldwide are looking for new and creative ways to operate and achieve competitive advantages under the global recession conditions. The recession effects have forced the banks to look into more effective utilisation of internal resources and their potential. Human resources are recognised as the key element in successful business navigation through difficult market conditions, including competition with other banks and non-banking financial institutions. This is even more important for the banks operating in developing countries, where the effects of the recession are considerably harsher.*

*Many studies have acknowledged the direct link between productivity and the level of employee satisfaction. This work aims to establish and recognise some of the main factors associated with the job satisfaction of banking employees in the Federation of BiH and provide useful guidance to bank managers in this region and beyond, as a contribution to their continuous improvement efforts in business and people management during these challenging times.*

*The research is predominantly based on the survey conducted in the banking sector of the Federation of BiH in 2013. The survey sample covers 529 respondents that represent 7.4% of the overall banking employee sector base of 7,130. The analysis of survey results, supported by empirical research and the review of related literature, revealed that job satisfaction amongst the bankers is determined by a wide spectrum of factors such as: demographic characteristics, management and supervision, monetary compensation, non-monetary recognition, work environment, job responsibility and type of tasks, social atmosphere at work and general satisfaction with life.*

**KEYWORDS:** *banking sector, employee productivity, Federation of Bosnia and Herzegovina (Federation of BiH), global recession, job satisfaction.*

**JEL CLASSIFICATION:** *G21, M12, J24*

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## INTRODUCTION

*“You can take my factories, burn my buildings, but give me my people  
and I will build the business right back again.”*

Henry Ford

The existence of available but underutilised internal resources and reserves is known detrimental factor that can seriously hinder the development efforts, especially if the

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organisation is self-managed and heavily reliant on internal efforts and resources. Self-only reliance is the common situation of many financial and non-financial organisations that are trying to survive the global recession. Therefore, it is an imperative for banks and financial organisations to fully mobilise and utilise the available resources associated with people, as well as their liquid and non-liquid assets.

Some of the common reasons behind staff underutilisation are associated not only with the workforce excess, standards and expectations discrepancy, inadequate skills or abilities of employees, but also with lack of motivation, high absenteeism, and staff turnover. Therefore, the first steps towards full mobilisation and utilisation of available resources include actions such as removal of excess staff through redeployment or redundancy, education/training/up-skilling, realistic planning and goal setting, as well as retention and motivation of valuable staff through improvement of their job satisfaction.

The relevance of the job satisfaction among bank employees to the overall bank performance becomes even more important under the challenging conditions associated with the global recession, especially due to the accompanying increase in non-performing loans (NPLs) and the cost of provisions for potential losses associated with credit, as well as the consequent fall in profitability (In their periodical status reports related to BiH banking sector, the local regulators and banking agencies regularly emphasise the importance of management quality as the key success factor for the overall banking performance).

The research into available literature did not identify any similar job satisfaction surveys of the banking sector employees being conducted in this region, thus the importance of the results is that much more significant.

The main objectives of this survey are:

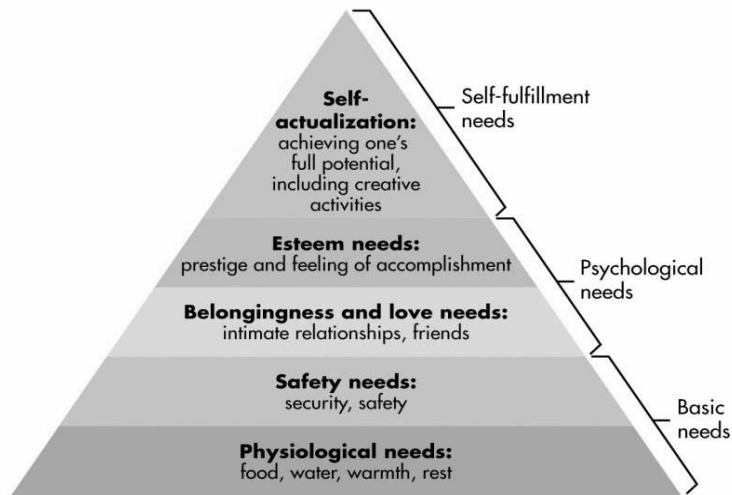
1. Determine the level of overall job satisfaction amongst bank employees in the Federation of Bosnia and Herzegovina;
2. Identify major factors that can possibly influence the level of job satisfaction among bank employees, and
3. Develop and formulate a set of useful suggestions for the banking sector with regards to effective and efficient use of resources, contributing to the overall success of the banking organisations.

## **2. LITERATURE REVIEW**

Employee job satisfaction and its association with the overall business success has been a popular research topic found in various disciplines.

Although in recent decades the topic has become more popular part of the business and financial studies, the ideas of the individual satisfaction being an important performance factor in business can be found in various psychology and human behaviour research in early and mid-20<sup>th</sup> century.

Abraham Maslow, one of the notable researchers of that period developed a set of theories associated with personal individual needs. In the paper called "Theory of Human Motivation" (1943), Maslow introduced his "hierarchy of needs" (Figure 1), suggesting that individual behaviour can be defined by a hierarchical list of needs that need to be fulfilled for increasing life satisfaction; starting from basic needs such as physiological necessities and safety, then extending to love and belonging and then finally "higher" levels such as esteem and self-actualisation.



**Figure 1. Maslow's hierarchy of needs**

Source: adapted from Maslow (1943, pp. 388-389)

Although this theory has been criticised by researchers such as Wahba and Bridwell (1976) for lack of empirical evidence – a limitation recognised by Maslow himself (1954), the classification of needs does highlight some important factors that can be related to the banks during recession times, especially in the developing or struggling economic regions where employees are often lucky just to have a job. In such circumstances it is expected that the perception of individual's job and life in general in this region would often fit with the very basic needs identified in Maslow's hierarchy.

Mansor et al. (2012) conducted a study that included 236 employees of the Bank Islam Malaysia Berhad in order to establish the level of employee satisfaction in relation to the following criteria:

- Demographic factors – gender, age, placement, educational level, designation, salary level, tenure with the bank;
- Motivational factors – salary, promotion, comfortable working conditions, interesting and challenging work, variety and ability to use one's skills;
- Reward system – money and other forms of compensation such as medical subsidies, vacations, retirement etc.;
- Supervision/leadership – leadership style, role clarity, conflict, turnover intentions, delegating, informing, communicating;
- Working environment – facilities (building, equipment, machinery), interior design, exterior design provided by the bank, comfort;
- Competitiveness among employees – both internal and external.

Using Pearson Correlation Analysis it was revealed that competition is the most influential factor influencing job satisfaction amongst the employees, followed by working environment, reward system, motivational factors, and supervision/leadership. However, further analysis using Multiple Regression showed that only four factors were significant: competition, working environment, reward system, and motivation. The impact of supervision/leadership on occupational satisfaction level was only relevant if measured in isolation, but not as much relevant if other elements mentioned in the study were to be considered altogether.

Three decades earlier some of cross-cultural factors were explored in the applied psychology work of Sekaran and Mowday (1981) through the analysis of job involvement and showed strong importance of the psychological identification of employees with their job. Also, Sekaran conducted a study in the late eighties involving 267 bank employees, focusing on the workplace and quality of life factors and sense of competence. The results showed that personal, job and organisational factors heavily influence the sense of competence and individual achievement, which directly influenced employee job satisfaction and positively impacted on the business outcomes (Sekaran, 1989).

Sowmya and Panchanatham (2011) researched job satisfaction of 120 employees of several public as well as private sector banks in India. Using the factor analysis by principle component method on a large number of variables affecting the job satisfaction, the five predominant factors were identified:

- Pay and promotion,
- Organisation aspects,
- Supervisor behaviour,
- Job and working conditions, and
- Co-worker behaviour.

The researchers concluded that, while the pay and promotion are the primary and indispensable requirements for the satisfied employee, the managerial and organisational aspects are also highly valued. Besides that, the authors noted that, due to importance banks have in their country's financial system; even small job dissatisfaction within the banking sector can cause visible negative impact in the area of negligence and high staff turnover.

In 2008 Kamal and Sengupta conducted a research into job satisfaction of a specific subset of bank employees: bank officers. This critical role acts as a link between management and clerical staff and largely sets the culture of the overall organisational communication.

According to their research, job satisfaction of bank officers is related to various variables such as age, occupational level, size of the organization, organizational climate, educational qualifications, economic background, size of the family, and gender. The study involved 100 officers from 28 branches of one of the largest Indian banks. After the analysis, the researchers concluded that the level of job satisfaction varies with the change of satisfaction determinants and that with age, people are generally more satisfied with their jobs. This was attributed to the maturity and spiritualism that develops with age, as well as the reduced number of options or appetite for change being associated with older employees. This study also supports the direct relation between job satisfaction and personal circumstances and relativity of the overall concept of personal perception of job satisfaction.

A few years earlier, Vallejo et al. (2001) researched the job satisfaction of 366 bank clerks employed in a branch located on a Spanish island. The results highlighted similar factors associated with job satisfaction as in other related studies, but also recognised some specific elements associated with this branch as having positive influence on the way people feel about their work, such as geographical location and overall personal satisfaction.

That same year Islam and Saha (2001) published the results of their study, also focusing on job satisfaction of bank officers in Bangladesh. They concluded that salary, work efficiency, fringe benefits, quality of management, and the organisational relationships are the most important factors that contribute to job satisfaction of bank employees. The study

showed that the order of preference of those factors slightly varied across different employee roles and organisation type (private or public) and that the overall job satisfaction of the bank officers was at the positive level.

In addition to already mentioned studies that included research of various factors, some researchers preferred to investigate the effects of one or two factors related to job satisfaction in banking sector. For example, the research into rewards and motivation (Jehanzeb et al., 2012) found the evidence of positive relationship between these factors and employee job satisfaction.

Some researchers explored the influence of the workplace stress on bank officers' job satisfaction (Ayupp & Ngouk, 2011), finding that the majority of the respondents have moderate to high stress levels, often related to the fundamental elements of their banking job.

Others (Bushra et al., 2011) found that transformational leadership provides significantly positive influence on job satisfaction among bank employees. The transformational leadership was exhibited though boosted up morale, motivation, common and clear beliefs, accurate perceptions and alignment with organisational goals.

Tennakoon and Syed (2011) investigated the influence of the use of information technology (IT) on the job satisfaction of banking and financial sector employees. The results of this research indicated both positive and negative impact of IT, with some evidence of other variables being relevant to the IT angle of the study; such as adequacy of technology and associated stress.

Furthermore, starting from the thesis that employee satisfaction is important for organisation's success and survival, Meena and Dangayach (2012) conducted a survey using questionnaire focusing on the elements associated with work environment (lighting, furniture, noise, temperature, interior design, etc.) in order to measure bank employee satisfaction. The findings of the study revealed differences in employee satisfaction between public and private banks when it comes to their perception and evaluation of work environment: private banks provide more satisfying and comfortable work environment than those operating in public sector.

In his study, Oloyede (2012) focused on the employment type (casual, regular) and found that there is no significant difference between job satisfaction of casual and regular bank officers as both groups demonstrated equal level of job satisfaction and commitment. Also, Elamin (2011) explored the difference in job satisfaction and commitment between domestic and foreign bank employees. He concluded that the domestic bank managers expressed a higher level of satisfaction with pay, job characteristics, promotion opportunities, teamwork and supervisors than their foreign colleagues.

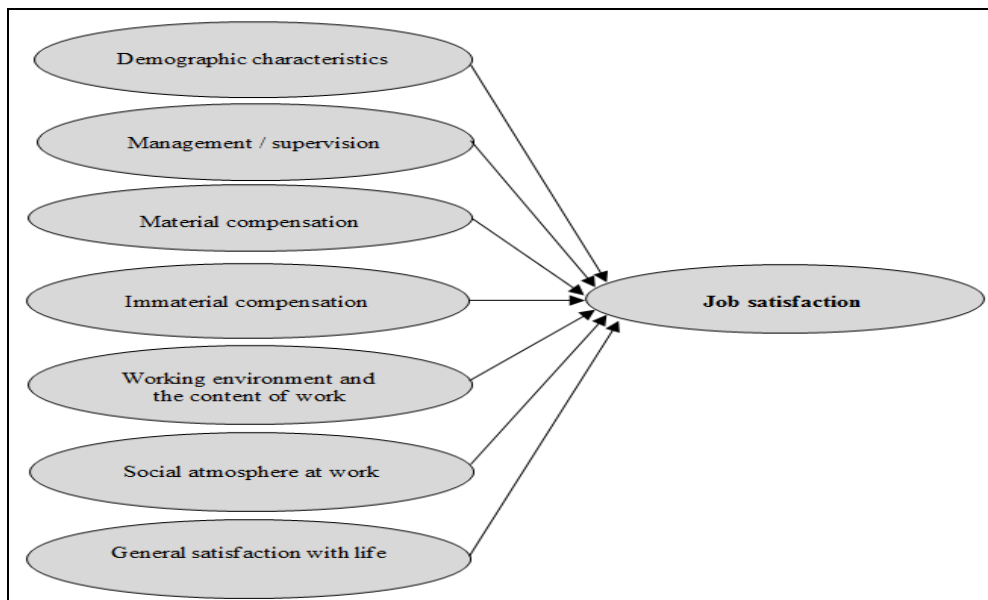
Malik et al. (2010) conducted a study focusing on bank executive officers only, covering branch, area and regional managers, examining the effects of general job climate and monetary elements such as pay increases, bonuses, allowances and other benefits on their job satisfaction. The results revealed that both job climate and financial compensation have significantly positive impact on job satisfaction. Moreover, Hira and Waqas (2012) conducted similar study on middle level employees in the banking sector and found the evidence of positive relationship between job satisfaction and job performance.

In addition to studies that focus on the job satisfaction in the banking sector, there are also many studies that examined other professions, such as: job satisfaction amongst financial advisors (Fichter and Cipolla, 2010; Griffiths et al., 2011), academic staff (Mustapha, 2013), health workers (Peters et al., 2010; Kumar et al., 2013; Ashmore, 2013), employees at food chain premises (Erbaşı & Arat, 2012), etc.

The research conducted by Zaidi and Iqbal (2012) into connection between career choice and job satisfaction amongst bankers, university teachers, teachers, doctors, and engineers; found significant relationship between career selection and job satisfaction. The research also showed that career choices based on the individual values and personality traits increases the chance for higher job satisfaction.

### 3. THEORETICAL BACKGROUND

Frequently cited sources (Hoppock, 1935; Locke, 1976; Smith et al., 1969) agree that job satisfaction can be defined as an emotional response and attitude towards their work. The question is whether the term is one-dimensional, where person is either satisfied or dissatisfied with their job, or multi-dimensional, where person might have a various degree of satisfaction with specific facets of their job, such as management, pay, workplace, etc. (Rahman et al., 2006). For the purpose of this work we are focusing on the multi-dimensional approach. Based on the literature review, it can be concluded that a relatively wide spectrum of variables exists that can be used to evaluate and measure employee's job satisfaction (Figure 2).



**Figure 2. Job satisfaction determining factors (the research model)**

*Source: authors*

Job satisfaction can be an important indicator of how employees feel about their jobs, as well as a good predictor of employee's work behaviour in terms of commitment to the organisation, level of absenteeism and attrition. Absenteeism often leads to high staff turnover, which can be connected directly to individual's level of job satisfaction. Job

satisfaction is a strong indicator of the health of an organisation: greater job satisfaction leads to better performance of organisation. Table 1 outlines some of the organisational and individual benefits associated with job satisfaction.

**Table 1. Benefits (purposes) of job satisfaction**

<b>For organisation</b>	<b>For employees</b>
<ul style="list-style-type: none"><li>➤ Enhance employee retention</li><li>➤ Increase productivity</li><li>➤ Increase customer satisfaction</li><li>➤ Reduce turnover, recruiting, and training costs</li><li>➤ Enhance customer satisfaction and loyalty</li><li>➤ More energetic employees</li><li>➤ Improve teamwork</li></ul>	<ul style="list-style-type: none"><li>➤ Employees will believe that the organization will be satisfying in the long run</li><li>➤ They will care about the quality of their work</li><li>➤ They will create and deliver superior value to the customer</li><li>➤ They are more committed to the organization</li><li>➤ Their work are more productive</li></ul>

*Source:* adapted from Meena and Dangayach (2012, p. 79)

Banking sector has been widely recognised as the backbone of the financial system and the overall economy (Sowmya and Panchanatham, 2011), especially for countries in the underdeveloped regions where the overall financial system is weak or just emerging. The NPL ratio is directly related to the changes of the gross domestic product (GDP) value, as illustrated in the Figure 3.

The global financial crisis in 2007-2008 created a significant impact on the banking sector. The credit quality of loan portfolios used to be relatively stable across most countries until the crisis, when the average bank asset quality deteriorated sharply due to the recession and its impact on loan performance. Emerging markets deteriorated and their NPL ratios growth rate in 2009 was at around 40%, while advanced economies experienced the growth rate of the NPL ratios at around 60%. Even though the advanced economies have had a lower NPL growth rate, they remain well below the overall level of NPL levels in the emerging markets (Beck et al., 2013).

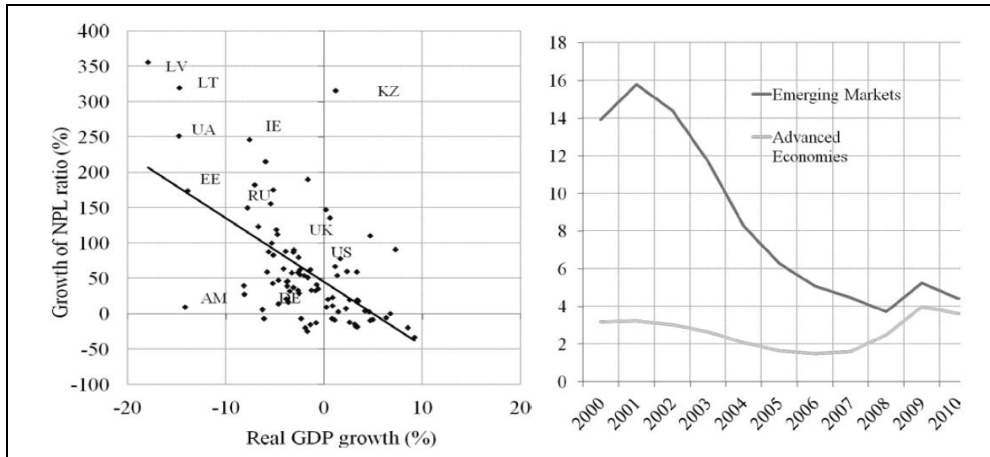
Some emerging economies reached their highest level of NPLs during this period, for example some Baltic countries increased their NPL by more than 300%. Same happened to Bosnia and Herzegovina that had the NPL ratio at 3% at the end of 2007, only to see the rate reaching the record high level of 12.6% in 2013 (Figure 3).

While the banks and other financial organisations have struggled to survive and prosper in the changed market conditions, some of their important reserves have been underutilised, contributing negatively to the overall decline of the business performance.

As the effectiveness, productivity and efficiency of human resources is directly related to the level of employee commitment and engagement with the company (both heavily based on the degree of job satisfaction), it is critical for the banking organisations to improve employee job satisfaction levels in order to fully utilise available resources and contribute to the overall business efforts and profitability.

Based on that, the main objective of this study is to analyse and report on the overall level of job satisfaction in the banking sector of the Federation of BiH, as well as to identify the main factors that influence job satisfaction, so that bank managers can be provided with some useful guidelines for human resources management improvement. While this study

specifically focuses on the data collected in the Federation of BiH, some of the findings are expected to be applicable to wider environment, especially to banks and other financial institutions within in emerging economy countries that face similar challenges.



**Figure 3. Growth of NPL ratio vs. GDP growth in 2009 and NPL vs. total loans**

Source: adapted from Beck et al. (2013, pp. 26-27)

### 3. METHODOLOGY AND EMPIRICAL ANALYSIS

#### 3.1 Sample selection

The survey was conducted during April/May 2013. It covered a random sample of 529 banking sector employees in the Federation of BiH.

There were total of 82 questions, divided into seven sections, covering the following categories associated with job satisfaction:

- Demographic characteristics,
- Management/supervision,
- Monetary compensation,
- Non-monetary compensation,
- Work environment and job content,
- Work (social) atmosphere and teamwork, and
- General life satisfaction.

The questionnaire used a 5-point Likert scale to measure respondents' attitudes about various aspects of job satisfaction within each of the seven categories. The scale ranged from 1 (strongly disagree) to 5 (strongly agree). The data was collected through direct contact with each respondent.

At the time of the survey, total of 18 banks were operating on the territory of the Federation of BiH, employing around 7130 people. Most of the banks were private, only one with the government as the majority owner (note: one of the private banks has lost their operating licence since the survey was completed).



The survey achieved the valid response return rate of 100%, representing 7.42% of the total number of banking sector employees within the Federation of BiH. Data collected via survey was analysed using several techniques provided within the functionality of the SPSS tool.

### **3.2 Results and discussion**

Considering the large number of questions across various categories included in the survey, this paper will only cover the most relevant findings from this study. The other findings will be presented in subsequent papers, concentrating on specific areas of relevance and interest.

#### **3.2.1 Demographic characteristics**

The survey captured the following demographic information associated with each respondent:

- ❖ Gender,
- ❖ Marital status,
- ❖ Level of education,
- ❖ Age,
- ❖ Working experience,
- ❖ Employment category,
- ❖ Average salary, and
- ❖ Position.

In terms of gender, marital status and age, female respondents comprised 65% of the group, while around 66.7% were married and only 12.3% were over the age of 50.

In terms of education, almost everyone within the sample completed a minimal of 4-year secondary education. 50 respondents reported having an undergraduate diploma, 300 were university graduates, 9 completed a postgraduate education (masters), and only one obtained a doctoral degree.

About 73.5% of respondents have had more than 5 years of experience at the time of survey.

Most respondents reported being employed permanently, working in front office and earning an average monthly salary of less than BAM 2000 (just over 1000 EUR). Due to the Currency Board Arrangement (part of the Dayton Peace Agreement for BiH in 1995), BAM rate was pegged at par to DEM. Since 1/1/2002, this fixed rate was changed to EUR (1 BAM = 0.51129 EUR). Most respondents were happy to disclose their salary range, with only 6.8% refusing to do so, regardless of survey being conducted in line with ESOMAR Codex for Opinion Polls, guaranteeing full anonymity.

Table 2 shows more demographic details.

**Table 2. The demographic characteristics of the respondents (the relative frequencies)**

Gender		Marital status		Level of education						Age			
Female	Male	Married	Single	4-y high school diploma	6-y high school diploma	University degree	MSc	PhD	Other	<30	31-40	41-50	51+
65.0	35.0	66.7	33.3	56.7	9.5	31.8	1.7	0.2	0.2	30.1	37.2	20.4	12.3
Working experience				Employment category			(Average monthly) salary						
<5y	6-15	16-25	26+	Permanent	Fixed-Term	No Answer	<1,000 BAM	1,001-2,000	2,001-3,000	>3,000	No Answer		
26.5	42.7	15.7	15.1	79	19.7	1.3	45.6	44.2	3.0	0.4	6.8		
Position													
Front office	Back office	Back office in terms of giving suppose/advice to managers	Team/group manager/supervisor	Ward manager/supervisor	Manager/supervisor – top management bank member	Other							
80.5	5.5	0.9	3.0	4.7	1.3	4.1							

Source: authors

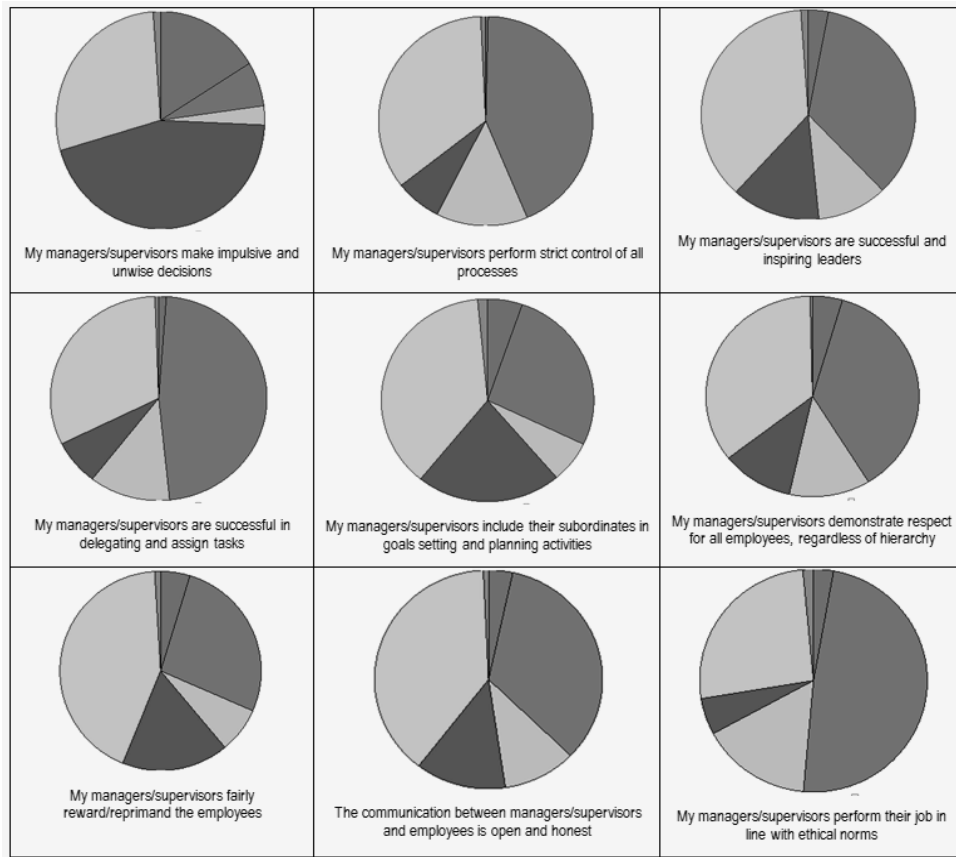
### 3.2.2 Management/Supervision

The survey section that focuses on management/supervision included various segments of the key areas of management: planning, organising, people management, recruitment, leadership, and control. Figure 4 shows the resulting pie charts associated with the most relevant management/supervision questions in the survey.

Overall, the majority of respondents positively assessed the quality of management and supervision in the surveyed banks.

In answer to the question whether the managers/supervisors in their banks make impulsive and unwise decisions, only 9.4% strongly agreed or agreed. Only 7.4% of respondents believed that their management do not perform strict control of processes, while 16.4% did not see their management as successful and inspiring leaders.

16.8% of respondents did not see their management's communication with employees as open and honest and 27.4% saw them as not inclusive of employees when making plans and setting goals. This indicates significant presence of the autocratic top-to-bottom management approach in the banking sector of the Federation of BiH, where decisions and planning are often performed by the management and communicated to other areas of the organisational structure.



**Figure 4. Summary of responses related to management/supervision**

- Strongly disagree
- Agree
- Strongly agree
- Disagree
- Neither agree or disagree
- No answer provided

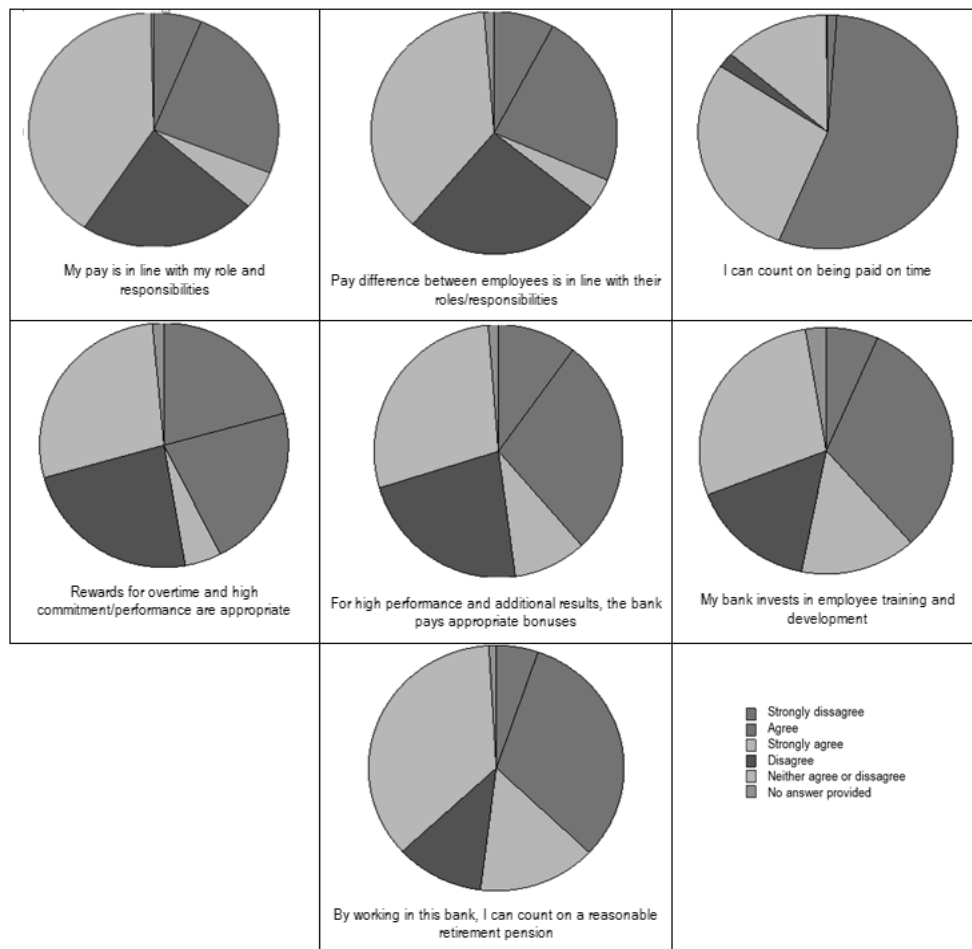
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Source: authors

### 3.2.3 Monetary compensation

The respondents were asked about their views regarding monetary compensation, covering factors such as salary amount, scale of pay, overtime arrangements, pay schedule regularity, bonuses, staff development, and pension contributions. While most respondents agreed that the timing/reliability of their pay and pension contributions were satisfactory, many (44.2%) indicated that overtime and reward for high performance pay were inadequate, while 33.8% stated that pay differences between different roles do not reflect the differences between responsibilities, efforts or complexity associated with those roles. In terms of respondents' views of their own salary being in line with their role and demands associated with the position, 5.3% strongly agreed, 24.8% agreed, and 40% were neutral, while 29.60% disagreed or strongly disagreed. This indicates that 70.4% of surveyed employees were not dissatisfied with their current pay.

Figure 5 shows the pie charts associated with 7 out of 13 questions related to employees' satisfaction with monetary compensation.



**Figure 5. Summary of responses related to monetary compensation**

Source: authors

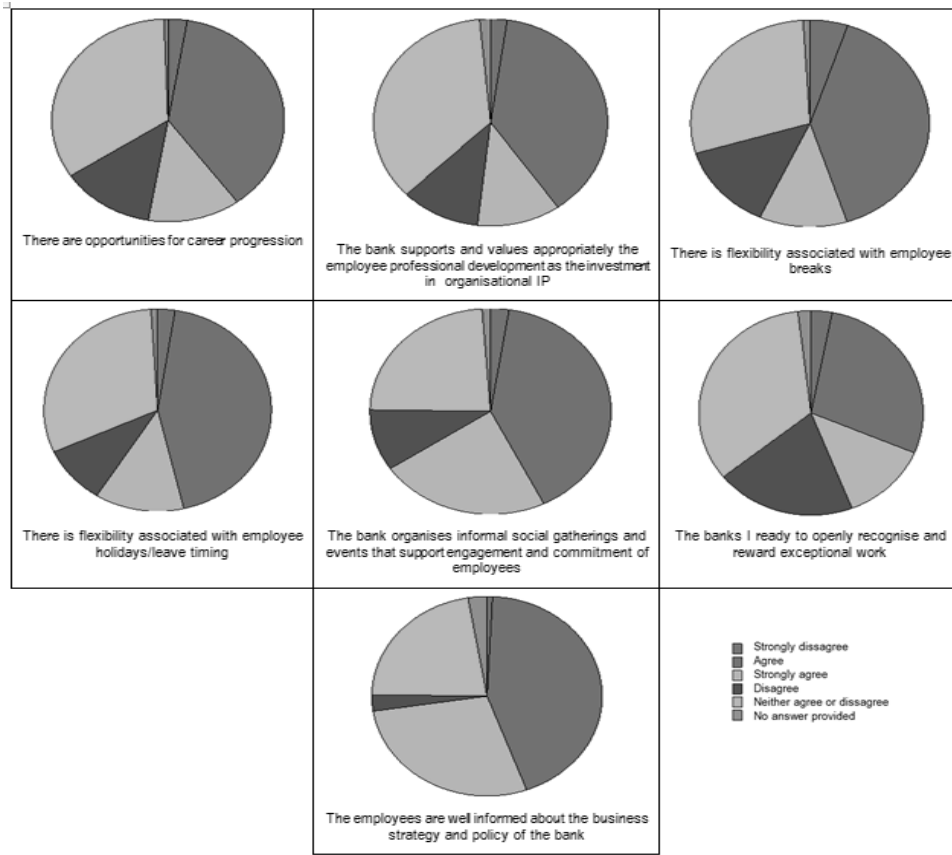
### 3.2.4 Non-monetary compensation

The questions associated with non-monetary compensation and recognition covered career development opportunities, flexibility with holidays and daily breaks, as well as social gatherings organised by banks and employee familiarity with bank business strategy.

The pie charts in the Figure 6 show responses to some important questions.

Overall, majority of respondents indicated that their employers offer various forms of non-monetary recognition and compensation. The highest level of disagreement (23.2%) was seen with the willingness of the bank to openly recognise and reward outstanding efforts of employees, indicating that either the recognition/reward were given in private or not at all.

The highest rate of agreement (94%) was associated with the level of employees' awareness of their employer's business strategy and policy, indicating that the banks are effective in communicating the high level strategy to their staff.



**Figure 6. Summary of responses related to non-monetary compensation**

Source: authors

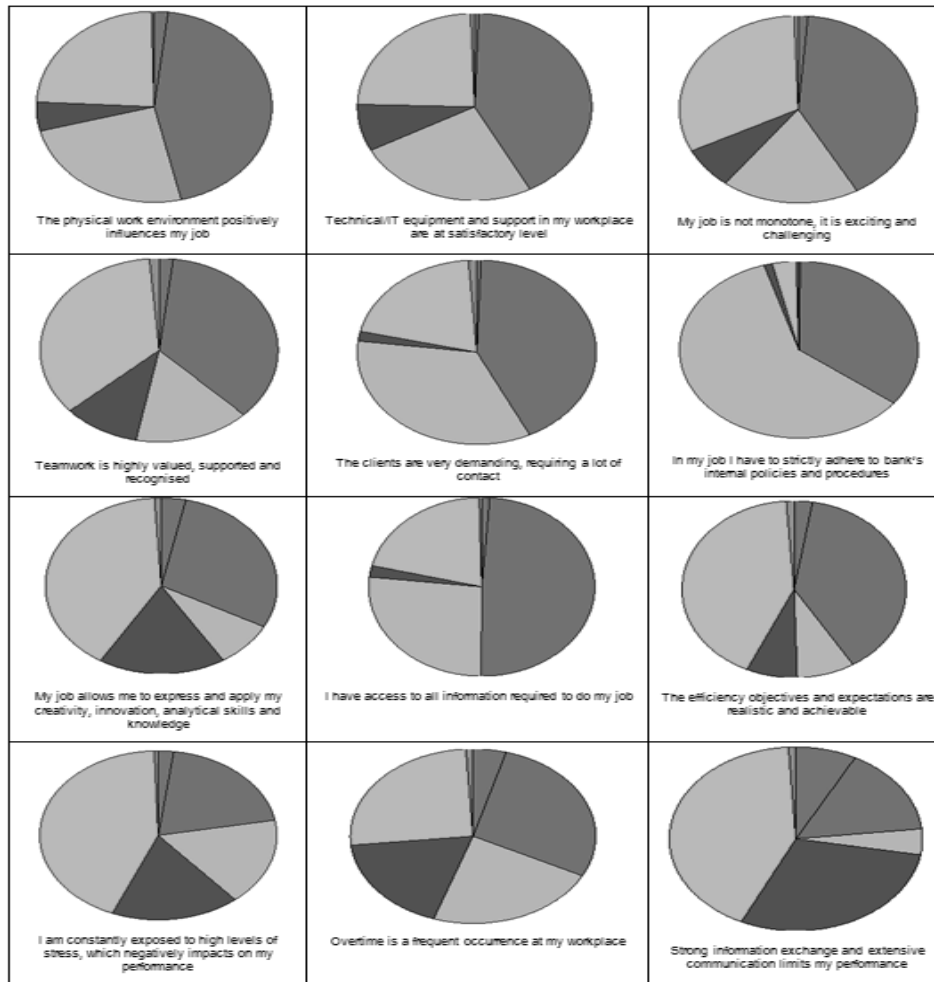
### 3.2.5 Work environment and job content

Some of the key elements associated with physical work environment and employee job content have also been investigated. The purpose of this section of the survey was to establish the level of employee satisfaction with the actual workplace environment and perception of their own job and associated tasks.

The answers given by the respondents were somewhat expected. The majority of respondents believe that the physical environment, in terms of commercial buildings and office decoration, has a positive influence on the quality of their work and overall job performance. The respondents were also satisfied with the technical aspect of their workplace, including IT equipment and level of technical support, as well as with the value of teamwork as a positive influence on their performance. The responses also indicated that the customers are highly demanding and require a lot of contact, but that most employees have access to all necessary information and perform their work in line with the internal

rules and policies of the bank. Frequent overtime seems to be a common occurrence, which goes in support of the high stress levels reported by 79.7% of respondents. Although the overtime and stress were predominantly present in the workplace, 88.9% of surveyed employees agreed that the work objectives are achievable (although in the later survey section they indicated they are also very high).

Figure 7 shows the pie charts for some interesting questions asked in this particular survey section (i.e. 12 out of 21).



**Figure 7. Summary of responses related to work environment and job content**

*Source: authors*

### **3.2.6 Social atmosphere at work**

This set of questions is related to relationships within the bank, covering interaction between manager/supervisors and their subordinates, as well as between co-workers, including conflicts, cooperation, and teamwork.

The respondents were positive about many aspects of relationships within their banks, including trust between people, interaction and readiness for cooperation and teamwork. Only 7.7% of respondents stated that conflict and disagreements were typical for their bank. Figure 8 shows the bar charts associated with some important questions in this section of the survey.

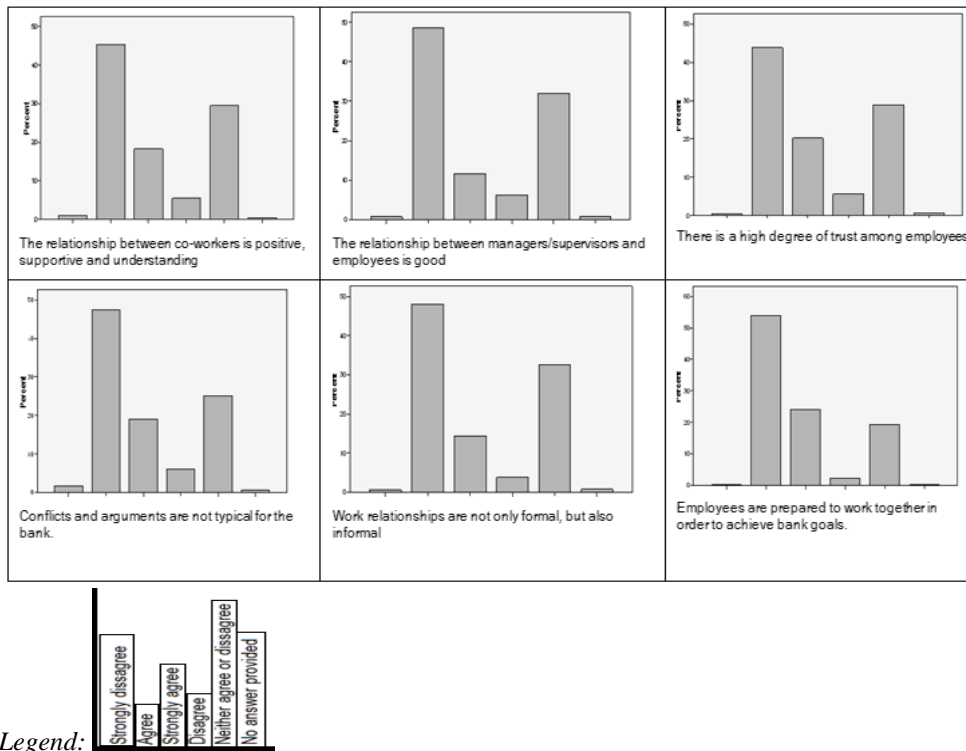


Figure 8. Summary of responses related to social atmosphere at work

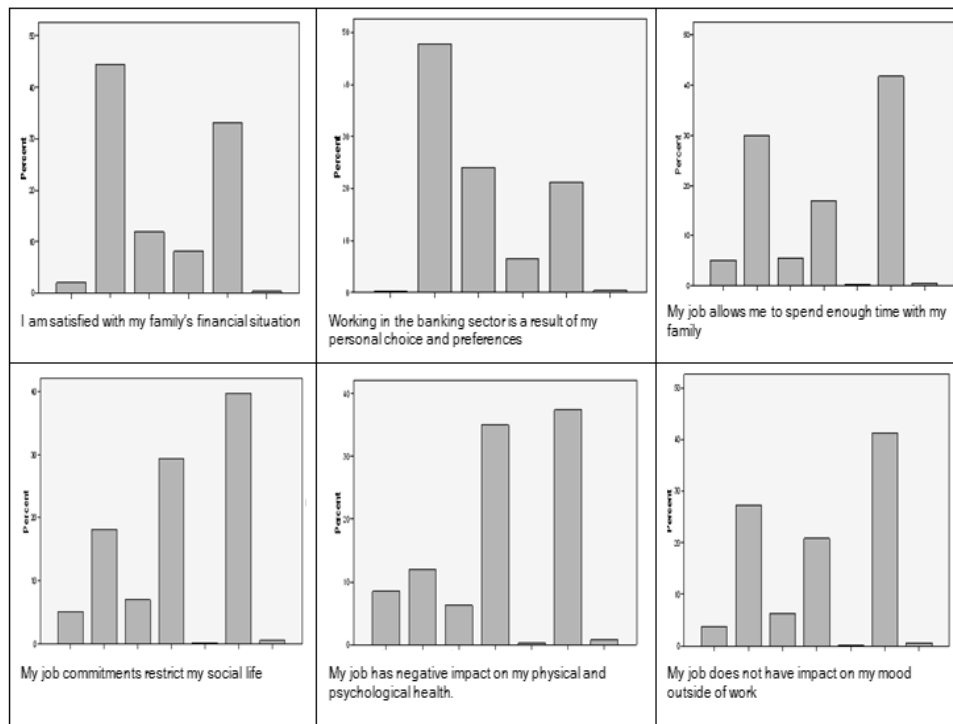
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### 3.2.7 General satisfaction with life

Employee job satisfaction is strongly influenced by their level of satisfaction with life in general. This relationship works both ways, as the work occupies a large portion of individual's life and situation at work in turn creates positive or negative impact on employee's life outside of work. Happier employees are more satisfied with job and perform better; better performing employees will take some of their job satisfaction back to their own personal lives as a positive factor for their overall life.

This section of survey attempted to assess the situation in employees' life overall and determine how their career choice and employment situation impact on their lives, and vice versa. They were asked about their financial situation, if the job they are doing was their personal choice, if the work allows enough time for family and social life, etc.

Figure 9 shows the bar charts with the analysis results of some questions in this section.



**Figure 9. Summary of responses related to satisfaction with life in general**

Source: authors

About 90% of respondents stated that they were satisfied with their financial situation. In most cases the respondents chose the career in banking (only 6.6% stated the opposite). While 77.9% of respondents believe that the job allows them to spend enough time with their families, 65% see their job as being restrictive to their social life. Based on these figures, it is not surprising that more than half (55.7%) respondents see their job as a negative impact on their physical and psychological health – a theme that goes in line with earlier results associated with stress.

However, 74.8% of respondents also indicated that their job does not have influence on their mood outside workplace, which is in contradiction to their strong views about the work impact on physical and psychological health.

These contradictory views certainly create a space for further in-depth research of relationship between work and life satisfaction.

**CONCLUSIONS AND RECOMMENDATIONS**

Based on theoretical and empirical research conducted as part of this study, it can be concluded that one of the key recommendations to bank managers is to increase the level of employee involvement in decision-making and goal setting, adjusting the bank leadership style to be more inclusive and democratic. Improving employee participation will not only provide more realistic view of what is possible to achieve, it will also create the opportunity



for employees to put forward new ideas and be more creative in helping their bank achieve business objectives. Low employee alignment and engagement are associated with lower performance – a known risk often associated with top-down organisational structure. More inclusion of employees in decision making and goals setting will create a sense of ownership among employees and increase their productivity and efficiency, improving overall alignment with strategic goals and commitment to banks' success.

The bank employees are satisfied with the stability of their employment and timely pay, as well as their pension commitments. However, many are not happy with the provisions for overtime efforts, level of salary for the effort and task complexity, and the pay scale for various jobs within their banks.

In general, bank employees are aware of non-monetary compensations available in their organisations, especially with regards to training, career progression, and flexibility. Bank managers and supervisors should find the ways to more frequently formally recognise and praise high performance and big efforts put in by individual employees and teams – another recommended adjustment to management style.

The employees see the goals set by management as highly demanding, but achievable. They feel the pressure at work and believe that it negatively affects their health, even though they are positive about their work environment and associated technical tools and services. At the same time they feel that they can “switch off” after hours and not let the work stress interrupt their mood outside of work – even though they only have enough time available to spend with family and much less for socialising with friends.

Bank employees have access to all information necessary to perform their jobs, they work with demanding customers that demand a lot of attention, while complying with strict internal rules and procedures. These responses are reflection of the highly competitive environment in which the banks operate: the relatively small Federation of BiH territory has 18 active banks (plus 10 in Srpska Republic) – far more than expert estimate of 15-20 banks being required to cover the needs of the existing clients across the entire country – especially in times of the global recession. In their survival and profit-chasing battle, banks have no other choice but to maximise the utilisation of their internal resources, which includes people. However, this poses the question of limit and capacity: how much more productive and efficient can the resources be? The employees have already stated that their jobs negatively reflect on their personal life (65%) and health (55.7%).

It is quite understandable that satisfied employees not only perform better, but also add more franchise value to the bank than unhappy or disgruntled employees. As already stated, employee satisfaction can be assessed from various aspects, so managers need to take all those aspects into consideration when trying to improve how their employees feel about their work.

It is evident that some aspects of human resource management in the banking sector need to be improved. Some obvious improvements can be recommended in the areas such as: stress reduction programs that will improve general employee wellbeing, employee engagement through participation, leadership changes towards more inclusive and democratic style that encourages, recognises and rewards exceptional efforts, better resourced specialist services for the most important highly demanding clients, etc.

Some of the limitations of this study relate to the fact that most of the respondents were employed in the front office, which raises a question if the findings would be different if the sample included all bank departments equally.

For further study it would be interesting to analyse the same data across demographic elements, such as gender, education, years of experience, role etc., and review the results of the factor regression analysis.

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