

European Journal of
Business and Strategic Management
(EJBSM)

Strategy

**Factors Affecting Employee Satisfaction in the Banking Industry:
Case of Consolidated Bank of Kenya Limited, Kenya**

Stephen Gatonye Njuguna and Dr. Emmanuel Owuor

Factors Affecting Employee Satisfaction in the Banking Industry: Case of Consolidated Bank of Kenya Limited, Kenya

^{1*}Stephen Gatonye Njuguna

**^{1*}Post graduate student, School of Business
Management University of Africa**

***Corresponding Author's Email: gatznet@yahoo.com**

²Dr. Emmanuel Owuor

**School of Management and Leadership
Management University of Africa**

Abstract

Purpose: The purpose of this study was to establish the factors affecting employee satisfaction in the banking industry: case of Consolidated Bank of Kenya Limited, Kenya. The study will be guided by the following research objectives; to determine how recruitment practices influence employee satisfaction at Consolidated Bank of Kenya; to explore the effects of job stress on employee satisfaction at Consolidated Bank of Kenya; to assess the effects of organizational strategy on employee satisfaction at Consolidated Bank of Kenya and to find out how nature of work influences employee satisfaction at Consolidated Bank of Kenya.

Methodology: The research design used for this study was descriptive survey design. The target population was 276 employees which consisted of 130 senior managers, 40 supervisory employees, 101 clerical staff and 5 subordinate staff. Stratified random sampling technique will be used to determine the sample size. The sample size was 138 employees. Data was collected by use of questionnaires which consisted of structured closed ended statements. Data was analyzed mainly by use of descriptive and inferential statistics. Descriptive statistics included the mean and standard deviation. Inferential statistical techniques like correlation and regression coefficients were used to draw a causal relationship between the determinants and employee satisfaction. Data was presented by use of graphs, pie charts and tables.

Results: The study found out that recruitment has a positive impact on overall employee job satisfaction while job stress has a negative impact on employee job satisfaction at Consolidated Bank of Kenya, organizational strategy was positively and significantly related to job satisfaction, that nature of job was positively and significantly related to job satisfaction.

Unique contribution to theory, practice and policy: Recruitment of employees should be done according to employee's level of knowledge; banking industry needs to manage employee job stress and employees need to be provided with off work days and leave days as this will translate to job satisfaction.

Keywords: *selection strategies, job stress, organizational strategy, nature of work*

1.0 INTRODUCTION

In recent years the banking sector has been able to attract young talents who have chosen banking profession as their preferred career. The nature of work is changing at whirlwind speed, and the factors that keep an employee satisfied with his or her job are also changing. Contemporary banking business considers the job of satisfying their employees most important for retaining their valuable skilled workforce (Islam and Hasan, 2005). Job satisfaction is the discrepancy among people's expectations and wants related to the job, and what is really offered to them (Lim, 2008). In this era of competitiveness, success of any organization depends on its human resource. Banks are no exception to this.

The employees of the Bank are valuable assets to the organization and if they are highly satisfied they produce more and this is profitable to the organization. So in this competitive environment it is necessary to know employees attitude towards their jobs and to measure the level of satisfaction with various aspects of job satisfaction (Bhatti, 2011). Efficient human resource management and maintaining higher job satisfaction levels in Banks determines not only the performance of the Bank, but also growth and performance of the entire economy.

Job satisfaction refers to an individual's emotional reaction towards the job. It is thus an integral component of organizational climate and also an important element of employee relationship management. Job satisfaction is the positive emotional state that occurs when a person's job seems to fulfill their important job values (Katuwal and Randhawa, 2007).

A number of different factors can influence employee satisfaction in their workspaces, including building design, air quality and temperature, noise and lighting, ability of employees to personalize their workspaces and workspace design and management etc. It is generally understood that unfavourable conditions of office environment can have negative influences on employees' satisfaction, cause health problems and increase short-term sick leave. Employees who have higher job satisfaction are usually less absent, less likely to leave, more productive, more likely to display organizational commitment, and more likely to be satisfied with their lives. Dissatisfied people are likely to contribute very little for any purpose. Dissatisfaction amongst higher-level employees will most likely reflect on lower-level employees thus resulting in economic, financial and morale problems which indicate that a positive relationship between job satisfaction and job level conveys certain economic advantages to business organizations (Vijayashreea and Jagdishchandrab, 2011).

1.2 Problem Statement

A number of different factors can influence employee satisfaction with their workspaces, including building design, air quality and temperature, noise and lighting, ability of employees to personalize their workspaces and workspace design and management. It is generally understood that unfavourable conditions of office environment can have negative influences on employees' satisfaction, cause health problems and increase short-term sick leave. Banks in Kenya are now bringing in more profits by being customer focused.

In order to attain this they have increased their opening hours, introduced more products, opened up more branches and have adopted the latest IT Infrastructure. This has led to their Employees working longer hours, having a greater and more complex workload, being moved from one branch to another, therefore, experiencing a lot of work pressure and creating a culture of poor

work life balance resulting to their employees becoming highly dissatisfied with their jobs. This may have led to poor satisfaction of staff in the banking industry (Mukururi and Ngari, 2014).

Local studies such as Kimani and Njue (2013) carried a study on the effects of job previews on employee retention in Nairobi's private clubs and found that organizations have not fully invested in providing job previews for their employees during the interview process, thus, it is important to provide such information as this enables employees to know what is expected of them as they start the job. Wambugu and Ombui (2013) conducted a study on effects of Reward Strategies on Employee Performance at Kabete Technical Training Institute; Nairobi, Kenya and the study found out that there was significant relationship between the reward strategies and employee work performance. Atambo and Otundo (2013) conducted a study on the effects of perceived work conditions on job satisfaction: a survey of the ministry of education field officers, Kenya, concluded that the improvement of working conditions in order to enhance job satisfaction is necessary towards increasing performance of the field officers.

Therefore, there is a scarcity of studies on factors affecting employee satisfaction in the banking industry: case of Consolidated Bank of Kenya limited, in Kenya and this is the gap that the study wished to address.

1.3 Study Objectives

- i) To determine how selection practices influence employee satisfaction at Consolidated Bank of Kenya.
- ii) To explore the effects of job stress on employee satisfaction at Consolidated Bank of Kenya.
- iii) To assess the effects of organizational strategy on employee satisfaction at Consolidated Bank of Kenya
- iv) To find out how nature of work influences employee satisfaction at Consolidated Bank of Kenya.

2.0 LITERATURE REVIEW

2.1 Theoretical Literature Review

Taylor's motivational theory

This theory was published by Frederick Taylor in 1911. According to Taylor's research, people worked purely for money. In the early years of the car assembly industry work on a production line was based on producing quantity and was repetitive. Workers were paid 'piece rate', that is, paid for every item produced. This approach of paying workers by results was good for the business. The outcome was greater production but gave little opportunity, encouragement or time for employees to think for themselves or be creative in what they did. This limited people's development and their use within the company.

Employees are more motivated if they feel content in their work. This often happens when their employer creates a good working environment where employees feel valued, generally through increased communication and being asked for their opinions. Employee motivation is also likely to be higher if the organization invests in its staff through remuneration, training and

development. This in turn enhances their knowledge, skills and their sense of job satisfaction. This theory is relevant to this study since it focuses on one way of motivating employees.

The Mayo effect

This theory was propagated by the theorist Elton Mayo in 1930s. Mayo suggested that motivation at work was promoted by such factors as; greater communication, good teamwork, showing interest in others, involving others in decision making, ensuring the wellbeing of others and ensuring work is interesting and non-repetitive. Mayo based his assumptions on research undertaken with workers at the Hawthorne plant of the Western Electric Company in Chicago. His work resulted in the Hawthorne theory. He suggested that boredom and repetitiveness of tasks led to reduced motivation. He believed that motivation was improved through making employees feel important, giving them a degree of freedom to make choices and acknowledging their social needs.

In this study, the Mayo theory is seen to be operating all through the employees of Consolidated Bank. Communication is an extremely important factor in motivating employees. This may be through one-to-one discussions with managers, through parades or memos or through more formal structures such as appraisals. Line managers hold daily Team Meeting to update staff on what is happening for the day and to give out value awards.

These awards can be given by any member of staff to another as a way of saying ‘thank you’ and celebrating achievements. Consolidated Bank may also promote motivation through its many training and development programmes. Every staff has access to not just the specialized training that they need to do their job well, but also to leadership training to grow within the organization.

The bank may also emphasize the development of the whole person and implement a system of 360 degree feedback. This is a personal development tool which provides feedback from a selection of people with whom the employee works.

This helps employees to understand their behavior, strengths and weaknesses within the workplace as others see them. The idea of the programme is to ‘Take People with You’ and ‘To Gain the Hearts and Minds of Others’ in order to improve individuals and get things done efficiently. This also enables managers to offer meaningful feedback to employees to help provide opportunities for continuous personal development.

This personal approach helps employees to reach their full potential by encouraging self-assessment and providing advancement through ongoing training. It also enables individuals to take responsibility for their development. This two-way relationship ensures that the employee is committed to the values of the organization, and that he or she works in partnership with others and helps improve the business.

Maslow and Herzberg

Abraham Maslow argued that humans are motivated by five essential needs. He formed a pyramid demonstrating these needs which he called the ‘hierarchy of needs’: At the bottom of the pyramid are basic needs, those that motivate people to work –food and shelter. Once these needs are met through pay, individuals want safety and security through, for example, good job conditions. Social needs refer to the need to belong, to be part of a group. Self-esteem may arise

from a promotion. Right at the top is Self fulfillment - the area for creativity, challenge and interest. Maslow suggested that achieving one level motivates us to achieve the next.

The theory is applicable to Consolidated Bank because the bank provides basic needs to the staff. The bank provides a place to work for its employees and regular monthly pay. A good percentage of the staffers are also afforded housing allowance for housing needs. The company also facilitates recreational activities and staffers get to relax after work. Security needs: The Bank provides the security of tenure to its permanent staff as well as pension benefits and medical schemes that create a sense of belonging.

Social needs: The Bank promotes team work and groups working at various levels; the department 'Steering Wheel' assesses individual and group work and enables staff to work as a team. Working conditions and a home-away-from-home ethos encourages long service. Self-esteem; emphasize self-respect and respect for others and praise for hard work.

The appraisal system helps to recognize individuals' contributions and importance and celebrate achievement. Self-fulfillment: The Bank offers Personal Development Plans, recognition of skills and talents, opportunity for promotion and career progression programmes. The Options fast-track management programmes and provides a route for capable staff to reach higher levels.

In 1959 Frederick Herzberg developed the Two-Factor theory of motivation. His research showed that certain factors were the true motivators or satisfiers. Hygiene factors, in contrast, created dissatisfaction if they were absent or inadequate. Dissatisfaction could be prevented by improvements in hygiene factors but these improvements would not alone provide motivation. Herzberg showed that to truly motivate an employee an institution needs to create conditions that make him or her feel fulfilled in the workplace.

Consolidated Bank may aim to motivate its employees both by paying attention to hygiene factors and by enabling satisfiers. For instance, it could motivate and empower its employees through appropriate and timely communication, by delegating responsibility and involving staff in decision making. Heads of departments who are alternatively known as branch patrons are encouraged to hold forums within their branches- internally known as 'Kahawa Moments', in which staff discuss matters affecting them. This shows recognition of the work employees do and rewards can thus be effectively structured for them.

2.2 Empirical Review

Tabassum (2011) carried out a study on the process of recruitment and selection in a developing country: case study of Basic Bank in Bangladesh. The objectives of the study were to assess and evaluate its existing recruitment and selection methods and provide some suggestions that can help the Bank in utilizing human resources as a distinctive competency. Basic bank Limited is one of the significant public sector employers in Bangladesh, which needs a large number of qualified, high potential and committed staff to attain the organization's goals effectively. The result of the study shows that Basic Bank Limited discourages the employee referral based recruitment process and it relies more on external sources of recruitment. It also found that this bank has an extensive selection process consisting of curriculum vitae screening, employment tests, interviews and background checks. However, the study had a research gap as it did not address other factors that would affect employee satisfaction. In addition, the study failed to

utilize factor analysis and odd ratio regression as this is the appropriate methodology of analyzing likert scale data.

Mankikar (2014) conducted a critical study on recruitment and selection with reference to human resource (HR) consulting firms. This research aimed to analyze the effect of factors affecting recruitment and selection. The strategic interventions in recruitment are observed to have brought about a sea of changes in the methodology of recruitment.

As a prime contributor to talent acquisition, Human Resource (HR) consulting firms have signified their importance of this industry. The sampling technique used for this study was convenient random sampling with a sample size of 105 respondents. For this study primary data was collected through interviews and questionnaires. The hypothesis was tested with Chi square test of independence. Through phi and Cramer's V the strength of the relationship was also ascertained. The study found out that recruitment policy of an organization is determined by the nature of work and industry in which it operates. There are various internal and external factors that affect the recruitment policy. Employment conditions in the community where the organization is located will influence the recruiting efforts of the organization. Labour Market communicates the demand supply statistics, industry compensation standards as well as the up-to-the-minute trends in the market. However, the study had a research gap as it did not address other factors that would affect employee satisfaction. In addition, the study failed to utilize factor analysis and odd ratio regressions as these are the appropriate methodologies of analyzing likert scale data.

According to Oreoluwa and Oludele (2010), the major changes implemented such as workforce cutbacks in the banking sector in recent times have had a large impact on workers by negative effects on their working and personal lives. Cutbacks put pressure on the remaining workforce with increased work overload or stress. From their study, they found that there is higher level of stress among the executives than the non-executives in the Nigerian Banking Industry. The heavy workload demands in the banks often turn into long working hours which affect personal health significantly. Moreover, to compete with other banks, bank management must necessitate change to improve performance. Management can improve it by re-engineering, rationalization of branches and business lines, increased working hours, staff education and retraining. The findings indicated that bank workers who are victims of management reactions are subject to stress. However, the study had a research gap as it did not address other factors that would affect employee satisfaction. In addition, the study failed to utilize factor analysis and odd ratio regressions as these are the appropriate methodologies of analyzing likert scale data.

Bhatti, Hashmi and Raza (2011) conducted an empirical analysis of job stress on job satisfaction among university teachers in Pakistan. This research investigated the relationship between job stress and job satisfaction among university teachers in Pakistan. Data was collected from 400 respondents from cross sectional method from all four provinces by using simple random technique. The determinants of job stress that have been examined under this study include; management role, relationship with others, workload pressure, homework interface, role ambiguity, and performance pressure. The sample consisted of public universities in Pakistan. The results showed there was a significant relationship between four of the constructs tested. The results also showed that there was significant negative relationship between job stress and job satisfaction. It was revealed that seventy percent of the faculty members were not satisfied with their remuneration and salaries. Job stress was also observed to have a negative impact on their

health. However, the study had a research gap as it did not address other factors that would affect employee satisfaction. In addition, the study failed to utilize factor analysis and odd ratio regressions as these are the appropriate methodologies of analyzing likert scale data.

Ling, Bahron, and Boroh (2014) conducted a study on Role Stress and Job Satisfaction among Bank Employees in Kota Kinabalu, Samba. During the late 1980s and the early 1990s, the nature of banking industry was changed. This was the result of a combination of changes on the competitive environment. The study aimed to investigate the relationship between role stress and job satisfaction among bank employees in Kota Kinabalu, Sabah. This study also attempted to investigate the mediating role of demographic factors to include gender and position level. A total of 163 respondents were surveyed through questionnaire approach and data from the 163 respondents - representing a 79.5% of response rate, were analysed. The role stress (independent variable) was tested with multiple regressions on job satisfaction (dependent variable). Meanwhile, the moderating effects of gender and position level were examined using hierarchical regression analysis. The findings showed that there is a significant relationship between role stress and job satisfaction. The findings also showed that gender has a moderating effect on role stress towards job satisfaction.

Omega (2012) studied the perceived relationship between organizational culture and employees' job satisfaction at Kenya Commercial Bank (KCB). The purpose of this study was to establish the perceived relationship between the organizational culture dimensions and job satisfaction among KCB employees in Kenya in view of the culture transformation programme that the Bank had rolled out. The culture transformation programme aimed at enabling employees to on one hand appreciate the internal customer and on the other hand serve the external customer better. The research design was a descriptive study and questionnaires were used to collect data. The results of the study show that the organizational culture dimensions of organizational supportiveness, emphasis on rewards, performance orientation and innovation orientation have a direct relationship with the job satisfaction of employees at KCB. The study however found no relationship to exist between stability and communication and employees' job satisfaction. Some of the recommendations of the study were that the organization should encourage senior managers to support their junior employees in order to achieve job satisfaction. The organization should focus on rewarding members of staff based on their contribution to the bank and merit. The bank should also support new ideas and invest in innovation. Finally the bank should focus on conducting objective performance evaluation so as to achieve employee satisfaction. However, the study had a research gap as it did not address other factors that would affect employee satisfaction. In addition, the study failed to utilize factor analysis and odd ratio regressions as these are the appropriate methodologies of analyzing likert scale data.

Wambugu and Ombui (2013) conducted a study on effects of reward strategies on employee performance at Kabete Technical Training Institute, Nairobi, Kenya. The main objective of this study was to investigate the effects of reward strategies on employee performance at Kabete Technical Training Institute (KTTI). The study was guided by four specific objectives: personal drive on employee performance; growth opportunities on employee performance; recognition on employee performance and staff promotion on employee performance. A stratified random sampling technique was used to select a sample of 159 respondents from a target population of 270 employees. The study adopted a descriptive research design and utilized both primary and secondary data. The study found a significant relationship between the reward strategies and

employee work performance. The study concluded that a personal need for achievement played a key role in influencing employee performance and given a choice, employees showed preference for promotion, better remuneration, cash gifts and training opportunities as reward strategies. The study recommended that KTTI should: leverage on the intrinsic motivation factors by providing a working environment that encourages employees' sense of achievement; develop and maintain a training policy for all categories of employees; establish a criterion for recognizing employee performance to ensure the whole process of reward strategy is deemed fair by all employees. However, the study had a research gap as it did not address other factors that would affect employee satisfaction.

2.3 Conceptual Framework

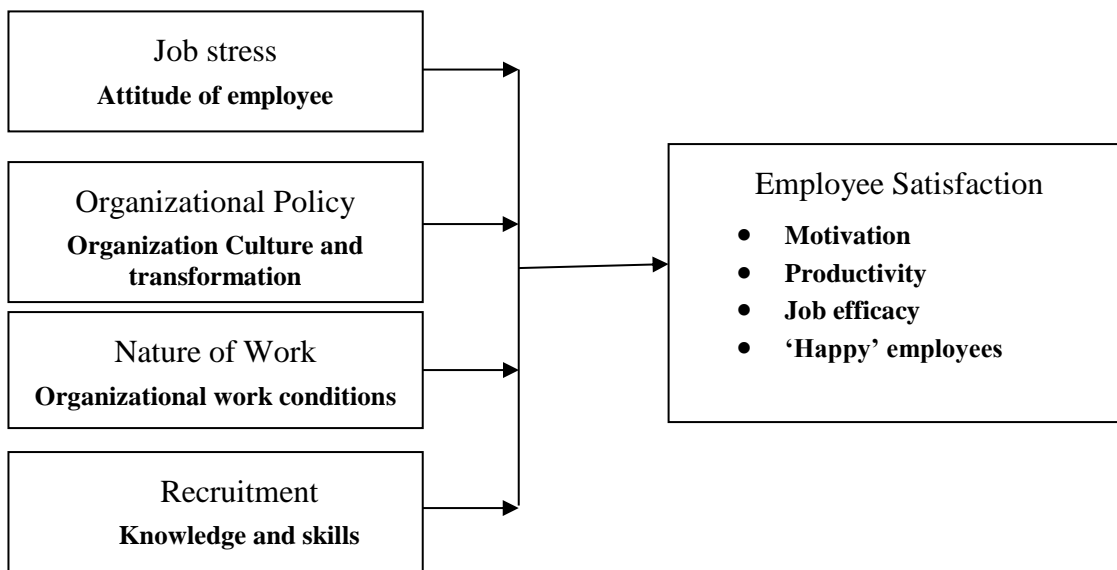


Figure 1: Conceptual framework

3.0 RESEARCH METHODOLOGY

The research design that has been employed in this study is descriptive research design. The target population of this study will be 276 employees which consist of 130 senior managers, 40 supervisory employees, 101 clerical staff and 5 subordinate staff. Stratified random sampling technique was used to determine the sample size. A sample population of 138 employees was used. The study will incorporate primary data. Primary data will be collected using semi structured questionnaires. In order to test and enhance the validity of the questionnaire, five questionnaires' were pilot tested and reviewed with a view to improving validity and reliability of the data that was collected. The researcher relied on quantitative techniques to analyze the data. Descriptive analysis and inferential statistics was performed.

An OLS regression model was used to test the significance of the influence of the independent variables on the dependent variable.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

Y = Employee Satisfaction

X_1 = recruitment

X_2 = job stress

X_3 = organization policy and strategy

X_4 = nature of job

e is error term

β_0 represents the constant

$\beta_{1,2,3,4}$ are regression coefficients

4.0 RESULTS AND DISCUSSIONS

4.1 Response Rate

The number of questionnaires that were administered was 138. A total of 100 questionnaires were properly filled and returned. This represented an overall successful response rate of 72.46% as shown on Table 1. According to Mugenda and Mugenda (2003) and also Kothari (2004) a response rate of 50% is adequate for a descriptive study. Babbie (2004) also asserted that return rates of 50% are acceptable to analyze and publish, 60% is good and 70% is very good.

Table 1: Response Rate

Response	Frequency	Percent
Returned	100	72.46%
Unreturned	38	27.45%
Total	138	100%

4.2 Demographic Characteristics

This section consists of information that describes basic characteristics such as position of the respondents and years worked in their current position. The gender of the respondents was also given.

4.2.1 Gender of the respondents

The respondents were asked to indicate their gender. Majority of the respondents were male who represented 65% of the sample while 35% were female. This implies that Consolidated Bank of Kenya is male dominated.

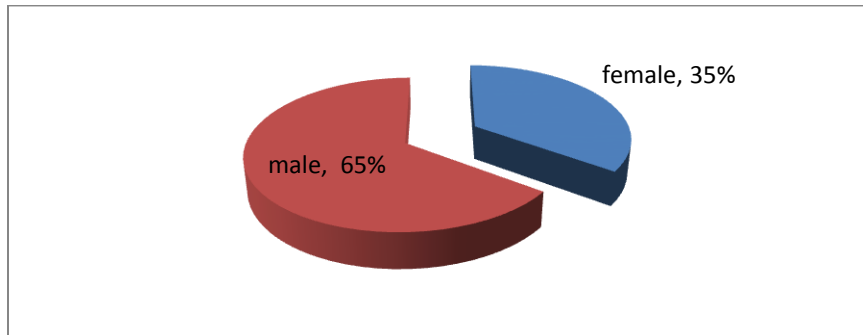


Figure 2: Gender of Respondents

4.2.2 Department of the Respondents

The respondents were asked to indicate which department they work in at Consolidated Bank. Results in figure 3 show that 10% of the respondents came from risk and compliance department, 15% came from accounts and finance and also operations and Information Technology department (IT), 25% were from administration department while 35% came from human resource department who were the majority of the respondents.

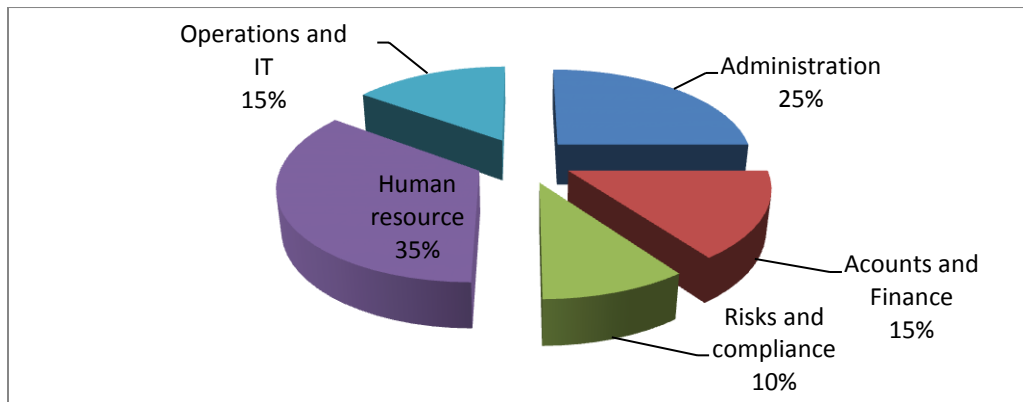


Figure 3: Department of the respondents

4.2.3 Position of the Respondents

The respondents were asked to indicate what position they held in the running of Consolidated Bank. Results in figure 4 shows that 5% of the respondents held subordinate positions 15% were supervisory staff, 35% were clerical while 45% were senior managers who formed the majority of the respondents.

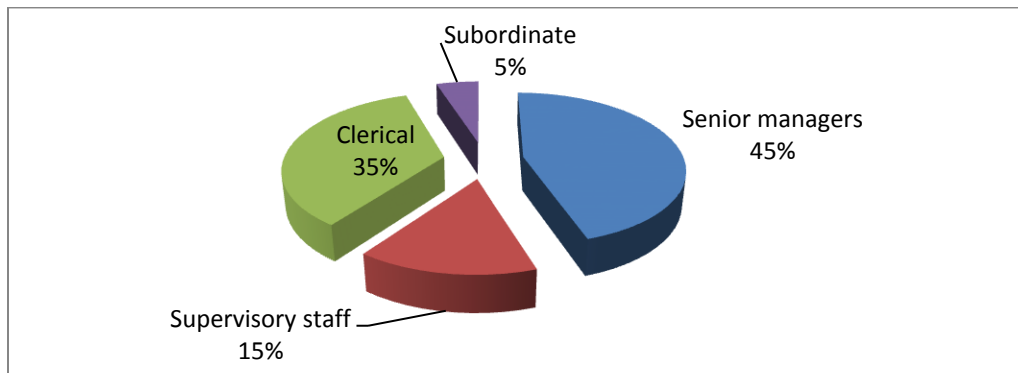


Figure 4: Position of the respondents

4.2.4 Education level of the Respondents

The respondents were asked to state their levels of education. Results in Figure 5 show that 70% of the respondents and who were the majority had university qualifications, 20% had college qualification while 10% of the respondents had post graduate qualification. This implies that majority of the respondents have a university qualifications. Figure 5 shows the level of Education.

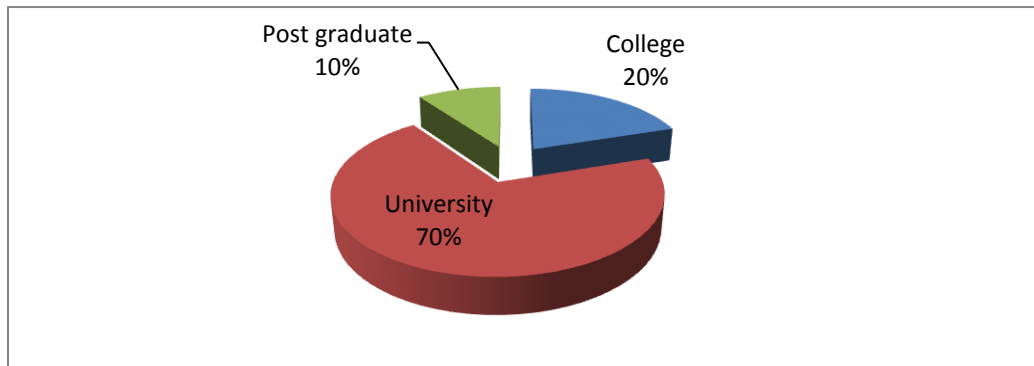


Figure 5: Level of Education

4.3 Descriptive Statistics

4.3.1 Recruitment

The study sought to establish the effect of recruitment on employee job satisfaction at Consolidated Bank. The responses were rated on a likert scale and the results presented in Table 2 below. A majority of the respondents (55%), disagreed that the organization recruits employees according to knowledge level, while 52% agreed that the organization recruits employees with right skills. 63% of the respondents disagreed that during recruitment process the employees are provided with job previews, 50% disagreed that during recruitment process the employees are provided with immediate supervisors while 56% of the respondents agreed that Recruitment policy suffices as a recruitment guideline for the company. These results imply that employee job satisfaction requires a great deal of investment in proper process of recruitment. On a five point scale, the average mean

of the responses was 2.79 which means that majority of the respondents disagreed with the statements in the questionnaire; however the answers were varied as shown by a standard deviation of 1.51

Table 2: Recruitment and selection

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std Dev
My organization recruits employees according to knowledge level	32.00%	23.00%	0.00%	35.00%	10.00%	2.68	1.476
My organization recruits employees with right skills	31.00%	17.00%	0.00%	40.00%	12.00%	2.85	1.513
During recruitment process the employees are provided with job previews	36.00%	17.00%	0.00%	22.00%	25.00%	2.83	1.682
During recruitment process the employees are provided with on job training	39.00%	16.00%	0.00%	34.00%	11.00%	2.62	1.543
During recruitment process the employees are provided with immediate supervisors	27.00%	23.00%	0.00%	44.00%	6.00%	2.79	1.402
Recruitment policy suffices as a recruitment guideline for the company	27.00%	17.00%	0.00%	42.00%	14.00%	2.99	1.501
Average						2.79	1.51

4.3.2 Job stress

The second objective of the study was to establish the effect of job stress on employee job satisfaction at Consolidated Bank. The results are presented in Table 3 below show that 82 % of the respondents agreed that heavy workload in banks has led to reduced employee satisfaction. 97% of the respondents agreed that role conflict in bank has reduced employee satisfaction while 95% of the respondents supported the fact that long working hours in the bank has reduced employee satisfaction. 94% agreed that Poor working relations in bank has reduced employee satisfaction while 95 % agreed that difficulties in delegating responsibilities in bank has reduced employee satisfaction. Using a five point scale likert mean, the overall mean of the responses was 4.18 which indicates that majority of the respondents agreed to the statement of the questionnaire. Additionally, the standard deviation of 0.55 indicates that the responses were varied. The results herein imply that job stress influences employee job satisfaction at the bank

Table 3: Job stress

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std Dev
Heavy workload in banks has led to reduced employee satisfaction	11.00%	6.00%	1.00%	63.00%	19.00%	3.73	1.171
Role conflict in bank has reduced employee satisfaction	0.00%	0.00%	3.00%	82.00%	15.00%	4.15	0.359

Long working hours in bank has reduced employee satisfaction	0.00%	5.00%	0.00%	25.00%	70.00%	4.75	0.435
Poor working relations in bank has reduced employee satisfaction	0.00%	6.00%	0.00%	79.00%	15.00%	4.15	0.359
Difficulties in delegating responsibilities in bank has reduced employee satisfaction	0.00%	0.00%	5.00%	80.00%	15.00%	4.1	0.438
Average						4.18	0.55

4.3.3 Organizational Policy

The third objective of the study was to establish the effects of organizational policy on employee job satisfaction at Consolidated Bank. The results as presented in table 4 show that 95% of the respondents agreed that the organization offers short training in form of seminars and this has led to employee satisfaction. Further results found that the organization does not identify areas for employee development based on feedback of performance appraisal as indicated by 88% of the respondents who disagreed with the statement. Results also showed that 88% of the respondents disagreed that the organization is keen on promotion and this has led to reduced employee satisfaction. Further results show that 86% of the respondents disagreed that the organization ensures employees are rewarded and this has led to reduced employee satisfaction.

Further, 95% of the respondents disagreed that the organization encourages senior managers to support their junior employees in order to achieve employee satisfaction. These results imply that Consolidated Bank encounters challenges on organizational policy. The average likert scale of the responses is 2.2 which indicates that majority of the respondents disagreed to the statements. The standard deviation was 0.74 was observed which indicates that the responses were varied.

Table 4: Organizational Policy

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std Dev
The organization offers short training in form of seminars and this has led to employee satisfaction	0.00%	0.00%	5.00%	80.00%	15.00%	4.1	0.438
My organization identifies areas for employee development based on feedback of performance appraisal	20.00%	68.00%	2.00%	5.00%	5.00%	2.07	0.935
My organization is keen on promotion and this has led employee satisfaction	15.00%	73.00%	2.00%	5.00%	5.00%	2.12	0.902
My organization ensures employees are rewarded a	20.00%	66.00%	4.00%	5.00%	5.00%	2.09	0.944
My organization encourage senior managers to support their junior employees in	20.00%	75.00%	5.00%	0.00%	0.00%	1.85	0.479

order to achieve employee
 satisfaction

Average **2.44** **0.74**

4.3.4 Nature of Job

The fourth objective of the study was to establish the effect of nature of job on employee job satisfaction at Consolidated Bank. Results in table 5 show that 83% of the respondents agreed that the organization has well lit offices and this has led to employee satisfaction. Also, 97 % of the respondents agreed that the organization has comfortable staff chairs and this has led to employee satisfaction. Further; 97% of the respondents agreed that the organization is free of health hazards while, 96 % of the respondents agreed that the organization has adequate clean drinking water. 96% of the respondents indicated that the organization is located in an area with no noise pollution and lastly 90% agreed that the organization is located in an area with adequate security all of which has led to employee satisfaction. On an average likert scale the responses had an overall mean of 4.0 which indicated that the respondents agreed to the majority of the questions asked. The standard deviation of 0.7 indicates that the responses were varied. The results imply that nature of job determines employee job satisfaction.

Table 5: Nature of job

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Std Dev
The organization has well lit offices this has led to employee satisfaction	4.00%	3.00%	10.00%	64.00%	19.00%	3.9	0.88
The organization has comfortable staff chairs this has led to employee satisfaction	3.00%	0.00%	0.00%	77.00%	20.00%	4.1	0.68
The organization is free of health hazards and this has led to employee satisfaction	3.00%	0.00%	0.00%	83.00%	14.00%	4.1	0.64
The organization has adequate clean drinking water this has led to employee satisfaction	3.00%	1.00%	0.00%	91.00%	5.00%	3.9	0.60
The organization is located in an area with no noise pollution this has led to employee satisfaction	4.00%	0.00%	0.00%	71.00%	25.00%	4.1	0.77
The organization is located in an area with adequate security this has led to employee satisfaction	5.00%	1.00%	4.00%	69.00%	21.00%	4.0	0.87
Average						4.0	0.7

4.4 Inferential Statistics

4.4.1 Correlation Analysis

The Table 6 below presents the results of the correlation analysis. The results presented shows that the recruitment practices and job satisfaction are positively and significantly related ($r=0.211$, $p=0.035$). The table further indicates that job stress and job satisfaction are negatively and significantly related ($r=-0.675$, $p=0.000$). It was further established that organizational strategy was positively and significantly related to job satisfaction ($r=0.423$, $p=.000$). Similarly, results showed that nature of job was positively and significantly related to job satisfaction ($r=0.381$, $p=.000$).

Table 6: Correlation Matrix

		Overall Job satisfaction	Overall recruitment	Overall job stress	Overall strategy	Overall nature of job
Overall Job satisfaction	Pearson Correlation	1				
	Sig. (2-tailed)					
Overall recruitment	Pearson Correlation	.211*	1			
	Sig. (2-tailed)	.035				
Overall job stress	Pearson Correlation	-.675**	-.187	1		
	Sig. (2-tailed)	.000	.062			
Overall organizational policy	Pearson Correlation	.423**	-.008	-.421**	1	
	Sig. (2-tailed)	.000	.940	.000		
Overall nature of job	Pearson Correlation	.381**	.362**	-.582**	.236*	1
	Sig. (2-tailed)	.000	.000	.000	.018	

*. Correlation is significant at the 0.05 level (2-tailed).
 **. Correlation is significant at the 0.01 level (2-tailed).

4.4.2 Regression Analysis

The result presented in table 7 presents the fitness of model used of the regression model in explaining the study phenomena. Recruitment, job stress, strategy and nature of job were found to be satisfactory variables in explaining employee job satisfaction. This is supported by coefficient of determination also known as the R square of 49.1%. This means that Recruitment, job stress, strategy and nature of job explain 49.1 % of the variations in the dependent variable which is job satisfaction. This results further means that the model applied to link the relationship of the variables was satisfactory.

Table 7: Model Fitness

Indicator	Coefficient
R	0.701
R Square	0.491
Adjusted R Square	0.470
Std. Error of the Estimate	0.347

In statistics significance testing the p-value indicates the level of relation of the independent variable to the dependent variable. If the significance number found is less than the critical value also known as the probability value (p) which is statistically set at 0.05, then the conclusion would be that the model is significant in explaining the relationship; else the model would be regarded as non-significant. Table 8 provides the results on the analysis of the variance (ANOVA). The results indicate that the overall model was statistically significant. Further, the results imply that the independent variables are good predictors of employee job satisfaction. This was supported by an F statistic of 22.954 and the reported p value (0.000) which was less than the conventional probability of 0.05 significance level.

Table 8: Analysis of Variance

Indicator	Sum of Squares	df	Mean Square	F	Sig.
Regression	11.082	4	0.2771	22.954	0.000
Residual	11.466	95	0.121		
Total	22.548	99			

Regression of coefficients results in table 9 shows that there is a positive and significant relationship between recruitment, organization strategy and nature of job (insignificant) and job satisfaction as supported by beta coefficients of 0.007, 0.0169 and 0.067 respectively. These results show that an increase in the unit change of recruitment and organizational strategy would result to an increase in job satisfaction. While there is a negative and significant relationship between job stress and job satisfaction as supported by a coefficient of -1.113.

Table 9: Regression of Coefficients

Variable	B	Std. Error	t	Sig.
(Constant)	6.256	1.067	5.865	0.000
Overall recruitment	0.07	0.046	1.524	0.013
Overall job stress	-1.113	0.175	-6.349	0.000
Overall Organizational Strategy	0.169	0.076	2.233	0.028
Overall nature of job	0.067	0.103	0.654	0.515

The multiple linear regression model is as shown below.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

Y = Employee job satisfaction

X_1 = Recruitment and Selection

X_2 = Job stress

X_3 = Policy and Strategy

X_4 = Nature of Job

Thus, the optimal model for the study is;

Employee job satisfaction = $6.256 + \text{Recruitment and Selection} + (-1.113) \text{ Job stress} + 0.169$
 $\text{Policy and Strategy} + 0.067 \text{ Nature of Job}$

5.0 DISCUSSION CONCLUSIONS AND RECOMMENDATIONS

5.1 Discussion

One objective of the study was to establish the effect of recruitment on employee job satisfaction. The results reveal that recruitment has an impact to the overall employee job satisfaction. Majority of the respondents disagreed that the organization recruits employees according to knowledge level. The second objective of the study was to identify the effects job stress on employee job satisfaction. Results revealed that job stress has an impact on employee job satisfaction at Consolidated Bank of Kenya. The results show that; heavy workload in the bank has led to reduced employee satisfaction; also, role conflict in bank has reduced employee satisfaction.

The third objective of the study was to establish the effect of organizational strategy on employee job satisfaction in Consolidated Bank of Kenya. Results revealed that the organization offers short trainings in form of seminars and this has led to employee satisfaction. Further results found that the organization does not identify areas for employee development based on feedback of performance appraisal. The study sought to establish the effect of nature of job on employee satisfaction. The results revealed that the organization has well lit offices and this has led to employee satisfaction. In addition the results indicated that the organization has comfortable staff chairs and this has led to employee satisfaction. The findings also showed that the organization is free of health hazards and this has led to employee satisfaction.

5.2 Conclusions

Based on the findings above the study concluded that employee job satisfaction requires a great deal of investment in a proper recruitment process. The study also concluded that the organization does not recruit employees according to their level of knowledge though it manages to recruits employees with the right skill set. The study also concluded that during recruitment process the employees are not provided with job previews. The employees also agree that the recruitment policy suffices as a guideline to the recruitment practices of the company.

5.3 Recommendations

The study recommended the following;

Recruitment of employees should be done according to employee's level of knowledge. During the recruitment process, employees need to be provided with on job training employees and they also need to be provided with immediate supervisors who will fast track on job training. These

will enable new employees' gain confidence on what they are doing as they enter the workplace. Job previews should also be provided during the recruitment process because the employees' shall be well placed to know what is expected of them as they start the job.

The banking industry needs to manage employee job stress. The employee needs to be assigned a work load which is manageable as opposed to heavy workloads which may frustrate the employees. To reduce role conflict, the bank management needs to define job role and role specifications among the employees. Long working hours also needs to be discouraged.

5.4 Areas for Further Studies

The study sought to find the effects of recruitment, job stress, organization strategy and nature of work on employee job satisfaction. This called for the analysis of banking industry only, thus an area for further studies could include a different analysis of a different industry or sector like the public service commission. This study used Consolidated Bank of Kenya as a case study; therefore a similar study can be conducted with regard to another bank for comparison purposes.

REFERENCES

- Bhatti, N., Hashmi ,M., and Raza,A. (2011) Empirical Analysis of Job Stress on Job Satisfaction among University Teachers in Pakistan. *International Business Research* 3(2).
- Frederick-Recascino, C. M. (2002). Self-determination theory and participation motivation research in the sport and exercise domain. In E.L. Deci and R.M. Ryan (Eds.),*Handbook of Self-Determination Research* (277-294). Rochester, NY: University of Rochester Press
- Islam, M. M. and Hasan, M. (2005). Employee Satisfaction on Private Sector Banks in Bangladesh: A Study on Dhaka City's Banks. *Journal of Business Studies*. Vol. 3; Number 1 and 2. Bangladesh Open University. ISSN: 1811-1556.
- Katuwal B. and Gurpreet, R, (2007). A Study of Job Satisfaction of Public and Private Sector Nepalese Textile Workers, *Indian journal of industrial relation*, Vol. 43 (2), pp. 239-253.
- Kimani, E. W. and Njue, J. (2013). The effects of job previews on employee retention in Nairobi private clubs. *International Journal of Social Sciences and Entrepreneurship*, 1 (5), 742-755.
- Kothari, C. (2004). *Research Methodology: Methods and Techniques*, 2nd edition. New age International Publishers, New Delhi, India
- Lim, S. (2008). Job Satisfaction of Information Technology Workers in Academic Libraries', *Library and Information Science Research*, vol 30, no. 2, pp. 115-121
- Ling,W., Bahron, A., and Boroh, P. (2014). A Study on Role Stress and Job Satisfaction Among Bank Employees in Kota Kinabalu, Sabah. *International Journal of Research in Management and Business Studies*.1(2)
- Mankikar, S. (2014). A Critical Study on Recruitment and Selection With Reference to HR Consulting Firms. *Indian journal of research*.3(3)
- Mugenda, O. M., and Mugenda, A. G. (2008). *Research Methods: Quantitative and Qualitative Approaches*, Acts Press, Nairobi-Kenya
- Mukururi, N. and Ngari, M. (2014). Influence of Work Life Balance Policies on Employee Job Satisfaction In Kenya's Banking Sector; A Case of Commercial Banks in Nairobi Central Business District *IOSR Journal Of Humanities And Social Science (IOSR-JHSS)* 19(3), PP 102-112

- Omega, P. M. (2012). *The perceived relationship between organizational culture and employees' job satisfaction at Kenya Commercial Bank* (Doctoral dissertation).
- Tabassum, A. (2011). The process of recruitment and selection in a developing country: case study of a bank in Bangladesh. *ABAC Journal* 31 (1) , pp.55-67
- Vijayashreea, L. and Jagdishchandrab, M.V. (2011). Locus of Control and Job Satisfaction: PSU Employees, *Serbian Journal of Management*, 6(2): 193-203.