

**Effects of Work Environment on Job Satisfaction. A Case of Employees in Banking
Industry in Kenya**

Yebei, Nixon Kibet

066746

Master of Commerce

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**Submitted in partial fulfilment of the requirements for the Degree of Master of Commerce
at Strathmore University**

**School of management and commerce
Strathmore University
Nairobi, Kenya**

May, 2013

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4th November 2014

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ABSTRACT

ABSTRACT

The purpose of this study was to establish the effect of Work Environment on Job Satisfaction in the Banking Industry in Kenya. The main objective of this research was to establish the relationship between job satisfaction and work environment, and the extent to which work environment contribute to job satisfaction of employees in banking industry in Kenya. Specific objectives were; (1) to establish the effects of *stressful competition* on job satisfaction, (2) to identify the effect of *role ambiguity* on employee satisfaction, (3) to analyse how *role conflict* affects job satisfaction and (4) to gauge the role of *organizational climate* on job satisfaction.

This study was conducted between September 2013 to December 2013 within the Kenyan Banking industry. The study utilised stratified random sampling and selected 5 respondents from each bank using convenience sampling method.

The major finding of the study was that Stressful Competition, Role Ambiguity, Role Conflict and Organizational climate affects job satisfaction strongly and positively by determining staff retention, quality of workmanship, work attendance rates and employee trust levels in the banks.

Some of the recommendations from this study were; In order to maximize retention of bank staff, managers should avoid Stressful competition, Role ambiguity, Role conflict and Organizational climate at the work place since this study found out that it produces undesirable effects on the employees. For the interest of quality of workmanship displayed by the employees, managers should minimize the impact of negative work environment at the work place. This way the work quality produced by the employees would be superior compared to when role ambiguity is present in a work role. Organizational Climate in the work environment should be developed so as to work for employees as opposed to one which makes employees dissatisfied with work. Negative organizational climate produces unattractive results in employees like staff turnover, poor quality of workmanship, employee absenteeism and employee loss of trust in the company. These results can occasion great loss to a company if not mitigated or reversed altogether.

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Dedication

To my mother Rebecca, and my two sisters Joan and Peris.



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CHAPTER ONE INTRODUCTION

1.1 Background to the Study

The emotive subject of job satisfaction and its relationship with work environment is gaining increasing importance in research (Voss & Mowen, 2009). With stiff competition for scarce talent in the service industry, companies are putting in place an appropriate work environment to attract and retain the best employees. Gustavasson (2003) argues that companies need to ensure appropriate work environment at the work place given the strong relationship between job satisfaction and work environment. This helps a company to attract, retain and develop scarce talent because of the high labour mobility in the service industry. In support of this argument, Aktas (2009) asserts that job satisfaction is associated with the mental health of the employees because it reflects their feelings about work. An appropriate work environment produces desirable effects on the employees, which in turn produce desirable results for the company. However, Stressful competition, role ambiguity, role conflict and negative organizational climate affect employees' job satisfaction. These four elements as articulated by Aktas (2009) explains the factors that affect job satisfaction as a whole, as opposed to other factors which are stand alone for instance salary, feedback, recognition (Koopmans & Groothoff, 2006), promotion, meaningfulness of a job, communication (Saane, 2003).

Arnold (2009) also indicates that work environment that is not conducive for the employees can have negative effects on a company's performance. For instance, a company can witness increased staff turnover, high absenteeism rates, tardiness, poor workmanship, loss of trust in the company and fraud among staff. Much research has been done on the topic of job satisfaction in leading multinationals across the world, particularly in the western countries such as Europe and the United States (Metle 2001). Little, if any, has been done with a focus in African work environment and especially Kenyan. Given that the work culture and work environments differ greatly between the developed and developing countries, previous research cannot be generalised to all labour markets and work environments in the service industry in Kenya (Ivensor & Chovwen 2009; Kaloki, 2001). Furthermore, whereas the popular belief (Herzberg 1975) that

work environment contributes significantly to job satisfaction is supported by a stream of studies (Crossman, 2005; Caldwell, 2000), some recent research (Thakur, 2007; Petty, 2004; Muchinsky, 2005) has divergent views. The latter group argues that work environment's contribution is insignificant, the main contributor being the work culture.

Arising from the above considerations, the cause and effect determinants of job satisfaction remain unclear and it would therefore not be possible to assume the contents of work environment and how they affect job satisfaction (Spector, 1997; Reiner & Zhao 1999), because the relationship between work environment and job satisfaction is casual. This study intended to establish the relationship between work environment and job satisfaction.

1.1.1 Work Environment

Work environment in service companies is changing the way the companies compete for scarce talent (Nelson, 2007). Consequently the banking industry is becoming saturated with new market entrants and is proving quite difficult to plan for without the able direction of rare talent. The Kenyan banking industry is home to at least 43 banks (CBK Annual report, 2011) and a host of other micro finance institutions, all who compete for the same customers and employees. Research (Piety, 2004) indicates that a service company wins more customers and hence more revenue when staff work in the most conducive environment possible. It is through the presence of conducive work environment that will influence service climate and eventually influence job satisfaction (Ram, Bhargavi & Prabhakar 2011).

Today's work environment is undergoing a major shift. Such factors as globalisation, growing economies, and improved technology are relentlessly presenting new challenges and creating new opportunities for organizations as well as its employees. With these changes, employees' perceptions regarding their jobs are also changing. In this grow-or-die marketplace, the success of any organisation relies heavily on its workforce. Satisfied and committed employees are the most significant assets of any organisation, including banks (Selvaraj, 2009). As banking institutions are the backbone of a nation's economy, the efficient management of human resources and the maintenance of higher job satisfaction levels affect the growth and

performance of an entire economy. The Kenyan banking sector is a fast-growing financial service sector that has seen tremendous progress following liberalisation in the late 1990's.

Unlike other work environment attributes which have received attention and is largely agreeable to past researchers, there are four work environment attributes that have stood out as divisive to past researchers on their position on how they affect work environment (Aktas, 2009). These attributes are stressful competition, role ambiguity, role conflict and organizational climate (Edwardsson & Gustavasson, 2003). Many studies for example (Menezes, 1998; Guthrie, 2001; Koc, 2006; Huselid, 1995) highlight the four environmental attributes as contributing immensely to job satisfaction, a view that is sharply contradicted in the studies by Bone and Patton (2001); Pfeffer (1994); Bitner (1995) who argue that such environmental attributes of stressful competition, role ambiguity, role conflict and organizational climate do not make any contribution to job satisfaction. Kollias (2002) suggest a neutral relationship between these four variables while Petty (2004); Iaffaldano & Muchinisky (2005) indicate a weak link between stressful competition, role ambiguity, role conflict and organizational climate and job satisfaction, while others (Cladwell & O'Reilly, 2000; Spector, 2007) suggest a potential relationship between these variables.

With recent developments in Kenya where unions as well as the civil society are voicing concerns as to the kind of work environment that workers are exposed to, companies are going beyond the minimum to ensure the most appropriate work environment possible so as not to come in conflict with the unions (Njuguna, 1996). This study intended to establish the type of work environment the workers are exposed to in the banking industry.

According to Roelen (2006) a satisfied and happy employee is the biggest asset of any organization, including banks. Employees are responsible to a large extent for its productivity and profitability. Safeguarding a higher job satisfaction level in banks determines not only the growth and performance of the bank but also of the entire economy. For the success of banking, it is important to raise job satisfaction level of employees and to find out ways on how to better it.

1.1.2 Banking Industry

The Kenyan banking industry has evidenced impressive growth rate over the past few years. The records for the industry as at end of 2011 were 14,250,503 accounts compared to 11,881,114 in the year 2010. The employees stood at 30,056 in December 2011 compared to 28,846 in December 2010. From these figures, it is noted that one employee served an average of 474 customers in 2011 as compared to 412 in 2010 (CBK Annual Report, 2011). The role played by the banking industry in a country cannot be overemphasized (Thakur, 2007). Banks lubricate the monetary and financial system in a country by ensuring its smooth operations. Banks contribute to the achievement of economic development objectives by way of financing every sector of the economy. Experience (as was evidence with the weakening of the Kenya shilling in 2011) has shown that whenever banking industry gets into trouble, the economic development of that country suffers (Aktas, 2009). In this regard, job satisfaction of bank employees is very important since they determine the success or otherwise of the banking industry and by extension a country's economy. In the services sector such as banking, effective services rendition largely depend on the workforce (Fitzgerald, Silvestro, & Ross, (1994) and therefore job satisfaction experience by the bank employees will affect the services quality rendered.

The evidence of fraud cases in Kenyan banks makes it imperative to understand why bank staffs engage in banking fraud activities. Is it a case of job dissatisfaction which is caused by lack of trust in the banks? How can it be avoided? Another factor raising concern in the banking industry is the reported high mobility of bank staff (Njuguna, 1996). What causes the high labour mobility? How can it be minimised? These are some of the questions this study intends to generate answers to.

The role played by the banking industry in a country cannot be overemphasized (Thakur, 2007). Banks lubricate the monetary and financial system in a country by ensuring its smooth operations. Banks also contribute to the achievement of economic development objectives by way of financing every sector of the economy. Experience (as was evidenced with the weakening of the Kenya shilling in 2011) has shown that whenever banking industry gets into trouble, the economic development of that country suffers (Aktas, 2009).

The banking industry is regulated by Chapter 488 of the Laws of Kenya, and other such laws as the Companies Act (Chapter 486), Employment Act (chapter 226) of the Laws of Kenya. All these laws address the conduct of banks as corporations as well as the work environment employees should be exposed to in the performance of their work. Collectively banks are regulated by the Central Bank of Kenya (Chapter 491 Laws of Kenya) which ensures compliance to the laws governing the conduct of banking operations in Kenya.

With the introduction of new banks into the industry (Thakur, 2007) the result has been a war among the more than 43 banks for scarce talent with many banks fighting to attract and retain top talent. An observation of the work environment and the level of job satisfaction was critical to understand how work environment in the banking industry affects job satisfaction. Success of any organization depends on the satisfaction of its employees, and banks are no exception to this.

1.1.3 Job Satisfaction

Roelen (2006) defines job satisfaction as ‘the positive emotional reactions and attitudes individuals have towards their work. It is also defined as a description of how happy an individual is with his or her job. The equivalence here is that the more happy people are in their job, the more satisfied they are. With this argument it then means that the most satisfied employees should be the best performers. The reverse is also true (Stahl, 2004).

Goodman (2007) noted that job satisfaction affects job performance. Job satisfaction is an integral part in human resources management. By recognizing factors influencing job satisfaction, the management especially human resource department is able to provide necessary and meaningful information to make intelligent decision for promoting employee’s job satisfaction level (Lambert, Hogan, & Barton, 2001).

Menezes (1998) has shown that job satisfaction is a key determinant in establishing competitive advantage in any service organization. As banks operate in highly dynamic financial markets, it is necessary that they establish work environments that promote job satisfaction. Job satisfaction

is a determinant of many factors and it varies from one employee to another (Abou-Zaki, 2003). It is one key ingredient that affects the health of an organization. Rendering of effective services largely depends on the employees in any given company (Fitzgerald, 1994). Groothoff, Roelen and Koopmans (2006) agree that job satisfaction is a multi dimensional concept featuring personality traits and work environmental factors.

According to Arnold (2009), job satisfaction behaviour include staff retention, work attendance rates, quality of workmanship, trust in the company and fraud among staff. These factors on the positive explain desired job satisfaction while the negative ones are indicative of job dissatisfaction.

1.2 Statement of the problem

Baron (1995) confined work environment to safe, healthy and comfortable work environment as the key determinants of job satisfaction. Conversely, Allen (2007) discredited the contribution of fringe benefits, company policy and good human resource policies on job satisfaction which were fronted by Herzberg (1975) and supported by Gilson and Blum (2000) arguing that such work environment only provide an environment for work performance and nothing more. He further proposed responsibility, recognition, feedback and promotion as the work environmental factors most contributing to job satisfaction. Other researchers (Groothoff, Roelen and Koopmans, 2006) maintains that work environmental factors that affect job satisfaction only include work content, autonomy, growth and development, financial rewards, promotion, supervision, communication, reasonable work load and relations with co-workers. Additionally, these arguments do not consider individual differences, conversely predicting that all employees will react in the same manner as regards job satisfaction.

Although literature on job satisfaction alone is voluminous (Ivensor & Chovwen, 2009), there are divergent views on the contents of work environment that affect job satisfaction. Aktas (2009) shows that appropriate work environment produce desirable effects on employees' job satisfaction and vice versa.

Atkas (2009) has defined the work environment using four dimensions: Stressful competition, role ambiguity, role conflict and organizational climate. These are the dimensions that were used to assess the work environment and subsequent job satisfaction in this study because of its conclusiveness. Given the interest the topic of work environment and job satisfaction arouses in researches (Edwardsson & Gustavasson, 2003); Groothoff, Roelen & Koopmans, 2006), it would be particularly important to study it in the banking industry. The study of this subject in the banking industry is worthy of attention because of the unbreakable relationship between this industry and the performance of a country's economy.

Job satisfaction of bank employees is very important since it may determine the success or otherwise of the banking industry and by extension a country's economy. A happy, satisfied and hardworking employee is the biggest asset of any organization (Thakur, 2007). Additionally, maintenance of an appropriate job satisfaction level in banks not only determines the performance of the individual banks but also affects the growth and performance of a country's economy. It is in this sense that bank employees are the lifeline of a country's economic system and this warrants this study in the banking industry. Further, employment in the banking industry is very sensitive given the nature on the work that involves money. It is for these reasons above that warrant a study to determine the exact determinants of job satisfaction caused by work environment more so in the Banking industry since earlier writers as highlighted earlier seem not to agree on the same, making it difficult to tell with certainty which factors affect job satisfaction and which ones do not. Further earlier writers has focussed their studies in manufacturing industries and other service industries other than banking and it would therefore be imperative to take a study in the banking industry to establish the elements of work environment that determines job satisfaction. Additionally, previous studies has focused on job satisfaction alone without drawing conclusions with work environment and this makes this topic of work environment and job satisfaction deficient in literature and this study intended to make contribution to it.

1.3 Research objectives

The main objective of this research was to examine the relationship between job satisfaction and work environment, and the extent to which work environment contribute to job satisfaction of employees in banking industry in Kenya. Specific objectives were;

- i) To establish the effects of *Stressful competition* on job satisfaction in Banking industry in Kenya.
- ii) To identify the effect of *role ambiguity* on job satisfaction in Banking industry in Kenya.
- iii) To analyse how *role conflict* affects job satisfaction in Banking industry in Kenya.
- iv) To examine how *organizational climate* affects job satisfaction in Banking industry in Kenya.

1.4 Research Questions

- i) What is the effect of *Stressful competition* on job satisfaction in Banking industry in Kenya?
- ii) What is the effect of *role ambiguity* on employee satisfaction in Banking industry in Kenya?
- iii) What is the *role conflict* affects job satisfaction in Banking industry in Kenya?
- iv) How does *organizational climate* affect job satisfaction in Banking industry in Kenya?

1.5 Justification of the Study

This research was designed to enhance understanding of the relationship between work environment and job satisfaction in banking industry in Kenya. The study will be of importance to other researchers who may be interested in further doing research on the same topic.

This research will also be of much help to employees to be aware of environmental factors at the work place that enhance their job satisfaction. Assuming rationality, this information should enable them to choose work environments that help improve their work performance.

This study would also help managers make considerations on work environment that relate to job satisfaction with a view of improving organizational performance.

Finally the study can also help organizations appreciate the role work environment plays in the satisfaction of their employees, and work on ways that help the organization achieve its objectives optimally.

1.6 Scope of the study

This research study was conducted in banks in Nairobi. The main reason for choosing Nairobi as a representative of the other regions is because it is where all headquarters of banks are located and is where banks have their best talent and also where decisions are made that affect employees in all branches across the country.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section attempts to analyze and evaluate relevant contributions of other writers on the topic of work environment and/or job satisfaction and find appropriate theoretical answers to the research questions in relation to job satisfaction. The chapter also discusses the theoretical foundations of the objectives of the study, as well as the fundamentals of the study.

2.2 Theories of Job Satisfaction

Weiss (2002) defined job satisfaction as how content an individual is with his or her job, 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. Brief (1998) identified job satisfaction as an attitude, defining it as an internal state that is expressed affectively and/or cognitively evaluating an experienced job with some degree of favour or disfavour and more clearly.

The goal of job satisfaction has been reached through incentive programs, corporate talks and other types of conditional administrative policy (Myers & Tietjen, 1998). However, as the workers adjust their behaviour in response to aforementioned stimuli, is the job satisfaction actualized? This is the big question that job satisfaction needs to address, to create confidence, loyalty and ultimately improve quality in a business firm.

Job satisfaction is an attitude; this suggests that employees form attitudes towards their jobs by taking into account personal feelings, beliefs, and individual behaviours. Job satisfaction has also been defined as a positive emotional state that results from the pleasure a worker derives from the job (Locke, 1976; Spector, 1997) and as the affective and cognitive attitudes held by an employee about various aspects of their work (Kalleberg, 1977; Mercer, 1997; Wright and Cropanzano, 1997; Wong, 1998). From this we can say that job satisfaction is related to the

component facets rather than the whole job. Put simply, job satisfaction is how people feel about their jobs and different aspects of their jobs.

According to Weiss (2002) organizations have different reasons why they should be concerned with job satisfaction of its employees. To start with, the humanitarian perspective is that people deserve to be treated fairly and with respect. Job satisfaction is a reflection of good treatment. From the utilitarian perspective, job satisfaction can lead to behaviour by employees that affect organizational functioning. It is for such reasons that a business organization attempts to address the issue of job satisfaction among its employees. For purposes of this study, the definition utilised was that advanced by Weiss (2002), this is because his definition is more elaborate than the rest cited. Additionally, his definition improves those advanced by early writers and being the most recent it is more elaborate

Groothoff and Koopmans (2006) claim that the conceptual foundation of job satisfaction has received little attention in literature telling that there is no gold standard that indicates which aspects should be taken into account when job satisfaction is being measured.

There are different theories of job satisfaction which have been advanced in the attempt to explain its roles in work environment and employee performance. Among them all, Herzberg's two factor theory is the most comprehensive since it captures the concept of job satisfaction adequately compared to other theories on job satisfaction.

Two-Factor Theory (Motivator-Hygiene Theory). This theory, developed by Herzberg (1975), explains that satisfaction and dissatisfaction are driven by different factors – motivation and hygiene factors, respectively. An employee's motivation to work is constantly related to job satisfaction of a subordinate (Hoskinson, Porter & Wrench, 1993). Motivating factors comprise of those aspects of the job that make people want to perform, and provide people with satisfaction; for example achievement in work, recognition, promotion opportunities. Such motivating factors are intrinsic to the job, or the work carried out. Hygiene factors, on the other hand, include aspects of the working environment such as pay, company policies, supervisory practices, and other working conditions.

Jarvhlom (1996) and Eriksson (1996) in furthering the contributions by Herzberg highlights that the content and character of the work; organization of the work and social relations at work are the main factors affecting job satisfaction in a work environment. This is in addition to the contribution by Baron (1995) who confined work environment to safe, healthy and comfortable work environment as the key determinants of job satisfaction. Conversely, Allen (2007) discredited the contribution of fringe benefits, company policy and good human resource policies on job satisfaction which were fronted by Herzberg (1975) and supported by Gilson and Blum (2000) arguing that such work environment only provide an environment for work performance and nothing more. He further proposed responsibility, recognition, feedback and promotion as the work environmental factors most contributing to job satisfaction.

Groothoff, Roelen and Koopmans (2006) also made an improvement to the contribution of Herzberg by coming up with a larger set of work environmental factors that affect job satisfaction which include work content, autonomy, growth and development, financial rewards, promotion, supervision, communication, reasonable work load and relations with co-workers.

Herzberg's theory, however, does not consider individual differences, conversely predicting that all employees will react in the same manner to changes in motivation or hygiene factors. Further, the model does not specify how motivation or hygiene factors are to be measured. This is one aim this study intended to undertake.

Affect Theory. The main hypothesis of this theory is that satisfaction is determined by a discrepancy between what one wants in a job and what one has in a job (Locke, 1976). The theory further states that how much one values a given feature of work (e.g. the degree of autonomy in a position) moderates how satisfied or dissatisfied one becomes when expectations are (or are not) met. When a person values a particular facet of a job, his satisfaction is more greatly impacted both positively (when expectations are met) and negatively (when expectations are not met), compared to one who does not value that facet. To illustrate this, take for example employee A values autonomy in the workplace and Employee B is indifferent about autonomy, then Employee A would be more satisfied in a position that offers a high degree of autonomy and less satisfied in a position with little or no autonomy compared to Employee B. This theory

also asserts that too much of a particular job feature will produce stronger feelings of dissatisfaction the more a worker values that work feature.

The contribution made by Oshagbeni, Wanous and Reichers (1997) agree with Locke's (1976) arguments. They assert that job satisfaction is a global concept composed of facets of satisfaction with various aspects of a job. Ideally facet measures of job satisfaction should be separated from overall satisfaction as they are conceptually different (Scarpello & Campell, 1983), there is a possibility that employees may be very satisfied with many aspects of their job but overall still feel dissatisfied and that job satisfaction vary considerably between individuals. This theory by Locke (1976) was of importance in drawing comparisons between the different aspects of work environment.

2.3 Work Environment and Banking

A work environment can be identified as the place and the intangibles that surround where one works (Wegge, Schmidt, Parkes, & van Dick 2007). Work environment plays a big role in job satisfaction since it acts as a catalyst, and as a consequence determines employee work performance. In a lay man's words, work environment is the result and product of a company's distinct culture. Company culture includes elements such as the way in which conflicts are managed, predominate communication styles and other intangible details.

Communication is very important in any work environment. As part of the work environment, it passes out key information on work environment to employees and also promotes organizational success. An important aspect of an employees' work in an organization concerns the management of communication demands that they encounter on the job (Kraye & Westbrook, 1986). Communication plays a part in determining clarity of roles in a work environment; lack of it could result in role ambiguity and role conflict which will lead to Stressful completion resulting in a negative organizational climate. The type and quantity of communication affect employee satisfaction (Farace, Monge & Russell 2007). Different aspects of work environment need to be communicated to the employees in quantities sufficient to make them feel motivated.

The banking industry in Kenya is considered to be an important source of the country's gross domestic product, and with reported gross profits of over 89 billion shillings and with employment of more than 30,000 employees in 2011, it is a significant income generator and contributor to the gross domestic product of the country (CBK Annual Report, 2011). As at the end of 2011, there were 43 banks doing business in Kenya, some are locally owned while others are foreign owned (Kenya Bankers Association, 2012).

In this competitive world, success of any organization depends on its human resource. Banks are no exception to this. The workforce of any bank is responsible to a bigger extent for its profitability and productivity. Satisfied workers in a country's banks determine not only the performance of the individual banks but also affect the growth and performance of the entire economy.

For the success of banking therefore, it is important to manage human resources effectively and to find ways to maintain a superior level of job satisfaction (Thakur, 2007). Only if the employees are satisfied, will they work with commitment and project a positive image of the organization.

Banks in any country play a very important role in achieving the objective of economic development by financing every sector of an economy, this way, they oil the smooth operation of monetary and financial systems in a country. Experience (as evidence during the weakening of the shilling in Kenya in 2011) shows that whenever the banking sector gets into trouble, the economic development of a country suffers (Kenya Bankers Association, 2012).

Guthrie (2001) points out that the inefficiency of bank employees is a much more significant problem than those relating to the scale and scope of banking activities. The job satisfaction in the banking industry is worthy of attention because of the number of frauds that have been reported in the press involving huge amounts of money done by staff or done by an outsider in collusion with a bank staff. This in part is telling of the fact that employees do not have confidence at the places of work and will act in ways that cause loss to the banks. A happy, satisfied and hardworking employee is the biggest asset of any organization (Thakur, 2007),

additionally, maintenance of an appropriate job satisfaction level in banks not only determines the performance of the individual banks but also affects the growth and performance of a country's economy. It is in this sense that bank employees are the lifeline of a country's economic system.

2.4 Contents of Work Environment

One question that has been in focus in a number of studies during almost a century of research on work life is, 'what is required for people to experience high work satisfaction?' (Edwardsson & Gustavasson, 2003). The main question here is what is required of the employees? And what is required of the work environment?

Erickson (1996) claims that there are three main categories of work environment that are of particular interest in regard to job satisfaction. The first is the content and character of work, the second involve the organization of the work and finally the third concerns the social relations at work. He further maintains that the physical work environment should not be given any consideration unless it deviates from acceptable conditions and values. The argument here is that the physical work environment does not increase job satisfaction per se, but rather how it is manipulated.

Organizational conditions, also called work environment have been known to be predictors of job satisfaction (Koopmans & Groothoff, 2006). The relationship between work aspects and job satisfaction is important for occupational health practice because working conditions can be managed. Barribal and While (2005) suggest that work factors such as task autonomy, task variety, salary, feedback, promotional opportunities, recognition, cohesion with colleagues, and strength of organizational culture have been associated with job satisfaction. This advanced an argument put forward by Spector (1995) who restricted work environment to salary, supervision, contingent rewards, operating procedures and communication.

Recent studies (Saane, 2003) highlighted new variables of work environment which include work content, autonomy, financial rewards, promotion, supervision, meaningfulness of a job, communication, work load and work demands. Furthermore work environment is composed of a

range of factors, which include company culture, management styles, organizational structure and company policies. Workplace environments greatly influence employee satisfaction, which in turn directly affects employee retention rates.

Aktas (2009) argues that the lack of an appropriate working conditions results in role conflict and role ambiguity which in turn lead to Stressful completion among staff that yields a negative organizational climate. These factors form work environmental factors that determines employee satisfaction. With so many attributes of work environment, it is still not clear which ones are appropriate and it was therefore important for this study to determine the effect of Stressful competition, role ambiguity, role conflict and organizational climate in the banking industry in Kenya. This is based on the conclusive proposition by Atkas (2009) who defined the work environment using four dimensions of Stressful competition, role ambiguity, role conflict and organizational climate.

2.4.1 Stressful Competition and Job Satisfaction

Job satisfaction and work environment has received little attention in literature (Ivensor & Chovwen, 2009), this suggest that there is insufficient data to support comparison that indicates which work aspects should be taken into account when job satisfaction is measured. These authors suggested that skill variety, task identity, task significance, task autonomy and feedback were the most important aspects in determining job satisfaction of employees. These work aspects were suggested with the argument that they are closest to an employee and would therefore have more impact than remote factors. This is in contrast to a view held earlier by Blum (2002) who maintained that having relaxed company policies, less rigid operating procedures improved employee satisfaction.

Many studies for example (Menezes, 1998; Guthrie, 2001; Koc, 2006; Huselid, 1995) show that human resource practices that enhance job satisfaction are the key determinants of establishing Stressful competition in business organizations. Such human resource practices are of particular importance especially in the service industry as compared to businesses in manufacturing industry, due to the distinct service characteristics of intangibility, inseparability, heterogeneity

and perish-ability which directly determine a service offering to clients. Bone and Patton (2001) agree that Stressful competition leads to greater levels of job satisfaction and hence commitment and motivation for company employees, while Pfeffer (1994) on the other hand observed that employees being an important source of differentiation and competitive advantage should not be subjected to conditions that lead to Stressful competition since this produces undesirable results. This observation was supported by Bitner (1995) who conceded that employees with favourable working conditions can have a higher level of job satisfaction.

The relationship between work environment and job satisfaction has been the subject of interest to both human resource practitioners and academicians in the field of human resource management for a long time (Kollias, 2002). Some studies have argued on the positive relationship between work environment and job satisfaction, while others discredit this argument. A number of studies (Petty, 2004; Iaffaldano & Muchinsky, 2005) indicate a weak link between Stressful competition and job satisfaction, while others (Cladwell & O'Reilly, 2000; Spector, 2007) suggest a potential relationship between the two. As a result, the cause and effect determinants remain unclear and it can therefore not be assumed that job satisfaction leads to high performance, or that high performers are necessarily highly satisfied. This calls for a close examination of the Stressful competition and job satisfaction to determine the exact relationship between the two, how they affect each other and to what extent.

A common research finding is that job satisfaction is related with life satisfaction (Steiner, 1991). This relationship is mutual, meaning that people who are satisfied with life tend to be satisfied with their job and people who are satisfied with their job tend to be satisfied with life. However, some research has found that job satisfaction is not notably related to life satisfaction when other variables such as non-work satisfaction and core personal evaluations are taken into account (Rode, 2004.)

Past research (Fisher, 2000) shows a weak correlation between Stressful competition with work performance, it suggests that job satisfaction and Stressful competition are directly related to one another. A recent study (Judge, Thoresen, Bono & Patton, 2001) found unexpectedly low correlations between Stressful competition and job satisfaction. The study further found out that the relationship between job satisfaction and performance can be moderated by job complexity,

such that for high-complexity jobs the correlation between employee satisfaction and performance is higher than for jobs of low to moderate complexity. Other studies have further shown that intent to leave can have depressing effects on company performance, employee deviance, and organizational commitment behaviours (Krishnan & Singh, 2010). In other words, the relationship of satisfaction to work performance is not as clear-cut as often assumed and can be prejudiced by a number of different factors at a work environment, and the assumption that 'a happy worker is a productive worker' cannot be taken as gospel truth. According to Bowling (2007), at times, employee personality may even be more important than job satisfaction in regards to work performance.

Many variables are analysed in an attempt to determine how Stressful competition creates job satisfaction and how it affects other aspects of a job (Snipes, 2004). The conceptual framework of Stressful competition and job satisfaction is inconclusive, and it is acknowledged that there is both an affective and cognitive dimension and this study needed to seek clarity on this.

2.4.2 Role Ambiguity and Job Satisfaction

Not much attention has been paid to the work environment conditions that are necessary for service oriented and satisfied employees (Edwardson, 2003). In most literature, the focus has been on the drivers of customer satisfaction and customer perceived quality at the expense of employee satisfaction and quality factors in the work environment.

Gustavasson (2003) reported that not much has been said in the literature about the employees and what is required to meet their needs and expectations. Rather the focus has been on the characteristics of employees, such as attitude, competence and work behaviour, but very little empirical research is available on work environment requirements.

Erickson (1996), maintain that if the different categories of work conditions are not handled properly, the result can be a case of role ambiguity in the work environment. Chebat (2002) argues on the importance of service firms to create a conducive work environment free from role ambiguity so that employees can willingly deliver outstanding service to an organization. A

desirable work environment acts as a control with which organizations use to monitor and reward employees, similarly, work roles are used as key inputs in a work place to shape desired outcomes and behaviour at work. It has been hypothesized that role ambiguity influence individuals' creative behaviour (Shalley, 1995), an assertion confirmed by Olman and Cummings (1996) since role ambiguity makes an employee to think over a role and does another which causes significant confusion making the performance of work roles remote.

A number of studies have shown a positive relationship between role ambiguity and job satisfaction (Judge, 2001). Additionally, the existence of role ambiguity has a positive relationship with the level of efficiency and quality of work. According to the findings by Babakus and Karatepe (2003), role ambiguity is one of the significant drivers of organizational performance among service employees. In as much as having employees ready for any role in the organization, it also presents the same employees a big chance to learn and be versatile in different roles. On the other hand, role ambiguity may be the cause of job dissatisfaction, making employees leave a job or go late to work, or produce low quality service. This is a factor that enhances organizational costs (Wilkinson, 1992) which may be financial or material. The work behaviours and attitudes of employees in the service sectors have a great importance for increasing the level of the service quality and in turn the level of organizational success (Naya and Topcu, 2010). All these are determined by role ambiguity the employees are subjected to.

Employees have been known not to thrive in ambiguous work environments (Aktas, 2009). Employees are likely to get lost over many roles they are doing and are therefore not able to figure out best ways to increase performance in light of other curtailing factors when they are working in ambiguous work environments. The result could be competitive disadvantage for the organization. Put simply, employees in ambiguous work environments find it difficult to handle stressors effectively.

Fitzgerald (1994) asserts that job satisfaction is used to establish the health of an organization. Rendering effective services by company employees largely depends on their level of role ambiguity which will determine the satisfaction level. However, the relationship between role ambiguity and job satisfaction is still open to question. It is also not possible to assume that role

ambiguity affects job satisfaction, and to what extent, and whether this affects performance or that high performers are satisfied with their jobs. A number of studies indicate a weak relationship while others suggest a potential relationship between role ambiguity and job satisfaction and work performance.

The cause and effect determinants of job satisfaction and work environment still remains unclear and it cannot be assumed that role ambiguity leads to job satisfaction and high work performance or that high performers are necessarily satisfied with their jobs (Spector, 1997). It is for this reason that this research study attempted to find out the effect of role ambiguity on job satisfaction and work performance.

2.4.3 Role Conflict and Job Satisfaction

Role conflict is a clash among the roles corresponding to two or more roles (Macionis, Gerber, John & Linda, 2010). It can be something that can be for either a short period of time, or a long period of time, and it can also be connected to situational experiences. Role conflict can have many different effects on the work-life of an individual as well as their job satisfaction. According to Kahn, Wolfe, and Quinn (2010) those employees undergoing role conflict suffered greatly in their work performance, mainly in the form of job dissatisfaction. They suggest that having multiple roles will often lead to job dissatisfaction. Rode (2004) indicates that experiencing role conflict within the work place may lead to workplace bullying and this makes workers to experience either loss or a sense of insecurity at work, thus making employees' dissatisfied. Hall (2002) maintained that an individual can alter external, structurally imposed expectations held by others, regarding the appropriate behaviour caused by role conflict. This distributes role expectations to others in order to alleviate role conflict. The views by Hall (2002) are supported by Tang and Chang (2010) who insists that those undergoing role conflict often have an increase in work creativity. Because of the multiple work roles, there is an increase in flexibility, different sources of information, and these people have many different perspectives and variety to work.

It remains unclear whether and to what extent role conflict contributes to job satisfaction. This study therefore sought to determine this relationship and find the conceptual framework that fits this relationship.

2.4.4 Organizational Climate and Job Satisfaction

Organizational climate is often defined as the recurring patterns of behaviour, attitudes and feelings that characterize life in the organization (Isaksen & Ekvall, 2007) while an organizational culture tends to be deep and stable. Organizational climate is also defined as the shared perception of the way things are done in an organization (Reichers & Schneider, 1990).

Hartline (2000) suggested that organizational culture which is part of the work environment plays an integral part of employee satisfaction, and that a culture that favours service climate can lead to desirable behaviours and attitudes in employees which in turn enhance job satisfaction. According to Organ and Ryan (1995) organizational climate often determines job satisfaction behaviours such as work attendance (Wegge, Schmidt, Parkes & van Dick, 2007) and retention (Saari, & Judge, 2004) of employees in a work place. Further, organizational climate can partially mediate the relationship of personality variables, deviant work behaviours and job satisfaction (Johnson, 2006).

Some researchers for example (Hart, Griffin, & Cooper, 1996) identify that organizational climate moderates an organization's workforce and directly affects job satisfaction. This study found out that organizational climate affects employee stress levels, morale, quality of work life, employee engagement, retention and performance, which collectively results in (negative or positive) job satisfaction.

A number of studies by Rose (2004) found a very strong link between Organisational Climate and employee satisfaction that affects stress levels, employee work attendance and employee commitment and participation. On the contrary, Bushell (2007) discounts the contribution of organizational climate to employee satisfaction indicating that its contribution, though present is insignificant to the extent of affecting job satisfaction. Hunter and Bedell (2007) supports this

assertion claiming that organizational climate, being different for each organization, lacks a standard comparison to determine how it affects job satisfaction.

Given the contradictory literature on the relationship of organizational climate and job satisfaction, it is not possible to assume the positive or negative relationship of organizational climate and job satisfaction.

2.5 Conceptual Framework

From figure 2.1 below, it is hypothesized that work environment directly affects job satisfaction. It is assumed that Stressful competition, role conflict, role conflict and organizational climate affect job satisfaction in varying degrees. When employees are dissatisfied with their job, the result can be increased staff turnover, high absenteeism rates, tardiness, poor workmanship, loss of trust in the company and fraud among staff. The reverse is true when employees are satisfied with their work. The contribution of the contents of work environment varies from employee to another as well as from company to another. Two employees in the same company subjected to the same work environment can yield different levels of job satisfaction. The contribution of work environment to job satisfaction can therefore never be wished away since it determines the satisfaction or otherwise of a company's employees and by extension the success of an organization.

Figure 2.1 Conceptual Framework

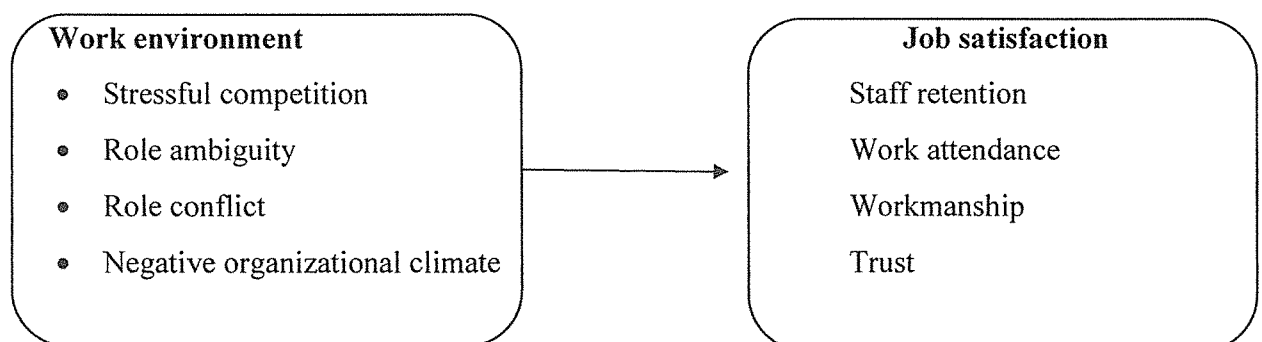


Table 2.1 Operationalization of Variables

Elements of Work Environment	Measurement
Stressful competition	• Stressful work environment contributed by undue work pressure on targets. • Flexible working hours (involving ability to work from home as well as work out of the traditional work time as long as 8 hours are worked. • Work load within the ability of the employees to do. Measured using a likert scale of 1 to 5, with 1 being the strongly disagreed and 5 strongly agreed with questions as per the questions in the appendix.
Role ambiguity	• Clear job description. • Appraised based on job description. • Influence on decisions that affect self. Measured using a likert scale of 1 to 5, with 1 being the strongly disagreed and 5 strongly agreed with questions as per the questions in the appendix.
Role conflict	• Conflicting work roles. • Reporting relationship. • Relationship with supervisor. • Relationship with peers Measured using a likert scale of 1 to 5, with 1 being the strongly disagreed and 5 strongly agreed with questions as per the questions in the appendix.
Organizational climate	• Work mates take responsibility for own actions • Management recognizes good work. • Management communicates well with subordinates. • An atmosphere of trust in the bank. Measured using a likert scale of 1 to 5, with 1 being the

	strongly disagreed and 5 strongly agreed with questions as per the questions in the appendix.
Elements of Job Satisfaction	Measurement
Staff retention	• Voluntary stay in a given job in the bank because of satisfaction at work. • Movement of staff between departments in the same bank attributed to job satisfaction. Measured using a likert scale of 1 to 5, with 1 being the strongly disagreed and 5 strongly agreed with questions as per the questions in the appendix.
Work attendance	• Attending work stations without fail by fact of being satisfied with ones work. • Arriving to work on time and not leaving early by fact of job satisfaction. Measured using a likert scale of 1 to 5, with 1 being the strongly disagreed and 5 strongly agreed with questions as per the questions in the appendix.
Workmanship	• Willingness to do routine work with the quality required. • Quality of work output as defined by the company. Measured using a likert scale of 1 to 5, with 1 being the strongly disagreed and 5 strongly agreed with questions as per the questions in the appendix.
Trust	• Confidence at the work place with managers, supervisors and colleagues. • Feeling a sense of ownership of work roles and responsibilities. Measured using a likert scale of 1 to 5, with 1 being the strongly disagreed and 5 strongly agreed with questions as per the questions in the appendix.

2.6 Chapter Summary

This chapter presented a review of literature and research pertinent to the variables of the topic of work environment and job satisfaction. It discussed the various theories advanced in the area of this study highlighting the gaps this study wishes to address in the undertaking of this study.

From the review of the literature, it is clear that the topic of work environment and job satisfaction is still deficient in literature in terms of the relationship between work environment and job satisfaction. Of particular interest, the effects of Stressful competition, role ambiguity, role conflict and organizational climate on job satisfaction are discussed, which tell a lack of sufficient comparison to establish the relationship between work environment and job satisfaction. It is on this premise that this study is based.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methods and instruments that are applied in this thesis for data collection, presentation and analysis. First, the research design is presented, where the qualitative and quantitative methods are described. This chapter further discusses population and sampling design. Data collection methods are discussed and the tool to be used is presented followed by research procedures and concluded by data analysis methods. To provide answers to the research questions, a combined set of quantitative design elements and procedures were utilized.

3.2 Research Design

This study was conducted using questionnaires which is a quantitative research method. This is because the nature of any research problem should guide the methodology adopted. Crotty (1998) noted that the justification of the methodology adopted needs to relate to the research statement and the problem formulated. Quantitative analysis (descriptive analysis, regression and correlation analysis) was used to determine the number of satisfied employees versus dissatisfied in relation to the banks researched.

3.3 Target Population and Sampling Procedure

This study collected data from 42 banks with a presence in Kenya (CBK Annual Report, 2011). One bank was not included here since it was used as a pilot study to test the research instruments. The selection of the respondents was done using stratified random sampling method in the banks listed in the Central Bank of Kenya directory. Convenience Stratified random sampling method was applied after dividing the number of respondents into the number of banks and selecting the respondents from the specific bank at random from each departments of Finance, Corporate banking, Retail banking, Operations and Credit. These departments are generic in every bank. The research targeted 5 respondents from each banking institution getting

a total of 210 respondents from all the 42 banks operating in Kenya. The five respondents were chosen from these, one coming from each functional unit basing on convenience random sampling after stratified the samples.

Out of the 210 questionnaires distributed, 143 were returned representing 68.09% response rate and of these 137 were usable signifying a 65.24% success in getting the response.

3.4 Data Collection Instruments

The research main source of data was primary data, which was received directly from the respondents. This study utilized questionnaires as a tool of data collection.

Questionnaires. The major source of data in this research was gathered by questionnaires. The questionnaires were closed ended which enabled the collection of quantitative data. The use of questionnaires was essential since the researcher was able to collect large amounts of information/data from a large number of people in a relatively short period of time and in a relatively cost effective way. It can be carried out by the researcher or by any number of people with limited effect to its validity and reliability. The results of the questionnaires were quickly and easily quantified by the researcher. The use of questionnaires also provided an easy way to analyze data and objectively interpret its findings.

3.5 Data Collection Procedures

A meeting was held with an officer in Human Resource Departments in the banks where the study was be undertaken to explain the purpose of the study and seek authorization to conduct research among their employees.

This research used questionnaires administered to employees in the selected banks to establish their perception on the work environment and job satisfaction. The procedure entailed making a preliminary visit to the banks' staff so that a request is made to them to take part in the research. For those who accepted, a questionnaire was dropped for their contributions. The questionnaires was coded for easy reference, names of the institutions and the names of the employees was

omitted to encourage the employees to fill them without fear of being identified later for responses contained in their questionnaires. A time frame within which to fill up the questionnaires was agreed, the average time within which questionnaires were received was two weeks. Once the questionnaires had been collected the researcher embarked on data analysis using relevant SPSS software and Microsoft excel so as to make sense out of the data collected.

To test the reliability of data collection methods, a pilot test was done using the questionnaires with one bank whose results were not be included in the findings. The intent was to determine the success or otherwise of the data collection methods. The use of questionnaires has been tested by Delaney and Huselid (1996) where they found the Cronbach alpha coefficient at 0.7, which signifies high data reliability of using questionnaires as a research instrument. This was adapted for purposes of this study.

3.6 Data Analysis

This section discusses the techniques that were used to analyze data and test the variables. Before processing the responses, data preparation was done on the completed questionnaires by editing, coding, entering and cleaning the data. Data collected was analyzed using descriptive statistics. The descriptive statistical tools helped in describing the data and determining the respondents' degree of agreement with the various statements under each objective. Data analysis was done with help of software programme SPSS and Microsoft excel to generate quantitative reports.

The regression model to be used in the study takes the form below:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + E \text{ where;}$$

Y= the dependent variable (Job satisfaction)

α - Is a constant; the concept explaining the level of performance given and it's the Y value when all the predictor values (X_1, X_2, X_3, X_4) are zero

$\beta_1, \beta_2, \beta_3, \beta_4$ – Are constants regression coefficients representing the condition of the independent variables to the dependent variables.

X_1 = Stressful competition

X_2 = Role ambiguity

X_3 = Role conflict

X_4 = Organization climate

E - Error term.

These variables were measured using the measurement criteria captured in the conceptual framework in chapter two.

CHAPTER FOUR

DATA ANALYSIS AND RESULTS

4.1 Introduction

This chapter contains analysis of the data obtained from the questionnaires administered in Kenyan banks. The results are presented as follows;

- i) Summary of demographics and personal characteristics,
- ii) Means and standard deviation,
- iii) Results of Analysis for Research Questions.

The data for this study was collected between December 2012 and January 2013 in 42 banks in Nairobi. In total 210 questionnaires were distributed, of these 143 were returned representing 68.09% response rate and 137 of these were usable.

4.2 Demographics of the Respondents

Tables 4.1 to 4.4 present frequency distributions of employee responses in survey items pertaining to marital status, age, gender, length of service and working unit.

4.2.1 Gender of the Respondents and Marital Status

Table 4.1 shows that male respondents were 81 while female respondents were 56. This represented 59% and 41% of male and female respondents respectively. Most of the respondents are single, most of them being below 30 years as per table 4.2. This table displays that there are more male respondents than their female colleagues who took part in this study.

The respondents accounted for 56% single while 44% were married, this displays an almost balance mix of respondents in terms of gender and marital status.

Table 4.1 Gender of the Respondents and Marital Status

GENDER	Male	Female	TOTAL
Single	44	33	77 (56%)
Married	37	23	60 (44%)
TOTAL	81 (59%)	56 (41%)	137 (100%)

4.2.2 Age of the respondents

The various ages of the respondents are shown in the table 4.2. Majority of the respondents are below 30 years (48%), while the minority of the respondents were more than 51 years (8%). This portrays a picture of the age distribution in most banks in Kenya. There were more older female respondents above 50 years as compared to male respondents. On other age categories, male were dominant. Respondents in the age ranges of 32 – 40 years accounted for 28% while those between 41 and 50 years were 16% of the respondents.

Table 4.2 Age of the respondents

AGE	Male	Female	TOTAL	%
21 - 30 years	41	25	66	48%
31 - 40 years	24	14	38	28%
41 - 50 years	12	10	22	16%
More than 51	4	7	11	8%
TOTAL	81(59%)	56 (41%)	137	100%

4.2.3 Length of Service of Respondents

Table 4.3 shows the length of service of the respondents. Most respondents have worked between 1 and 5 years (41%) of respondents, while those who have worked in excess of 10 years comprise 9% of respondents. Respondents who have worked for less than one year were 33%,

while those who have worked between 6 and 10 years accounted for 18% of respondents. This length of service is related to the age of respondents where majority are below 30 years. This was also taken to mean the high mobility of labour that makes most workers new since they could be in between jobs.

Table 4.3 Length of Service of Respondents

LENGTH OF SERVICE	Male	Female	TOTAL	%
Less than 1 year	28	17	45	33%
1 - 5 years	33	23	56	41%
6 - 10 years	13	11	24	18%
More than 10 years	7	5	12	9%
TOTAL	81(59%)	56 (41%)	137	100%

4.2.4 Departments of the Respondents

Table 4.4 displays the working units of the respondents. Most respondents are from retail banking (34%) because of their accessibility. Retail banking staffs are largely based in retail branches. Respondents in Finance departments were a bit inaccessible and they contributed 11% of the total respondents. This is mainly because of the sensitivity of the work they do of managing banks' finances and profitability. Respondents from Credit department who do a closely related work with Finance department accounted for 14% of total respondents. Corporate banking respondents accounted for 18% of the respondents while operations staffs were 24%.

Table 4.4 Department of the respondents

WORKING UNIT	Male	Female	TOTAL	%
Corporate banking	15	9	24	18%
Credit	10	9	19	14%
Finance	9	6	15	11%
Operations	20	13	33	24%
Retail banking	27	19	46	34%
TOTAL	81(59%)	56 (41%)	137	100%

4.3 Work Environment

The respondents were asked to rate on a scale of 1 to 5 the extent to which they agreed or disagreed to statements describing work environment. The rating ranged from 1 (strongly disagreed) to 5 (strongly). Responses per item were buckled and a composite index (mean and standard deviation) computed for each function.

As table 4.5 shows, the item that had the highest mean (mean = 4.04, SD = 1.19) was the one where the subjects in the study held a strong belief that the work environment they were working in was full of stress. From this, most respondents disagreed on the statement that asserted that working hours are flexible (mean = 2.35, SD = 1.21), this contributed to the work environment being full of stress. The response where respondents disagreed on the statement that their work load is reasonable (mean = 2.28, SD = 1.29) is consistent with the first two statements where respondents indicated that their work environment was full of stress as well as disagreeing on the statement that working hours are flexible. More than half of the number of respondents had made attempts to relieve the job stressors, (mean = 2.93, SD = 0.90). Startlingly, the mean of respondents who indicated a willingness to leave the bank they currently are employed in is (mean = 2.41, SD = 0.84) indicative of lack of willingness of more than half of respondents to leave their organizations even by virtue of their work environments being full of stress (mean = 4.04, SD = 1.19).

Table 4.5

Stressful Competition

	VARIABLE	MEAN	SD
B1.1	My work environment is full of stress	4.04	1.19
B1.2	My working hours are flexible	2.35	1.21
B1.3	Work load is reasonable	2.28	1.29
B2	I have made attempts to relieve my job stress or solve the problem causing it?	2.93	0.90
B3	My job is stressful?	2.91	0.89
B4	I have made attempts to quit the organization because of the Stressful competition in the organization.	2.41	0.84
	Average	2.54	1.60

From the table 4.6 below, an average (50%) of the respondents (mean = 2.88, SD = 1.44) hold that they have a clear job description at their place of work. Slightly more than half of the respondents (mean = 2.51, SD = 1.88) feel that they are not appraised based on their job description. On the question of the ability to influence the decisions that affect the respondents, most responded in the negative, yielding (mean = 2.30, SD = 1.08). But surprisingly, about three quarters (75%) of the respondents hold this view made it clear that the presence of role ambiguity at their place of work do not cause them to want to leave the organization (mean = 2.32, SD = 1.01).

Table 4. 6 Role Ambiguity

	VARIABLE	MEAN	SD
C.1.1	I have a clear job description	2.88	1.44
C.1.2	I am appraised based on my job description	2.51	1.88
C.1.3	I can influence the decisions that affect me	2.30	1.08
C2	Does role ambiguity in your role cause you to be dissatisfied at work?	2.32	1.01
	Average	3.31	1.51

Referring to item 4.7 below with a mean of 4.04, SD 1.09 most respondents strongly made it clear that they have conflicting roles at work. Most of these respondents (mean = 3.89, SD 1.08) indicated a clear reporting relationship with their supervisors. A diminishing number of respondents (mean = 3.45, SD 1.10) had a good relationship with their supervisors while an increasing number indicated excellent relationship with their colleagues at work (mean = 3.72, SD = 1.04). The majority of respondents (mean = 3.48, SD = 1.04) pointed out that the presence of role conflict made them dissatisfied at work.

Table 4. 7 Role Conflict

	VARIABLE	MEAN	SD
D.1.1	I have conflicting work roles at work	4.04	1.09
D.1.2	I have clear reporting relationship	3.89	1.08
D.1.3	I have good relationship with my supervisor	3.45	1.10
D.1.4	I have good relationship with my peers	3.72	1.04
D2	Role conflict in my role cause me to be dissatisfied at work?	3.48	1.50
	Average	3.15	0.88

From these findings in table 4.8 below, most respondents (mean = 4.07, SD = 1.11) affirm strongly that their colleagues take responsibility for their actions. These respondents disagreed on the statement that management recognizes good work (mean = 2.14, SD = 1.26), at the same time respondents also disagreed on the statement that management communicates well with subordinates (mean = 2.00, SD = 1.19). This made a greater percentage of respondents (mean = 2.38, SD = 1.49) conclude that organizational climate at their place of work was negative. On average most respondents are indifferent (mean = 2.73, SD = 1.16) on the level of trust in the bank between themselves as well as between the respondents and the banks' management. The response on the statement asking how organizational climate at the work place make the respondents feel was suggestive of intend to leave the organization (mean = 2.27, SD = 1.51). This explains the high mobility in the banking industry.

Table 4.8

Organizational Climate

	VARIABLE	MEAN	SD
E.1.1	Work mates take responsibility for their actions	4.07	1.11
E.1.2	Management recognizes good work	2.14	1.26
E.1.3	Management communicates well with subordinates	2.00	1.19
E.1.4	There is an atmosphere of trust in the bank	2.73	1.16
E2	Organization climate at my workplace is positive.	2.38	1.49
E3	How does Organizational climate at your workplace make you feel?	2.27	1.51
	Overall	2.88	1.58

4.4 Job Satisfaction

The respondents were given a number of items describing job satisfaction on a likert scale which ranged between 1 and 5, where 1 was strongly disagreed and 5 was strongly agreed.

Table 4.9 Job Satisfaction (Staff Retention, Work Attendance, Workmanship, Trust)

	VARIABLE	MEAN	SD
F1	Consideration to stay in a given work	4.00	1.15
F2	Desire to stay with the current department	2.51	1.00
G1	Always availing oneself at work and in designated work stations.	2.08	1.14
G2	Arriving to work on time and not leaving early	2.34	0.87
H1	Willingness to do work roles required of oneself in time.	3.90	0.90
H2	Quality of workmanship	2.18	0.91
I1	Complete confidence at the work place in managers, supervisors and colleagues.	2.92	0.72
I2	Feeling a sense of ownership of work roles and responsibilities.	2.90	0.88
	Overall	2.85	0.95

From the data on table 4.9, it shows that most respondents have not considered quitting the bank (mean = 4.00, SD = 1.15), and an average number of staff (mean = 2.51, SD = 1.00) have never given thought to the desire to change departments within the same bank.

The table documents the results that less than half of the employees (mean = 2.08, SD = 1.14) always present themselves at their work stations, a similar number (mean = 2.34, SD = 0.87) indicated that they arrive to work on time and do not leave before time prescribed by the bank.

The results further showed that bank staff show a strong feeling or willingness of working or doing what they are employed to do while at work (mean = 3.90, SD = 0.90), much less number of them (mean = 2.18, SD = 0.91), noted that they do not care about the quality of work they produce.

The table also illustrate a significant number of staff (mean = 2.92, SD = 0.72) who have complete trust in their managers, supervisors and colleagues. A similar number (mean = 2.90, SD = 0.88) indicated that they have a sense of ownership of their work roles.

With a mean of 2.85 and standard deviation of 0.95, this study shows that employees in the banking industry are generally satisfied with their work as contributed by the work environment they are exposed to.

4.5 Effects of Work Environment on Job Satisfaction

The four research objectives of this study are addressed in this section. The first objective attempted to find the effect of Stressful competition on job satisfaction; the second was to determine the effect of role ambiguity on employee satisfaction; the third was to find out how role conflict affects job satisfaction; and finally to examine the impact of organizational climate on job satisfaction? The independent variable is the work environment while the dependent variable is job satisfaction.

Multiple Regression Analysis

Multiple regression analysis is applied to analyze the relationship between a single dependent variable and several independent variables. Multiple regressions were selected to as it is viewed as an appropriate method for this study.

Having put the model in matrix form, as presented in (4.3.1) and restated the hypotheses, the SPSS analysis is presented in the following three tables.

The data analysis was done using the following regression model:

- $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$ where;
- Y= the dependent variable (Job satisfaction)
- α - Is a constant
- $\beta_1, \beta_2, \beta_3, \beta_4$ – Are constants regression coefficients
- X_1 = Stressful competition
- X_2 = Role ambiguity
- X_3 = Role conflict
- X_4 = Organizational climate
- ε - (Extraneous) Error term

Table 4.10 Descriptive Statistics

Variables	Mean	Std. Deviation
Stressful competition	2.54	1.60
Role ambiguity	3.31	1.51
Role conflict	3.15	0.88
Organizational climate	2.88	1.58
Overall	2.97	1.19

Source: Author, 2013

Table 4.10 presents the descriptive statistics of the parameters – work environment; Stressful competition; role ambiguity; role conflict and organizational climate. The mean and standard deviation are given in the table. From the table it can be observed that role conflict had a mean score of 3.15 with the smallest standard deviation (0.88). Other than organizational climate which had a mean score of 2.88, the other independent variable had a mean score above 3. In the next table, the SPSS analysis of the model is presented.

Table 4.12 Regression Results

Model		Standardized Coefficient			T	Significance	95% Confidence interval for B			Correlations	
		B	Std error	Beta			Lower Bound	Upper Bound	Zero order	Partial	Part
Constant		1.327	.509		-2.607	.11	2.339	.315			
	Stressful competition	.467	.085	.441	5.49	.000	.299	.635	.565	.512	.411
	Role ambiguity	.065	.15		.433	.431	.667	-.234	.364	.335	
	Role conflict	.282	.083	.277	3.98	.001	.116	.447	.506	.342	.251
	Organizational climate	.400	.117	.281	3.419	.001	.166	.633	.439	.345	.253
Dependent variable: Job satisfaction											

The table 4.12 gives the estimates of the parameters of the model, the confidence intervals of the estimators and parameter correlations. It also provides the t- tests of the parameters and the p values.

From the tabulated values, we have the coefficients of the model given as: -1.327, 0.467, 0.065, 0.282, and 0.400. Therefore, the multiple regression models is

$$Y = -1.327 + 0.467x_1 + 0.065x_2 + 0.282x_3 + 0.400x_4 + e$$

The equation provides the estimates of the confidence intervals of the estimators and parameter correlations. It also provides the t-tests of the parameters and the P values.

To investigate how well the independent variables predict the dependent variable, the summary

of the model is presented in Table 4.5.

Table 4.13 Model Fit

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.724 ^a	.524	.502	1.129	.524	23.715	4	86	.000
a. Predictors: (Constant), Stressful competition, Role ambiguity, Role conflict, Organizational climate									

The table 4.3.3 provides the R-values and R² values. The R value explains how well the model describes the data. In this case the model describes about 72.4% of the population data. This means it is a good fit and can therefore be used to predict the behaviour of the population. The value of R² gives the extent to which the independent variables explained the dependent variable. In this case, the R² = 52.4%. This means that the independent variable explained 52.4% of job satisfaction. The four parameters namely Stressful competition, Role ambiguity, Role conflict, Organizational climate, are good predictors of factors influencing work environment

4.6 Correlation Analysis

Pearson correlation analysis was conducted to examine the relationship between the variables (Wong and Hiew, 2005; Jahangir and Begum, 2008) and the results are presented in table

Table 4.14 Regression Results

		Stressful competition	Role conflict	Role ambiguity	Organizational climate	work environment
Stressful competition	Pearson Correlation	1	.290**	.286**	.122	.565**
	Sig. (2-tailed)		.005	.006	.250	.000
Role ambiguity	Pearson Correlation	.290**	1	.262*	.351**	.335**
	Sig. (2-tailed)	.005		.012	.001	.001
Role conflict	Pearson Correlation	.286**	.262*	1	.332**	.506**
	Sig. (2-tailed)	.006	.012		.001	.000
Organizational climate	Pearson Correlation	.122	.351**	.332**	1	.439**
	Sig. (2-tailed)	.250	.001	.001		.000

As cited in Wong and Hiew (2005) the correlation coefficient (r) ranging from 0.10 to 0.29 is considered weak, from 0.30 to 0.49 is considered medium and from 0.50 to 1.0 is considered strong. However according to Field (2005) correlation coefficient should not go beyond 0.8 to avoid multi-co linearity. Since the highest correlation coefficient is 0.565, which is less than 0.8, there is no multi-co linearity problem in this research.

All the associated pairs of variables were significant at level of 0.05. However all the relationships developed were found to be statistically significant at level $p < 0.01$. In other words, Stressful competition ($r = 0.565$, $p < 0.000$), Role ambiguity ($r = 0.335$, $p < 0.001$), Role conflict ($r = 0.506$, $p < 0.000$) and Organizational climate ($r = 0.439$, $p < 0.000$), were correlated to job satisfaction significantly and positively.

Based on Table 4.3.4, the correlation between Stressful competition and job satisfaction was the strongest ($r = 0.565$, $p < 0.000$). This is followed by the relationship between job satisfaction and Role ambiguity ($r = 0.506$, $p < 0.000$), then Role conflict ($r = 0.439$, $p < 0.000$) and the least being Organizational climate ($r = 0.335$, $p < 0.001$)

CHAPTER FIVE

DISCUSSION, SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

In this chapter, the focus is on interpretation and the implications of the research findings based on the objectives. The research objectives were to establish the effects of Stressful competition on job satisfaction, to identify the effect of role ambiguity on employee satisfaction, to analyse how role conflict affects job satisfaction and to gauge the role of organizational climate on job satisfaction.

5.1.1 Effects of Stressful Competition on Job Satisfaction

The results shown in chapter four indicate that Stressful competition in a work environment has a strong positive relationship with job satisfaction ($r = 0.565$, $p < 0.000$) this means that the presence of Stressful competition cause bank staff to leave their organizations, absent themselves from work, produce low level of workmanship as well as attempt to lose trust in the banks. These results confirm the arguments put forward by Pfeffer (1994); Cladwell and O'Reilly (2000) and Spector (2007) who observed that employees being an important source of differentiation and competitive advantage should not be subjected to conditions that lead to Stressful competition since this produces undesirable results, and this was shown clearly by the strong relationship between Stressful competition and job satisfaction. The element of employee retention makes a bank to retain organizational memory as well as treasured talent, who in most instances when they leave often move on to competitors and will use the knowledge and skills, which in most cases works against the former employer. This is because of the fact that banking is a personal service and customers largely place allegiance to the staff providing the service as opposed to the bank itself.

5.1.2 Effect of Role Ambiguity on Employee Satisfaction

The finding for this research question suggested that role ambiguity ($r = 0.506$, $p < 0.000$) affects job satisfaction in the Banking industry. This means that Role ambiguity affects all the elements of quality of workmanship of employees in the Banking industry, employee retention, the trust levels of bank staff, work attendance rates as well as the quality of workmanship at the work place. This finding confirms the authorities of Babakus and Karatepe (2003) and Naya and Topcu (2010) who insist that existence of role ambiguity has a positive relationship with the level of efficiency and quality of work. According to these findings, role ambiguity is one of the significant drivers of organizational performance among service employees. This finding, however, discredits arguments put forward by Chebat (2002); Judge (2001) who argue that role ambiguity could help foster performance in a work place insisting that it is employees who willingly (or not) deliver outstanding service to an organization. A desirable work environment only acts as a control with which organizations use to monitor and reward employees, similarly, work roles are used as key inputs in a work place to shape desired outcomes and behaviour at work.

5.1.3 How Role Conflict Affects Job Satisfaction

At ($r = 0.439$, $p < 0.000$), Role conflict suggests a positive relationship with job satisfaction in a work place. This means that Role conflict directly affects job satisfaction by determining quality of workmanship, work attendance rates of bank staff, trust levels of staff as well the rate of staff retention. These findings verify the arguments put forward by Kahn, Wolfe, and Quinn (2010) who pointed out that employees undergoing role conflict suffer job dissatisfaction in their work because workplace bullying can occur and this makes workers to experience either loss or a sense of insecurity at work (Rode, 2004), this makes employees undergoing role conflict suffer job dissatisfaction.

5.1.4 Role of Organizational Climate on Job Satisfaction

Organizational climate at ($r = 0.335$, $p < 0.001$) shows a positive relationship with the elements of job satisfaction of staff retention, employee work attendance, employee trust levels and quality of workmanship at the work place. These results depict a moderate relationship between organizational climate and job satisfaction showing that organizational climate could have other mediating variables that determines the extent to which it affects job satisfaction. The result of negative job satisfaction could have such devastating effects on the performance of Kenyan banks like inducing staff turnover, encouraging employee absenteeism, and causing employees to produce poor quality work as well as develop loss of trust in the company while in employment of their respective banks. A positive organizational climate reverses these effects. These results confirm the findings of a number of researches. For instance, Hartline (2000) who suggested that organizational climate plays an integral part of employee satisfaction; Organ and Ryan (1995) argued that organizational climate often determines withdrawal behaviours such as absenteeism (Wegge, Schmidt, Parkes & van Dick, 2007) and turnover (Saari, & Judge, 2004) of employees in a work place; Hart, Griffin and Cooper (1996) identified that organizational climate moderates an organization's workforce and directly affects job satisfaction. This study found out that organizational climate affects employee stress levels, morale, quality of work life, employee engagement, retention and performance, which collectively results in job satisfaction.

5.2 Conclusions

This study has noted some conclusions that work environment affects strongly and positively job satisfaction in the Banking industry in Kenya; that employees in the banking industry are generally satisfied with the work environment they are exposed to; that given the dynamics in the Work environment, Banks in Kenya seem aware of this challenge and are positioning themselves to address the negative effects posed by the Work environment on Job satisfaction; that when work environment in a work place is enhanced and upheld positively, employees in a work place will be satisfied with their work and that Banks are able to gain competitive advantage by means of effective and efficient utilization of work environments at places of work.

5.3 Recommendations

In order to maximize retention of bank staff, managers should avoid Stressful competition, Role ambiguity, Role conflict and Organizational climate at the work place since this study found out that it produces undesirable effects on the employees.

For the interest of quality of workmanship displayed by the employees, managers should minimize the impact of negative work environment at the work place. This way the work quality produced by the employees would be superior compared to when role ambiguity is present in a work role.

Organizational Climate in the work environment should be developed so as to work for employees as opposed to one which makes employees dissatisfied with work. Negative organizational climate produces unattractive results in employees like staff turnover, poor quality of workmanship, employee absenteeism and employee loss of trust in the company. These results can occasion great loss to a company if not mitigated or reversed altogether.

5.4 Limitations of the Study

There was also some resistance in some banks restricting the researcher from open access to the respondents, most of those who resisted fearing that the bank staff acting as respondents might expose the Bank's underbelly.

The findings of this study are applicable to the Banking industry, and might have different results if applied to other industries. Further due to limited time and budget, the researcher was not able to seek responses with all bank staff, the respondents represent a small percentage of the entire bank staff population.

This study also carried the same limitation like other previous studies where it assumed that Job Satisfaction can be measured and indexed in absolute terms. In practice, Job Satisfaction is an element that can be subjective to employees. Different employees exposed to the same working conditions might yield different Job Satisfaction results.

5.5 Thesis Summary

This Thesis presented the study on the relationship between Work Environment and Job Satisfaction. Of importance to the study was a look at the effect of Stressful Competition, role Ambiguity, Role Conflict and Organizational Climate on Job Satisfaction. A conceptual framework was developed to guide in the design of the study. This study was guided by four research questions whose questionnaires were distributed to respondents in Kenyan banks. Previous literatures were also discussed in detail in chapter two, and the analysis of research findings done on chapter four.

The major finding of the study was that Stressful Competition, Role Ambiguity, Role Conflict and Organizational climate affects job satisfaction strongly and positively by determining staff retention, quality of workmanship, work attendance rates and employee trust levels in the banks.

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Appendix A

Sample Introduction Letter

Dear Sir/Madam,

Re: Work Environment as a Determinant of Job Satisfaction: A case of Employees in Banking Industry in Kenya.

Banking in Kenya has witnessed impressive growth in the past few years and the result has been competition for scarce talent. While Kenyan banks have tried various methods for staff attraction and retention, many have failed resulting in less satisfied staff.

While many management experts have written on the topic of job satisfaction, no appropriate comparison is available that addresses the relationship between work environment and job satisfaction.

This questionnaire forms part of my Master's Degree Research Thesis aimed at formulating an appropriate model between work environment and job satisfaction that will help improve employee satisfaction. The purpose of this questionnaire is to provide insight into the relationship between work environment and job satisfaction, and best practices to utilize to achieve job satisfaction.

It is in this regard that I would be very grateful if you complete the attached questionnaire. The results will be used for academic purposes only and no information shall be divulged.

Your cooperation will contribute to the growing body of knowledge aimed at improving employee satisfaction which will result in organizational competitiveness of Kenyan banks.

Yours faithfully,

Nixon Kibet Yebei,
Student, Strathmore University

Appendix B

Questionnaire

This questionnaire is used to gather data for academic purposes only. The information provided will be treated with utmost confidentiality and will not be divulged. Please answer these questions honestly.

This questionnaire has nine sections.

A. Personal details

A1. What is your age group?

- ☐ 21 – 30 years
- ☐ 31 – 40 years
- ☐ 41 – 50 years
- ☐ More than 51 years

A2. What is your gender?

- ☐ Male
- ☐ Female

A3. Please select your department by ticking in the appropriate box.

- ☐ Finance
- ☐ Corporate banking
- ☐ Retail banking
- ☐ Operations
- ☐ Credit

A4. How long have you worked with the bank?

- ☐ Less than 1 year
- ☐ 1 – 5 years
- ☐ 6 – 10 years
- ☐ More than 10 years

B. Stressful Competition

B1 . In a scale of 1 – 5 indicate your satisfaction in relation to the following? Please tick only one for each section. For example Strongly Disagree 1

Strongly Disagree	Disagree	Don't know	Agree	Strongly agree
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My work environment is full of stress	1	2	3	4	5
My working hours are flexible	1	2	3	4	5
Work load is reasonable	1	2	3	4	5

B2. How many times have you made attempts to relieve your job stress or solve the problem causing it? Please tick only one for each section.

- ☐ One time
- ☐ Two times
- ☐ Three times
- ☐ More than four times

B3. What causes your job stress? Please tick only one for each section.

- ☐ Physical work environment
- ☐ Nature of the job
- ☐ Volume of work
- ☐ Poor Supervision

B4. I have made attempts to quit the organization because of the Stressful competition in the organization (tick one)

Strongly Disagree	Disagree	Don't know	Agree	Strongly agree
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C. Role Ambiguity

C1. In a scale of 1 – 5 indicate your satisfaction in relation to the following? Please tick only one for each section.

	Strongly Disagree	Disagree	Don't know	Agree	Strongly agree
I have a clear job description	1	2	3	4	5
I am appraised based on my job description	1	2	3	4	5
I can influence the decisions that affect me	1	2	3	4	5

C2. Role ambiguity in my role cause me to be dissatisfied at work (tick one)

Strongly Disagree	Disagree	Don't know	Agree	Strongly agree
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D. Role Conflict

D1. In a scale of 1 – 5 indicate your satisfaction in relation to the following? Please tick only one for each section.

Strongly Disagree	Disagree	Don't know	Agree	Strongly agree
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I have conflicting work roles at work	1	2	3	4	5
I have clear reporting relationship	1	2	3	4	5
I have good relationship with my supervisor	1	2	3	4	5
I have good relationship with my peers	1	2	3	4	5

D2. Role conflict in my role cause me to be dissatisfied at work (tick one)

Strongly Disagree	Disagree	Don't know	Agree	Strongly agree
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E. Organizational Climate

E1. In a scale of 1 – 5 indicate your satisfaction in relation to the following? Please tick only one for each section.

Strongly Disagree	Disagree	Don't know	Agree	Strongly agree
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Work mates take responsibility for their actions	1	2	3	4	5
Management recognizes good work	1	2	3	4	5
Management communicates well with subordinates	1	2	3	4	5
There is an atmosphere of trust in the bank	1	2	3	4	5

E2. Organization climate at my workplace is positive (tick one).

Strongly Disagree	Disagree	Don't know	Agree	Strongly agree
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E3. How does Organizational climate at your workplace make you feel?

- ☐ Dissatisfied
- ☐ Don't know
- ☐ Satisfied

About Job Satisfaction

In a scale of 1 – 5 indicate to what extent you agree on the following statements. Please tick only one for each section.

F Retention

Not at all	To a small extent	Not sure	To some extent	To a great extent
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I normally do not consider resigning from the bank because I am satisfied with my job.	1	2	3	4	5
I do not plan to move to a different department because I am satisfied with my current one.	1	2	3	4	5

G Work Attendance

Not at all	To a small extent	Not sure	To some extent	To a great extent
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I always report to my work station for my daily work.	1	2	3	4	5
I always arrive to work on time and I never leave before time.	1	2	3	4	5

H Workmanship

Not at all	To a small extent	Not sure	To some extent	To a great extent
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I am always doing work roles required of me in time.	1	2	3	4	5
I always endeavour to produce quality output in my work.	1	2	3	4	5

I Trust

Not at all	To a small extent	Not sure	To some extent	To a great extent
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I have complete confidence at the work place with managers, supervisors and colleagues.	1	2	3	4	5
I have a sense of ownership of my work roles and responsibilities.	1	2	3	4	5

Thank you for your time

Appendix C
List of Banks in Kenya

1. ABC Bank (Kenya)
2. Bank of Africa
3. Bank of Baroda
4. Bank of India
5. Barclays Bank
6. CFC Stanbic Bank
7. Chase Bank (Kenya)
8. Citibank
9. Commercial Bank of Africa
10. Consolidated Bank of Kenya
11. Cooperative Bank of Kenya
12. Credit Bank
13. Development Bank of Kenya
14. Diamond Trust Bank
15. Dubai Bank Kenya
16. Ecobank
17. Equatorial Commercial Bank
18. Equity Bank
19. Family Bank
20. Fidelity Commercial Bank Limited
21. Fina Bank
22. First Community Bank
23. Giro Commercial Bank
24. Guardian Bank
25. Gulf African Bank
26. Habib Bank
27. Habib Bank AG Zurich
28. Housing Finance Bank

29. I&M Bank
30. Imperial Bank Kenya
31. Jamii Bora Bank
32. Kenya Commercial Bank
33. K-Rep Bank
34. Middle East Bank Kenya
35. National Bank of Kenya
36. NIC Bank
37. Oriental Commercial Bank
38. Paramount Universal Bank
39. Prime Bank (Kenya)
40. Standard Chartered Kenya
41. Trans National Bank Kenya
42. United Bank for Africa
43. Victoria Commercial Bank