



THE IMPACT OF WORK POSITION, AGE AND BANKING EXPERIENCE ON EMPLOYEES SATISFACTION ON BANK SERVICE: A CASE STUDY OF SECOND LEVEL BANKS IN KORCA RELIGION OF ALBANIA

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Abstract

The purpose of this study is to evaluate how work position, age and banking experience effect on employees satisfaction in the banking sector in the region of Korca. This is the employee's perception regarding the factors as below: 1.Name of the bank, 2.Leadership, 3.Carrier possibilities, 4. Performance, 5. Collaborations, 6.Rewards, 7. Infrastructure Facilities, 8.Private life Balance. Employee satisfaction is one of the main pillar with a very significant impact on the design and implementation of success strategies in banking sector. The purpose of selecting only these 8 factors that affect the satisfaction of employees of the banking system is that these factors all together show if exist commitment in their daily work, if they complete their daily work in accordance with the regulations and procedures of the bank and how much desire have for meeting the objectives and targets that the bank sets for them, on a monthly, 3-monthly and annual basis. Many authors have studied these factors separately, studied their impact on employee satisfaction, and theoretically there is a strong relationship between them. Another

purpose of mixing these factors is that their impact in different periods of time (banking experience), in different positions, in different age groups is very variable. All these factors separately and together show us that the level of satisfaction is different at different times of their banking career. During 2 decades especially in Albania, working in bank has been privilege for many reasons like higher salary and other financial or non-financial rewards, compare with other sectors. Banks are considered a Great Place to Work and are the banks themselves that have always taken care of having a professional staff, whose efforts have been essential for a successful banking performance. On the other hand, how satisfied are the employees who work in the banking system today regarding their age, their banking experience and their bank position? The methodology of this study is based on the quantitative descriptive method, with significant data gathering through questionnaire of more than 90% of employees of banking sector in Korca Religion. In this research it is shown that demographic variable has significant impact towards employee's satisfaction. Banks have started to bring about changes in HR politics.

Keywords: Employee, Satisfaction, Banking, Career, Age, Banking experience

INTRODUCTION

This article show that age of employees, bank position and banking experience are very significant in satisfaction of employees. Means that we as a human being perceps job satisfaction in different way in different states of our life.

The banking system in Albania based on the strong foundation of the classic model, and also embracing digitization with rapid steps in recent years is characterized by a great demand for employment. The commercial banks in Albania are the largest corporations in the country in terms of hiring, developing new talent, promoting employees who carry outstanding values, where great importance is attached to building a comprehensive package for each employees, existing or new looking to join the banks teams. The commercial banks in Albania are comprised of both public and private sectors.

There are 12 commercial banks in Albania with Foreign and Albanian capital, based on Annual report of banks 2021, data audited by IFRS, on date 3112.2021. According to the 2021 annual report of the Association of Banks, the number of employees in the banking sector was 6,609 employees with 417 branches, led by Raifeissen Bank with 1,265 employees and 74 branches. Then Credins Bank with 1006 employees and 57 number of branches, BKT with 939 employees and 63 number of branches, Intesa San Paolo with 659 employees and 35 number of branches, followed by Tirana Bank with 501 employees and OTP with 480 employees respectively with 37 branches and 35. The rest of the banks have a number of employees of

<400 and number of branches of <35. Procredit has had a very big contraction, which has brought the number of its employees up to 124, with 7 branches.

The level of employment in 2021 has increase with 1% compared to the year before, although compared to previous years it continues to be lower, especially in the last 4 years where the number of employees was constantly decreasing. In 2016, the banking sector reached the highest level of 6,949 employees. It was the process of mergers and mergers of second-level (commercial) banks that brought about a significant decrease in employees in the following years. It has been noticed that the "lucky employees" were those of the banks who made the purchase while continuing to work. This process also brought about a reduction in the number of branches, even though they had started to decrease in number since 2012. Another factor that affects the decrease in the level of employees and branches also compared to 10 years or 5 years ago is digitization, the expansion of online operations, causing the bank to have fewer employees in branches and increasing the number of employees related to online services technology. For the first time after a decade, the number of branches increased, which since 2012 had started to decrease significantly. The crisis of 2012 made banks more sensitive to expenses, the decrease in bank profit and the increase in bad loan portfolio restrained the expansion of branches. This reached its peak when the number of banks was reduced from 16 to 12. Regardless of whether the number of employees has decreased or the number of branches has decreased, the process of buying and selling banks has made them more consolidated and consolidated the banking system in general. The process of buying and selling banks to each other has also had its effect in the Korca region, being characterized by a reduction in the number of employees and the closing of bank branches, considering that in this region all commercial banks operating in Albania (except UBA) with their branches.

Prof. Dr. Ahmet Ceni, emphasizes that the instruments of growth and use of human capital as well as the measurement of its productivity in the banking sector are an universal theory and practice, which must be continuously studied and implemented by responsible bank managers with the aim of increasing profitability from one side and the implementation of social responsibilities, as towards depositors, borrowers, and other interest groups on the other hand. (Prof. Dr. Ahmet Ceni, Bankieri no. 22, January 2017, p. 8). According to him, human capital represents an intangible asset that makes it possible to increase and support productivity, innovation, employment and competitive advantages. This has led bank managers to implement strategies aimed at finding the most suitable, quality people, and motivating them to the maximum. The sources of employment in the banking system have been the universities, aiming for this process to be as transparent as possible and to pay attention to the individual's abilities to perform his duties properly. This is confirmed by the fact that most of the recruitments

in the banking system are carried out on the basis of references and experience of the individual, especially for management positions. The banking system is characterized by a young age (35 years average age) full of energy for work, with experience and the appropriate qualifications, guaranteeing the bank's long-term success. The banking sector has the highest level of expenses for training and qualifications of its employees. These expenses remain significant because the banks themselves are interested in increasing financial education capacities. The salary level and remuneration structure is higher and more diverse compared to all other sectors. The bonus system depending on the achievement of results, based on the objectives and targets set by the banks are present every month or 3 months as an integral part of their salary. This bonus system comes and becomes more measurable depending on the products and services sold by their employees. Banking products and services are the main elements that are included in the bonus system of every employee in the banking system, especially in branches. All this shows a high level of commitment from both parties, the bank on the one hand and the employees on the other. All managers of Human Resources departments in the banking system see human capital as an opportunity and a challenge at the same time.

REVIEW OF LITERATURE

Enjoyment in life and in the daily work that all of us do is important in our lives. We spend most of our time at work, especially the employees of the banking system who have to stay overtime to complete their tasks. Job satisfaction is very important not only for people working within the organization but also for researchers interested in this field.

The connection between job satisfaction and company success has always been a research topic encountered in various disciplines, especially recently. It was at the beginning of the 20th century that the idea of job satisfaction came for the first time, especially in various psychological and human behavior studies. One of the most famous researchers of that time was Abraham Maslow, where he brought many theories about individual human needs. One of his theories is "A Theory of Human Motivation" (A Theory of Human Motivation) in 1943, he presented the hierarchy of needs emphasizing that the increase in the level of satisfaction is related to a hierarchical list of needs that determine human behavior, starting with basic physiological needs (food, water), to psychological ones and then to self-fulfillment needs. (Maslow, 1943)

It was Wahba and Bridwell (1976) who criticized Maslow's theory for lack of empirical evidence (Wahba & Bridwell, 1976). This limitation has been accepted by Maslow himself since 1954, where it was determined that, apart from all others, employees are lucky to have a job. It was the self-period of the banking review, especially in developing countries, and financial

difficulties that highlighted that the perception of the individual's work and life in general will be very close to the very basic needs defined by Maslow. (Maslow, 1954).

The term "job satisfaction" was cited by TSAI et al. (2010) is proposed by Hoppock (1935) who suggests that job satisfaction means the emotions and behavior of employees towards their work. (Hoppock, R. 1935) Employees are more reliable and productive when they are more satisfied. (Hunter & Tietyen, 1997). Alam Sageer, (2012) studied various variables that are responsible for employee satisfaction such as organizational development, job security, compensation policies, benefits and opportunities etc. The study concluded that an organization should create strategies that strengthen the work environment and increasingly increase employee morale and employee satisfaction to thereby increase employee performance and productivity, which translates into high profits, customer satisfaction as well as customer retention by suggesting different ways in which employee satisfaction can be improved. (Sageer, 2012)

Mansor, N., Mohd Noor, J. M., & Nik Hassan N. F. (2012), showed in their study, the relationship between the level of employee satisfaction and

- Demographic factors (gender, age, education level, salary level, experience in the bank)
- Motivational factors (salary, promotion, comfortable working conditions, interesting work)
- Reward system (in financial value or other forms of insurance such as medical)
- Leadership supervision (type of leadership, conflict, change goals, delegation, information, communication)
- Work environment and facilities (buildings, equipment, machines, indoor and outdoor environments, comfort)

It is worth mentioning that studies regarding how age, banking experience and job position affect customer satisfaction are few.

METHODOLOGY

Objectives and Hypothesis

1. To study the impact of Age on Satisfaction towards *1.Name of the bank, 2.Leadership, 3.Carrier possibilities, and 4. Performance, 5. Collaborations, 6. Rewards, 7. Infrastructure Facilities, 8. Private life Balance*
2. To study the impact of Experience on Satisfaction towards *1.Name of the bank, 2.Leadership, 3.Carrier possibilities, and 4. Performance, 5. Collaborations, 6. Rewards, 7. Infrastructure Facilities, 8. Private life Balance*

3. To study the impact of job position on Satisfaction towards *1.Name of the bank, 2.Leadership, 3.Carrier possibilities, and 4. Performance, 5. Collaborations, 6. Rewards, 7. Infrastructure Facilities, 8. Private life Balance*

H: Specific weight given by age, banking experience and job position to *1.Name of the bank, 2.Leadership, 3.Carrier possibilities, and 4. Performance, 5. Collaborations, 6. Rewards, 7. Infrastructure Facilities, 8. Private life Balance*

Sampling

The sample of this study includes a random sample of 124 commercial bank employees, in Korca Religion. The sample achieved a valid response rate of 100% and represents nearly 90% of the number of employees in commercial banks operating in the religion of Korca.

Data Collection

The factors that will be analyzed in this study are integral parts of 124 questionnaires, defining the independent factors *1.Name of the bank, 2.Leadership, 3.Carrier possibilities, and 4. Performance, 5. Collaborations, 6. Rewards, 7. Infrastructure Facilities, 8. Private life Balance*, towards dependent variable *job satisfaction*.

These questionnaires were completed during the period December 2021-January 2022, a busy period for the banking system because it coincides with the end of the year and a quieter period, the first month of the year. High work load, increased efforts to achieve their annual objectives increase the stress level of employees, just as the beginning of a new year increases their commitment to work. All this has influenced the answers in filling out the questionnaires of the employees, increasing more the degree of their authenticity. All questionnaires were completed through physical contact, including all commercial banks operating in the region of Korca.

Regarding the age of the 124 interviewees, employees in the commercial banks, the age group that dominates is between 35-44 years old and between 30-34 years old while the age group over 55 years and under 29 years occupies a percentage less than 11%. This distribution is closely related to the way of recruiting employees in the banking system and the Human Resources policy that each bank implements on the one hand and the sustainability that the banking system has in relation to their employees. While the young age occupies a very small percentage because the banks currently have at least more than 15 year operating in the Korca Religion, and their staff is mature and not young. The same reason is why the age over 55 occupies a smaller percentage. Banks in their moments of opening have a strategy to get young

employees who in case they continue to be bank employees now, belong to the age group from 46 years old and above.

Regarding the job position and banking experience of the 124 interviewees, it is noted that 56.2% are operational staff (loans and operations) and 62.9% with more than 5 years of banking experience, 90 employees with more than 3 years of experience. This is because this group constitutes the most stable core in the bank. Whereas cashiers, the positions of sub-directors and managers occupy a smaller percentage due to the fact that banks always seek to be as efficient as possible by achieving their objectives successfully with a smaller number of sub-directors and cashiers. The nature of the work organization in the bank is such that the operational staff is greater in number. It is important to mention that based on data of questionnaires only 3 employees have less than 1 year of banking experience, who work as cashiers. (A position that banks do not attach much importance to experience at the time of recruitment) Students who have just completed university studies are more preferred, in this post. Other reasons why the staff at a young age is a lower percentage are: 1. the purchase of banks, 2. closing of branches in the cities of the region. Under these conditions, the bank uses the existing staff in case there are new job positions. It should be noted that the employment of new employees during the year 2016-2021 has had an inhibitory effect. The pandemic period slowed down even more the trend of recruiting new employees in the banking market.

Data Analysis Approach

Descriptive method and ANOVA – Analysis of variance are applied to know the impact of demographic factors on satisfaction of employees towards the 8 factors as above.

Findings

Based on results of Analysis of Variance ANOVA there are a statistically significant relationship between the *job position* and the importance given to the name of the bank ($p=0.019$), leadership ($p=0.011$), opportunities ($p=0.029$), performance management ($p=0$), reward ($p=0.019$), collaboration ($p=0$), infrastructure ($p=0.001$), work and private life balance ($p=0.001$).

Also, *age group* has a statistically significant impact on the name of the bank ($p=0.005$), leadership ($p=0.017$), performance management ($p=0.002$), reward ($p=0.031$), cooperation ($p=0.031$), infrastructure ($p=0.001$), work and private life balance ($p=0$), while in the independent variables opportunity ($p=0.204$), does not have any significant influence.

While work experience affects the evaluation of the bank's name ($p=0.008$), leadership ($p=0.008$), rewards ($p=0.023$), cooperation ($p=0.013$), infrastructure ($p=0$), work and balance

private life ($p=0$), and does not affect opportunity ($p=0.702$) and performance management ($p=0.215$).

It shows that Bank Name, Leadership, Cooperation, Infrastructure and Personal Life Balance are more influenced by Job Position, Age and Experience. This is because being part of a bank with a good reputation in the market, which pays its employees very well with a leadership that respect the employees value, where the work stress is bearable by the employees, where the work-life balance is balanced, where there is mutual respect between the employee - supervisor and among colleagues, it is very important for every employee regardless of position, age and banking experience.

Table 1. Inferential Statistics

	Position		Age		Banking Experience	
	F	Sig.	F	Sig.	F	Sig.
Name of bank	3.081	.019	3.527	.005	3.047	.008
Leadership	3.429	.011	2.903	.017	3.041	.008
Carrier	2.804	.029	1.471	.204	.635	.702
Performance	5.674	.000	4.099	.002	1.413	.215
Rewards	3.067	.019	2.563	.031	2.567	.023
Collaburation	5.686	.000	4.640	.001	2.845	.013
Infrastruktura	5.299	.001	4.387	.001	4.487	.000
Private life balance	5.314	.001	5.462	.000	4.666	.000

Average and Standard Deviation between Job Position, Age and Banking Experience and Employee Satisfaction Variables.

CONCLUSION

In the conclusion of this study, shows that the employees in management positions value more the bank's name, reward and cooperation, opportunity, and performance management and are more satisfied at work. These managerial positions are more motivated, more rewarded, and give a lot of importance to the name of bank and leadership. At the same time, it is noticed that the position of deputy directors values more the relationship between work and private life, cooperation, infrastructure, and they are the most satisfied group. The responsibility for achieving the set objectives is less compare with their managers, but they have to work with long working hours until the completion of daily banking operations. This is why infrastructure is very important for them. They prefer to work in the same city where they live.

Creating a very good balance of cooperation with subordinates and their managers is very important to them also. They are the most satisfied group because despite of all above this category is the most stable position in the bank, they are less stressed than their managers, they are well rewarded and their good performances increase their financial opportunities. Since the cashier's position is the less paid position in the bank, the infrastructure is very important for them, and finishing the work within the time, evaluating the career opportunity in this case is greater. This group is the most dissatisfied group, and always are in search for new job or new position.

Regarding the age group shows that the 45-54 age group values the bank's name, cooperation, and is the most satisfied group. Employees of this age group prefer to stay as long as possible in their positions. Satisfaction for this age group mean "job security". This is why the name of the bank and the cooperation for this group is very important. For this age group, the relationship between private life and work is very important, despite the fact that now they are freer to stay longer because their children are older. While the employees over 55 years old mention very much the name of the bank because in the big banks human resource policies are very structured in favor of their employees, that want to retire working in bank.

On the other hand how does bank managers see this age group?

Meanwhile, the 25-29 age group is considered one of the age groups that values career opportunity, leadership, performance management, infrastructure, and balance with private life the most. This age group thinks that a good performance, creates career opportunities, and higher salary. They want to work only 8 hours and for overtime they want to be paid. (This does not happen with the staff with many years of experience in the bank). Leadership for them is very important because a good leadership supports new employees and motivates them to move forward and grow professionally. They have a low spirit of cooperation and do not prefer to work at long distances.

The employees with more than 10 years of work are the ones who value the name of the bank, the cooperation and are more satisfied, this is because every employee already feels very "comfortable" and professional with his work because the level of professionalism, knowledge, and communications skills are increased over the years. While younger employees value more opportunities, rewards, performance and work-life balance.

In this research it is shown that demographic variable has significant impact towards employee's satisfaction. Banks have started to bring about changes in HR politics.

This study is done based on smaller number of employees for Korca region, while would be more significant if we would include larger number of employees, and comparing bank with each-other.

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