



Hamblin, 1964). A straightforward statement is that, pleased worker loves to get nearer to work, and finds it difficult to leave their respective perk (Wright & Bonett 2007).

However, Herzberg, Mausner & Snyderman (1959) further suggested two factor theory of job satisfaction which has two distinct points, i.e. satisfaction and dissatisfaction. This two-factor theory further stresses that a worker can be satisfied and dissatisfied simultaneously due to distinct components in the working environment. Therefore, an employee who lost modesty in working and stick with same benefit may be or may not be fully satisfied. Workers may be in a state of happiness with the directions from supervisor, but in a state of anxiety because of physical infrastructure or vice versa. Thus, workers' satisfaction is composed of numerous facets, and each facet has distinct level of satisfaction and dissatisfaction (Smith, Kendall, & Hulin 1969).

Results of studies of job satisfaction are derived from two main sets. First, job satisfaction is associated with increased output, efficiency of the organization, loyalty with the organization, and reduced absenteeism and earnings (Ellickson and Logsdon, 2001). According to Wright and Davis (2003), job satisfaction positively affects the ability, effort and capability of the employees. In contrast, if employees are not satisfied with the job then it may lead to turnover intentions, increased costs, decreased profits and ultimately unhappy customers with the organization (Zeffane et al., 2008).

In context of Nepal, Adhikari (2009) found that a satisfied worker tends to be less absent from his or her job, contributes for the benefit of the company and would like to stay in the organization. On the other hand, dissatisfied worker has negative attitudes and prefers to remain absent too often, always remains unhappy with the supervisor, tries to leave the company once an opportunity is available, and remains in stress. Employee performance refers to the job related activities expected of a worker and how well those activities were executed. According to Campbell (1993) performance is related to the work one does in fulfilling his/her duties and the activities that can be examined and measurable are reflected. An organization needs high performance of its employees, so as to meet its goal and be able to achieve competitive advantages (Ferse, 2002). Hiltrop and Despres (1994) defined job performance as the value added in an activity or task achieved by an individual at work.

Employees' loyalty is often viewed as the attitude towards a particular organization. Employee loyalty is an organizational citizenship behavior that reflects the allegiance to the organization, promotion of organizational interests and image (Bentten Court, Gwinner and Meuter, 2001). Similarly the turnover intention is measured as the leave-

taking from the company or department (Tett & Meyer, 1993). Turnover can be predicted by personal behavior (Michaels & Spector, 1982; Lee & Mowday, 1987; Abrams, Ando, & Hinkle, (1998). Workplace environment includes factors such as managerial support, peer encouragement, adequate resources, opportunities to apply learned skills, technical support, and consequences for using training on the job (Burke and Hutchins, 2008). Jayaweera (2015) stated that there is a positive and significant relationship between environment factors and job performance.

After economic liberalization in Nepal, banking sector institutions are facing high competition due to high number of growth of BIs in city centered markets. The newcomer BIs started to hire employees from competing BIs by offering them higher facilities and position. Such inter-organizational turnover or shifting of employees is higher in Nepalese banking sector because of high competition and lack of professional and competent manpower in open market. These organizations are paying high efforts on training, career development opportunities, better fringe and non-fringe benefits etc. for providing quality services as well as retaining employees. In this context the study is mainly focused on measuring job satisfaction of employees working in banking sector.

The above discussion shows that the studies dealing with the factors affecting job satisfaction and its impact on performance are of greater significance. Though there are these findings in the context of different countries and Nepal, no such findings using more recent data exist in the context of Nepal. Hence, the paper attempts to examine the determinants of job satisfaction and its impact on performance of Nepalese commercial banks.

## **2. Research Hypotheses**

This research has set following alternative hypotheses:

- H1: There is a positive relationship between employee empowerment with job satisfaction and employee performance.
- H2: There is a positive relationship between job loyalty with job satisfaction.
- H3: There is positive relationship of workplace environment with employee job satisfaction and employee performance.
- H4: Job satisfaction and employee performance is negative association with turnover intention.

### 3. Methods

This paper has employed descriptive research design to deal with the impact of determinants of job satisfaction on employee performance. This study also used the causal comparative research design to establish the cause and effect relationship of employee empowerment, job loyalty, turnover intention, and workplace environment.

Data are collected from structured questionnaire survey which contains the respondents' related information through tick mark questions, and 5-Likert scale questions and relationship between dependent and independent variables are analyzed in multi-step regression analysis. These models are used in this study:

$$JS = \beta_0 + \beta_1EM + \beta_2LO + \beta_3TI + \beta_4WE + e_{it} \dots\dots\dots(1)$$

$$EP = \beta_0 + \beta_1EM + \beta_2LO + \beta_3TI + \beta_4WE + e_{it} \dots\dots\dots(2)$$

Where, JS = Job satisfaction; EP = Employee performance; EM = Employee Empowerment; LO = Job Loyalty; TI = Turnover Intention; WE = Workplace environment;  $e_{it}$  = error term.

### 4. Result

#### Descriptive Analysis

The mean value of employee empowerment ranges from minimum of 3.99 to the maximum of 4.11 where weighted average mean value for the aspects of employee empowerment is 2.422 which indicate that aspects of employee empowerment are satisfactory. The mean value of job loyalty ranges from minimum of 3.97 to the maximum of 4.28 where weighted average mean value for the aspects of job loyalty of is 3.4332 which indicate that aspects of the job loyalty are satisfactory.

The mean value of service quality ranges from minimum of 4.14 to the maximum of 4.29 where weighted average mean value for the aspects of service quality is 4.254 which indicate that aspects of turnover intention are satisfactory. The mean value of price ranges from minimum of 4.13 to the maximum of 4.48 where weighted average mean value for the aspects of price is 4.218 which indicate that aspects of job satisfaction are satisfactory.

The mean value of price ranges from minimum of 3.48 to the maximum of 4.67 where weighted average mean value for the aspects of price is 4.364 which indicate that aspects of job satisfaction are satisfactory.

## Correlation Analysis

The Pearson correlation coefficients have been conducted and the results are presented in table 1.

**Table 1: Pearson's correlation matrix for the determinants of job Satisfaction and its impact on employee performance in Nepalese commercial banks.**

Variables	Mean	Std. Deviation	EM	LO	TI	WE	JS	EP
EM	2.422	.66527	1					
LO	3.4332	.55421	.860**	1				
TI	2.168	.62285	-.513**	-.530**	1			
WE	4.254	.37074	.674**	.610**	-.411**	1		
JS	4.218	.38881	.504**	.514**	-.487**	.601**	1	
EP	4.364	.30135	.440**	.442**	-.265**	.473**	.573**	1

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

This table shows the correlation between dependent variable i.e. job satisfaction (JS), employee performance (EP) and independent variables i.e. employee empowerment (EM), job loyalty (LO), turnover intention (TI), workplace environment (WE).

The results show that there is positive relationship of employee empowerment and job satisfaction which indicates that higher the employee empowerment, higher would be the job satisfaction. Likewise, the study observed positive relationship between job loyalty and job satisfaction indicating that higher the level of job loyalty, higher would be the job satisfaction. Similarly, the negative relationship between job satisfaction and turnover intention reveals that the decrease in turnover intention leads to an increase in the job satisfaction. The result shows that workplace environment and job satisfaction are positively correlated which indicates that better the workplace environment, higher would be the job satisfaction.

The results show that there is positive relationship of employee empowerment and employee performance which indicates that higher the employee empowerment, higher would be the employee performance. Likewise, the study observed positive relationship between job loyalty and employee performance indicating that higher the level of job loyalty, higher would be the employee performance. Similarly, the negative relationship between employee performance and turnover intention reveals that the decrease in turnover intention leads to an increase in the employee performance. The result shows

that workplace environment and employee performance are positively correlated which indicates that better the workplace environment, higher would be the employee performance.

### Regression Analysis

The estimated regression result shows the relationship between the dependent variables i.e. job satisfaction towards employee performance and independent variables are employee empowerment, job loyalty, turnover intention, and workplace environment. The estimated regression results are shown in table 2.

**Table 2: Regression result of determinants of job satisfaction and its impact on employee performance**

Model	Intercept	regression coefficients of				Adj. R <sup>2</sup>	SEE	F-value
		EM	LO	TI	WE			
1	3.458	10.150				0.246	0.32	33.38
	(3.458)**	(0.104)						
2	2.976		0.344			0.257	0.32	35.16
	(12.316)**		(5.93)**					
3	5.004			-0.290		0.23	0.33	30.52
	(42.703)**			(-5.525)**				
4	1.942				0.0573	0.355	0.210	55.494
	(5.904)**				(7.449)**			
5	2.995	0.133	0.206			0.265	0.329	18.756
	(12.453)**	(1.413)	(18.826)**					
6	3.767	0.098	0.141	-0.170		0.316	0.306	16.217
	(10.632)**	(1.072)	(1.072)	(-2.883)**				
7	2.600	-0.038	0.115	-0.149	0.419	0.417	0.289	18.686
	(6.056)**	(0.423)	(1.115)	(-2.740)*	(4.201)**			

\* indicates that coefficient is significant at 5 percent level of significance.

\*\* indicates that coefficient is significant at 1 percent level of significance.

Table 2 represents the regression results on dependent variable i.e. job satisfaction (JS) towards employee performance (EP) and employee empowerment (EM), job loyalty (LO), turnover intention (TI), workplace environment (WE) are the independent variables. The regression results are estimated using regression equation  $JS = \beta_0 + \beta_1 EM + \beta_2 LO + \beta_3 TI + \beta_4 WE$

Table 2 shows that beta coefficient is positive and significant for employee empowerment. It indicates that higher the employee empowerment, higher would be the job satisfaction. This finding is similar to the findings of (Kirkman et al., 2004) as empowerment is positively related with job satisfaction. Similarly, the beta coefficient is positive and significant for job loyalty. This means that higher the job loyalty, higher would be the job satisfaction. This finding is similar to the findings of (Fletcher and Williams, 1996) as job loyalty is positively related with job satisfaction

Likewise, this shows negative for Turnover intention. It indicates that higher the Turnover intention lower would be the job satisfaction. This shows positive and significant for workplace environment. It indicates that higher the workplace environment higher would be the job satisfaction. There is positive and significant for job satisfaction which indicates that higher the employee empowerment, job loyalty, workplace environment.

## **5. Conclusion**

Employee empowerment, job loyalty, turnover intention and workplace environment plays the major role in determining the job satisfaction towards employee performance in Nepalese commercial banks. This means that better the employee empowerment, job loyalty, higher would be the job satisfaction and employee performance. The result also revealed that that the decrease in turnover intention leads to an increase in the job satisfaction and employee performance.

## **References**

- Adhikari, D. R. (2009). *Organizational Behaviour* (3rd ed.). Kathmandu: Buddha Academic.
- Bettencourt L. A. Kevin, P. Gwinner & Mathew, L. M. (2001). A Comparison of Attitude, Personality and Knowledge Predictors of Service Oriented Organizational Citizenship Behaviors, *Journal of Applied Psychology* 86(1), 29-41.
- Burke, L. A., & Hutchins, H. M. (2008). A Study of Best Practices in Training Transfer and Proposed Model for Transfer. *Human Resource Development Quarterly*, 19(2), 107-128.
- Eilickson, M.C., & Logsdon, K. (2001). Determinants of Job Satisfaction of Municipal Government Employees. *State and Local Government Review*, 33(3), 173-84.

- Jayaweera, T. (2015). Impact of Work Environmental Factors on Job Performance, Mediating Role of Work Motivation: *A Study of Hotel Sector in England International Journal of Business and Management* 10(3), 271-278.
- Khera, A. (2015). Impact of Employee Empowerment on Job Satisfaction: An Empirical Analysis of Banks in Chandigarh, (India) *International Research Journal of Human Resources and Social Sciences*, 2(7), ISSN :(2349-4085)
- Kolila, P. (2016). *Impact of Employee Empowerment on Job Satisfaction in Banking Sector with Reference to Chennai City*.
- Lee, S. & Mowday, Y. (1987). Voluntary Leaving an Organization; *An Empirical Investigation of Steers and Mowday's Model of Turnover, Academy of Management Journal*, 30,721- 743.
- Micheal, S. & Sector, T. (1982), Causes of Employee Turnover: A Text of the Mohley, Griffeth, Hand and Meglino Model, *Journal of Applied Psychology*, 67, 53-59.
- Shrestha, N. (2003). A Conceptual Model for Empowerment of the Female Community Health Volunteers in Nepal. *Education for Health*, 16(3), 318 – 327, November.
- Tett, R. P, & Meyer, J. P. (1993). Job Satisfaction, Organizational Commitment, Turnover Intention, and Turnover: Path Analyses Based on Meta-Analytic Findings. *Personnel Psychology*, 46(2), 259–293.
- Wright, B. E. & Davis, B. S. (2003). Job Satisfaction in the Public Sector: The Role of the Work Environment. *American Review of Public Administration*, 33, 70-90.
- Zeffane, R, Ibrahim, M.E. & Mehairi, R.A. (2008). Exploring the Differential Impact of Job Satisfaction on Employee Attendance and Conduct: The Case of a Utility Company in the United Arab Emirates, *Employee Relations*, 30(3), 237-250.