

**PSYCHOLOGICAL WELL-BEING AND JOB SATISFACTION
OF EMPLOYEES IN A FINANCIAL INSTITUTION**

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REMARKS

The reader is reminded of the following:

- The references as well as the editorial style as prescribed by the *Publication Manual (5th edition)* of the American Psychological Association (APA) were followed in this dissertation. This practice is in line with the policy of the Programme in Industrial Psychology of the North-West University (Potchefstroom Campus) to use APA style in all scientific documents as from January 1999.
- The dissertation is submitted in the form of one research article. The name of the promoter appears on the research article as it was submitted for publication in a national journal.

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TABLE OF CONTENTS

	Page	
List of Tables	v	
Summary	vi	
Opsomming	viii	
 CHAPTER 1: INTRODUCTION		
1.1	Problem statement	1
1.2	Research objectives	5
1.2.1	General objective	6
1.2.2	Specific objectives	6
1.3	Research method	6
1.3.1	Literature review	6
1.3.2	Research design	7
1.3.3	Participants	7
1.3.4	Measuring battery	7
1.3.5	Statistical analysis	8
1.4	Division of chapters	10
1.5	Chapter summary	10
	References	11
 CHAPTER 2: RESEARCH ARTICLE		
	Psychological well-being and job satisfaction of employees in a financial institution	14
	References	36

	Page
CHAPTER 3: CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS	
3.1	Conclusions 42
3.2	Limitations of this study 44
3.3	Recommendations 45
3.3.1	Recommendations for the industry 46
3.3.2	Recommendations for future research 47
	References 49

LIST OF TABLES

Table	Description	Page
Research Article 1		
Table 1	Characteristics of the Participants	25
Table 2	Descriptive Statistics and Cronbach Alpha Coefficients of the MSQ, GSES, AFM and OLQ	29
Table 3	Pearson Correlation Coefficients between the MSQ, GSES, AFM and OLQ	29
Table 4	Multiple Linear Regression with Job Satisfaction as Dependant Variable (DV) and Self-efficacy, Positive and Negative Affect, and Sense of Coherence as Independent Variables (IV)	30
Table 5	MANOVAs of psychological well-being (i.e. self-efficacy, positive and negative affect, sense of coherence) and job satisfaction of biographical characteristics	32

SUMMARY

Topic: Psychological well-being and job satisfaction of employees in a financial institution

Key terms: Job Satisfaction, self-efficacy, positive and negative affect, sense of coherence

Companies, also financial institutions, realign, redesign, restructure and downsize on an ongoing basis, increasing tension in employees to survive in the work environment. Besides coping with the impact of recessions and layoffs, employees also have to cope with increased workloads and the pressures of modern life. Employment is not only a means of financial viability, but also defines individuals' identities. Job loss – or even the threat of it – can be psychologically devastating and may influence the psychological well-being of employees. This may impact their perceived job satisfaction as well. The current trend within organisations is to move towards a model that focuses on strengths, where individuals take charge of their own lives and have effective working conditions where they successfully cope and perform optimally.

The objective of this research was to determine the relationship between psychological well-being (i.e. self-efficacy, positive and negative affect, and sense of coherence) and job satisfaction of employees in a financial institution.

The research method for this article consisted of a brief literature review and an empirical study using a cross-sectional survey design to collect data. An availability sample ($N = 117$) was taken from employees from different levels in a financial institution. The *Minnesota Satisfaction Questionnaire (MSQ)*, *Generalised Self-Efficacy Scale (GSES)*, *Affectometer 2 (AFM)*, *Orientation to Life Questionnaire (OLQ)* and a *Biographical questionnaire* were administered. The statistical analysis was carried out with the help of the SPSS-programme. The statistical methods utilised in the article consisted of descriptive statistics, Cronbach alpha coefficients, Pearson product-moment correlation coefficients, Regression analysis and Manovas.

The results showed acceptable internal consistencies for all the constructs. Product-moment correlation coefficients showed significant positive correlations between self-efficacy, positive affect, sense of coherence and job satisfaction and significantly negative correlations

between negative affect, self-efficacy, positive affect and sense of coherence. Self-efficacy, positive and negative affect, and sense of coherence predicted 19% of the variance in job satisfaction with sense of coherence the only significant predictor of Job Satisfaction. No differences in terms of biographical characteristics in the experience of self-efficacy, positive affect, negative affect, sense of coherence and job satisfaction could be found.

Recommendations for future research were made.

OPSOMMING

Onderwerp: Psigologiese welstand en werkstevredenheid van werknemers in 'n finansiële instelling.

Sleuteltermes: Werkstevredenheid, self-effektiwiteit, positiewe and negatiewe affek en koherensiesin

Maatskappye, insluitende finansiële instansies, herstruktureer, herposisioneer en verminder personeel op 'n deurlopende basis. Dit lei tot verhoogde spanning onder werknemers wat in 'n hoogs mededingende werksomgewing moet oorleef. Personeel moet die uitwerking van ekonomiese resessies en afleggings hanteer, asook die impak van verhoogde werkslading en die druk van 'n moderne leefwyse. 'n Vaste betrekking beteken vir die individu nie net inkomste nie, maar is ook bepalend vir sy identiteit. Werksverlies, of die moontlikheid daarvan, kan psigologies oorweldigend wees en kan beslis die psigologiese welsyn van die individu beïnvloed. Dit mag daarom ook 'n invloed uitoefen op die individu se ervaring van werkstevredenheid. Die huidige neiging in organisasies is om te beweeg na 'n model wat fokus op inherente sterkte, waar individue beheer neem van hulle lewens en 'n in effektiewe werksomgewings het, waar hulle alle aspekte van werk suksesvol hanteer en optimaal presteer en funksioneer.

Die doel van hierdie studie was om die verhouding tussen die psigologiese welstand (d.i. self-effektiwiteit, positiewe en negatiewe affek, en koherensiesin) en werkstevredenheid van werknemers te bepaal.

Die navorsingsmetode vir hierdie artikel is gebaseer op 'n kort literatuur-studie, asook 'n empiriese studie, waar 'n dwars-deursnee opnameontwerp gebruik is om data in te samel. 'n Beskikbaarheidsteekproef ($N = 117$) is geneem van werknemers op verskillende vlakke in 'n finansiële instelling. Die *Minnesota Tevredenheidsvraelys (MSQ)*, *Algemene Selfdoeltreffendheidsvraelys (GSES)*, *Affektometer 2 (AFM)*, die *Lewensoriëntasievraelys (OLQ)*, asook 'n *biografiese vraelys* is afgeneem. 'n Statistiese analise is met die SPSS-program uitgevoer. Statistiese metodes wat gebruik is in die voorbereiding van die artikel, behels beskrywende statistiek, Cronbach Alfa-koeffisiënte, Pearson produkmoment-korrelasiekoeffisiënte, 'n regressie-analise en Manovas.

Die resultate het aanvaarbare vlakke van interne konsekwentheid vir al die konstrunkte getoon. Produktmoment-korrelasiekoëffisiënte het beduidende positiewe korrelasies getoon tussen self-effektiwiteit, positiewe affek, koherensiesin en werkstevredenheid en beduidend negatiewe korrelasies tussen negatiewe affek, self-effektiwiteit, positiewe affek en koherensiesin. Self-effektiwiteit, positiewe en negatiewe affek en koherensiesin voorspel 19% van die variansie tussen werkstevredenheid en koherensiesin – die enigste beduidende voorspeller van werkstevredenheid. Biografiese eienskappe het geen verskille aangedui in terme van die ervaring van self-effektiwiteit, positiewe affek, negatiewe affek koherensiesin of werkstevredenheid nie.

Aanbevelings vir toekomstige navorsing is aan die hand gedoen.

CHAPTER 1

INTRODUCTION

This mini-dissertation focuses on the psychological well-being and job satisfaction of employees in a financial institution.

Chapter 1 contains the problem statement, research objectives and research methodology employed. The chapter starts out with a problem statement, giving an overview of previous related research on psychological well-being (i.e. self-efficacy, positive and negative affect, and sense of coherence) and job satisfaction, linking it with this research project and its research objectives. A discussion of the research method follows, with details on the empirical study, research design, study population, measuring instruments and statistical analyses.

1.1 PROBLEM STATEMENT

In an increasingly competitive global market, companies realign, redesign, restructure and downsize on an ongoing basis (Schaufeli & Greenglass, 2001), increasing tension in employees to survive in the work environment. Besides coping with the impact of recessions and layoffs, employees also have to cope with increased workloads and the pressures of modern life (Anon, 2002). Since employment is not only the means of financial viability, but also defines individuals' identities, job loss – or even the threat of it – can be psychologically devastating (Dekker & Schaufeli, 1995).

Within the financial industry, these threats are very real. The biggest issue that financial organisations have to face is to focus on how they can grow and enhance their business (Joffe, 2005) in order to survive in a very competitive market. The recent Barclays acquisition of ABSA (Anon, 2005) was in many ways a wake-up call for local banks, forcing them to increase their competition and sharpen their skills (Joffe, 2005). Not only are business growth and expansion advantageous for the organisation, but employees also appear to benefit from these created opportunities (Booyesen, 2005). As a result, organisations have a major role to play to ensure that each employee's productivity is optimised to utilise these opportunities, but also to assist the organisation in keeping its cost-to-income ratio as low as

possible, to remain competitive and to increase its return on equity and earnings per share. Organisations also have to ensure that their employees have the necessary capabilities, knowledge, skills and attributes to assist the organisation in achieving its strategy and other goals (Joffe, 2005).

The banking industry employs highly skilled and qualified individuals. Employees can perform at more optimal levels if, amongst others, they are matched successfully to positions where their skills are put to optimal use. When the need for competence, the need for belonging, and the need for autonomy are satisfied, personal well-being and social development are optimised (Ryan & Deci, 2000). Individuals in this condition appear to be intrinsically motivated, able to capitalise on their abilities and able to seek out progressively greater challenges. Conversely, individuals who lack a sense of personal power or personal efficacy will show insufficient levels of initiative and commitment (Nortjé, 2002). Various programmes such as empowerment programmes are implemented as tools to enable employees to increase their confidence and enhance their competence. As a result, employees may show higher levels of commitment, creativity, productivity, ownership and responsibility.

When employees are given the opportunity to use their initiative, extend their thinking, and explore beyond the normal boundaries, they are able to establish their true capability or potential – and as such contribute to the objectives of the organisation. Unfortunately, most individuals are raised to focus on what cannot be done (the negative), instead of on what can be done (the positive) (Strümpfer & Kellerman, 2002). The experience of stressors in the work environment can also contribute to this negative focus. In a recent investigation into the general health of staff at a local bank (Philip, 2005), it was found that managerial staff experience high levels of stress. The contributing stressors seem to be organisational change, job satisfaction, role overload, role conflict, role confusion, responsibility, accountability, and work-life balance. All these stressors may influence the psychological well-being of employees.

However, the current trend within organisations is to move away from this disempowering deficit model to a model that focuses on strengths, individuals taking charge of their own lives, and effective working conditions where people cope successfully and perform optimally. When individuals are matched successfully to positions where they are

continuously challenged and encouraged to achieve arduous goals that extend their capabilities, it may motivate them to conceive and attain greater goals. It appears that a committed and accountable workforce consistently performs at levels far beyond the norm (Wenburg, 2001). They are perceived to be proud of their organisation and their personal contribution to it, and will do whatever it takes to make the organisation a success. In view of the fact that a healthy organisation is defined as an organisation that is characterised by both financial success (profitability) and a physically and psychologically healthy workforce able to maintain a healthy and satisfying work environment and organisational culture particularly through change and market turbulence (Cooper & Cartwright, 1994), the advantages of satisfied employees cannot be overemphasised.

The positive effects of success at work may spill over into an individual's personal life and increase general satisfaction (life satisfaction) (Bessokirnaia & Temnitskii, 2002). One component that enhances these positive effects of success at work is job satisfaction. When an individual experiences job satisfaction, it may lead to higher levels of commitment, and therefore greater success at work (Hui & Lee, 2000; Testa, 2001). Job satisfaction involves several basic components, such as specific beliefs about one's job, behaviour tendencies (intentions) with respect to it, and feelings about it (Isen & Baron, 1991). It is conceptualised and operationalised as both a global construct and a multifaceted construct (Hirschfeld, 2000). According to Hirschfeld (2000), job satisfaction is the extent to which people like their job. It is a reaction to a job, which stems from the incumbent's comparison of actual outcomes with the expected outcomes (Cranny, Smith, & Stone, 1992; Rothmann & Agathagelou, 2000). Should the outcome exceed their expectations, it may lead to job satisfaction. The problem is, however, that organisations tend to focus more on dispositional factors influencing job satisfaction than on situational factors, even though both have an influence on job satisfaction (Rothmann & Agathagelou, 2000).

Job satisfaction is indirectly influenced by self-efficacy and specifically in terms of the perceptions of work attributes (Judge, Locke, Durham, & Kluger, 1998). In an environment where employees experience high levels of psychological safety coupled with high levels of accountability, their performance is optimised (Lapin, 2005). Individuals who feel more accountable in the work environment will take more ownership of their output, which leads to an overall increase in productivity (Lapin, 2005) – and therefore to job satisfaction.

Self-efficacy is defined as the belief in one's own capability to perform a task (Ballentine & Nunns, 1998). It refers to the thoughts and feelings of competence and mastery that are generated through interaction with the environment, which translate into the individual behaving in a certain way because of expectations of success (Niedinger, 1997). This may influence other parts of the individual's life, e.g. emotional well-being. An individual may, for instance, perform unsatisfactorily as a result of his/her expectations and own feelings of inadequacy, an inaccurate estimation of his/her potential. People may attribute their ineptitude to perform in a certain task to various factors – all of which could potentially affect their self-esteem. The metaphor of strength is inherent in self-efficacy (Strümpfer, 1995). Ballentine and Nunns (1998) assert that several studies (whilst not proving directionality of the relationship) proved that self-efficacy is a significant predictor of future performance – the higher the level of self-efficacy, the higher the level of task performance.

In previous research, negative relationships were also found between negative affect and job satisfaction, and positive relationships between positive affect and job satisfaction (Strümpfer, Danana, Gouws, & Viviers, 1998). Negative affectivity (NA) is defined as an intra-psychic determinant that dictates an individual's view of the world, where the individual will interpret the world and see himself/herself in unhappy and pessimistic terms (Meeks & Murrell, 2001). The affective and cognitive bias of NA seems likely to influence how people experience and evaluate their job (Strümpfer, et al., 1998). Positive affectivity (PA) is characterised by an element of positive feelings experienced across situations, by facets of sociability and social dominance and energy, venturesomeness and ambition, and is seen as a superordinate personality factor, also referred to as extraversion. Negative and positive affectivity can be regarded as relatively permanent and stable dispositions. The dispositions derive in part from genetic and early childhood influences and in part from elaboration on those developments by later development, including experiences in the work situation – as learned and socialised patterns of response (Arvey, Bouchard, Segal, & Abraham, 1989).

Another positive construct that correlates with job satisfaction is sense of coherence. Sense of coherence (SOC) is seen as a dispositional orientation that describes how people stay well and manage stress. It is believed to engender, sustain, and enhance health, as well as provide strength in other areas, such as at work (Strümpfer, et al., 1998). Strümpfer (1995) contends that SOC could be directly related to other aspects of successful living, such as effective performance of work and career effectiveness – living up to your potential. SOC underpins

Antonovsky's (1979) theory of *salutogenesis*, which refers to the origins of health (Strümpfer, 1995).

Within the South African context, and specifically the financial industry, no research could be found investigating the relationship between different psychological positive constructs, i.e. self-efficacy, positive and negative affect, sense of coherence, and job satisfaction. The objective of this research is therefore to determine the relationship between psychological well-being (i.e. self-efficacy, positive and negative affect, and sense of coherence) and job satisfaction of employees in a financial institution. An understanding of these relationships could provide some insight into the identification of successful candidates for vacancies within the financial institution, thus ensuring that staff members are optimally productive as a result of being successfully matched to vacancies.

Based on the above, this research will attempt to answer the following questions:

- Are the measurement instruments of job satisfaction, self-efficacy, positive and negative affect, and sense of coherence valid and reliable?
- How are psychological well-being (i.e. self-efficacy, positive and negative affect, and sense of coherence) and job satisfaction conceptualised in the literature?
- What is the relationship between psychological well-being (i.e. self-efficacy, positive and negative affect, and sense of coherence) and job satisfaction?
- Is self-efficacy, positive and negative affect and sense of coherence of employees in a financial organisation contributing to higher levels of job satisfaction?
- What are the differences between biographical information (i.e. gender, race, department, organisational level, and years of experience) in terms of psychological well-being (self-efficacy, positive and negative affect, and sense of coherence) and job satisfaction?

1.2 RESEARCH OBJECTIVES

The research objectives are divided into a general objective and specific objectives.

1.2.1 General objective

The general objective of this research is to determine the relationship between psychological well-being (i.e. self-efficacy, positive and negative affect, and sense of coherence) and job satisfaction of employees in a financial institution.

1.2.2 Specific objectives

- To determine the construct validity and internal consistency of the Minnesota Satisfaction Questionnaire (MSQ), Generalised Self-Efficacy Scale (GSES), Affectometer 2 (AFM), and Orientation to Life Questionnaire (OLQ) for employees in a financial institution.
- To conceptualise psychological well-being (i.e. self-efficacy, positive and negative affect, and sense of coherence) and job satisfaction from the literature.
- To investigate the relationship between psychological well-being (i.e. self-efficacy, positive and negative affect, and sense of coherence) and job satisfaction.
- To assess whether self-efficacy, positive and negative affect and sense of coherence of employees in a financial organisation contribute to higher levels of job satisfaction.
- To examine the differences between biographical information (i.e. gender, race, department, organisational level and years of experience) in terms of psychological well-being (self-efficacy, positive and negative affect, and sense of coherence) and job satisfaction.
- To make recommendations for future research.

1.3 RESEARCH METHOD

The research method consists of a literature review and an empirical study. The results obtained from the research will be presented in an article format.

1.3.1 Literature review

The literature review focuses on previous research on job satisfaction, self-efficacy, positive and negative affect, and sense of coherence, and the relationship between these constructs. An overview is given of the conceptualisation of these constructs in the literature, and on the

findings in terms of measuring job satisfaction, self-efficacy, positive and negative affect, and sense of coherence.

1.3.2 Research design

A cross-sectional design, with a survey as the data collection technique, was used to achieve the research objectives. Cross-sectional designs are used to examine groups of subjects in various stages of development simultaneously, while the survey describes a technique of data collection in which questionnaires are used to gather data about an identified population (Burns & Grove, 1993). Information collected is used to describe the population at that point in time. This design can also be used to assess interrelationships among variables within a population. According to Shaughnessy and Zechmeister (1997), this design is best suited to addressing the descriptive and predictive functions associated with correlational research, whereby relationships between variables are examined.

1.3.3 Participants

The study population ($N = 117$) could be defined as an availability sample of employees working in a financial institution. The sample consisted mainly of white (71,05%) males (62,28%) at middle management level (40,35%). A large percentage of the sample either has a degree (23,68%) or CA(SA) qualification (22,81%), with more than ten years' experience (44,74%) or less than three years' banking experience (30,70%).

1.3.4 Measuring battery

Four questionnaires were used in the empirical study, namely the Minnesota Satisfaction Questionnaire (MSQ) (Hirschfeld, 2000), the Generalised Self-Efficacy Scale (Schwarzer, 1992), the Affectometer 2 (AFM) (Kammann & Flett, 1983), and the Orientation to Life Questionnaire (OLQ) (Antonovsky, 1983).

Minnesota Satisfaction Questionnaire (MSQ) (Hirschfeld, 2000). The short version of this questionnaire was used to measure the job satisfaction of employees. The short version of the Minnesota Job Satisfaction Questionnaire consists of 20 items that measure satisfaction with specific aspects of the job and the work environment. According to Cook, Hepworth, Wall,

