

Locus of Control and Role Stress as Predictors of Job Satisfaction: A Comparative Study of Public and Private Banks

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Abstract

This paper is an attempt to analyze the effect of locus of control and role stress on job satisfaction. The reviews on role stress show that role stress reduces the job satisfaction. The impact of locus of control on job satisfaction of workers differs according to the degree of locus of control.

Through this study we have tried to establish a basis on which organizations can design their hierarchy in a way so that employees may not face the problem of role stress and achieve job satisfaction and good productivity. An attempt has been made to define locus of control. The study shows that if an employee has an internal locus of control, he can perform better as compared to employees who have external locus of control.

We have taken 263 employees of different service organizations situated in Gwalior region as a sample size. Their views helped us to draw an inference and measure the effect of independent variables on dependent variables. The Research aims at finding out the impact of Locus of Control and Role Stress on the Job Satisfaction in Private and Public Banks in Gwalior Region.

INTRODUCTION: LOCUS OF CONTROL

Some people believe that they are masters of their own fate. Others see themselves as pawn of fate, believing that what happens to them in their life is due to luck or chance. The first type, those who believe that they control their destiny have been labeled internals, whereas the latter, which see their lives as being controlled by outside forces, have been labeled as externals. A person's perception of the source of his or her fate is termed as Locus of Control.

A large amount of research comparing internals with externals has consistently shown

that individuals who rate high in externality are less satisfied with their jobs, have higher absenteeism rate, are more alienated from the work setting, and are less involved in their jobs than are internals.

It also refers to alternative beliefs about whether an employee's achievements are the product of his or her own effort (an internal locus, which is more compatible with a participative style) or the result of outside forces (an external locus, which is more receptive to a directive approach). A second factor is the employee's willingness to accept the influence of others. If this variable is high, directive approach will be more successful; if it is low, a participative style is more appropriate. The third individual character is self-perceived taskability. Employees who have high confidence in their potential will react most



favorably to a supportive leader. Alternatively, lacking a perception of their own taskability will more likely embrace an achievement-oriented leader.

Locus of control was developed in the Social Learning Theory proposed by Rotter's (1954). He defined that the locus of control refers to the degree to which an individual believes the occurrence of reinforcements is contingent on his or her own behavior. The factors involved with reinforcement expectancy are labeled "external" and "internal" control. Individuals who believe that they can influence outcomes through their own abilities, efforts, skills and characteristics are defined as of internal orientation (internals). Those who perceive that outcomes are contingent upon external forces such as luck, chance, fate and powerful others or are of the belief that events are unpredictable because of the many complexities in the environment are designed as of external orientation (externals). People are then declassified along a spectrum of very external (Rotter, 1996).

It is important to note that locus of control is not about a specific reinforcement, but instead it is a problem-solving generalized expectancy that addresses the issue of whether behavior is reinforced. It should also be noted that in some particular situations or environment, individuals of an external orientation can exhibit internal behavior. This occurs because they have learned from earlier situations that they have control of the reinforcement.

ROLE STRESS

A role is the pattern of actions expected of a person in activities involving others. Role reflects a person's position in the system, with its accompanying rights and obligations, power and responsibility in order to be able to interact with one another in the social system.

When roles are inadequately defined or

are substantially unknown, role ambiguity exists, because people are not sure how they should act in a situation of this type. When role conflict and role ambiguity exist, the person will fall in the role stress and job satisfaction and organizational commitment is likely to decline. On the other hand, employees tend to be more satisfied with their jobs when their roles are clearly defined by job description and statements of performance expectations. A better understanding of roles help people know what others expect of them and how they should act. If any role misunderstanding exist when people interact, then problems are likely to occur.

When others have different perception or expectation of a person's role that person tends to experience role conflict. Such conflict makes it difficult to meet one set of expectation without rejecting another. This continuity may create stress in the persons mind which we can call role stress.

JOB SATISFACTION

The final dependent variable we will look at is job satisfaction, which we define simply, as the difference between the amount of rewards workers receive and the amount they believe they should receive. Unlike the previous two variables, job satisfaction represents an attitude rather than a behavior. But we took job satisfaction as a dependent variable. Because of two reasons: its demonstrated relationship to performance factors and the value preference held by many OB researchers. The belief that satisfied employees are more productive than dissatisfied employees has been a basic tenet among managers for years. Although much evidence questions that assumed causal relationship, it can be argued that advanced societies should be concerned not only with the quantity of life – that is, concerns such as higher productivity.

Job satisfaction is a combination of psychology, physiology and environmental

circumstances that causes a person truthfully to say I am satisfied with the job. Job satisfaction is a pleasurable emotional state resulting from the appraisal of one's job. Dissatisfaction is defined as the unpleasurable emotional state resulting from the appraisal of one's job as frustrating or blocking the attainment of one's job values or as entailing disvalues. It is an individual feeling. Job satisfaction may be considered a dimension of morale and morale in turn could be a source of satisfaction. Attitudes are predispositions that make the individual behave in a particular way. Job satisfaction, on the contrary is the end feeling, which may influence subsequent behavior. Thus, job satisfaction is employee's attitude towards job. Several job elements

contribute to job satisfaction. The most important amongst them are wage structure, nature of work, promotion chances, quality of supervision, work group, stress at work place, individual's personality and working conditions etc.

REVIEW OF LITERATURE

Wallston and Wallston (1978) reviewed the utility of the locus of control construct in understanding smoking reduction, birth control utilization, weight loss, information seeking, adherence to medication regimens, and other health or sick-role behaviors. Zimet (1979) investigated the efficacy of using locus of control orientation to predict performance

in various modes of biofeedback. However, contradictory evidence and methodological problems make it impossible to draw any conclusions regarding the connection between internality-externality and biofeedback performance. Second, various attempts to modify externality through biofeedback treatment are reviewed.

Diane Elizabeth Howard (1996) in her

study investigated the relationship between locus of control in the subjects and their identification. Measurement instruments were Rotter's Internal-External Locus of Control Scale and the investigator's role model questionnaire. This study presents evidence that suggests: (1) the subjects who identified role models had stronger internal locus of control than the subjects who did not identify role models, (2) locus of control was a changeable variable, (3) internal locus of control increased over the first year of college in the role model group (positive effect), (4) internal locus decreased over the first year of college in the no role model group (negative effect).

Thus, this study suggests a factor, which may strengthen internal locus of control in first-year, female, co-educational college students.

Jennifer Kavanagh (1981) states that literature on the relationship between stress and performance is extensive and diverse. She studied how stress affects performance and how these effects can be controlled and applied in the military context.

Ibrahim et al (1995) in their study indicated that there is no significant relationship between self-rated performance and overall job satisfaction. However, self rated performance, position and nationalities were significant factors affecting some job satisfaction facets i.e, pay and benefits, professional development, and work environment. Where as Hans De Witte (1999) found that job insecurity reduces psychological well-being and job satisfaction, and increases psychosomatic complaints and physical strains. The results of this exploratory study showed that job insecurity was associated with lower well-being after controlling for background variables, such as gender and age. A significant interaction with gender occurred, indicating that gender moderated the association between job insecurity and well-being. Job insecurity was



When roles are inadequately defined or are substantially unknown, role ambiguity exists, because people are not sure how they should act in a situation of this type.





not related to psychological well-being among women. Among men, a significant increase in distress was noted among those who felt insecure.

Judge et al (2001) conducted a qualitative and quantitative review of the relationship between job satisfaction and job performance. In almost same perspective Groenewegen and Hutten (1991) reviewed the literature on determinants and consequences of workload and job satisfaction of General Practitioners. Determinants of workload are located on the demand side (list size and composition of the patient population) and the supply side (organization of the practice and personal characteristics of the GP). The effects of workload and job satisfaction on work style and quality of work have been reviewed.

Literature stated the relationship between job satisfaction and life satisfaction on its theoretical, empirical, and methodological bases Jeffrey et al (1991) Joseph C. Rode (2004) tested a comprehensive model that examined the relationship between job and life satisfaction and a broad personality construct called 'core self-evaluations', as well as non work satisfaction and environmental variables, using a nationally representative (US), longitudinal data set. Results indicated that core self-evaluations were significantly related to both job satisfaction and life satisfaction over time, and that the relationship between job satisfaction and life satisfaction was not significant after taking into account the effects of core self-evaluations and non work satisfaction.

GAP ANALYSIS

Sufficient research has been conducted in the past to measure the antecedents of job satisfaction. But no research has been done to analyse both role stress and locus of control as predictors of job satisfaction. Liz Lee-Kelley (2006), in his paper uses the locus of control (LOC) construct to examine the influence of individual workers' general control

expectancies on their attitudes towards distributed working. This study's integrative approach highlights the importance of understanding workers' locus of control orientations and their implications for distributed team member motivation and development. Results of this study show that there is relationship between workers' locus of control and job satisfaction. A study on doctors conducted by (Pestonjee and Mishra, 1998) revealed that job satisfaction variables were correlated negatively with all the dimensions of role stress. No further research has been reported showing the relationship of both variables in the Indian context.

OBJECTIVES OF THE STUDY

The objectives of this study have been:

- To develop and standardize a measure to evaluate Job Satisfaction.
- To find out dominant factors underlying Locus of Control, Role Stress and Job Satisfaction.
- To measure the effect of Locus of Control on Job Satisfaction.
- To measure the effect of Role Stress on Job Satisfaction.
- To measure the combined effect of Locus of Control and Role Stress on Job Satisfaction.
- To compare the difference of Locus of Control between public and private banks.
- To compare the difference in Role stress between public and private banks.
- To compare the difference in Job Satisfaction between public and private banks.
- To open new vistas for further research.

RESEARCH METHODOLOGY

Study: The study was exploratory in nature with survey being used as method for collecting data to complete the study. **Sample:** The study was conducted in different banking

organizations located in middle India. For this purpose, 263 employees of middle and top level were contacted personally and requested to fill up a questionnaire comprising measure of Locus of Control, Role Stress and Job Satisfaction. The questionnaires were prepared on a 7-point Likert scale, where 1 indicated Strongly Disagree and 7 indicated Strongly Agree consisting of 22, 30 and 30 items respectively for all the three variables used. Non-probability (Judgmental) sampling technique has been used to collect data.

Tools for Data Analysis: Item to total correlation was applied to check the consistency of various items used in the questionnaire. Reliability methods like Cronbach Alpha was applied to the items. Validity was checked through face validity method. Underlying factors were found out through Factor Analysis. Z-Test was used to compare public and private banks on the basis of different variables. Various hypotheses were formed for applying Z-test:

H01: It states that there is no significant difference between the Locus of Control of public bank employees and private bank employees.

H02: It states that there is no significant difference between the role stress of public bank employees and private bank employees.

H03: It states that there is no significant difference between the Job Satisfaction of public bank employees and private bank employees.

H04: It states that there is no significant difference between the Job Satisfaction of bank employees having internal Locus of Control and employees having External Locus of Control.

Simple regression was applied to measure the effect of locus of control and role stress separately on job satisfaction. Multiple regression was applied to measure the combined effect of locus of control and role stress on job satisfaction. Following hypothesis were formed for measuring the effect of

independent variables on dependent variables:
H05: There is no impact of locus of control on job satisfaction.

H06: There is no impact of role stress on job satisfaction.

H07: There is no impact of locus of control and role stress together on job satisfaction.

RESULTS AND DISCUSSION

Consistency Measure: First of all consistency of all the questionnaires was checked through item to total correlation. Under this, correlation of every item with total was measured and the computed value was compared with standard value (i.e.0.1204). If the computed value was found to be less than standard value then whole factor / statement was dropped and termed as inconsistent (Table 1, 2, 3). All the items of the three variables were accepted.

Reliability Measure: Reliability test was carried out using SPSS software and the reliability test measures are given below:

VARIABLES	ITEMS	CRONBACH'S ALPHA VALUE
Locus of Control	22	0.865
Role Stress	30	0.901
Job Satisfaction	30	0.934

Factor Analysis: The raw scores of 22 items were subjected to factor analysis to find out the factors that contribute towards 'Locus of Control'. After factor analysis, seven factors like Social and Political Environment, Team Spirit, Opportunities, Work Moods, Buoyancy, Believe in Luck and Self Realization were identified (Table IV). For 'Role Stress' 30 items were subjected to factor analysis and nine factors were found and the factors are Communication and Responsibilities, Resources and Specification Ambiguity, Lack of Sovereignty, Cramped, Incompatible, Restricted, Mismanaged, Receiving Information and Limitations (Table V). Similarly, for Job Satisfaction 30 items resulted in six factors which includes Organizational Climate, Work



Environment, Opportunity Sense of Belongingness, Role Clarity and Responsibility (Table VI).

Comparisons: The Z-test was applied to test the significant difference of Locus of Control, Role Stress and Job Satisfaction between Private and Public Bank employees. Z Value for locus of control was 2.855 which is more than standard value i.e.1.96 at 5% level of significance. Therefore, we fail to accept null hypothesis (Ho3) and we can say that employees of public and private banks differ significantly in locus of control. As the mean value of public bank employees is higher so it can be concluded that they have high locus of control (Table VII). Z value for role stress was 3.66083 which is more than 1.96 at 5% level of significance so here also null hypothesis is not accepted and we can say that there is significant difference between the role stress of public and private bank employees. Mean values also show that role stress is much higher in public banks as compared to private banks. By comparing Z-value with 5% significance level for job satisfaction of public and private banks employees it is found that computed value is 7.214603 which is greater than 1.96 (Critical Value). So null hypothesis is not accepted in this case also and by comparing mean values it can be concluded that job satisfaction is much higher in public banks as compared to private banks.

Job satisfaction was further compared between the employees having internal locus of control and employees having external locus of control and it is found that there is difference in the satisfaction level of both type of employees, as signified by z value i.e. 22.6942. Mean values show that employees who are under external locus of control were more satisfied (Table VII).

Regression: The regression was calculated by taking the total of

'Locus of control', 'Role Stress' and 'Job Satisfaction' by using SPSS software. In this Locus of Control and Role Stress were taken as the independent variables and Job Satisfaction was taken as dependent variable. Therefore regression was calculated by taking independent variable and dependent variable.

EFFECT OF LOCUS OF CONTROL ON JOB SATISFACTION

Coefficients^a

Model	Unstandardized Coefficients		Unstandardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	82.555	10.157		8.128	.000
LoC	.567	.091	0.359	6.205	.000

a. Dependent Variable: J.S

$$Y = a + bX$$

$$Y = 82.555 + .359X$$

Where
X = Locus of Control (Independent Variable)
Y = Job Satisfaction (Dependent Variable)

The linear regression output clearly shows that there is a significant effect of Locus of Control on Job satisfaction of an employee of any banking organization. The result of regression implies that the independent variable (Locus of Control) has a significant impact on the dependent variable (Job Satisfaction) signified by the coefficient beta factor of 0.359.

EFFECT OF ROLE STRESS ON THE JOB SATISFACTION OF EMPLOYEES

Coefficients^a

Model	Unstandardized Coefficients		Unstandardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	103.336	10.535		9.809	.000
R.S	.288	.072	0.240	3.986	.000

$$Y = a_1 + b_1 X_1$$

$$Y = 103.336 + 3.986 X_1$$

Where,
 Y = Job Satisfaction
 X₁ = Role Stress

Here also, the t-value is significant (3.986) even at 0%, so we can say that role stress has considerable effect on job satisfaction.

COMBINED EFFECT OF LOCUS OF CONTROL AND ROLE STRESS ON THE JOB SATISFACTION OF BANK EMPLOYEES

a. Coefficients^a

Model	Unstandardized Coefficients		Unstandardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	80.028	11.320		7.069	.000
LoC	.535	.115	0.336	4.639	.000
R.S	.044	.087	.037	.508	.612

a. Dependent Variable: J.S

$$Y = a_1 + b_1 X_1$$

$$Y = 80.028 + 0.336 X_1$$

$$Y = a_2 + b_2 X_2$$

$$Y = 80.028 + 0.037 X_2$$

The t-value by above regression analysis for Independent variable 1 (Locus of Control) was 4.639 which was significant and for Independent variable 2 (Role Stress) was 0.508 which was not significant that indicates Locus of Control is dominating variable in comparison to Role Stress.

CONCLUSION

The effect of Locus of Control and Role Stress on Job Satisfaction was measured. For

measuring, all the variable scales were standardized by applying various tests like Item to total correlation, Reliability and Validity. The statements which showed lower value of correlation were dropped and remaining statements were used for further analysis. Reliability values were also higher so the scales were considered suitable for analysis. To identify latent dimensions of all the variables, factor analysis was applied. Seven factors of Locus of control, nine factors of role stress and six factors of job satisfaction were identified. When both variables were taken one by one the effect of Locus of Control on Job Satisfaction was found positively correlated, whereas Role Stress showed positive impact on Job Satisfaction which may be due to the fact that people work hard when they have to work under pressure. Multiple regressions were applied to find the combined effect of Locus of Control and Role Stress. Results show that Role Stress did not have a significant effect on Job Satisfaction when taken along with the Locus of Control due to the reason that the variable, Locus of Control was working as a dominant variable over the Role Stress and suppressing role stress to show its effect on Job Satisfaction. When the employees of both public and private banks were compared on all three variables, it was found that both the groups differed significantly. Public bank employees scored significantly high on all the scale in comparison to the private bank employees which is signified by their mean values. It indicates that the public bank employees are more satisfied due to the autonomy given to them. Employees showing externality in their locus of control were highly satisfied on their jobs than their counterparts who showed internality in their locus of control.

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Leadership is not an exclusive domain of only those at the top of an organization. Every level requires effective leadership and leaders who can make a difference in the working of the organization.

- H B Lal



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