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**EFFECT OF EMPLOYEE'S SATISFACTION ON
PERFORMANCE OF NIGERIAN MICROFINANCE BANKS**

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ABSTRACT

The study investigated the impact of employee satisfaction on the performance of selected Microfinance banks in Nigeria, focusing on five banks located in Osun State. The specific objectives included exploring the relationship between employee satisfaction and the performance of these Microfinance banks, as well as identifying the factors—prompt salary, job security, and fringe benefits—that affect employee satisfaction in Nigerian microfinance institutions. A purposive sampling technique was employed to select 40 employees, and data were collected using well-structured questionnaires. The analysis involved descriptive statistics and regression analysis. The findings of the study indicated a positive relationship between employee satisfaction and the performance of Microfinance banks. Furthermore, the results highlighted that factor such as prompt payment

of salary, job security, and the provision of fringe benefits significantly and positively influenced employee satisfaction within the selected microfinance banks in Osun state. In light of these results, the study recommends that microfinance banks should take proactive measures to enhance employee satisfaction, particularly in the areas of prompt salary payments, job security, and the provision of fringe benefits. Strengthening these aspects of employee engagement is suggested as a means to improve overall performance in the microfinance sector. By prioritizing the well-being and satisfaction of their workforce, microfinance banks can foster a positive work environment conducive to increased efficiency and effectiveness.

Keywords: Employee Satisfaction, Microfinance Banks, Job Security.

INTRODUCTION

In developing nations especially, microfinance banks (MFBs) play a critical role in providing financial services to small enterprises and individuals with low incomes (Jegede et al., 2017). Beyond merely offering financial services, MFBs must also prioritize employee performance and satisfaction. Performance, engagement, and productivity are all impacted by employee satisfaction in the MFB industry. Better organizational performance and lower turnover costs are two benefits of happy workers (Agha et al., 2019). Studies conducted in Bangladesh (Akhtar et al., 2017) and Pakistan (Iqbal & Ahmad, 2021) support the favorable correlation between MFB performance and employee satisfaction. According to Iqbal and Ahmad (2021) and Akhtar et al. (2017), important variables affecting satisfaction include pay, job security, opportunity for advancement, a positive work environment, and recognition.

MFBs must put employee happiness first by making sure they have a good working environment, opportunity for advancement, and equitable pay (Rolando, 2017). This emphasis has the potential to improve worker performance and advance organizational development. Fair salary and benefits are important factors that affect employee satisfaction in MFBs (Rolando, 2017). Employee satisfaction and a dedication to providing high-quality service delivery are contingent upon adequate remuneration and benefits, including retirement benefits and health insurance (Akhtar et al., 2017).

The main purpose of this study is to examine the effect of employee satisfaction on the performance of microfinance banks (MFBs). Specifically, this research aims to achieve the following objectives:

- i. Examine the relationship between employee's satisfaction and performance of microfinance banks in Nigeria.
- ii. Investigate the factors affecting employee's satisfaction in Nigerian microfinance banks.

LITERATURE REVIEW

Employee Satisfaction

Employee satisfaction is the state in which workers are happy and getting what they need and want from their jobs. Employee satisfaction is vital, but so is their ability to do assigned duties and contribute in any way that the company requests.

Within the human capital sector, the word "employee satisfaction" refers to a wider range of factors, including an employee's level of contentment with their jobs, their work experience, and the company they work for. It is a crucial indicator of an organization's general health and is frequently assessed through recurring surveys. High levels of satisfaction show that workers are happy with the way their employer handles them. Although the two are related, it's crucial to understand that employee satisfaction and engagement are different.

Workers have views and ideas on many facets of their work and the company. Workplace and personal factors both affect employee motivation (Amah and Ahiauzu, 2014). Employee happiness is positively impacted by organizational investments in training and development programs (Saner and Eyupoglu, 2015). Saner and Eyupoglu (2015) emphasized that compensation systems, decision-making autonomy, and training initiatives are important factors in bank workers' job satisfaction.

Job Satisfaction

Employees' attitudes about their work, which represent how happy they are when their needs and wants related to their jobs are met, are shown through their level of job satisfaction. It has to do with the happy emotions that arise when workers realize their demands are

met. This intangible variable, which expresses how happy a person is with a certain profession, can be seen in emotional displays and attitudes. When psychological or physiological requirements are addressed at work, job satisfaction is high; when needs are not met, job satisfaction is low (Cook, 2008).

In addition, as noted by Staw and Rose (1985), job satisfaction is seen as dispositional. The dispositional approach emphasizes that evaluating personal characteristics can yield precise signals for forecasting work happiness.

Microfinance Bank Performance

Financial organizations known as microfinance banks (MFBs) serve people and small enterprises who do not have access to standard banking services. Low-income individuals and groups can access banking services through microfinance, which is often referred to as microcredit. Microfinance encompasses a range of services, including checking and savings accounts, microinsurance, and financial education, despite its primary concentration on lending. Typically, microloans are between \$50 and less than \$50,000. The primary objective of microfinance is to enable the underprivileged by giving them chances to become self-sufficient.

Theoretical Review

Herzberg's theory centers on two elements that affect workers: job-satisfiers (motivator factors) and job dissatisfaction (hygiene factors). It is thought to be the best functional model for researching job satisfaction (Kim, 2019). Job satisfaction is ultimately influenced by factors that influence an individual's impression of the value of their job, such as autonomy, task relevance, skill variety, and task identity. With a worker's independence and taken on duties, their level of autonomy—a reflection of self-control—increases. Contrarily, hygienic elements with lower motivating levels include security, status, and monitoring. When their absence is not met, job discontent arises.

Empirical Review

Lack of job satisfaction can result in apathy and a diminished sense of commitment to the business (Moser, 2017). According to Alexander Lichtenstein and Janal (2017), job resignation is predicted by a lack of job satisfaction. Unfavorable economic situations and downturns drive people to look for better chances, which influences changes in the workplace (Nwagwu, 2017).

Regarding the elements affecting job satisfaction, researchers disagree. According to some, outside variables including the nature of the work, the social environment, and providing for the requirements of the employees are important (Tella et al., 2017). Some, such as Toole (2020), place more emphasis on intrinsic variables and claim that employees choose to be happy in their employment on purpose.

Research conducted in the banking industry indicates that job satisfaction is influenced by job fit, working circumstances, and interpersonal skills (Sowmya & Panchanathan, 2016). Job satisfaction is positively correlated with factors including job placement environment, job loyalty, and employee empowerment, while turnover intention is adversely correlated with these same factors (Javidet al., 2017).

HR strategies including leadership conduct, teamwork, and job autonomy have a beneficial impact on job satisfaction in the microfinance industry (Hussain & Mujtaba, 2019). Staff turnover and pay are related to the success of microfinance institutions (Aveh et al., 2019). Employee job satisfaction and performance are positively correlated, and leadership conduct and promotions have a significant impact on employee satisfaction (Sattar & Ali, 2018). (Hira & Waqas, 2019).

There is disagreement over the link between performance and job satisfaction. According to certain studies, there is a favorable association between job satisfaction and a lower likelihood of shortages and employee turnover (Mirvis & Lawler, 2017). According to Kornhanuser and Sharp (2016), performance is positively impacted by job satisfaction. But Smith and Craviny (2018) dispute Katzell et al. (1992) claim that work satisfaction, turnover, and production quality are related.

METHODOLOGY

The study uses a descriptive survey design, which is appropriate for quantitative research with primary data obtained using structured questionnaires. This design is justified by the use of closed-ended questionnaires.

All junior and senior employees of the five microfinance banks in Osogbo, Osun State, are included in the research population. Lapo, Omak, KJL, Okuku, and NPL Microfinance Banks were included through purposeful selection; 40 employees were chosen at random from each bank.

To gather data, a three-section structured survey questionnaire was created. Section A gathers data on demographics, Section B asks about employee happiness, and Section C deals with the performance of microfinance banks. Five is the level of strong agreement and one is the level of strong disagreement on a Likert scale.

Bank managers self-administer the questionnaire, maintaining respondent confidentiality and permission. Experts receive copies for validation, guaranteeing sufficiency and improving the sequence.

Non-parametric tests like Cronbach's Alpha and the Kaiser-Meyer-Olkin Measure are used in reliability testing. Data analysis uses both descriptive and inferential statistics, such as regression analysis. Using SPSS for computation, regression analyzes the relationship between independent variables (employee happiness) and the dependent variable (microfinance bank performance). Microfinance bank success is proxied by staff dedication, whereas employee happiness is proxied by pay, job security, and perks.

Model Specification

The purpose of this study is to investigate how employee happiness affects the operation of microfinance banks in the state of Osun. The model of Imran et al. (2021), and Laosebikan et al. (2018) was modified for this investigation. As a result, the function of the model used in this study is as follows:

Model One

$PFB=f(ESF)$3.1

Where;

ESF=Employee satisfaction

PFB=Performance of Microfinance bank

Model 2

$ESF = f(EPS, JBS, FGB)$3.2

Where;

EPS is the Employee Salary

JBS is the Job security

FGB= Fringe benefit

ESF=Employee satisfaction

f is a constant function.

DATA ANALYSIS AND RESULTS

Descriptive Analysis

Table 4.1

Analysis of Respondents Demographic Information

Gender	Frequency	Percentage
Male	23	57.50
Female	17	42.50
Total	40	100.00
Age	Frequency	Percentage
21-30 years	14	35.00
31-40 years	17	42.50
41-50 years	7	17.50
51 and above	2	5.00
less than 20	0	0.00
Total	40	100.00
Marital Status	Frequency	Percentage
Single	11	27.50
Married	29	72.50

(continued)

Gender	Frequency	Percentage
Divorced	0	0.00
Widow/widower	0	0.00
Total	40	100.00
Qualification	Frequency	Percentage
SSCE	0	0.00
NCE/ND	7	17.50
Bachelor/HND	29	72.50
Postgraduate	3	7.50
Other	1	2.50
Total	40	100.00
Working Experience	Frequency	Percentage
Less than 5 years	21	52.50
5-10 years	12	30.00
11-20 years	7	17.50
Total	40	100.00

Source: Field Survey, (2023)

Table 4.2

Analysis of Respondents opinion on Employee satisfaction Factor (prompt salary, job security and fringe benefits)

Employee Prompt Salary						
Items	SA	A	U	D	SD	Total
Employee's salary are paid promptly in my organization thereby leading to employee satisfaction	22 (55%)	10 (25.0%)	4 (10%)	3 (7.5%)	1 (2.5%)	40 (100%)
My organization hardly owe its employees prompt salary	20 (50%)	14 (35%)	4 (7.5%)	2 (5%)	1 (2.5%)	40 (100%)
Prompt payment of salary according to the post occupied	10 (25%)	20 (50%)	5 (12.5%)	2 (5%)	3 (7.5%)	40 (100%)
There is frequent increment in the prompt payment of salary of employees in my organization after spending some years	17 (42.5%)	15 (37.5%)	4 (10%)	3 (7.5%)	1 (2.5%)	40 (100%)
There is no partiality in paying employee their salary promptly in my organization	10 (25%)	23 (57.5%)	3 (7.50%)	1 (2.50%)	3 (7.5%)	40 (100%)
Job Security						
Items	SA	A	U	D	SD	Total
Job security in guaranteed for every employee in my organization	24 (60%)	9 (22.5%)	2 (5%)	3 (7.5%)	2 (5%)	40 (100%)
Employees are always given second chance when they commit error	12 (30%)	15 (37.5%)	6 (15%)	3 (7.5%)	4 (10%)	40 (100%)

(continued)

Employee Prompt Salary						
I'm satisfied with job assign to me	15 (37.5%)	10 (25%)	7	5 (12.5%)	3 (7.5%)	40 (100%)
Fringe Benefit						
Items	SA	A	U	D	SD	Total
Bonus are usually given to employees who put in extra effort in my organization	12 (30%)	18 (45%)	5 (12.5%)	2 (5%)	3 (7.5%)	40 (100%)
Employee who perform very well in my organization are always awarded	13 (32.5%)	16 (40%)	5 (12.5%)	2 (5%)	4 (10%)	40 (100%)
Employee are promoted on a regular basis in my organization	18 (45%)	17 (42.5%)	2 (5%)	1 (2.5%)	2 (5%)	40 (100%)
There is room for commission in my organization	12 (30%)	19 (47.5%)	3 (7.5%)	4 (10%)	2 (5%)	40 (100%)

Source: Field Survey, (2023)

Table 4.3*Respondents Opinion on Employee Satisfaction*

Employee Satisfaction	SA	A	U	D	SD	Total
I'm very happy with the working condition in my organization, thus I do not feel like leaving the organization	29 (72.5%)	8 (20%)	1 (2.5%)	1 (2.5%)	1 (2.5%)	40 (100%)
The level of absenteeism in my organization is very low.	10 (25%)	18 (45%)	6 (15%)	4 (10%)	2 (5%)	40 (100%)
Employees in my organization develop an attachment to work or make an effort to perform better since they satisfied with their job and their needs are met	17 (42.5%)	13 (32.5%)	7 (17.5%)	2 (5%)	1 (2.5%)	40 (100%)
since customers are attended to without delaying them, there is increased customers patronage in my organization	12 (30%)	19 (47.5%)	3 (7.5%)	5 (12.5%)	1 (2.5%)	40 (100%)
High quality service are given to customers in my organization, thereby increase profitability of my organization	20 (50%)	16 (40%)	2 (5%)	1 (2.5%)	1 (2.5%)	40 (100%)

Source: Field Survey, (2023)

The study participants' demographic overview is shown in Table 4.1. According to the data, out of all the responses, 23 people (57.50%) identified as male and 17 people (42.50%) as female. It is interesting that employees from several microfinance institutions in Osun State, both male and female, participated in the study without any form of discrimination.

The age distribution of the 40 respondents was as follows: 14 (35.00%) were between the ages of 21 and 30, 17 (42.50%) were between the ages of 31 and 40, 7 (17.50%) were between the ages of 41 and 50, and 2 (5.00%) were 51 and older. Not a single response was younger than 20. The predominant age group among the staff of selected microfinance banks in Osun State was 31 to 40 years, indicating a mature population for the study.

Regarding marital status, 29 people (72.50%) were married, while 11 people (27.50%) said they were single. The fact that none of the respondents had ever been divorced or widowed suggests that most of the participants were married.

The respondents' educational backgrounds were varied. None of the responders solely held SSCE credentials. Alternatively, 29 people (72.50%) had BSC/HND credentials, 3 people (7.50%) had postgraduate qualifications, 7 people (17.50%) had ND/NCE qualifications, 1 person (2.50%) had other undefined qualifications. This diversity suggests a knowledgeable and well-educated group that can respond intelligently to the research objectives of the study.

Lastly, the length of time respondents had worked for their individual microfinance banks was disclosed by the data in Table 4.1. In particular, 12 people (30.00%) had between 5 and 10 years of experience, 7 people (17.50%) had between 11 and 20 years, and 21 people (52.50%) had less than 5 years. This implies that the majority of respondents were able to offer insightful commentary on how job satisfaction affected their performance since they possessed adequate expertise and understanding of microfinance banking operations.

Top of Form

Table 4.2

Analysis of Respondents opinion on Employee satisfaction Factor (prompt salary, job security and fringe benefits)

Employee Prompt Salary						
Items	SA	A	U	D	SD	Total
Employee's salary are paid promptly in my organization thereby leading to employee satisfaction	22 (55%)	10 (25.0%)	4 (10%)	3 (7.5%)	1 (2.5%)	40 (100%)
My organization hardly owe its employees prompt salary	20 (50%)	14 (35%)	4 (7.5%)	2 (5%)	1 (2.5%)	40 (100%)
Prompt payment of salary according to the post occupied	10 (25%)	20 (50%)	5 (12.5%)	2 (5%)	3 (7.5%)	40 (100%)
There is frequent increment in the prompt payment of salary of employees in my organization after spending some years	17 (42.5%)	15 (37.5%)	4 (10%)	3 (7.5%)	1 (2.5%)	40 (100%)
There is no partiality in paying employee their salary promptly in my organization	10 (25%)	23 (57.5%)	3 (7.50%)	1 (2.50%)	3 (7.5%)	40 (100%)
Job Security						
Items	SA	A	U	D	SD	Total
Job security in guaranteed for every employee in my organization	24 (60%)	9 (22.5%)	2 (5%)	3 (7.5%)	2 (5%)	40 (100%)
Employees are always given second chance when they commit error	12 (30%)	15 (37.5%)	6 (15%)	3 (7.5%)	4 (10%)	40 (100%)
I'm satisfied with job assign to me	15 (37.5%)	10 (25%)	7 (17.5%)	5 (12.5%)	3 (7.5%)	40 (100%)

(continued)

Fringe Benefit						
Items	SA	A	U	D	SD	Total
Bonus are usually given to employees who put in extra effort in my organization	12 (30%)	18 (45%)	5 (12.5%)	2 (5%)	3 (7.5%)	40 (100%)
Employee who perform very well in my organization are always awarded	13 (32.5%)	16 (40%)	5 (12.5%)	2 (5%)	4 (10%)	40 (100%)
Employee are promoted on a regular basis in my organization	18 (45%)	17 (42.5%)	2 (5%)	1 (2.5%)	2 (5%)	40 (100%)
There is room for commission in my organization	12 (30%)	19 (47.5%)	3 (7.5%)	4 (10%)	2 (5%)	40 (100%)

Source: Field Survey, (2023)

Table 4.2 shows that 22 (55%) of the respondents strongly agreed that their organizations' fast payment of employee salaries results in satisfied workers. Furthermore, 4 (10%) were undecided, 3 (7.5%) disagreed, and 1 (2.5%) strongly disagreed with this remark, while 10 (25%) agreed with it. According to the findings, most employees in a sample of Osun state's microfinance banks think that timely salary payments increase worker satisfaction.

In addition, the table reveals that, when it came to their organization's propensity to pay salaries on time and without delay, 20 (50%) participants strongly agreed, 14 (35%) agreed, 4 (7.5%) were undecided, 2 (5%) disagreed, and 1 (2.5%) severely disagreed. According to the respondents, the majority agreed (Strongly Agree and Agree) that their organization rarely delays salary payments.

Additionally, the data shows that the statement that an employee's position inside the company determines whether or not they receive their salary on time was agreed upon by 10 (25%) highly agreed upon by 10 (50%) agreed upon, unsure by 5 (12.5%), disagreed by 2 (5%) and severely disagreed by 3 (7.5%). The majority of the sampled staff agreed (Strongly Agree and Agree) that an employee's position affects how promptly they receive their salary.

The table indicates that 17 (42.5%) highly agreed, 15 (37.5%) agreed, 4 (10%) were undecided, 3 (7.5%) disagreed, and 1 (2.5%) severely disagreed with the idea of regular increases in prompt salary payments after a few years. The results clearly show that most respondents (Strongly Agree and Agree) agreed that pay increases occur frequently throughout time.

The table shows that 10 (25%) very agreed, 23 (57.5%) agreed, 3 (7.5%) were undecided, 1 (2.5%) disagreed, and 2 (5%) strongly disagreed with the impartiality in giving quick remuneration. The majority of respondents concurred that salary payments in their firm are made without bias (Strongly Agree and Agree).

Going on to job security (Table 4.3), the information reveals that of those surveyed, 24 (60.00%) strongly agreed, 9 (22.50%) agreed, 2 (5.00%) disagreed, 3 (7.50%) disagreed, and 2 (5.00%) disagreed significantly. The majority of employees concurred that job security is ensured in their company (Strongly Agree and Agree).

Additionally, the data shows that when it comes to giving employees a second opportunity after making mistakes, 12 (30%) strongly agreed, 15 (37.5%) agreed, 6 (15%) were undecided, 3 (7.5%) disagreed, and 4 (10%) severely opposed. Employees are given a second chance, according to the majority (Strongly Agree and Agree).

The chart also shows that, when it comes to the statement that employees are content with their assigned tasks, 15 (37.5%) highly agreed, 10 (25%) agreed, 7 (17.5%) were undecided, 5 (12.5%) disagreed, and 3 (7.5%) strongly disagreed. The majority expressed agreement (both Strongly Agree and Agree) that workers are happy with the jobs they have been given.

Table 4.2 presents the findings of the examination of respondents' perspectives regarding fringe benefits: 12 (30%) strongly agreed, 18 (45%) agreed, 5 (12.5%) were unsure, 2 (5.00%) disagreed, and 3 (7.5%) severely disagreed. Most respondents (Strongly Agree and Agree) concurred that employees who work extra hard typically receive bonuses.

Additionally, the chart shows that regarding the assertion that employees who perform well are always awarded, 13 (32.5%) of the respondents highly agreed, 16 (40%) agreed, 5 (12.5%) were unsure, 2 (5%) disagreed, and 4 (10%) severely disagreed. The majority of respondents concurred that rewarding high-performing staff members is a good idea (Strongly Agree and Agree).

In conclusion, the table shows that regarding the statement that employees in their organization receive regular promotions, 18 (45%) of the respondents highly agreed, 17 (42.5%) agreed, 2 (5.00%) were undecided, 1 (2.5%) disagreed, and 2 (5%) severely disagreed. The majority of respondents believed that promotions occur frequently in their company (Strongly Agree and Agree).

Furthermore, the table reveals that regarding the assertion that there is room for commission in their organization, 12 (30%) of the respondents highly agreed, 19 (47.5%) agreed, 3 (7.5%) were undecided, 4 (10%) disagreed, and 2 (5%) severely disagreed. The majority of respondents agreed (Strongly Agree and Agree) that commission is permissible.

Table 4.3
Respondents Opinion on Employee Satisfaction

Employee Satisfaction	SA	A	U	D	SD	Total
I'm very happy with the working condition in my organization, thus I do not feel like leaving the organization	29 (72.5%)	8 (20%)	1 (2.5%)	1 (2.5%)	1 (2.5%)	40 (100%)
The level of absenteeism in my organization is very low.	10 (25%)	18 (45%)	6 (15%)	4 (10%)	2 (5%)	40 (100%)
Employees in my organization develop an attachment to work or make an effort to perform better since they satisfied with their job and their needs are met since customers are attended to without delaying them, there is increased customers patronage in my organization	17 (42.5%)	13 (32.5%)	7 (17.5%)	2 (5%)	1 (2.5%)	40 (100%)
High quality service are given to customers in my organization, thereby increase profitability of my organization	12 (30%)	19 (47.5%)	3 (7.5%)	5 (12.5%)	1 (2.5%)	40 (100%)
	20 (50%)	16 (40%)	2 (5%)	1 (2.5%)	1 (2.5%)	40 (100%)

Source: Field Survey, (2023)

The data in Table 4.3 shows that out of the participants, 29 (72.5%) highly agreed, 8 (20%) agreed, 1 (2.5%) disagreed, and 1 (2.5%) severely disagreed. According to the findings, a sizable majority of respondents (Strongly Agree and Agree) felt that employees are extremely satisfied with their workplace, which reduces the possibility that they may think about leaving.

Table 4.2 revealed that 5 percent strongly disagreed, 10 percent disagreed, 18 percent agreed, 6 percent could not determine, and 4 percent disagreed. Of the sampled respondents, 10 percent strongly agreed. The majority of respondents concurred that there is a noticeably low rate of absence in their workplace (Strongly Agree and Agree).

Table 4.3 analysis shows that of the participants, 17 (42.5%) highly agreed, 13 (32.5%) agreed, 7 (17.5%) were unsure, 2 (5%) disagreed, and 1 (2.5%) severely disagreed. According to the results, most respondents (Strongly Agree and Agree) felt that workers in their company show attachment to their work, going above and beyond to meet their demands and be satisfied with their jobs. The table also shows that 1 (2.5%) and 12 (30%) of the respondents strongly disagreed, whereas 19 (47.5%) agreed and 3 (7.5%) were unsure. The results showed that most respondents (Strongly Agree and Agree) agreed that the chosen microfinance banks' customers receive prompt service, which increases consumer patronage in their business.

In conclusion, the table shows that 20 (or 50%) strongly agreed, 16 (or 40%) agreed, 2 (5%) were unsure, and 1 (or 2.5%) strongly opposed. The majority of respondents (Strongly Agree and Agree) felt that their firm provides clients with high-quality services, which helps to boost profitability.

DISCUSSION OF FINDINGS

This study looked into how Osun State's microfinance banks performed in relation to employee satisfaction. Descriptive statistics showed that the sampled respondents recognized some elements as contributing to employee satisfaction, including timely salary, job stability, and fringe perks. In line with the findings of Frye (2015), who highlighted the significance of alluring packages, such as prompt salary and job

security, in boosting employee satisfaction, regression analyses also revealed a positive relationship between employee satisfaction and timely salary payment and job security in the chosen microfinance banks.

The results confirmed a positive association between employee happiness and the reward system, corroborated by Awan & Asghar's (2014) findings. The model summary demonstrated a strong and positive correlation between worker satisfaction and output, indicating that worker satisfaction had a major influence on the improved output of the chosen microfinance institutions in Osun state. This finding is consistent with the study carried out by Hira and Waqas (2012), who also found that employee performance and satisfaction were positively correlated. Furthermore, these findings are consistent with Meyer's (2017) research, which showed that low employee satisfaction might negatively impact employee engagement, impeding the accomplishment of organizational goals and general performance.

CONCLUSIONS AND RECOMMENDATIONS

This study concludes by highlighting the significant influence that employee happiness has on the performance of microfinance banks in Nigeria. The results show that factors that contribute positively and significantly to employee satisfaction within the chosen Nigerian microfinance institutions include timely salary payments, job security, and the availability of fringe perks. Acknowledging these elements as critical drivers of worker satisfaction, Nigerian microfinance institutions may be able to improve total output by giving these elements of worker engagement top priority and making the most of them. This conclusion highlights how crucial a contented workforce is to the prosperity and efficiency of Nigeria's microfinance banking industry.

Recommendations

- i. The study suggests a strategic focus on employee well-being, acknowledging people as the most precious assets, given the favorable association found between employee happiness and the success of microfinance banks in Osun state. Achieving a competitive advantage in the microfinance

- market requires ensuring comprehensive satisfaction across multiple dimensions. This entails placing a high priority on the well-being of employees, attending to their needs, and establishing an environment at work that promotes job happiness. By doing this, microfinance banks may capitalize on the potential of a happy and driven workforce, which will ultimately improve performance inside the firm. The study suggested that in order to improve employee satisfaction and facilitate the performance of the chosen microfinance banks, management of the chosen microfinance banks should concentrate on and give greater attention to factors like timely salary payment, job security, and fringe benefits.
- ii. According to the study, microfinance institutions in the chosen region should think about offering more perks to its staff members who work hard and efficiently. It is anticipated that this proactive effort will greatly increase employee satisfaction and morale. Microfinance banks can encourage employees to put in their best efforts by fostering a pleasant work culture and rewarding excellent achievement. In the end, it's expected that this strategy would improve microfinance performance in a cascading manner, fostering an atmosphere that will support long-term success and expansion.
 - iii. The study also suggests that managers and senior officers actively support the development of a verbal appreciation and praise culture within bank branches. One of the most effective ways to motivate staff members is to foster an atmosphere in which gratitude and acknowledgment are freely shared. Employee motivation can be increased and their work ethic maintained with regular recognition of their efforts. By fostering a happy and encouraging work environment, this approach is probably going to increase employee dedication and happiness, which will ultimately lead to better performance in microfinance bank branches.

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