

JOB SATISFACTION IN BANKING: A STUDY OF PRIVATE AND PUBLIC SECTOR BANKS (COMPARATIVE STUDY)

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Abstract

Someone has greatly said that practical knowledge is far better than classroom teaching. In this highly competitive world, success of any organization depends on its human resource. Banks are no exception to this. A satisfied, happy and hard working employee is the biggest asset of any organization, including banks. Workforce of any bank is responsible to a large extent for its productivity and profitability. Efficient human resource management and maintaining higher job satisfaction level in banks determine not only the performance of the bank but also affect the growth and performance of the entire economy. So, for the success of banking, it is very important to manage human resource effectively and to find whether its employees are satisfied or not. Only if they are satisfied, they will work with commitment and project a positive image of the organization. The present project makes an effort to study the job satisfaction level among employees of selected private and public sector banks in HARYANA.

Keywords: HUMAN RESOURCE, JOB SATISFACTION, BANKS, GROWTH, PERFORMANCE, COMMITMENT

1. INTRODUCTION

Banking sector essentially provides job to a large no. of individuals and thus it is necessary to measure satisfaction level of employees working at bank and made a comparison of Public vs. Private Banks.

Public banks under study

- Punjab national Bank at Samalkha
 - Oriental Bank of commerce at Samalkha
- Private banks under study

- ICICI Bank at Panipat
- HDFC Bank at Panipat

1.1 EMPLOYEES JOB SATISFACTION
LEVEL

- Job satisfaction describes how content an individual is with his or her job.
- “Job satisfaction can be defined as acceptance of goals, willingness to work hard and intention to stay with the organization.”
- Work has an economic aspect as well as mechanical aspect; it has also a psychological aspect. The happier people are within their job, the more satisfied they are said to be.
- Job satisfaction is not the same as motivation, although it is clearly linked. Job design aims to enhance job satisfaction and performance; methods include job rotation, job enlargement and job enrichment. Other influences on satisfaction include the management style and culture, employee involvement, empowerment and autonomous work groups. Job satisfaction is a very important attribute which is frequently measured by organizations.

2. FOCUS OF THE PROBLEM

To understand that employees are really satisfied with their jobs or not (if not, why???) and what is the difference in job satisfaction among public and private banks will be main focus of problem in this paper.

Other focuses of problem will be on:-

- ❖ What benefits and facilities job is providing to the employees?
- ❖ Where the gap exists and where one should modify to have satisfied employees?
- ❖ Why Employees are going to switchover

from their frequent jobs very frequently?

3. OBJECTIVES OF THE STUDY

3.1 Primary Objective:-

The main objective of the study is to compare the satisfaction level of employees in public and private banks.

3.2 Secondary Objectives:-

- ❖ To have a depth knowledge of the topic
- ❖ To Study Effective Factors In Job Satisfaction
- ❖ Employees' satisfaction level.
- ❖ Employees' satisfaction from designations.
- ❖ Employees' satisfaction from welfare schemes.
- ❖ Employees' satisfaction from compensation packages.

4. SIGNIFICANCE OF THE STUDY

The significance of choosing this study is to understand employees' job satisfaction level at banks and difference in level at public and private sector banks.

Through this study I will come to know that

- ❖ What benefits and facilities banking jobs providing to the employees.
- ❖ What conditions or requirements based on age, sex, religion, caste and ethnicity employees think should be provided by job.

This helps banks to know

- ❖ Where they are lacking in having a

satisfied workforce presently.

- ❖ How they can modify it in future?

5. HYPOTHESIS

- ❖ Job is not only ‘just obey the boss’, it provides internal satisfaction.
- ❖ Satisfaction level of public bank employees is higher than that of private banks.
- ❖ Job is something for which employees bear to live and dare to die.
- ❖ Banks put efforts for satisfying their employees.
- ❖ Banks provide excellent conditions to satisfy their employees.

6. RESEARCH METHODOLOGY

Research title : job satisfaction (public vs. private banks).

Research problem : Employees are going to switchover from their frequent jobs very frequently, the reason may be dissatisfaction from the job, so job satisfaction level must know.

Research objectives : To study employees satisfaction level from different facilities provided by the organization.

Research design

- ❖ Study design : The study conducted would be mainly descriptive and analytical. It is mainly to comparative analysis of job satisfaction among public and private bank employees.

❖ Data sources:-

Primary data source : 1-5 likert scale questionnaires

Secondary data source : books, internet

❖ Sample design:-

Universe size : finite (employees working in banks under study)

Sample size : 60(15 employees at each bank under study)

Sample unit : 1

- ❖ Analysis pattern : through bar diagrams and pie charts.

7. FRAMEWORK OF ANALYSIS

Analysis and interpretation through bar charts and pie charts:-

7.1 General Working Conditions

_____ Hours worked each week

_____ Flexibility in scheduling

_____ Location of work

_____ Amount of paid vacation time/sick leave offered

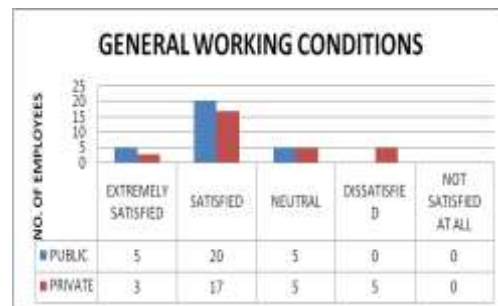


FIG 1: GENERAL WORKING CONDITIONS
Satisfaction level of employees from general working conditions is almost equal but private sector employees are dissatisfied due to less flexibility and location of work. About 17 %

employees of private sector are dissatisfied from general working conditions of their organization. Hence public sector employees are more satisfied than private sector employees.

7.2 PAY AND PROMOTION POTENTIAL

- _____ Salary
- _____ Opportunities for Promotion
- _____ Benefits (Health insurance, life insurance, etc.)
- _____ Job Security
- _____ Recognition for work accomplished



FIG: 2 PAY AND PROMOTION POTENTIAL
About 70% employees of private sector are dissatisfied, 10% neutral and only 20% are satisfied. Major cause of dissatisfaction is not having job security. 20% extremely satisfied and 80% satisfied in public sector due to having job security in their jobs. Thus, public sector employees are happy and satisfied due to job security even having less salary.

7.3 WORK RELATIONSHIPS

- _____ Relationships with your co-workers
- _____ Relationship(s) with your supervisor(s)
- _____ Relationships with your subordinates (if applicable)

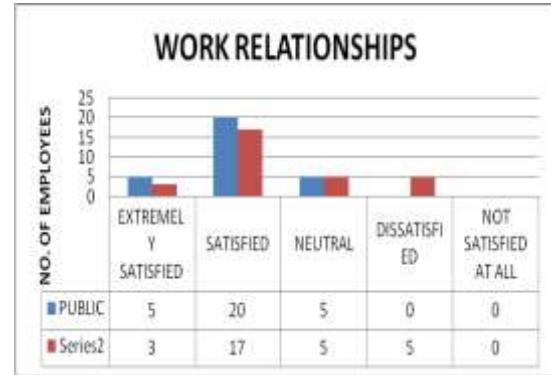


FIG 3: SATISFACTION FROM WORK RELATIONSHIPS

30% employees of private sector and 18% employees of public sector are not satisfied with their work relationships with supervisors. Satisfaction is due to good relationships with their coworkers. It shows that public sector employees are more satisfied than private sector employees.

7.4 USE OF SKILLS AND ABILITIES

- _____ Opportunity to utilize your skills and talents
- _____ Opportunity to learn new skills
- _____ Support for additional training and education

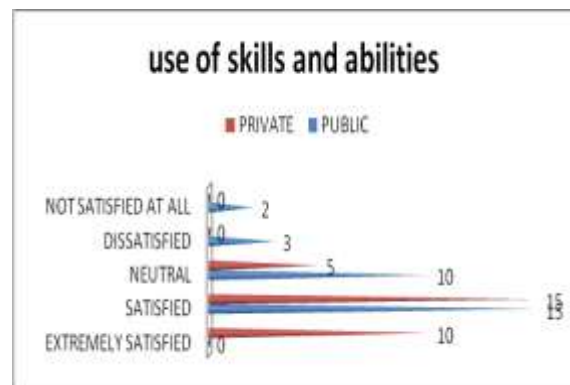


FIG: 4 OPPORTUNITY OF USES OF SKILLS AND ABILITIES

Due to not having opportunity to learn new skills and not proper training here, 20% dissatisfaction

and 30% neutral among public sector employees. 30% among private sector are extremely satisfied due to proper training and having opportunity to learn new skills timely. Thus, private sector employees are more satisfied than public sector employees.

7.5 WORK ACTIVITIES

- _____ Variety of job responsibilities
- _____ Degree of independence associated with your work roles
- _____ Adequate opportunity for periodic changes in duties

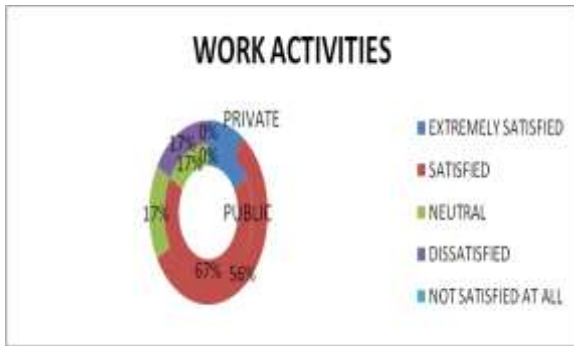


FIG: 5 SATISFACTIONS FROM WORK ACTIVITIES

Even there is no periodic change in job of public sector employees but, they are satisfied due to high degree of independence associated with their work roles. 17% employees in private sector are dissatisfied due to less independence in their work roles. Hence public sector employees are more satisfied than private sector employees.

7.6 SATISFACTION WITH BENEFITS

- _____ The company provides you with the type of benefits you need.
- _____ The company provides the type of benefits your family needs.
- _____ The company provides benefits that compare favorably with other companies in the

industry.

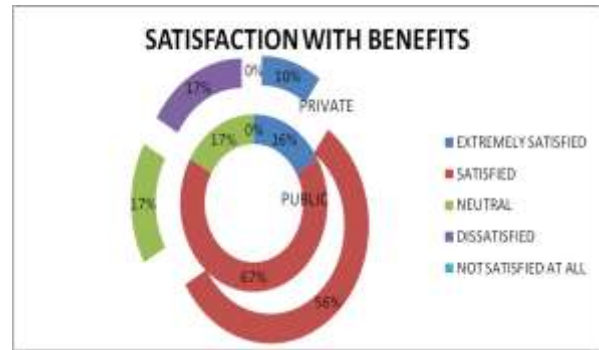


FIG: 6 SATISFACTIONS WITH BENEFITS

17% employees of private sector are dissatisfied because their company provides the benefits they need but not providing benefits their family needs. Public sector employees are satisfied due to their company provides benefits that compare favorably with other companies in the industry. Hence public sector employees are more satisfied than private sector employees.

7.7 EMPOWERMENT

- _____ Requests input on decisions affecting me.
- _____ Lets me do my job without interfering.
- _____ Gives me the authority I need to do my job.

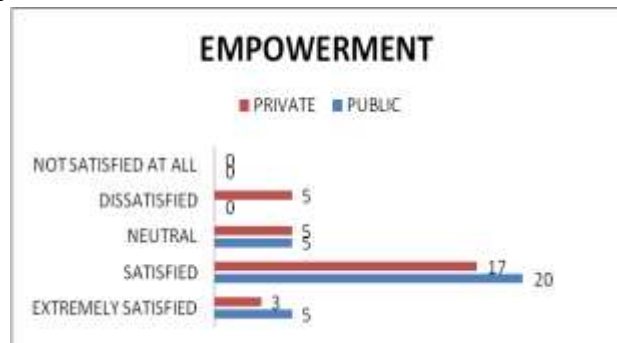


FIG: 7 SATISFACTIONS FROM EMPOWERMENT

Empowerment came even more in public sector

bank as calculated from questionnaire figures, and hence they are satisfied. About 20% employees of private sector are dissatisfied from their jobs due to interference of their supervisors in their work. Hence public sector employees are more satisfied than private sector employees.

7.8 DIRECTION AND FEEDBACK

- _____ Lets me know what is expected of me.
- _____ Keeps me informed of things I need to know
- _____ Gives me appropriate recognition of my performance
- _____ Gives me clear direction on work assignments
- _____ Gives me clear, effective and timely feedback on my performance

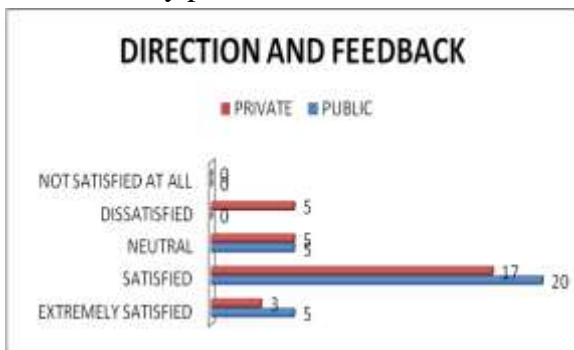


FIG: 8 SATISFACTIONS FROM DIRECTION AND FEEDBACK SYSTEM

20% employees of private sector are dissatisfied from their direction and feedback system. Some of them are disagreeing at direction system and other at feedback system. 20% public sector employees are neutral as they don't get appropriate recognition for their performance timely. Hence public sector employees are more satisfied than private sector employees.

7.9 LEADERSHIP

- _____ Our company is a leader in the industry.

_____ Our company is a strong competitor in key growth areas.

_____ Our company's leadership has a clear vision of the future.

_____ Our company's leadership has made changes which are positive for the company.

_____ Our company's leadership has made changes which are positive for me.

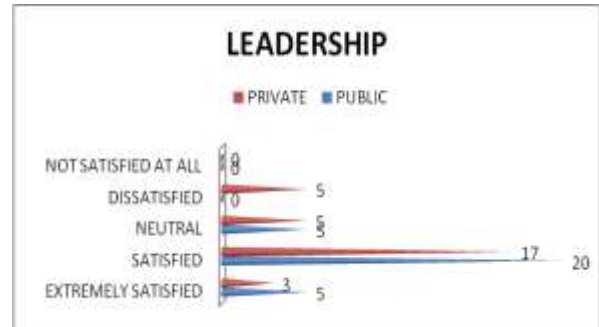


FIG: 9 SATISFACTIONS FROM LEADERSHIP

Public sector employees are satisfied with the leadership of the organization because leadership has made changes which are positive for the organization as well as for them. According to private sector employees their organization is leader in industry and its leadership has made changes only for organization and hence about 30% employees are dissatisfied and neutral.

8. LIMITATIONS OF THE STUDY

- Sample may not represent the true population
- Satisfaction level to various factors may differ from person to person.
- Study may be obsolete because of changing environment and needs.
- Employees may not will to co-operate.

9. FINDINGS OF THE STUDY

9.1 Subjects of the present study were selected

from managerial and non-managerial staff of public and private sector banks from Samalkha and Panipat. Two public sector banks and two private sector banks were selected for the study. A total of 60 subjects were selected equally from the four organizations selected for the study.

9.2 Job satisfaction was measured using the likert scale. A single item on five-point rating scale ranging from quite dissatisfied to quite satisfy was taken. These items were, (1) pay (2) working conditions (for example, safety, heat, noise, dust) (3) service conditions (for example, security, promotion, welfare) (4) relation with superiors, peers and workers, and (5) company as a whole.

9.3 The means of four organizations taken in the present study are significantly different from one another. A close study indicates that job satisfaction of Pvt-1, Pvt-2, Pub-1, and Pub-2 were 13.74, 13.96, 15.48, and 15.88 respectively. At a glance it seems that there is a big difference between private and public sector banks in terms of the degree of job satisfaction.

9.4 It has been observed that degree of job satisfaction of private sector banks was found to be significantly lower than in public sector banks. At least two reasons were found to be responsible for the low job satisfaction level of employees of private sector banks. When data were analyzed, surprising results were found.

9.5 Job satisfaction was measured on the basis of five variables. These are (i) pay, (ii) work condition (for example, safety, heat, noise, and dust), (iii) service conditions (for example,

security, promotion, and welfare), (iv) relation with superiors, peers, and workers, and (v) company as a whole. Among four variables, the degree of difference is not noticeable. But low scores of the third variable, service conditions, were found to be responsible for overall low degree job satisfaction in private sector banks.

9.6 Employees of private sector banks perceive that their jobs are not secure. In fact, the effect of an open economy, globalization, and privatization can be seen more easily in private sector banks than in public sector banks. In private sector banks, the environment is highly competitive and job security is based on performance and various other factors. Though it is true that this environment provides a challenging job profile, it also creates a less secure environment. Industriousness, dedication, devotion, and commitment are not enough to secure a job. The high level of performance of an individual is also based on various factors. These may be market situation, existence of competitor, and government policies. Where these factors are adverse in nature, performance automatically suffers. During this period, employees feel insecure, this reduces overall job satisfaction.

9.7 In public sector banks, welfare policies are clearly defined and legally enforced. Retirement, pensions, gratuity, and other related welfare policies are effectively executed. So there is no problem with social security. In private sector banks, welfare activities are neither well planned nor well executed. Employee turnover is very high and job security is very low. Most employees are from middle class Indian families. These employees have seen the golden period of

public sectors and government jobs during their growing stages. So the effect of welfare schemes of government jobs and public sectors cannot be easily eradicated from their psyche. Private sector employees are ready to work hard but they demand pensions, security, and sometimes an easy lifestyle.

9.8 These findings in the banking sectors could be extended to explain the job situation in other service sectors. In terms of security, promotion, and welfare policy, there is a clear difference between public and private sector employees.

10. SUGGESTIONS AND RECOMMENDATIONS

10.1 FOR PUBLIC BANKS

Though The Employees of Public Banks are much more satisfied than private bank employees but there are always chances of improvement. Public banks can take steps to keep its employees more satisfy as follows:-

10.1.1 Recognition for work accomplished by employees is less in public banks, so banks can provide recognition by giving rewards on timely basis, by praising employees in meetings, by sending letters of good worker to their homes.

10.1.2 Public banks can provide opportunity to learn new skills with the help of training and education programs weekly for 2-4 hours.

10.1.3 As duties of employees in public banks remain same, employees feel boredom, so banks should provide variety of job responsibilities and adequate opportunity for periodic changes in duties.

10.2 FOR PRIVATE BANKS

10.2.1 Most important cause of dissatisfaction in

private employees is of job security. So, private banks must provide an element of security to employees. Banks can provide security in terms of conditions that until employee will fulfill these conditions; his/her job will remain secure.

10.2.2 Other important cause of dissatisfaction among private employees is their relationship with supervisors. Supervisors must have a fair relationship with their employees to keep them satisfied.

10.2.3 It has been found that employees of private sector banks were less satisfied with their jobs compared to employees of public sector banks. To increase their satisfaction, private sector banks need to improve job security. Layoff threats are one of the greatest blows to employee loyalty, even among those whose jobs are not immediately at risk.

10.2.4 Long tenure of working in organizations increases the job satisfaction of employees. the Indian middle class is very protective towards family members, so private sector banks must launch special schemes to safeguard the interests of family members of employees. This may be education facilities for children, pension schemes for employees, accommodation for employees, gratuity, and other retirement benefits.

10.2.5 In the light of the findings, job security is one of the most important ingredients of job satisfaction. Secure job environment enhances the degree of job satisfaction. Management must create an environment of job security among employees. Indians work with emotions, so any legal job contract will not motivate them. Instead, there should be a psychological or emotional bond between employees and the

organization.

10.2.6 Due to the different social, economic and cultural backgrounds, the hire and fire system is not effective in India. In fact, Indian culture is neither individualistic nor collective, rather it is "Karm" (according to Indian mythology it is do your duty, don't worry about results) oriented. Indians always accept effective leadership. So when management can provide effective leadership and a secure job environment, Karma (job duty) will be in the right direction.

10.2.7 Apart from job security, management must provide job stability. There should be a challenging environment. The job structure should comprise horizontal as well as vertical growth. The job should provide enough scope for the employees in terms of promotion and transfer.

10.3 General suggestions for any organization to keep its employees satisfied are:-

- Understand employee first.
- Understand his requirement.
- Understand his interest of domain.
- Understand his problems.
- Understand how much time is devoted to his family.
- Understand his family problems.
- Understand his any financial issues.
- Understand what he is thinking about his manager or team lead.
- Understand any exploitation.
- Understand any mind teasing is any.

11. CONCLUSION

The result of the study indicates that layoff threats, quick turnover, less welfare schemes, and less scope for vertical growth increase job dissatisfaction. On the other hand, secure job environment, welfare policies, and job stability increase the degree of job satisfaction. Efficient human resource management and maintaining higher job satisfaction level in banks determine not only the performance of the bank but also affect the growth and performance of the entire economy. So, for the success of banking, it is very important to manage human resource effectively and to find whether its employees are satisfied or not. Only if they are satisfied, they will work with commitment and project a positive image of the organization.

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