

Employees' Satisfaction Level with Job on Selected Indian Banks

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ABSTRACT

The present study examined the job satisfaction level of public and private sector banks employees in India. The sample size consisted of 252 banks employees from both sectors. Job diagnostic survey by Hackman and Oldham (1975) was used to ascertain the level of job satisfaction. This study used t-test and qualitative analysis to study the differences in employee attitude. Results revealed that the man of the public and private sector employees were significantly different from each other. It was found that that private sector employees perceived greater satisfaction, with the, social and growth aspects of job as compared to public sector bank employees. On the other hand, public sector bank have expressed greater satisfaction with job security as compared to private sector bank employees. The finding of the study highlight important satisfiers and dissatisfiers present in job and suggest both the banks to take performance initiatives in the areas where employees have reported reduced satisfaction.

Keyword: Job Satisfaction, Employees, Public sector and Private sector banks

INTRODUCTION

Job satisfaction

Job satisfaction is one of the most popular and widely researched topics in the field of organizational psychology (2000). Locke 1976 defines job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or experiences. Job satisfaction have been studied both as consequence of many individual and work environment characteristics and as an antecedent to many outcomes. Employees who have higher job satisfaction are usually less absent, less likely to leave, more productive, more likely to display organizational commitment, and more likely to be satisfied with their lives Jha et al (2008).

Job satisfaction is an attitude, which porter, states is more 'rapidly formed" and a "transitory" work attitude 'largely associated with specific and tangible aspects of the work environment". There are different perspectives on the job satisfaction and two major classifications of job satisfaction are content and process Hackman & Oldham, (1975). today's work environment is undergoing a major shift; factors such as globalization, growing economies and improved technology are constantly presenting new challenges and creating new opportunities for people. With these changes, people's perceptions regarding their jobs are also changing. In this grow-or die marketplace, the success of any organization rallies on its workforce. Satisfied and committed employees are the most significant assets of any organization, including banks. As banking institutions are the backbone of a nation's economy, the efficient management of human resources and the maintenance of higher job satisfaction levels effect the growth and performance of an entire economy. The Indian banking sector is a fast-growing financial service sector that has seen tremendous progress following liberation. The Indian banking sector can be broadly categorized into scheduled commercial banks and non-scheduled commercial banks". Scheduled bank can be further be classified into public and private sector banks. Over time, have been observed between public sector and public sector banks in terms of various operational and efficiency parameters.

DIFFERENCE BETWEEN PUBLIC AND PRIVATE SECTOR BANK

Literature indicates that the performance of the private and foreign banks have been stronger than that of public sector bank (IBA, 2008). A recent study (Selvaraj, 2009) reveals that are more successful vis-à-vis public sector banks in terms of implementing total quality management (TQM) initiatives, such as human resource management, customer focus, and top management commitment. Furthermore, public and private sector banks differ with respect to their compensation

structures, working environment, technology, growth opportunities, and job security provided to their employees. Public sector banks structure compensation in a way such that there are lower pay differentials between the employees, long term tenure is rewarded and there is a high base pay, whereas in the private sector banks. there are larger pay differentials, fewer rewards for tenure and pay for performance (D. Souza, 2002). In addition, the working environment in private sector banks has been found as growth driven technologically advanced, and devoid of bureaucracy, where employees'

Promotions are highly contingent on their performance and merit. However, private sector banks do not provide job security and would lay off their employees in case of poor or adverse market conditions (Jha et al, 2008) & Thakur, 2007). Studied the satisfaction level of employees of the three public sector, that is State Banks of India, Bank of Baroda and Punjab Nation Bank and three private sector banks that is ICICI, HDFC bank and AXIS Bank in India. The results revealed that layoff threats, quick turnover, less welfare schemes, and less scope for vertical growth increased job stability increased the degree of job environment, welfare policies, and job stability increased the degree of job satisfaction. In their study, Kumudha & Abraham (2008) Compared 52 from 3 public sector bank and 3 private sector banks with 200 employees found that the programs related to self-development, information about job openings, opportunities to learn new skills and retirement preparation programs greatly influence the feelings of career satisfaction.

Public and private sector banks also differ with their background and work culture. It has been observed that the work culture of public sector banks was based on the concept of socio-economic responsibility, in which profitability. Because these differences between the sectors hold an important factor in shaping the work culture of an organization, it needs to be explored how they would likely affect job satisfaction. For the success and sustained growth of Indian banks, it is imperative to create a pool of committed employees by determining

THE STUDY

The main objective of the study is to compare the job satisfaction level of employees of a public and private sector bank to ascertain whether the sectoral differences in terms of compensation, growth opportunities, social environment and job security influence employees' perception of job satisfaction. Hackman and Oldham's job characteristic model (JCM) has been used to determine the level of job satisfaction. The model focuses on five core job dimensions skill variety, task identity, task significance, autonomy, and feedback. which in turn influence three key psychological states: experiences meaningfulness of the work, experienced responsibility for the work, and knowledge of results. These psychological states then influence job satisfaction. These relationships are moderated by an individual knowledge, skill and growth need strength. Other factors also play a greater role like pay. growth job security, co-workers and supervision further play an important role in bringing greater satisfaction and producing more and high-quality work.

The finding has been supported by others Perce & Dunham, 1978). The present study focuses on the contextual factors that are provided by the organization to ascertain job satisfaction. The focus on the JCM is primarily driven by two considerations. First, the JCM still remains the theoretical focal point in the current discussion of job satisfaction and work design and is still used as a powerful conceptual tool for job enrichment (De Varo et al 2007). Further, the drastic changes in the organizational landscape from the mid-1970s when the model was developed to today's calls for resurrection. Second, no study in India has compared private and public sector bank employees' perceptions.

In the light of the above discussion, it is seen that public and private sector banks in India differ with each other in terms of various human resources (HR) practices and policies. Selvaraj, 2009). the literature shows that organizational contextual factors such as pay, growth opportunities, job security, among others influence an employee's perception of the job satisfaction. To study the differences in employee perceptions of job satisfaction in employees from different banks, this study hypothesis:

1. Private sector bank employees will perceive higher satisfaction for the pay factor as compared to public sector bank employees.
2. Private sector bank employees will perceive higher satisfaction for the growth factor as compared to public sector bank employees.
3. Private sector bank employees will perceive higher satisfaction for the social factor as compared to public sector bank employees.
4. Private sector bank employees will perceive higher satisfaction for the job security factor as compared to public sector bank employees.

The previous section discussed the nature of job satisfaction and the difference between the two banks and provided a structure for the formulation of the hypotheses. In the following sections, the methodology of the study, the analysis of data, conclusions have been provided. The sample technique, size and tools used for the measurement have been given in detail.

METHOD

Sample organizations

The data were collected six banks, three belonging to the public sector (Banks A) and the other three belonging to the private sector Bank B). the study adopted a convenience sampling approach, as the final selection of the banks was based on the permission granted by the banks to collect information and data. The six banks selected for the study are the leading banks in their respective sectors. Most banks have their head office in India with multiple branches spread across the globe e.g. bank of Baroda had offices in Kenya followed by ICICI and extra.

Participants

The sample size consists a total of 252 banks employees from both public and private sector bank situated in India. All the bank employees were 52 of them were middle-manger and the remaining position of 200 were subordinates or workers with a good exposure to their bank and its policies and practices. There were 150 bank employees from the public sector banks. Overall, most people in the sample were between 31-40 years with (34.94%), with 28.17% between 41-50 year and 25.00% between 20-30 years. The average age was 38.7 years; the demographic profiles between the two samples were almost the same, with the sample of private sector being younger. The questionnaire was personally distributed to and collected from the employees from different branches of the respective banks.

Measurement

Job satisfaction is measured through a five-faceted job diagnostic survey (JDS) (Hackman & Oldham, 1975). The JDS includes 14-item scale to measure five specific satisfaction: pay (items 2, 9), job security (items 1, 11), social items 4, 7, 12), supervisory 5,8,14) and growth (items 3,6,10,13). The scale uses a five-point rating scale with 5-strongly agree; 4 agree; 3-neither agree nor disagree; 2-disagree; and 1= strongly disagree.

The study also used an open-ended questionnaire method so that participants could respond about job satisfiers and satisfiers beyond limited responses of the questionnaire.

Data analysis and results

Confirmatory factor analysis (CFA) was performed for the measurement model. CFA is a type of structural equation modelling that deals specifically with measurement models, that is, the relationship between observed measures or indicators and latent variables or factors (brown, 2006). With respect to job satisfaction, a five-factor model namely: pay, job security, social, supervisor and growth. Though the model showed good fit indices GFI 903, NFI-792, CFI-834, $\chi^2(67) = 254.2$ $P > 0$) one factor namely, the supervisor (items 6,8, and 14 and one item 5), had non-significant estimates and thus were deleted.

The model was re-run after deleting the item, which resulted in an improved model fit CFI=.948, $\chi^2(27) = 88.3$, $p > 0$) All of the indicators were found to have significant estimates, and four factor model of the job satisfaction was kept for further analysis. Earlier studies have indicated an inconsistency in the dimensionality of the JCM factor structure and have supported an even smaller number of factors, usually four, three or two, depending on the sample further, the alpha coefficient for all the four factors were determined post- CFA.

An independent sample t-test was computed to test the mean differences regarding four facets of the job satisfaction. The finding indicates that there is a significant mean difference between the public and private sector bank employees with respect to most of the facets of job satisfaction. Levene's test has been used to assess the equality of variance in different samples. The resulting p- value of Levene's test in most cases is less than the table value, indicating that there is a difference between the variance in the population.

Results in table 2 indicate that private sector bank employees have expressed more satisfaction with pay ($t = 32.637$, $p < .001$, effect size=.88), social $t = 6.581$ $p < 0.001$ effect size=.35), and growth $t = 23.355$, $p < .001$, effect=.75) aspect of their job that public sector bank employee. However. private sector bank employees expressed lower job security $t = -9.739$, $p < .001$, effect size=-.49). The results indicate that the degree of the effect is large for the pay and growth factors, moderate for the social factor and very small for the security factor. Based on the above opinions 1, 2, and 3 are accepted, while hypothesis 4 is rejected.

Table 1

The mean difference of public and private sector bank employees

Variable	Banks	N	Mean	Std. Dev
Pay	Bank B	102	9.27	1.20
	Bank A	150	4.56	1.33
Job Security	Bank B	102	7.10	1.05
	Bank A	150	8.24	.897
Social	Bank B	102	11.62	1.33
	Bank A	150	10.55	1.53
Growth	Bank B	102	12.40	.69
	Bank A	150	8.85	2.07

Table 2

Independent samples t-test

Variable N=252	Levene's test	T	Df	Sig	Mean difference
Pay	.897 .344	32.63	234.66	.000	4.71
Job security	1.724 .199	-9.74	187.21	.000	-1.13
Social	5.272 .022	6.58	6.245.16	.000	1.06
Growth	62.189 .000	23.35	312.81	.000	3.54

The qualitative analysis of the data was using content analysis. For the present study, nominal quantification was used. It involved the process of assigning the qualitative analysis are shown in

Table 3

Themes identified for the public sector banks for satisfiers' and dissatisfiers' present in the job

Satisfiers	Frequency	%
Job security/no abrupt layoff	34/42	80.9
Being a part of a highly creditable	29/42	69.0
Amiable relationship with one's supervisor	19/42	45.2
Good working environment	18/42	43.0
Job provides an opportunity to contribute to societal	10/42	23.8
Dissatisfiers	Frequency	%
Economic factors	32/42	75.5
Less pay/perks as compared to private and foreign banks	30/42	71.4
Satisfiers		
Personal growth- related factors	28.42	66.6
Pace of promotion and career growth is slow	26/42	61.9
Inadequate training and lack of opportunities for career development	23/42	54.9
Unfair appraisal	32/42	54.76
Lack of autonomy	18/42	42.80
Lack of role and goal clarity	16/42	38.09
Highly formal relations with supervisor	16/42	38.00
Increased use of technology	12/42	28.00
Organizational factors	22/42	52.38
Organizational hierarchy	21/42	50.00
Organizational departmental politics	19/42	45.2
Lack of women-friendly' schemes	7/42	16.00
External factors highly	21/42	50.00
highly volatile market conditions	21.42	50.00
Emergence of new private banks	19/42	45.20

Table 4

Themes identifies in private sector banks for satisfiers and dissatisfiers' present in the job

Satisfiers	Frequency	%
Well-rounded growth	19/42	95
Performance-related pay	16/42	80
Very open and competitive working environment	15/42	75
Autonomy while taking decisions	13/42	65
Opportunity to carry out meaningful and challenging tasks	11/42	55
Availability and support of supervisors/leadership	10/42	50
Availability of relevant training and development programs	9/42	45
We::-crafted and implemented HR policies and practices	7/42	35
Availability and support of peer, seniors/mentors	5/42	25
Dissatisfiers	Frequency	%
1. External factors	17/20	85
Cut-throat competition owing to various private banks	15/20	75
Volatile market condition and fear of losing job	13/20	65
High- living standards and inability to catch up with them	9/20	45
2. Work-related factors	14/20	70
Too much work pressure	12/20	60
Department politics	11/20	55
Peer pressure	11/20	55
Unfair distribution of rewards to undeserving team members	10/20	50
Unsupportive supervisor	7/20	35
Personal and other factors	7/20	35

In case of the public sector banks, the majority of participants 80.9% cited security as the most important theme for job satisfaction. Some of the other responses cited were "being a part of credible institution", sharing an amiable relationship with one's supervisors', "fewer pressure and deadline relatives to other banks", among others. In the case of private sector banks employees, majority of participants 95% cited "well-rounded growth performance- related pay 80% and recognition given by the authority 70%). Autonomy in the working environment", "supervisory support" and contentment with the organization's HR practices' emerged as other important factors.

FINDINGS AND CONCLUSION

The results indicate that private sectors bank employees report greater satisfaction (higher mean scores) with the pay and benefits aspect of the job as compared to public sector banks employees. Results of the qualitative analysis also suggest that 80% of private sector banks employees find good pay and benefits to be one of the greatest satisfiers, whereas 75% public sector banks employees regard low pay as one of the main dissatisfiers. In general, the average pay of the public sector bank employees is lower than the private sector bank employees. A part from that, private sector banks employees incorporate a differential pay structure (performance related pay) and contributes to rewards employees' time to time through several mechanisms, such as giving a holidays package as a gift, week off or simply giving a star as a token of achievement. High pay and a differential wages structure is satisfying for the private bank's employees, as they feel that their effort and abilities are recognized, evaluated, valued and aptly rewarded.

Furthermore, public sector banks employees have stated 'they are receiving less pay than their counterparts in private sector banks employees. This perception creates the state of perceived inequality. According to equity theory (Adams, 1965), people tend to compare their input/output ratio with that of another employee in other organization. This comparison can result in any of the here different states namely: underpayment inequity, overpayment inequity, and equitable pay. In the present study, the results indicate that public sector banks employees perceive a state of underpayment inequity. The repercussion of experiencing negative emotional states can be quite detrimental.

Private sector banks employees have expressed greater satisfaction with the growth factor of their jobs compared to public sector banks employees. The growth facet symbolizes employees' experiencing and foreseeing excellent career advancement opportunities in their organizations. Though salary holds an important place, its long-term impact is less significant compared to training and growth opportunities (SHRM, 2008). In the qualitative analysis, private sector banks employees have stated that HR practices are well implemented and used as a growth and developmental tool to lay out one's

future career plan. Further, because promotions in the private sector banks are performance based the pace of advancing within the organization is faster than in public sector banks, where promotions are only partially linked with performance appraisal and are largely based on seniority. It has been shown that individual who perceive that promotion decisions are made in a fair and just manner is likely to experience satisfaction with their jobs. In terms of social facet of job satisfaction, private sector a bank employee has expressed more satisfaction. in the qualitative analysis, around 75% of employees have talked of open and competitive working environment and feel that they have autonomy and get ample opportunity to carry out meaningful and challenging tasks within their job. In contrast the public sector banks employees have reported a lack of autonomy, hierarchy in the organization and organizational politics as among the major dissatisfiers.

Further, in the study, the qualitative result reveals that public sector banks employees perceive more job security as compared to private sector banks employee. Job security is the most prominent quality of public sector bank organizations, as there are no random layoffs, and people cannot be terminated very easily; employees in the private sector banks feel insecure about their job, as the market situation, threat from competitors and government policies. As a result, despite good performance, employment can be terminated if market conditions are not conducive. In public sector banks, welfare policies are clearly defined and legally enforced.

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