

Factors Affecting Job Satisfaction among Indian Bank's Employees



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Gaurav Taneja
Taranjeet Duggal
Amity University

Shikha Bhardwaj
Army Institute of Management & Technology

This study will investigate the level of Job Satisfaction among entry level Junior Management employees in Indian Public and Private sector banks. Two factors are taken into consideration while undergoing this study are - HR policies and procedure; culture and climate of the organisation. The research will be based on primary data collection by researchers through 5-point Likert Scale Questionnaire. The questionnaire will be combination of open ended and close ended questions, divided into three parts - Demographic details, factors affecting job satisfaction and any additional information respectively. The questionnaire was administered on entry level employees of two private and two Public Sector Banks of Delhi & NCR. Data collected will be processed in SPSS, to validate the responses and hypotheses testing was done by T-test to reach at concrete results. Based on results, the paper will try to attempt, to gain insights into the satisfaction levels from the perspective of the Bank employees. Researchers identified two major factors as a source of job satisfaction. However, the importance of HR policy and procedure is higher than climate and culture among entry level employees. Homogeneity of respondents in level of work, skills, age and abilities, will be highlighted with varied perspective to results. The study has identified as culture, climate, HR policy and procedures as major source of job satisfaction wherein private and public bank.

Keywords: Job Satisfaction, Bank Employees, Entry Level, Tenure, Culture

1. Introduction

Job satisfaction is the level of contentment a person feels regarding his or her job. This feeling is mainly based on an individual's perception of satisfaction. Job satisfaction can be influenced by a person's ability to complete required tasks, the level of communication in an organization, and the way management treats employees. Job satisfaction is a worker's sense of achievement and success on the job. It is generally perceived to be directly linked to productivity as well as to personal well-being.

Job satisfaction or employee satisfaction has been defined in many different ways by researchers. Some believe it is simply how content an individual is with his or her job, in other words, whether or not they like the job or individual aspects or facets of jobs, such as nature of work or supervision. Despite its wide usage in scientific research, as well as in everyday life, there is still no general agreement regarding what job satisfaction is. One of the most often cited definitions on job satisfaction is the one given by Spector (1996). Job satisfaction is defined as "the extent to which people like (satisfaction) or dislike (dissatisfaction) their jobs" (Spector, 1996). Job satisfaction is a complex and multifaceted concept which can mean different things to different people. Job satisfaction is usually linked with motivation, but the nature of this relationship is not clear. Satisfaction is not the same as motivation. Job satisfaction is more of an attitude, an internal state. It could, for example, be associated with a personal feeling of achievement, either quantitative or qualitative (Mullins, 2005). Researcher considered job satisfaction as a feeling that appears as a result of the perception that the job enables the material and psychological needs (Aziri, 2008).

The importance of job satisfaction specially emerges to surface if someone had in mind, the negative consequences of job dissatisfaction such a lack of loyalty, increased absenteeism, increase number of accidents etc. According to Spector (1996) there were three important features of job satisfaction. First, organizations should be guided by human values. Such organizations will be oriented towards treating workers fairly and with respect. Second, the behaviour of workers depending on their level of job satisfaction will affect the functioning and activities of the organization's business. Third, job satisfaction may serve as indicators of organizational activities. Through job satisfaction evaluation different levels of satisfaction in different organizational units can be defined, as indicator of organisation performance.

Job satisfaction represents one of the most complex areas facing today's managers when it comes to managing their employees. There is a considerable impact of the employee's perceptions for the nature of his work and the level of overall job satisfaction. Many studies have demonstrated an unusually high impact of job satisfaction on the motivation of workers, while the level of motivation has an impact on productivity, and hence also on performance of business organizations.

2. Banking Industry

The Indian banking system consists of 27 public sector banks, 26 private sector banks, 46 foreign banks, 56 regional rural banks, 1,574 urban cooperative banks and 93,913 rural cooperative banks, in addition to cooperative credit institutions. Public-sector banks control more than 70 per cent of the banking system assets, thereby leaving a comparatively smaller share for its private peers.

The "private-sector banks" are banks where greater parts of stake or equity are held by the private shareholders and not by government. Banking in India has been dominated by public sector banks since the 1969 when all major banks were

nationalized by the Indian government. However, since liberalization in government banking policy in 1990s, old and new private sector banks have re-emerged. They have grown faster and bigger over the two decades since liberalization using the latest technology, providing contemporary innovations and monetary tools and techniques.

In totality, banking sector has been a massive area of growth, employment and sustainability in Indian economy. Due to its huge intake of human resource at all levels, it also generated interest among many researchers to study the factors various issues concerning

3. Literature Review

Luthans (1998) indicates there are several dimensions that influence job satisfaction, inter alia the work itself, pay, supervision, promotion and the workgroup. Additionally, a better financial and working condition establishes more satisfaction among the employees, though working condition has a lower impact as compared to the former. Likewise, supervision and advancement opportunities also have positive correlation vis-à-vis job satisfaction among the workers. As far as Job Satisfaction across different categories of work is concerned there was no significant difference among the clerical, managerial and other groups.

George (2014) reveals the importance of increasing job satisfaction and trimming down Job-Related Stress in organizations. It can be concluded that even in the same sector there can be a variation in job stress and job satisfaction of employees. Compared to public sector banks, new generation banks and private sector banks have variation in Job-Related Stress and job satisfaction. Hence private sector banks and new generation banks have to take measures to increase job satisfaction and decrease job-related stress among their employees which can solve various employee-related problems in banking sector and lead to better performance of employees and reduced burnout of the employees in these banking sectors. Sharma and Malu (2015) analysed and compared Job Satisfaction in terms of certain Parameters between public and private sector commercial banks situated in the city of Bangalore, Karnataka State. Overall Job Satisfaction of employees was independent of type of bank which and overall job satisfaction of employees was dependent of type of the bank was also rejected. This illustrates that there was no significant association between overall job satisfaction score of employees and type of bank. It was further analysed job satisfaction of employees on various facets in both the public and private sector Banks reveals that the employees of public sector banks were more satisfied with pay, supervision, co-workers, nature of work and communication, whereas, employees of private sector banks were more satisfied with promotion, fringe benefits, contingent rewards and operating conditions. This means that relationship between Pay, Supervision, Contingent Rewards and Operating Conditions and Type of Bank was significant

Thangaswamy A (2016) used Porter's model for measuring job satisfaction The twenty job characteristics identified by the Porter have been used for measuring job satisfaction. All these 20 job characteristics were used for further analysis. The Porter's model measures the job satisfaction of the bank employees with respect to 20 job characteristics in three stages by using three types of questions namely a, b, c. The aspiration of the employees about particular job characteristic. The importance what the employee attributes to some particular job characteristics. Job satisfaction scores as measured through Porter's model presents the level of job satisfaction of the employees in State Bank of India in Kanya kumari District.

Basu R (2016) study was to find out the influence of Organisational Climate and Team Effectiveness on Employee Commitment in Indian Banks. The results further specify that though no significant variation exists in respect of Organisational commitment and Organisational climate among public and private sector banks, the officers of the private banks perceive more compliance with the functions of their bank as they get more opportunity for Participative Decision Making. It can be inferred from this Research paper that the employee commitment in work behaviour, once established, exerts stable and long term influence on patterns of behaviour that are independent of situational circumstances or linkages with rewards or punishments.

Abbas S (2012) has observed that degree of Job Satisfaction of Private Sector Banks was found to be significantly lower than in Public Sector Banks. In the study, Job satisfaction was measured on the basis of four variables. These were (i) Pay and promotion potential, (ii) General working conditions (for example, safety, heat, noise, and dust), (iii) Work relationships (for example relation with superiors, peers, subordinates and workers) and (iv) Use of skills and abilities. If we carry out a comparative study of various factors, it reveals that all factors except 'General Working Conditions' show higher mean score in Public Sector Banks as compared to Private sector Banks

According to the findings of these studies, private sector and public sector banks employees show different responses mainly because of culture and climate; policy and procedures. Further exploring the job satisfaction differential among males and female bank employees it was found that most of the bank employees, irrespective of gender were not satisfied with their Jobs.

4. Research Objective

There are two major objectives of the study: -

1. To identify impact of climate and culture on job satisfaction in private and public sector banks
2. To identify impact of HR policy and procedure on job satisfaction in private and public sector banks

5. Hypothesis

On the basis of the theoretical and empirical literature reviewed two hypotheses were generated for this study:

H₁: There is a significant difference between private and public bank employees due to culture and climate of bank.

H₂: There is a significant difference between private and public bank employees due to HR policy and procedure of bank.

6. Research Methodology

1. Participants

The sample of this study consisted of 106 managers from two populations; 55 were from public sectors and 51 from private sectors, which was drawn from systematic sampling technique from Delhi and NCR. An individual's function within the company includes customer service support, commercial know how, sales and marketing, information technology, operations and human resources. Average experience of respondent was three years ranging from 8 months to 5 years. Most of them were educationally were qualified with post-graduation in finance.

2. Procedure

Data for this study was collected from private and public banks separately. Private banks include ICICI bank, Axis bank, Yes bank and HDFC Bank whereas in public banks Syndicate Bank, Oriental Bank of Commerce, Bank of Baroda and Punjab National bank. All questionnaires were filled in physical presence by reaching out each bank separately with hard form of questionnaires.

3. Instruments

On the basis of literature reviewed and analysed, a questionnaire was developed job satisfaction scale was developed which was further categorised into three – a) demographic information b) job satisfaction scale on the basis six items c) others. The questionnaire was likert type with 5 points. Response categories for the job satisfaction scale ranged from 'strongly agree' to 'strongly disagree' with a 5 (strongly agree) to a 1 (strongly disagree) point value assigned for each response. This scale measures factors affecting job satisfaction i.e. Salary, Nature of work, Job security, Advancement, working conditions, Communication, Unions, Senior/Junior relationship, and Prestige of the organization, these were factored under two a) Culture and Climate b) HR policy and procedure. The reliability index ascertained by Cronbach alpha is .692, which represent the acceptability of items in instrument. It also reflects the construct is appropriately meeting the objective.

4. Hypothesis

The data collected is further tested to identify that whether hypothesis is accepted or rejected by T-test

H₁: There is a significant difference between private and public bank employees due to culture and climate of bank.	Not supported P>.05
H₂: There is a significant difference between private and public bank employees due to HR policy and procedure of bank.	Supported P<.05

7. Data Analysis

The data collected was from 51 Private bank employees and 55 Public bank employees. As mentioned in table 1 below, the mean value of Culture and Climate is highest 3.9804 in private sector bank. This in a way reflects that job satisfaction is largely dependent upon culture and climate of a bank. Whereas for public banks the mean value is 3.9091. HR policy and Procedure has high value in private banks in comparison to public sector. The difference in mean shows the significance of the factor and variation among response on same factor in the organisation. The Mean value of Public sector bank employees is 3.5273 whereas for Private sector bank employees is 3.7843.

Table 1 Group Statistics

	Sector	N	Mean	Std. Deviation	Std. Error Mean
HR Policy & procedure	private	51	3.7843	.87895	.12308
	public	55	3.5273	1.03377	.13939
Culture & climate	private	51	3.9804	.81216	.11373
	public	55	3.9091	.92841	.12519

As mentioned in Table 2 below, the significance value of HR Policy and Procedure is .073 that means that the $p > .05$, hence the factor is not supported by data collected. On the basis of literature researchers used it as one of the major factors for job satisfaction but the data does not support the hypothesis. The factor includes leave policy, salary and benefits. The possible reason for the same would be that since banking industry has its own standardised code of conduct and overall a controlled working environment. Thus the variation between public sector and private sector may not very different.

As seen in the table 2 mentioned below, the significance value of Climate and culture is 0.026, reflects that the $p < .05$, thus supporting the hypothesis framed by researcher. The factor of climate and culture includes working condition, reporting channels, workplace dynamics and other employee engagement activities. This factor showed a significant reflecting the

importance of climate and culture of organisation in overall job satisfaction of employees. According to literature, each organisation has its unique style of functioning, processing and creating a presence to its stakeholders.

Table 2 Independent Samples Test

		Levene's Test for Equality of Variances		T-Test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
HR Policy procedure	Equal variances assumed	3.282	.073	1.374	104	.172	.25704	.18710	-.11398	.62806
	Equal variances not assumed			1.382	103.246	.170	.25704	.18595	-.11174	.62583
Culture climate	Equal variances assumed	5.076	.026	.419	104	.676	.07130	.16999	-.26580	.40840
	Equal variances not assumed			.422	103.660	.674	.07130	.16913	-.26411	.40671

8. Findings and Conclusion

The results shown above, clearly states the presence of both the factors in overall job satisfaction of employees, however Climate and culture play significant role in comparison to HR policy and procedure. Since the respondents are from banking industry, the overall industry works in a lot of homogeneity, thus to identify a clear cut impact of one most influential factor to job satisfaction is quite difficult.

9. Direction for Future Research

The study can be further conducted on other regions of the country. Since the study only focuses on two major factors, thus many other factors can be added in future. Also the study only focuses on five private and five public banks with limited sample size. The further can be explored in studies in future.

The Research Paper will highlight various reasons and factors for job satisfaction among entry level employees, reflecting the need of workforce among a specific age group, in turn can be substantiated with effective HR plans. It will reflect the overall pattern and trend of entry level employees at Public & Private Sector Banks. The trend is mirror to future policy framework.

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