

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

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Abstract

In banking industry of India, job satisfaction of employees is very important and even critical to a certain extent because on one hand banking is a service industry and employees are the only physical face of the organization, if the level of productivity or performance is not in line then it may result in dissatisfied customer. This particular phenomenon stands true for both public and private sector banks, but then again there is a difference in the attitude and behavior of the employees from both type of banks. This present study will evaluate the components related to job satisfaction, specifically for the public and private sector bank, the researcher has considered HDFC Bank and Punjab National Bank in Jaipur, Rajasthan. The researcher has considered the common factors of job satisfaction and tried to relate the component with that of the banks. This is a primary data based study and will include the employees of middle level management and also the employees of execution level.

Keywords: Job Satisfaction, PNB, HDFC, Jaipur.

Introduction

At the time of recruitment each and every employee is enthusiastic and motivated in terms of the said job profile and his or her own performance. This happens with all the employees i.e. new entrants and even for people who are changing their jobs. In the long term processes use to change according the need of the job and the level of job satisfaction and motivation of to keep the pace of performance start to depend on each other, this might happen that in some of the cases job satisfaction is not much important but still the job performance is crucial for both the employee and employer. So it can be stated that job performance and job satisfaction are dependent on each other to a certain extent and if there is any imbalance between the two the effect of the same can be exerted on the financial output and revenue of the organization, on the other hand negative effect can be viewed on the performance of team working for the achievement of common goals or targets.

Lower level of job satisfaction can be linked to a number of components like exterminated or extended job design, faulty system of job rotation, unwanted job enlargement or enrichment, etc. as a matter of fact these are the components related to internal systems of the organization i.e. there are a number of other factors that use to effect the level of job satisfaction of a given employee from outside environment. Some of such components can be better offer from competitors, better facilities and incentives from the organization entering the market, ongoing skill development and training of processes in other organizations, etc. all this can attract a given employee and may result in employee turnover in this regard job satisfaction becomes the key to success i.e. gap between the actual system of motivating employees and the level of felt satisfaction of the employees should be reviewed from time to time and necessary action should be taken in this regard.

Then at the next level job satisfaction and productivity of the employees is also correlated to a great extent, it is assumed that a satisfied employee can present a high level productivity for the respective organization and vice-versa. In general the outcome of job satisfaction is related to the need fulfillment of the employees and happiness of the same. Now the question arises that who is going to assess this phenomenon of job satisfaction, motivation, productivity and happiness? Obviously this is the task of management to keep the track and specifically HR department is responsible for the same.

As far as the banking sector is concerned, job satisfaction of employees is very important and even critical to a certain extent because on one hand banking is a service industry and employees are the only physical face of the organization, if the level of productivity or performance is not in line then it may result in

dissatisfied customer. Here it is important to mention that in public sector banks processes are already defined and all the components related to available products are known to public at large hence the personal intervention of customer is minimum but in case of private sector banks many of the components are presented to the customer then and there, now this system needs the diligent involvement of the employees and present the banks in front of customers. A satisfied employee can do this in a better manner and if the level of satisfaction is not up to the mark or there is any deficiency in the motivation level of the employee then it may carry a negative image of the organization.

It is a well known fact that in case of banking sector management of people and risk are two major components and challenges for the banks all over the country. To a certain extent poor management of these components may result in adjacent performance of the banks. These two components are also closely related because if the banks are willing to manage the dimension of risk management then it is only possible with capable and truly skilled employees. **Suri et al (2009)** if the capability of the work force is linked with the success of the bank then it is required that they should enjoy a better quality of work life and feel satisfied, this satisfaction and the level of the same varies from person to person and situation to situation. For some employees the slow growth and secure job of public sector bank is comfortable and for some other employees challenging and target based job of private sector bank is more suitable. Interchange of these employees i.e. role reversal may cause damage to the job performance and even to the growth of the bank. **Judge et al (2001)**

This present study will evaluate the components related to job satisfaction, specifically for the public and private sector banks, the researcher has considered HDFC Bank and Punjab National Bank in Jaipur, Rajasthan. The researcher has considered the common factors of job satisfaction and tried to relate the component with that of the banks.

Literature Review

Yadav et al (2013) were of the opinion that job satisfaction is very closely related to the morale of the employee even in many of the cases social behavior of the employees is affected by the perceived level of job satisfaction. Some of the dissatisfied employee may cause turnover intention and even others may show high level of absenteeism. In any of the cases, it is not good for the financial health of the organization. In some of the cases, satisfied employees might be looking forward to career advancement and lately the level of commitment may increase towards their job and same may result in higher reward and public recognition.

Srivastva et al (2009) conducted a study on the comparative analysis of public and private sector banks and the finding of the study stated that most of the public sector banks are taking care of the socio-economic parameters as a base concept and the private sector banks are having the concept of profitability and growth in terms of competition. As a matter of fact profitability is secondary for the public sector banks. This is one of the reasons that most of the public sector banks are lagging behind in terms of employee satisfaction and growth. Then on the other hand there are a number of differences in terms of work culture and organizational setup i.e. public sector banks use to cater the customers on the basis of their need and the private sector banks use to hold the customer for their latest products and services, as this is a target based job.

Lumely et al (2015) was of the opinion that in any given case i.e. private or public sector banks are required to create a positive work environment and this environment is liable to encourage people to work and stay for longer period of time in the system and also work for the benefit of the organization. This is beneficial in a number of terms i.e. practices of fair payment, formal system of promotion and increment, maintain a proper work environment where the employees may flourish, maintain an open door policy all the employees together for growth of the organization and many other instruments that can take a better care of the organizational culture.

Gupta et al (2013) the researchers have conducted a study on the productivity of the work force in public and private sector banks and map the same with the level of job satisfaction of the employees. The findings of the study stated that the human capital is most important for any of the given organization and the same follows in case of banking industry as well. as far as productivity of the employees is concerned it is based on a number of components i.e. facilities, incentives, work environment, supervisory assistance, welfare schemes for the employees, etc. in the present times the work environment is very competitive and then

again it depends on the respective organizations to train their employees to deal with these situations. Above all cordial relationship among the employees is going to pay a lot at the end.

Objectives

- To evaluate the factors responsible for the low or high level of job satisfaction,
- To know about the various components related to job satisfaction for public and private sector employees,
- To reach the particular suggestions to meet the present needs of the suitable work environment to subtle the job satisfaction.

Hypothesis of the Study

- **H₀**: Attitude and behavioral aspects of employees are different for both the public and private sector banks.
- **H₀**: Attitude and behavioral aspects of employees are not different for both the public and private sector banks.

Research Methodology

Type of Study

As it seems from the orientation of the study that this is a primary data based, but as far as conditional essentials of the study i.e. literature review, objectives, hypothesis, methods models, etc. are concerned the researcher has taken the help of secondary data in the form of exploratory study. The common orientation of the study denotes that the researcher will contact the employees of HDFC and PNB, with a structured questionnaire, to learn about the attitude and responses of the same and try to understand the issues related to the same.

Considering the format of this present study the researcher has considered both the public and private sector banks, as mentioned above. As a matter of fact both the banks are situated in the capital city of Jaipur, Rajasthan.

Sources of exploratory outcomes

- Previous studies on the same topic i.e. job satisfaction
- Articles from renowned magazines related to banking industry
- Internet sources of different nature
- Websites of concerned banks i.e. HDFC and PNB
- Research articles from peer reviewed journals

Sample Selection

The researcher has considered a sample size of 150 respondents from different branches of the respective banks i.e. HDFC and PNB, as a matter of fact there are about 6 branches of both the banks in Jaipur, Rajasthan hence the researcher had tried to approach all the branches at a time and collect the responses of the employees in terms of job satisfaction. The total number of employees is approximately 400 in all the branches including employees from top management to execution level. The researcher has contacted the staff of execution level and middle level to get the better feel of the research topic.

Tools of Data Collection

This present study has followed two different types of approaches i.e. individual observation and use of structured questionnaire. Generally the observations are related to related to real time behavior of the respondents and questionnaires were exercised in a face to face interaction. The questionnaire included different type of questions:

- Dichotomous
- Option Based
- Scale based
- Indirect question, etc.

Statistical Measure

- One Way ANOVA (Analysis of Variance)

Tools of Data Processing

- SPSS Ver. 21.0

Data Analysis and Interpretation

	HDFC	PNB
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	Execution Level		Managerial Level		Execution Level		Managerial Level	
	F	Sig.	F	Sig.	F	Sig.	F	Sig.
On the basis of Age								
Work place is hygienic	.115	.592	2.909	2.101	.105	.782	.249	.481
Rapport with fellow employees is good	.466	.357	.453	.571	2.102	.056	1.135	.323
Working conditions are safe for employees	.236	.577	.798	.681	2.176	.125	.799	.242
Ample options for career development	.788	.344	1.788	1.011	.105	.682	.149	.681
Company have well defined policies and procedures	3.140	2.105	1.011	1.134	.106	.580	1.297	.106
Job responsibilities are clear	2.244	2.101	1.144	1.021	.894	.313	1.019	.230
Training for carrying job	.131	.581	2.244	.101	1.164	.052	1.107	.237
Salary comparable to industry standards	15.092	.010	.231	.581	1.043	.123	.592	.247
Increments and incentives are performance oriented								
Accommodation and transport facilities	2.137	.057	16.192	.001	.248	.418	.217	.894
Adequate grievance handling	2.145	1.586	2.137	1.913	5.173	.021	1.161	.104
On the basis of Education								
Work place is hygienic	2.115	2.901	.120	.789	1.523	.128	.207	.459
Rapport with fellow employees is good	.453	.471	.357	.262	.360	.572	.102	.587
Working conditions are safe for employees	.598	.801	.699	.239	1.561	.104	.105	.580
Ample options for career development	1.188	1.011	.459	.562	1.125	.207	.113	.571
Company have well defined policies and procedures	1.011	1.134	.245	.250	1.150	.107	.010	.799
Job responsibilities are clear	1.404	1.211	1.103	.234	1.458	.120	3.273	.105
Training for carrying job	3.244	.011	3.244	3.311	1.505	.121	.013	.585
Salary comparable to industry standards								
Increments and incentives are performance oriented	.301	.821	.231	.341	.106	.568	.787	.895
Accommodation and transport facilities	15.292	.010	16.192	.020	2.187	.019	.031	.891
Adequate grievance handling	2.137	2.031	1.937	.017	5.910	.101	.363	.242
On the basis of Income								
Work place is hygienic	.120	.589	1.103	.893	.010	.989	1.562	.120
Rapport with fellow employees is good	.557	.462	1.029	.782	3.573	.105	.341	.501
Working conditions are safe for employees	.799	.239	3.912	2.101	.033	.785	4.103	.094
Ample options for career development	.459	.362	2.103	1.890	.787	.195	45.118	.010
Company have well defined policies and procedures	.346	.450	6.564	.020	.103	.571	101.154	.020
Job responsibilities are clear	1.101	.234	.045	.680	.035	.582	35.499	.010
Training for carrying job	3.044	3.101	.031	.391	.021	.901	10.210	.010
Salary comparable to industry standards								
Increments and incentives are performance oriented	.301	.424	.509	.413	1.303	.204	.012	.878
Accommodation and transport facilities	15.192	.010	.340	.252	.020	.799	2.187	.109
Adequate grievance handling	2.307	.057	.010	.895	.106	.608	.105	.782
On the basis of Experience								
Work place is hygienic	.108	.907	.108	.797	9.693	.010	1.166	.109
Rapport with fellow employees is good	.306	.708	.316	.578	.021	.791	2.902	.108
Working conditions are safe for employees	1.305	.325	1.235	.205	3.431	.056	6.200	.101
Ample options for career development	.566	.457	1.452	.120	6.510	.031	.103	.731

Company have well defined policies and procedures	.301	.401	.616	.517	3.258	.035	2.295	.108
Job responsibilities are clear	.510	.608	.582	.348	2.102	.105	1.205	.206
Training for carrying job	3.244	.031	1.102	.133	.101	.730	.126	.610
Salary comparable to industry standards								
Increments and incentives are performance oriented	.301	.821	.330	.402	1.706	.108	.207	.459
Accommodation and transport facilities	15.192	.010	1.105	.316	3.210	.037	.212	.603
Adequate grievance handling	2.307	.037	1.239	1.124	6.103	.031	.207	.519

Interpretation

For the **HDFC** bank most of the employees at execution level were not much satisfied with components tested and even the level of satisfaction was not much as compared to the employees of middle management. This can also be interpreted from the results of analysis for execution level employees (on the basis of age) where the value of ‘F’ ratio is high for selected cases i.e. basic amenities like hygiene, safety of employees, remuneration and incentives, this is calculated at the significance level of 5% (p=0.000 at 0.05 level).

As compared to the execution level employees, the variation in the results is not very significant i.e. there is minimum difference between the values of ‘F’ ratio and ‘Sign.’ it can also be interpreted in the terms that a new recruit with an experience of about 1-3 years is generally satisfied with the facilities and amenities available at the work place and as the age and experience increases preferences and attitude changes, now if the employer is not much concerned in this regard then there is a possibility level of job satisfaction decreases and employee turnover is increases. Some of such issues can be easily handled with timely promotions, increments, public recognition on certain achievement, etc.

Then education is another very important criteria to understand the nearby environment, as far as analysis is concerned it shows that for all type of employees there is a high variation for the components like hygiene, safety of employees, remuneration and incentives, etc. some of the female employees were not found satisfied with the grievance handling system present at their respective organizations. Apparently the middle management employees were found to be more concerned with the issues related to training and development of the employees, job security of experienced employees and even their own remuneration at current level.

Income is again a deciding factor for the stay of a given employee in any organization as it is very closely related to the adjacent level of job satisfaction. As given in the above table of analysis that, for most of the cases level of variation in the ‘F’ ratio and ‘Sign.’ is minimum for all the tested components this shows that the private sector employees are somewhat satisfied with the remuneration they are getting at their respective organizations. For rest of the component the level of variation is comparatively high.

Then the respective experience of employee enlighten them for their present market worth, in lieu of the same it can be seen that for most of the components variation is high between ‘F’ value and ‘Sign.’ value.

In case of **PNB**, again the employees at execution level were found to be less satisfied with the facilities and amenities as compared to the employees of middle management. Like in case of the age is hygiene, safety of employees, remuneration and incentives and even job related responsibilities the level of variation high in ‘F’ ratio and ‘Sign’ value.

Then on the basis of education, for all type of employees there is a high variation for the components like hygiene, safety of employees, remuneration and incentives, etc. then the middle management employees were found to be more concerned with the issues related to training and development of the employees, job security of experienced employees and even their own remuneration at current level.

In case of income the level of variation in the ‘F’ ratio and ‘Sign.’ is important for all type of employees but as compared to **HDFC** there is high level of variation for the employees of middle level management.

On the basis of experience, again the level of variation is high in most of the cases like, hygiene, safety of employees, remuneration and incentives, etc. for execution level employees and for the employees of middle management.

Result

On the basis of above analysis and interpretation it can be stated that in most of the cases attitude and behavior of the employees is different in public and private sector banks. Hence the null hypothesis 'Attitude and behavioral aspects of employees are different for both the public and private sector banks' can be accepted and alternate hypothesis can be rejected.

Conclusion

For any of the given employee, job satisfaction is having a different meaning i.e. high salary, financial growth, designation can be important for some of the employees and for some other employees job security, fixed working hours, slow growth is more satisfying. As stated and interpreted in this present study peer group connection, rapport with fellow employees, etc. is having an important connection with the satisfaction with the current job. In case of private sector banks middle level employees were found more satisfied as compared to the execution level employees and same is other way round for the public sector employees. Then it was also found that autonomy at work place is something available at private sector banks only, as most of the employees are given some decision making power for their respective targets and in case of public sector employee this autonomy is broken into fixed hierarchy. This was the keen observation of the researcher that the employees of private sector banks are less satisfied as compared to the employees of public sector banks. Although there is some variation at the middle management, but still in totality level of satisfaction is high at private sector banks.

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