
Job Satisfaction in Banking Sector: A Comparative Study of Public and Private Sector Banks in Amritsar City

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Abstract:

Modern banking system contributes to economic development through facilitation of business and satisfied human capital contributes to the stability of banks. Therefore, the aim of this study was to examine the employee satisfaction of public and private banks, Punjab National Bank and HDFC bank respectively, in the city of Amritsar and to assess the difference, if any, in their satisfaction level. Thus, in order to achieve the framed objectives, data was mainly accumulated from primary sources. Descriptive statistics and t-test were used to determine the difference in satisfaction level and to review the factors contributing to their satisfaction on job. Results revealed

that factors vital for employee satisfaction are job security, income, acknowledgement of work and less stressed work schedule among others. Employees of public sector bank are found to be more satisfied than the employees of private sector banks.

Key words: Employee Satisfaction, Job Stress, Acknowledgment of Work, Job Security.

INTRODUCTION

Everyone joins an organization with certain motives like security of income and job, better prospects in future, and satisfaction of social and psychological needs. Every person has diverse sets of needs at different times. It is the accountability of management to recognize this basic fact and provide appropriate opportunities and environments to people at work to satisfy their needs. Employee satisfaction is very critical to banking because being a service sector industry, productivity of the staff has a significant bearing on its overall performance. Management of people and management of risk are two key challenges before banks. It determines the success in the banking business. Efficient risk management may not be possible without efficient and skilled manpower. Banking has been and will always be a "People Business" (Chhabra and Suri 2009).

HDFC Bank commenced operations as a Scheduled Commercial Bank in January 1995. The bank currently has a nationwide network of 3,403 Branches and 11,256 ATM's in 2,171 Indian towns and cities. HDFC Bank has been pushing the boundaries when it comes to expanding its reach and offering its customers excellent banking and financial services.

Punjab National Bank (PNB) has more than 120 years of existence. It has 6081 total branches including 5 foreign branches, 6940 ATMs and serving more than 8.9 crore esteemed customers. PNB, being one of the largest nationalized

banks, has continued to provide cautious and trustworthy banking services to its customers.

LITERATURE REVIEW

Employee satisfaction has been recognized to have a major impact on many economic and social phenomena, e.g. economic growth and higher standard of living. Researchers have attempted to identify the various aspects of employee satisfaction.

Puranga and Shrivastva (2009) have observed that the work culture of public sector banks was based on the concept of socio-economic responsibility, in which profitability is secondary. On the other hand, private sector banks work towards 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.

Lumley et. al (2011) have reviewed that in order to create a working environment that encourages people to stay with their respective organizations, managers need to review existing pay practices so as to offer fair pay, provide challenging and meaningful work tasks, and foster positive co-worker relationships.

Gupta and Pannu (2013) have concluded in their study that productivity of the workforce is the most important factor as far as the success of an organization is concerned. The productivity in turn is dependent on the well-being of the employees. In an age of highly dynamic and competitive world, to be a satisfied person is a difficult task that can affect him in all realms of life.

Sinha and Shukla (2013) found in their study that 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.

Yadav and Dabhade (2013) concluded in their study that job satisfaction affects employee morale, turnover, absenteeism and pro-social behaviour, which can be crucial for organizational success. Satisfaction with career advancement has a strong association with job satisfaction. Employees are more committed towards their job to get higher reward and appreciation.

RESEARCH DESIGN

This study was carried out using pre-structured close ended questionnaire for collecting data. Total number of branches of HDFC and PNB in Amritsar area is 16 and 31 respectively out of which 25% of the total number of branches of each bank in Amritsar city was selected for the study. Thus, data was collected from 80 front desk officers of which 28 were from 4 branches of HDFC Bank and 52 were from 8 branches of Punjab National Bank. The survey was conducted w.e.f. January, 2015 to June, 2015.

RESEARCH OBJECTIVES

1. To identify various factors contributing towards the employee satisfaction.
2. To compare the satisfaction level of employees in public and private banks.
3. To suggest appropriate measures to improve employee satisfaction.

RESULTS AND DISCUSSIONS

Socio-Economic Profile of the Respondents

The study reported that maximum of the respondents are between age group of 49 years and above (31.2%), however in PNB, 42.3% belong to this group but in HDFC bank only 10.7% contribute to this group. The male respondents are more than females by 10%. In PNB females comprise 42.3% while in HDFC bank it was 50%. The respondents are highly educated as 47.5% of them are post-graduates. The respondents are paid adequately as 45% of them belong to the income group of Rs. 40000 & above. It is also found that frequency of respondents who are working for less than five years is highest (31.2%). However, in HDFC, the highest proportion of 42.8% is working from past 6 to 15 years and 39.2% is working for less than 5 years. The detailed result of afore mentioned socio-economic variables are depicted in table 1.1.

Table 1.1: Socio-Economic Variables

Sr. No.	Socio-Economic Variables	HDFC	PNB	Total
		(N=28)	(N=52)	(N=80)
		Frequency (%)	Frequency (%)	Frequency (%)
i)	Age (Years) :			
	19-28	35.7	23.1	27.5
	29-38	42.9	11.5	22.5
	39-48	10.7	23.1	18.7
	49 & above	10.7	42.3	31.2
ii)	Gender:			
	Male	50.0	57.7	55.0
	Female	50.0	42.3	45.0
iii)	Education:			
	Matric	0.0	1.9	1.2
	High School	10.7	11.5	6.2
	Graduate	25.0	48.1	45.0
	Post-Graduate	64.3	38.5	47.5
iv)	Monthly Income (Rs.):			
	10000-20000	17.8	7.7	11.2
	20001-30000	28.6	25.0	26.2
	30001-40000	28.6	11.5	17.5
	40001 & above	25.0	55.8	45.0
v)	Experience (Years):			
	1-5	39.2	26.9	31.2
	6-15	42.8	23.1	30.0
	16-25	7.1	15.4	12.5
	26 and above	10.9	34.6	26.2

(Source: Primary Probe)

Factors affecting Employee Satisfaction

It have been observed from the analysis of various factors that job security ($\bar{x}=2.25$) and income ($\bar{x}= 2.27$) are the major factors that affect employee satisfaction and is their major concern followed by recognition of their work by employers, non-monetary benefits, and cordial relations with the supervisors. The factors that are subservient included comfortable working environment, sympathetic help with personal problems and the least was opportunities for growth. The comprehensive analysis of above mentioned factors is shown in table 1.2.

Table 1.2: Factors Affecting Employee Satisfaction

Sr. no.	Factors	Mean	SD	Rank
1	Income	2.27	1.61	II
2	Job Security	2.25	1.84	I
3	Acknowledgement	3.58	1.88	III
4	Fringe Benefits	3.78	2.35	IV
5	Opportunities for Growth	4.88	2.25	VIII
6	Comfortable Working Environment	4.51	2.25	VI
7	Help with Personal Problems	4.77	2.37	VII
8	Cordial Relations with Supervisor	4.05	2.06	V

(Source: Primary Probe)

Level of Satisfaction between HDFC and PNB

When t-test was applied to all the factors individually to check whether the factors bear significant difference with respect to the banks, it is observed that the satisfaction levels from both the banks were somewhat similar, other than factors like acknowledgement of work, security of job and job stress, where a significant difference is observed. The detailed results are also depicted in table 1.3.

Table 1.3: Level of Satisfaction between HDFC and PNB

Sr. No.	Level of Satisfaction	PNB		HDFC		p value
		Mean	SD	Mean	SD	
1	Necessary Information about the Job	1.77	0.58	1.96	0.83	0.22
2	Coaching and Training	1.96	0.84	1.96	0.63	0.98
3	Job Description is Up to Date	2.13	0.71	2.14	0.75	0.96
4	Fair and Comparable Salary	2.44	0.8	2.54	0.88	0.63

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5	Acknowledgment of Work	2.06	0.6	2.61	1.06	0.016*
6	Secured Job	1.98	0.87	3.04	1.34	0.001*
7	Feedback from Supervisor	2.04	0.71	2.11	0.68	0.67
8	Encouragement to Teamwork	2.04	0.68	2.11	0.78	0.68
9	Job Helps in Fulfilling Ambitions	2.12	0.73	2.36	0.98	0.26
10	Opportunities for Growth	1.92	0.65	2.14	0.89	0.25
11	Job is not Stressful	2.54	0.87	3.71	1.15	0.00*
12	Fair Promotion Policies	2.12	0.92	2.61	1.19	0.06

*significant at 0.05 level

(Source: Primary Probe)

Overall Employee Satisfaction

The study revealed that there exists a significant difference in the satisfaction level of employees of the two banks (p value $0.004 < \alpha$ value 0.05). Employees in public banks are more satisfied than those in private banks owing to aspects such as acknowledgement given to employees for their work and providing employees with job security creating less stressed jobs. The detailed result of overall employee satisfaction is shown in table 1.4.

Table 1.4: Overall Employee Satisfaction

PNB		HDFC		p value
Mean	SD	Mean	SD	
25.11	5.18	29.28	7.23	0.004*

*significant at 0.05 level

CONCLUSION & SUGGESTIONS

It can be concluded that the employees of Punjab National Bank were more satisfied than the employees of HDFC bank. The employees of HDFC were less satisfied with respect to factors like stress in life as 67.9% of them were stressed in contrast to 13.5% in PNB, half of the respondents didn't have secured job whereas, only 23.8% in PNB had unsecured jobs, promotion policies were not satisfying to 21.4% respondents in HDFC in comparison to 9.6% in PNB and 14.3% of respondents in HDFC felt that their work was not acknowledged and valued by the bank.

It was observed that necessary information was the most important factor that employees were satisfied with because clear guide of what they ought to do is important. Respondents were also content about coaching and training given to them along with the opportunities for their career growth. Feedback from their supervisor about their performance was also satisfactory.

The respondents were least satisfied with factors such as job security, encouragement to teamwork, comparable salary and unreasonable amount of stress caused in life due to their job. Thus, it may be suggested that banks need to work on the factors that employees are not satisfied with as these factors are imperative to their satisfaction.

It was also found that respondents in the age group of 29-38 years were most stressed (44.4%) whereas; the eldest age group of 49 & above were the least stressed (24%). It shows that the young-adult portion of the working class is the most stressed.

Males that felt that promotion policies of the bank were not fair were 6.8% whereas 19.4% females felt the same. It may be inferred that females still face discrimination based on gender when it comes to promotions.

The employees who were working for less than five years responded that their work was not recognised and valued by the bank (12%) which may suggests that organisations focus more on the existing employees and new entrants are not given enough freedom or responsibility to carry out their job.

While analysing the factors that was most considerate to employees to define their satisfaction with the employment were job security followed by income because majority of the respondents were young-adults who might not have secured jobs. Acknowledgement of work, fringe benefits, cordial relation with the supervisors and comfortable working environment came next that concerns employee satisfaction. At last, sympathetic help with personal problems and opportunities for

professional growth were the least ranked factors that affected employee satisfaction.

Thus, in the light of the findings it can be concluded that job security is the most desired factor that amplifies an employee's satisfaction at work. This paper supports the alternate hypothesis that 'There is significant difference in the levels of employee satisfaction of two banks', suggesting that employees of public sector banks are more satisfied than the private sector banks attributable to job security, recognition of work, cordial relations with supervisor and less stressed job.

Based on the results of the study the following appropriate measures are suggested:

- Employees must be given work in moderation and flexi-hours should be provided to them so that they do not feel stressed.
- The banks especially private sector banks must come up with more secure job policies so that employees work dedicatedly without the fear of losing the job.
- Salary must be given in consideration to their work experience, onus of job, stress level and job profile.
- Promotion policies must be based on merit as well as experience and these policies should be transparent and fair.
- Along with healthy environment and feedback from supervisor, acknowledgement must be given where it is due, such that the work of employees is valued and appreciated.

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