“Happy and Satisfied employee is the biggest asset of any organization”

TITLE: COMPARATIVE STUDY OF JOB SATISFACTION AMONGST EMPLOYEES IN PUBLIC AND PRIVATE BANKS WITH REFERENCE TO PUNE CITY

1.1 INTRODUCTION

Human resource is the resource which appreciates day by day. Satisfied employee is always the biggest asset of any organization including bank. Job satisfaction of employee is nothing but positive attitude towards their work. For the first time, in 1935, the concept of Job Satisfaction gained prevalence through the publication of monograph by Hoppock. ‘Hoppock’ in his monograph has defined job satisfaction as “Any combination of Psychological, physiological, and environmental circumstances that causes a person truthfully to say ‘I am satisfied with my job’. Another definition given by Locke is “Job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experiences” Job Satisfaction plays very important role in employee’s life. Satisfied behaviour is positive sign for progress or the achievement of its organizational goal. On the other hand, dissatisfied behaviour goes without any specific goal. In fact, dissatisfaction eats up the organization. Job satisfaction is actually a collection of specific job attitudes that can be related to various aspects of the job. For example, a popular measure of job satisfaction –The Job Descriptive Index-measures satisfaction in terms of five specific aspects person’s job: pay, promotion, supervision, the work itself, co-workers etc. Information about job satisfaction is always needed by management, in order to make sound decisions both in preventing and solving employee’s problems. Surveys can produce positive, neutral or negative results. They will usually produce number of valuable benefits if properly planned to create a good organizational climate and healthy society. A comparison between public and private sector banks would make a significant contribution to the existing body of knowledge on job satisfaction.

1.2 SIGNIFICANCE OF THE STUDY

In modern society the needs and requirements of the people are always increasing and changing. When the people’s needs are not fulfilled they become dissatisfied. A satisfied, happy and hardworking employee is the biggest asset of any organization, including banks. Any business can achieve success and peace only when the problem of satisfaction and dissatisfaction of works are felt understood. In problem of efficiency, absenteeism, labor turnover requires a social skill of understanding human problems and dealing with them by scientific investigation. It serves the purpose to solve the human problems in the
industry like banks. The researcher contributes to the field of Banking sector through valuable insights on the job satisfaction parameter of employees. Better payment, job security, challenging work, valued rewards, Opportunities for Advancement, competent supervision, and supportive co-workers are dimensions of the job that can lead to job satisfaction. Awards like maximum service in bank, employee of the year or Talented employee can reduce attrition rate in Private banks. More the employee will engage more they satisfied, for the success and sustained growth of Indian banks. It is essential to create a pool of loyal employees by determining whether they satisfied with their job or not. Because satisfied behavior is positive sign for progress or the achievement of its organizational goal. On the other hand, dissatisfied behavior goes without any specific goal. In fact, dissatisfaction eats up the organization. satisfaction of employees would affect performance and commitment, which would eventually influence the bank’s growth and profitability. From such type of surveys management is able to take decision about to improve on dissatisfied factors of employees.

### 1.3 STATEMENT OF THE PROBLEM:

Since job satisfaction is considered an important aspect of work culture, public sector and private sector variations seem to affect the job satisfaction of these organizations. Since public-private sector background is an important factor in shaping the work culture of an organization, the work culture also seems to have its root in the culture from which it is generated Therefore, job satisfaction is likely to be affected by public-private sector differences.

Pune is 7th largest city in India. Pune is the cultural capital of Maharashtra. Population of Pune district on December 15th 2010 is approximately 12,624,224 (Population of Pune district 2010 true knowledge). Pune is emerging as a fast growing city in this part of country. Like all other cities, the economy of Pune is also connected to banking sector So in Pune banking sector is also witnessing a boom for so many years. Pune has number of Public sector and Private sector banks. The best banking brands of world are having their branches in Pune. The banking community all over doing a lot of investment in Pune. The operative people are hired preferably from Pune itself. Backbone of Pune services or commercial sector is provided by Public, private, co-operative and foreign banks. Policies and practices of public and private banks are different so there is difference in job satisfaction level of employees, Comparison between public and private sector banks
would make a significant contribution to the exiting body of knowledge so researcher wants to study which factors are more responsible for job satisfaction so the topic decided by researcher for study is. "Comparative study of job satisfaction amongst employees in Public and Private sector banks with reference to Pune city".

**1.4 OBJECTIVES OF THE STUDY, Table 1.1: Interlinking of objectives and questions in the Questionnaire (Appendix 1)**

1. To study work culture of public and private banks critically and comparatively with respect to their job satisfaction
2. To study the job satisfaction level of employees in the areas of pay, security, growth satisfaction
3. To find out comparative differences in job satisfaction aspects between banks considered for the study
4. To suggest some ways of improvement (if any) for the state of job satisfaction of bank employees.

**1.5 Scope**

The scope of the research is confined to:
1. Employees, in selected branches of Public and Private sector banks in Pune city.
2. Top five Indian, Public and new Private banks which had existence in Pune city for more than 5 years. were selected as a representative sample for the research. (base year 2011-12)

(Public: Bank of India, Punjab National bank, IDBI, SBI, Bank of Baroda

**1.6 Hypothesis (Table 1.2: Interlinking of the Hypotheses and Questions from the Questionnaire (Appendix 1)**

**H0:** Public and Private bank significantly do not differ with respect to Work culture

**H1:** Public and Private bank significantly differ with respect to Work culture

**H0:** Public and Private bank significantly do not differ with respect to Pay.

**H2:** Public and Private bank significantly differ with respect to Pay.
H0: Public and Private bank significantly do not differ with respect to Career Advancement Opportunity

H3: Public and Private bank significantly differ with respect to Career Advancement Opportunity

H0: Public and Private bank significantly do not differ with respect to Security

H4: Public and Private bank significantly differ with respect to Security

H0: Public and Private banks do not differ with respect to job satisfaction as perceived by managers.

H5: Public and Private banks differ with respect to job satisfaction as perceived by managers.

1.7 Research Methodology

1.7:1 Type of Research
Descriptive in nature. It is a quantitative research.

1.7:2 Sampling Frame
All the employees of five selected banks.

1.7:3 Population
Top five Indian Private and Public banks and their branches, which had existence from last five years in Pune city.
Table 1.3: Determination of Sample Size:

<table>
<thead>
<tr>
<th></th>
<th>Public</th>
<th>Private</th>
<th>Managers (public)</th>
<th>Managers (private)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1350</td>
<td>1050</td>
<td>630</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td>166</td>
<td>123</td>
<td>90</td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>12%</td>
<td>12%</td>
<td>14%</td>
<td>19%</td>
</tr>
</tbody>
</table>

(source: Data received from regional office of banks) (base year-2011-12)

**1.7.4 Sample size formula used for employees is**

Sample size was determined using sample size determination by mean method.

The mean method was used because variables in study were measured using a 5-point measurement scale.

Formula

\[ N = \frac{z^2 \times s^2}{e^2} \]

Where, ‘z’ is the standard score associated with confidence level (95% in the current case). Hence standard scores equals to 1.96 (borrowed from normal table)

‘S’ is the variability in the data set, computed as a ratio of range / 6. Range is equal to 5-1 = 4 (the difference between minimum and maximum value in the 5point scale). 6 refers to ±3 standard deviation values on the X axis of the standard normal curve, which takes in all the data set in study.

Hence variability = 4/6 = 0.66

E is the tolerable error = 8% (in the current study).

Sample size \( n = \frac{1.96^2 \times 0.66^2}{0.08^2} = 261. \)
500 questionnaires were distributed to the target respondents, however the completed and valid questionnaires received were 289, hence sample size was frozen at 289 for current study. 

**Sample Size Formula used for manager is**

\[ N = \frac{z^2 \cdot s^2}{e^2} \]

Where, ‘z’ is the standard score associated with confidence level (91% in the current case). Hence standard scores equals to 1.75 (borrowed from normal table) ‘S’ is the variability in the data set, computed as a ratio of range / 6. Range is equal to 5-1 = 4 (the difference between minimum and maximum value in the 5point scale). 6 refer to ±3 standard deviation values on the X axis of the standard normal curve, which takes in all the data set in study.

Hence variability = 4/6 = 0.66

E is the tolerable error = 9%

Sample size \( n = \frac{1.75^2 \cdot 0.66^2}{0.09^2} = 164.69 \approx 165 \) (Approx.)

**1.7:5 Parameters of the Study**

For this study following parameters were studied, these are

1. Work culture
2. Corporate communication
3. Career Development
4. Pay
5. Working condition
6. Security

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1. [source: Marketing Research by Naresh Malhotra pg-230](#)
7. Recognition and reward
8. Performance appraisal
9. Teamwork and co-operation
10. Training and development
11. Leave Policy
12. Your role
13. Work life balance
14. Immediate supervisor

1.7:6 Definition of Terms

1. **Comparative Study**: a study in which a participant is randomly assigned to one of two or more different treatment groups for purposes of comparing the effects of the treatments.

2. **Job Satisfaction**: A feeling of fulfillment or enjoyment that a person derives from its job

3. **Employees**: A Person who is hired to provide services to a bank on a regular basis in exchange for compensation and who does not provide these services as part of an independent business

4. **Public Banks**: Public Sector Banks are the banks whose complete or maximum ownership lies with the government.

5. **Private Banks**: Private Sector Banks refers to the banks whose majority of stake is held by the individuals and corporation

6. **With Reference to Pune City**: Pune is the second largest city in the Indian state of Maharashtra. It is one of the most dynamic cities in the country having large number of financial and educational institutions like banks.
1.7:7 **Criteria for Selection of Sample:** Top five banks which has at least 5-year existence in Pune city. Top five banks from public and new private banks list given by KPMG and Green world investor.3

**Table 1.4: Banks included in the Sample**

<table>
<thead>
<tr>
<th>Sr.no</th>
<th>Public</th>
<th>Private</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The state bank of India</td>
<td>Axis bank</td>
</tr>
<tr>
<td>2.</td>
<td>Bank of Baroda</td>
<td>HDFC bank</td>
</tr>
<tr>
<td>3.</td>
<td>Punjab national bank</td>
<td>ICICI</td>
</tr>
<tr>
<td>4.</td>
<td>IDBI bank</td>
<td>Yes</td>
</tr>
<tr>
<td>5.</td>
<td>Bank of India</td>
<td>Kotak Mahindra</td>
</tr>
</tbody>
</table>

1.7:9 **Sampling Technique:**

Stratified, Convenience sampling

1.7:10 **Pilot Study:**

Questionnaire was designed by researcher and then gave to experts for getting their point of view about questionnaire. It was redefined after experts suggestions. In order to do pilot testing researcher used convenience sampling for pilot study. 38 employees and 12 managers were selected from each bank. Statistically the validity and reliability of questionnaire was checked which was above 0.9. But during the testing of reliability some items were added in questionnaire which will help for further factor analysis in research.

1.7:11 **Methods of Data Collection:**

1. **Source of data:** Primary Data: primary data was collected for the study with the help of following methods:

   1. **Survey Method:** Two questionnaires were made for survey one for managers and one for clerical employees. This method was employed to collect primary data from clerical and Managerial staff (up to line managers only) of the selected banks.

   2. **Interviews:** selected clerical and managerial staff members were interviewed to get in depth information and know more about the satisfaction level of employees in bank.

   3. **Secondary Data:** Secondary data was collected through different books, magazines,

3) (BT-KPMG(Business today),http://www.greenworldinvestor.com/2011/03/08/list-of-top-ten-banks-in-india-each-a-good-investment-for-different-reasons/)
articles from newspapers, journals, as well as websites for to formulate the conceptual framework the secondary data was collected from following resources


2. **Journals**- Journal on OB, General management, Bank Quest etc. 3. **E-Journals**- Journal of social management, research paper available on EBSCO.PROQUEST, J-gate journals.

4. **Website**- RBI, Axis bank, HDFC bank, Yes bank, SBI, IDBI, Punjab National, bank of baroda, citehr etc.

5. **Publications**- information was collected through news articles from Times of India., Financial express etc.

The researcher visited NIBM, Jaykar library from Pune University. British library etc.,

**Table 1.5: Reliability of Questionnaire:**

<table>
<thead>
<tr>
<th>Construct</th>
<th>No of Items</th>
<th>Chronback Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work culture</td>
<td>5</td>
<td>0.717</td>
</tr>
<tr>
<td>Pay</td>
<td>5</td>
<td>0.902</td>
</tr>
<tr>
<td>Security</td>
<td>5</td>
<td>0.798</td>
</tr>
<tr>
<td>Career Advancement and Opportunity</td>
<td>5</td>
<td>0.755</td>
</tr>
</tbody>
</table>

Values above 0.7 is reliable and valid

**1.7.12 Statistical Techniques used**

The collected primary data has been statistically processed, classified and tabulated using the appropriate methods. The computer software -IBM SPSS (Statistical Package for Social Science) has been used in the study. Two kinds of hypotheses are used in the study which are null and alternatives. The null hypothesis is used for testing.
The various scales are used for the study like nominal, ordinal (more specifically Likert scale).

1.7.12:1 PRESENTATION OF DATA:
For interpretation of data, graphs and simple bar diagrams have been used. For comparison and analytical study, tabular presentations has been used. Tables have been used for applying statistical tests like Manova, Descriptive statistics, Box’s test and Bartlett’s Test of sphericity have been used to study the association between the variables (Independent and Dependent). Pearson correlation test, Pillai’s Trace test has also been used for establishing hypotheses and achieving objectives of the research.

Result: P<0.005, Significant, null hypothesis rejected.

P>0.005 not Significant, null hypothesis accepted

1.7.12:2 Scaling Technique: Likert scale method

1.7:13 Period of the study:
Data collection was done during December 2012- December 2015.

1.8 LIMITATIONS OF THE STUDY
1. The Opinion of respondents may be biased or true information is not given because of fear of resultant consequences.
2. Majority of the respondents were hesitant to provide information in order to maintain confidentiality.
3. Bank employees were so busy in their schedule so hardly time for them to solve questionnaires.

1.9 CHAPTER SCHEME:

1.9:1 Introduction:
This chapter deals with the introduction, background of the study, problem statement, objectives, operational definitions, scope of the study, limitations.

1.9:2 Theoretical background
This chapter focuses on concept, definition, theories, models and need of job satisfaction, Indian banking, different policies of public and private sector bank.

1.9:3 Literature review
This chapter deals with literature available on banking sector, comparative difference, different variables of Job satisfaction in India as well as in outside the India

1.9:4 Research methodology:

The chapter includes research design and approach, setting of the study, description of the population, sample, and sampling technique, tool development, method of data collection and plan for data analysis.

1.9:5 Data analysis and Hypotheses Testing

This chapter explains the data analysis and observations related to different variables which are responsible for job satisfaction of employees in bank as well as managers from the bank. Also it deals with test used for hypotheses testing like Manova, Pearson correlation test etc.

1.9:6 Findings, conclusion and Recommendations

This chapter focuses on findings related to satisfaction of employees and managers related to their job satisfaction. Also it discuss about the suggestions given by researcher after analysis and conclusion of total thesis.