2.1: **Theoretical background of Job satisfaction**

**Introduction:** This chapter tried to explore meaning, definition, different variables and theories and models of job satisfaction. Which was an important issue to be addressed to get better results in to an organization

"**Happy people made a happy world".**

Human resource is the only resource which appreciates day by day. If we take other resources like machine, money, material this all are depreciated day by day. Employees who are highly satisfied with their jobs are more likely to stay for longer time in the same organization. Also remain less absent, they are more likely to engage in work as well as find more satisfaction with life also. A management’s basic job is the effective utilisation of human resources for the achievement of organizational objectives, profitable operations and growth through the satisfaction of certain needs of the consumers and society. It is during the joint efforts of human resources that technological, financial, physical and other resources are utilised so without the human efforts no organization can achieve its objectives therefore motivation and satisfaction of human resource is having importance in all over the world. For the success of any organization job satisfaction is of vital importance. The workforce who are satisfied are the biggest assets to an organization whereas the dissatisfied workers are the biggest liabilities. The organization cannot achieve its goals and targets unless its workforce who constitute the organization is satisfied with his job. Job satisfaction plays an important role for the happiness and prosperity of the individuals and organization who has employed them.

2.2 **History of Job satisfaction:** For the first time, in 1935, the concept of Job Satisfaction was came into limelight through the publication of monograph by "Hoppock". So ‘Hoppock’ was the first industrial psychologist who provide the concept of job satisfaction in his monograph. It was also said that actually root of job satisfaction studies was in the hawthorn studies which was carried out by Elton Mayo of the Harvard Business School During (1924 -1933). In Hawthorn studies he tried to find out the effects of various conditions of worker’s productivity. These studies ultimately showed that new changes in working conditions temporarily increases productivity. This finding provided

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1 Agnihotri,2012
2 Industrial Psychology by S.K. Shrivastava pg-12
strong evidence that people work for purposes other than pay, which tilled the way for researchers to investigate other factors in job satisfaction. Scientific management had a substantial influence on the study of job satisfaction. Principles of Scientific Management book (Taylor, 1911) was argued that there was a single best way to perform any given ask. This book contributed to a change in industrial production, philosophies, causing a shift from skilled labor and piecwork towards the more modern approach of assembly lines and hourly wages. Therefore, industries greatly increase productivity because workers were forced to work at a faster pace. But, workers became tired and discontented, so again researchers has to find answers regarding job satisfaction. Some believe that, Maslow's hierarchy of needs theory a motivation theory, laid the foundation for job satisfaction theory. This theory describes about that people find to content five specific needs in life. These are Physiological needs, safety needs, social needs, self-esteem needs, and self-actualization.

2.3: Definitions of Job satisfaction:

A job is defined as an employee's specific work and task activities in an organization. Job satisfaction or employee satisfaction has been defined in many different ways. According to Oxford dictionary, definition of job satisfaction is “A feeling of fulfilment or enjoyment that a person derives from their job”. 

Hoppock 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’. 

E. A. Locke quoted as, “Job Satisfaction is a pleasurable or positive emotional state from the appraisal of one’s job or experience.”

Keith Davis stated as, “Job satisfaction is a set of the favorable or unfavorable feelings with which employees view their work.”
Vroom said about job satisfaction as “Job satisfaction is generally considered to be an individual’s perceptual or emotional reaction to important parts of work.”

Bullock (1952) defined job satisfaction as “an attitude which results from balancing and summation of many specific likes and dislikes experienced in connection with the job.”

Blum and Naylor: It is general attitude which is the result of many specific job factors, individual characteristics and group relationships outside the job.

Sinha and Agarwal in 1971 is “Job satisfaction is a persistent affective state which has arisen in the individual as a function of the perceived characteristics of his job in relation to his frame of reference.”

Hulin and Judge (2003), "job satisfaction includes multidimensional psychological responses to an individual's job, and that these personal responses have cognitive (evaluative), affective (or emotional), and behavioral components."

2.4 Concept of job satisfaction:

Over years, employee's job satisfaction has been a key area of research among industrial and organizational psychologists. Job satisfaction is a set of favorable feelings or emotions which an employee develops towards his job. Job satisfaction is a collection of attitudes about specific factors of the job. A positive attitude towards one's job is called job satisfaction. Job satisfaction refers to the common attitude of workers on the road to their jobs. attitude of an employee on the road to his or her job is optimistic. There exists job satisfaction. Dissatisfaction exists when the attitude is negative. Job satisfaction is an emotional response to a job situation. As such it cannot be seen, it can only be inferred. Job satisfaction is frequently determined by how fine result meet or go beyond expectations. For instance, if organization participants feel that they are working much harder than others in the department but are receiving fewer rewards they will probably have a negative attitude towards the work. On the other hand, if they feel they are being treated very well and are being paid equitably, they are likely to have positive attitudes towards the job. Job satisfaction represents several related attitudes which are most important characteristics of a job about which people have effective response.

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11 Sinha & agarwal (1971), Job satisfaction and General adjustment of Indian white collar workers, Indian Journal of Industrial relations, 6, p357-367.
13 OB by Dr. P.C. Shejwalkar, Dr. Mohini Sukhapure, Dr. Uday Limay)
14 Organization behavior by K. Ashwatha pag-42
15 Job satisfaction by Pragyaa, Sharma, Sandeep)
There are significant motives why companies should be worried with employee job satisfaction, which can be classified according to the focus on the employee or the organization. First, the humanitarian perspective is that people deserve to be treated fairly and with respect. Job satisfaction is the reflection of a good treatment. It also can be considered as an indicator of emotional well-being or psychological health. Second, the utilitarian perspective is that job satisfaction can lead to behaviour by an employee that affects organizational functioning. Furthermore, job satisfaction can be a reflection of organizational functioning.

Some people like to work and they find working is an important part of their lives. Some people on the other hand find work unpleasant and they work only because they have to. Job satisfaction tells how much people like their jobs. Job satisfaction is the most studied field of organizational behaviour. It is significant to know the level of happiness at work for many reasons and the results of the job satisfaction studies affect both the workers and the organization. In the workers’ point of view, it is obvious that people like to be treated fairly. If workers feel valued and content at work it could be a replication of a good treatment. In the organization’s opinion job satisfaction can prime to better performance of the workers which upsets the result of the organization.

2.5 Determinants of Job Satisfaction:

According to Abraham A. Korman, two types of variables which regulate the job satisfaction. Following are the variables:

1. Organisational variables.
2. Personal Variables.

Organisational Variable:

1. Occupational Level:

The higher the level of the job, the greater is the satisfaction of the individual. This because advanced level jobs convey greater status and self-control.

2. Job Content:

If there is larger variation in job content then less monotony with which the tasks must be performed, then greater satisfaction of individual is involved.

3. Considerate Leadership:

If People treated with consideration they like this very much. Hence considerate leadership marks higher job satisfaction than inconsiderate leadership.

4. Pay and Promotional Opportunities: These are compared with others and then source of job satisfaction may come from
a) cognition that other person's attitudes are similar to one's own. Since this permits the ready calculability of the others performance and constitutes a justification of one's self.

b) It results in being accepted by others

c) It facilitates the achievements of goals.

5. Interaction in the work group:

**Personal Variables:**

Few people may be disappointing about their job regardless of the organisational condition tangled, whereas for some body the jobs may be satisfactory. Personal variables like age, educational level, sex, etc. are responsible for this difference.

1. Age:

Most of the authentication on the correlation between age and job satisfaction, holding such factors as occupational level steady, seems to indicate that there is normally a positive relationship between the two variables up to the pre-retirement years and then there is a quick decrease in satisfaction. A specific desire for better and more admired jobs in later years of his life. Discovering his channels for improvement blocked, his satisfaction failures.

2. Educational Level:

With job-related level it is believed that there is constant negative relationship between the educational smooth and job satisfaction.

When there is high education, the orientation group which the specific looks for guidance to evaluate his job rewards.

3. Role Perception:

Different individuals grasp different perceptions about their role, i.e. the kind of actions and behaviours they should engage in to execute their job successfully. Job satisfaction is determined by this factor also. The more accurate the role perception of an individual, get great satisfaction.

4. Sex:

No such reliable proof was there that women are happier than men with their jobs, holding such factors as job and occupational level constant. One might guess this to be the case, considering the main factor for low occupational aspiration of women.

Determination of job satisfaction are as follows:

i. General Working Conditions.

ii. Grievance handling procedure.

iii. Fair evaluation of work done.
iv. Job security.

v. Company prestige.

vi. Working hours etc.

2.6: **Factors responsible for job satisfaction:**

Most us want a job which will give us satisfaction following are some factors which are responsible for job satisfaction of employees. The list includes

- security,
- Autonomy and independence
- relationship with immediate supervisor,
- benefits,
- communication between employees and senior management,
- Career advancement Opportunities
- Career Development Opportunities
- Contribution of work to organization Business goals
- Feeling safe in the work environment
- Flexibility to balance life and work issues
- Job specific training
- management recognition of employee job performance
- Meaningfulness of job
- networking
- Opportunities to use skills and abilities,
- Organization's commitment to professional development
- overall corporate culture
- Relationship with co-workers
- Relationship with immediate supervisor
- The work itself
- The variety of work

2.7: **Factors responsible for Dissatisfaction of employees**

- Workplace Environment
- Overwork
- Level of Pay
- Lack of Promotion
- Lack of Recognition
- Issues with Management

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[16] OB by Stephen Robbins ,Timothy Judge , NeharikaOhra ,Pearson publication Page no 93)
Job Rotation  
Job Transfer  
Conflict with Co-workers

2.8: Sources Of Job satisfaction:

The sources of job satisfaction and dissatisfaction vary from person to person. Following table lists work factors which are often related to levels of job satisfaction.

Effects of various work factors on Job satisfaction

**Table 2.1: Work Factors related to Job satisfaction:**

<table>
<thead>
<tr>
<th>Sr.no.</th>
<th>Work factors</th>
<th>Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Work itself</td>
<td>Mentally challenging work that the individual can successfully accomplish is satisfying.</td>
</tr>
<tr>
<td></td>
<td>a) challenge</td>
<td>Tiring work is dissatisfying</td>
</tr>
<tr>
<td></td>
<td>b) Physical demand</td>
<td>Personally interesting work is satisfying.</td>
</tr>
<tr>
<td></td>
<td>c) Personal interest</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Reward structure</td>
<td>Rewards that are equitable and that provide accurate feedback or performance are satisfying</td>
</tr>
<tr>
<td>3.</td>
<td>Working conditions</td>
<td>Satisfaction depends on the match between working conditions and Physical needs</td>
</tr>
<tr>
<td></td>
<td>a. Physical</td>
<td>Working conditions that promote goal attainment are satisfying.</td>
</tr>
<tr>
<td></td>
<td>b. Goal Attainment</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Self</td>
<td>High self-esteem is conducive to job satisfaction.</td>
</tr>
<tr>
<td></td>
<td>Others in the organization</td>
<td>Individuals will be satisfied with supervisor, co-worker, and subordinates who help them attain rewards. Also Individuals will be more satisfied with colleagues who see the things the same way as they do</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>Organization and management</td>
<td>Individuals will be satisfied with organizations that have policies and procedures design to help them attain rewards Individuals will be dissatisfied Conflicting roles and or ambiguous roles imposed by the organization</td>
</tr>
<tr>
<td></td>
<td>Fringe benefits</td>
<td>Benefits do not show a strong influence on job satisfaction for most workers.</td>
</tr>
</tbody>
</table>

**2.9: Ways of measuring Job satisfaction:**

There are different ways of calculating job satisfaction. The regular ways of quantity include Rating scales, Critical incidents, interviews and action tendencies. Action is the use of rating scales. These scales fall into two categories. These are tailor made scales which are constructed for particularly setting of a project. The second set comprises standardised scales which, before their use, have been developed to establish group norms on the scales and to ensure reliability and validity of the measuring instruments. It is tailor made which have frequently use in Practice.

**Job Description Index (Smith, Kendal & Hulin)**

Smith, Kendal, and Hulin developed this most popular standardised scale. The Job description index have special scales for satisfaction which includes payment, supervision, promotion, work and co-workers. It has been used with a large scale diversity of employee samples and norms are suggested for employees according to their
age, sex, education, income and type of community. Job Description Index has been widely used by performance researchers over the years.

**Critical Incidents:** Herzberg has developed this approach and his friends in their research on two factor theory of motivation. Employees were asked to explain particularly incidents which made them satisfied or dissatisfied to their job. These incidents were then happy analysed in shaping which aspects were closely associated positive and negative attitudes.  

- **Minnesota satisfaction questionnaire (Weiss, Davis & England, 1967)**

  The MSQ measures internal satisfaction, extrinsic satisfaction and common satisfaction as the calculation of the two. Fundamental satisfaction includes achievement, independence, security and variety. Pay, promotion, policies, supervision, co-workers and working conditions are included in Extrinsic satisfaction.

- **Job Satisfaction Survey (Spector 1985)**

  Job satisfaction survey was developed by Spector (1985), which measures 9 facets of satisfaction counting: Traditional nature of work, supervision, co-workers, promotion, pay, benefits, conditional rewards, operating procedures and communication. Total satisfaction was assessed as the mean of the 9 facets.

### 2.10 Theories of job satisfaction:

Some people like their jobs and others dislike their job. This has been illuminated by various people through different theories

- **Affect theory**

  The Range of Affect Theory was put forth by Edwin A Locke in 1976. This is one of the most popular job satisfaction models. The main hypothesis that this theory states is that satisfaction is determined by a discrepancy between what one wants in a job and what one has in a job. It also states that how much one values a given area or process of work decides the degree of satisfaction and dissatisfaction.

- **Dispositional theory**

  Another job satisfaction theory which is accepted is the Dispositional Theory. This theory suggests that people have certain characteristic temperament. These temperaments result
in a certain level of satisfaction, regardless of the nature of one’s work. This approach provided evidence that job satisfaction tends to be stable over time and across careers and jobs.

- **Opponent process theory**
  The Opponent Process theory states that emotional events taking place cause two different sets of processes. The Primary process results in emotions that confirm with the event. Negative events give rise to the feelings of stress. On the other hand, Positive events result in feeling of content. On the other hand, the Opponent process gives rise feelings that contradict the feelings in the primary processes. Events that are negative give rise to feelings of relaxation while events that are positive give rise to feelings of anxiety. A diversity of explanations have been suggested to clarify the uniformity of mood or satisfaction. This theory shows that if you try to enhance the mood of individual it will more likely fail in doing so. The opponent process theory was formulated to explain these patterns of observations.

- **Equity theory**
  Equity Theory shows how a person views fairness in regard to social relationships. During a social exchange, a person identifies the amount of input gained from a relationship compared to the output, as well as how much effort another person’s puts forth. Equity Theory recommends that if a singular reflects there is an variation between two social groups or individuals, the person is probable to be distressed because the ratio between the input and the output are not equal. For example, consider two employees who work the same job and receive the same benefits. If one individual gets a pay raise for doing the same or less work than the other, then the less benefited individual will become distressed in his workplace. If, on the other hand, one individual gets a pay raise and new responsibilities, then the feeling of inequality is reduced.

- **Discrepancy theory**
  The idea of discrepancy theory explains the final source of nervousness and dejection. An individual, who has not fulfilled his duty feels the sense of anxiety and regret for not performing well, they will also feel dejection due to not being able to achieve their hopes and aspirations. In this theory, all persons will study what their duties and responsibilities for a particular function, over a time period, and if they fail to fulfil those obligations then
they are punished. Over time, these duties and obligations consolidate to form an abstracted set of principles, designated as a self-guide. Agitation and anxiety are the main responses when an individual fails to achieve the obligation or responsibility. This theory also explains that if achievement of the obligations is obtained then the reward can be praise, approval, or love. These achievements and aspirations also form an abstracted set of principles, referred to as the ideal self-guide. When the individual fails to obtain these rewards, they begin to have feelings of dejection, disappointment, or even depression.

- **Herzberg's Motivation - Hygiene Theory:**

  This theory was projected by Herzberg & his assistants in 1969. On the base of his study of 200 engineers and accountants of the Pittsburgh area in the USA, he conventional that there are two separate sets of setting which are accountable for the motivation & discontent of workers. When one position of conditions (called 'motivator') is there in the organisation, workers experience motivated but its absence does not dissatisfy them. Similarly, when another set of conditions (called hygiene factors) is not present in the organisation, the workers experience dissatisfied but its presence does not motivate them. The two sets are unidirectional, that is, their effect can be seen in one direction only. According to Herzberg following factors acts as motivators; Achievement, Recognition, Advancement, Work itself, Possibility of growth & responsibility. Hygiene factors are: Company policy & administration, Technical supervision, Inter-personal relations with supervisors, peers & Subordinates, Salary. Job security, Personal life, Working Conditions, & Status.

  Herzberg used semi-structured interviews (the method is called critical incident method). In this system subjects were asked to explain those events on the job which had ended them extremely satisfied or dissatisfied. Herzberg move tenderness from the environment. Henceforth, they known as job - atmosphere or job - situation factors. Motivators are aspects which value in psychological growth. They are mostly job - centered. so they are also known as job - content factors.

  This theory hypothesized that motivators and hygiene aspects are independent & lack of one does not mean presence of the other.

- **Need Fulfilment Theory:**

  Under the need-fulfilment theory it is believed that a person is satisfied if he gets
what he or she wants & when wants are increasing and still fulfilling then it becomes very important for him but He became dissatisfied when he does not fulfil. Needs may be differ like need for personal achievement, social achievement & for influence.

a) **Need for Personal Achievement:**

The needs which are specially for your personal career development, improvement in one's own life standards, better education & prospects for children & wish for getting better his own work performance.

b) **Need for Social Achievement:**

A constrain for some kind of collective success is a matter of some standards of excellence. It is indexed in terms of needs to increase overall productivity, increased national prosperity, better life society & safety for everyone.

c) **Need for Influence:**

Everyone likes to influence other people & surroundings around them. In the works situation, authority status & being valuable is reflected in initiative taking and involvement in the direction of decision making.

To summarise, this theory tells us that job satisfaction is a get-together of, or is positively related to the amount to which one's personal & social needs are fulfilled.

**Social References - Group Theory:**

It describes the indicate of view & opinions of the group to whom the individual looks for the direction. These groups are defined as the 'reference-group' for the entity in that they be familiar with the way in which he or she should appear at the world and calculate different phenomena in the environment (including himself/herself). It would be predicted, by this theory that if a job meet the curiosity, needs and requirements of a person's orientation group, then the job will liked by him or her. and if it does not, they don’t like the job.

**2.11Models of job satisfaction:**

Everybody understands that some turnover is valuable to the organization. And some turnover is terrible for the organization. For benefit of organization some turnover is necessary, otherwise organizations would stand motionless. So, the fundamental reason for employees leave organizations is dissatisfaction of employee. Their dissatisfaction could occur on many levels. most of the available research on turnover indicates that
money is not the central reason. Employees leave for other reasons such as career growth and development, or a change in life situation, or factors.

From the following illustration reasons for dissatisfaction in terms of push factors (things that make employees more dissatisfied) and pull factors (things that make employees more satisfied) can be cleared.

**Figure 2.1**

![Job Satisfaction Model for retention](https://talentedapps.wordpress.com/2008/04/11/job-satisfaction-model-for-retention/)

**Job characteristics model**

Hackman & Oldham projected the Job Characteristics Model, normally used as an arrangement to study how particular job characteristics strength on job outcomes, including job satisfaction. The model clarifies about five essential job characteristics (skill variety, task identity, task significance, autonomy, and feedback) which crash three critical psychological states (experienced meaningfulness, experienced responsibility for outcomes, and knowledge of the actual results), in roll influencing work outcomes (job satisfaction, absenteeism, work motivation, etc.). The five essential job characteristics can be combined to form a motivating Potential score, which can be used as a guide of how probably a job is to affect an employee's attitudes and behaviours. A meta-analysis of studies that determine the framework of the model provides few hold for the validity.

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(*Posted by Justin Field on April 11, 2008*)
Motivating Potential Score

Motivating Potential Score is an included tool used to review the capacity of a job to encourage by work evaluators. MPS model was put together up to reflect the psychological state of worker, motivational distinctiveness of the work, and personal attributes that pressure response to challenging and composite jobs (Hackman & Oldham, 1975). The tool is helpful in informing managers relating to employee routine motivation and the need for work revamp. Job redesign is accepted term in management research and is generally applied in humanizing motivation and competence of workers. Therefore, this mathematical table that measures five features of motivation i.e. variety, identity, significance, feedback and autonomy dimensions of the job.

\[
\text{MPS} = \frac{\text{skill variety} + \text{task identity} + \text{task significance}}{3} \times \text{autonomy} \times \text{feedback}.
\]

The Facet model: Focuses mainly on work situation factors by breaking a job into its element or job facets and observing how workers are satisfied with each facet.

2.12: Effects of Job satisfaction on employee performance:

Three parameters 1) productivity 2) Absenteeism 3) Employee turnover are the indices to measure the level of job satisfaction.

Productivity

1. Satisfaction performance relationship
2. Satisfaction causes through productivity relationships

When organizations were considered as a whole, it was found that organizations with employees more satisfied with job tend to be more efficient than the organization with less satisfied employees. Satisfy employee put in for higher productivity. Also there is thought that, all happy workers are may not be necessarily productive. But happy organizations are always more fruitful.

Absenteeism:

Dissatisfied employees may reside away from to go to the work. For organizations it was difficult to afford such situations as it would bother the soft flow of organization work. Absenteeism can basis for larger harm by causing close up down of production
facility. Mostly reasons for absenteeism may be illness, work lethargy, stress and strain.
Lack of focus on job may cause wastage of inputs, a massive waste compared to less output for not doing the work. Apart from material loss it may even cause accidents where the penalty would be frightening.

**Employee Turnover:** It is the compulsory lasting separation or removal from the organization. Organization acquire cost to recruit, select and train employees to make sure ‘Right man is in the right job'. "Turnover rate" is relative compared between organization, but it cannot be totally removed. Organizations are more fear about knowledgeable employees in vital positions rather than average employees.
When organization have to sort exit of people whom they cannot afford to loose, it requires instant attention.

**2.13 Factors That influence Job satisfaction:**
Three groups of factors persuade employee job satisfaction
A. Organizational
B. Group
C. Individual.

**A. Organizational Factors**
There are five most significant factors which causes job satisfaction among employees.
- Employee Wages
- Promotion Prospects
- Nature of work
- working conditions
- Organization Policies.

a) **Wages:** A wage and compensation bargain from employees perceptions might considered from the sight that a) Job content and prerequisite b) skill and talent level c) wage fairness when it compared to other organizations

b) **Promotion prospects:** In government organizations support may be considered as an significant achievement. Promotions may be related to a) change in job content b) Higher pay c) responsibility d) status e) more powerful positions. All these constructive changes effect in job satisfaction. advantage base promotions
result in better satisfaction than time leap promotions.

c) **Nature of work:** Skills and abilities are required for challenging jobs of superior level and excellence which provide more satisfaction. Sufficient freedom to accomplish and appropriate feedback on outcome, contribute to better performance. But rarely nature of job was very hard, which causes disturbance and job avoidance.

d) **Working conditions:** sufficient ventilation, cleanliness of work place, amenities that contribute to physical comfort, lead to better employee performance and job satisfaction.

e) **Organization Policies:** policies pertaining to wage, promotion, transfers, assignments, welfare, work recognition, growth expansion of organization, industrial relations are a major considerations and causal factors of job satisfaction.

B. **Group factors;**

a) **Size of the group:** Groups are formed to bring out specific or certain issue, critical production or administrative problems that need to be solved. The size of the group matters because large group fall out of definition of "effective groups". Small group provides 1) almost equal opportunity to participation and recognition. 2) more understanding 3) very few chance for conflicts. 4) no chance of group within group. Employee earn satisfaction when they are members of small group because of management recognition.

b) **supervision:**

1. competent and unbiased

2. Organizational interests must be always above personal or group interests.

3. Quality of treatment exhibit decency and morality.

4. Effective interface and interpersonal skills

5. Easy convenience and openness to problem, Discussion and acceptance/consideration of employee suggestions such intellectual and productive supervisions contribute to employee job satisfaction.

C. **Individual Factors**

1. **Job satisfaction is relative to some personal variable:**
a) For some employees “Self-esteem "is an important factor. The ability to stand the job stress, the basic behaviour pattern influences job satisfaction.
b) The status of the organization: higher the position more the job satisfaction.
c) Right job for the right qualification
d) Extraneous factors
e) Some employees derive happiness in life elsewhere and not relate it to their jobs. Good back ground, property holdings, good political support or a self-sufficient happy family are some of the extraneous reasons that keeps the individual satisfied and happy.

2.13 Contribution of Job satisfaction to organization.
Employee satisfaction has multiple advantages to the organization.
- Forming positive attitude is an imp advantage.
- The individual’s requirements is to improve performance and productivity problem to be understood.
- Management at every level can assess training needs of the employees.
- The efficiencies of organizational policies to be verified and improved.
- Employee recognition and employee policies checked for their effectiveness.¹⁹

2.14 Benefits from the study of Job satisfaction:
Management always needed information about job satisfaction in order to make sound decisions both for preventing and solving employee’s problems. Surveys can produce positive, neutral or negative results. Properly planned and administered, they will generally produce number of valuable benefits and create an excellent organizational climate and healthy society.

2.14 Benefits of study are:
1. General job satisfaction: Surveys clear the feeling of employee about their job. Survey tells about which departments will be suffered. It is great diagnostic instrument for assessing employee’s problems. Management got an hint for general level of

¹⁹OB ,Dr.P.s. Kumar , Dr.Anukratisharma,K.shrinivasa Krishna  pages72-75
satisfaction and dissatisfaction of particular groups.

2. Improved Attitude: For some the survey is a safety valve, an emotional release or a chance to acquire things off their chests. For others the survey is a substantial expression of management’s attention in employee welfare, which gives employees a reason to feel better towards management.

3. Communication: Employee satisfaction survey bring valuable communication, as statement flow in all directions as people plan the survey, take it and look at the results. Upward communication is particularly productive when employees are positive to comment about what is in their mind instead of simply answering questions about what's in management's psyche.

4. Training Needs: Surveys are useful way to determine certain training needs of employees.

5. Unions: will also get proper in turn about employee’s desires and wants from surveys.

6. Planning and Monitoring changes: Advance surveys are helpful for identifying problems that may occur comparing the reply to several alternatives and cheering managers to modify their unique plans. Follow up survey permit management to assess the actual response for to change and study its success or failure.20

2.15 Conclusion:
Job is an important part of life hence job satisfaction influences one's general life satisfaction. So this chapter was dealt with meaning, definition, different variables of job satisfaction, theories and models which gave benefits of study of job satisfaction. Satisfied behaviour is positive sign for progress or the achievement of its organizational goal. Though meaning of job satisfaction is differs from person to person still in general job satisfaction is an employee's positive response toward the various aspects of job.

2.2 Public and private sector of banking
Previous section dealt with job satisfaction of employees in bank. In this chapter researcher focuses on banking sector, evolution of banking different practices of public and private sector banks.

20 ibid, Pp.146-148
2.2.1 Introduction:

A bank is an institution of money and credit. Thus bank is an intermediary, which handles other people's money both for their advantage and to its own profit. The development of banking is evolutionary in nature. There is no single answer to the question of what is banking? Because a, bank performs a multitude of functions and services which cannot be comprehended into a single definition. For a common man, a bank means a storehouse of money, for the businessman it is an institution of finance and for a worker it may be a depository for his savings. The Oxford Dictionary defines a bank as ‘An establishment for the custody of money which it pays out on a customer’s order’. But this definition is not enough because it considers the deposit accepting and repayment functions only. The meaning of the bank can be understood only by its fruits. As any other subject it has its own origin, growth and development so we will see evolution of banking.  

2.2.2 Evolution of banking:

The word “bank” is said to be of German origin. In German word “Banck” which means, heap or mound or joint stock fund. It is similar to French word 'banque' and Italian word banca both meaning bench. The word bank might have derived its meaning from the practice of Jewish money changers of Lombardy, a district in North Italy, who in the Middle ages used to do the business, sitting on the benches in the market place. If banker failed, his banque(bench)was broken up by the people, hence the word’bankrupt ‘has come. In simple term bankrupt means a person who has lost all his money, wealth or financial resources.

Thus, the origin of the word bank can be traced as follows.

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21 Banking Law and practice ) by S. chand publication by K.P.Kandasami,S.Natarajan ,R.Parameswaran
22 Management of Banks by P.K.Khanna ,Himalaya publishing pg no 4-9
In today's era banking has become our day-to-day life. We need service of a bank for various personal and business needs. In fact, banks are economic backbone of the country.

Bank—English (common meaning prevalent today, that is as an institution accepting money as deposit for lending).

In India, the Banking Regulation Act 1949, under which banks are regulated by the Reserve Bank of India, defines ‘banking as an activity of accepting of deposit which shall be repayable on demand from the depositor’ The origin of modern banks is traced to three important sources 1) goldsmith 2) the money lenders 3) The merchant bankers. Banking made its first appearance as a public enterprise in the year 1157 in Italy with the establishment of ‘Bank of Venice’. The bank of Barcelona was started in 1401, the bank of Genoa in 1407 and the ‘Bank of Amsterdam’ in 1609. The Lombard’s who migrated to Europe and England from Italy were responsible for the development of modern banking.

To understand the history of modern banking in India, ‘English Agency Houses established by the East India Company has laid the foundations for modern banking in 19th century with the establishment of the following three banks.

1. Bank of Bengal in 1809
2. Bank of Bombay in 1840
3. Bank of Madras in 1843

These banks are also known as ‘Presidency Banks’. Further on the basis of recommendations of the ‘Banking Enquiry Committee’, The Reserve bank of India act was passed in 1934 accordingly, the Reserve bank India act was constituted in 1935. After independence, there was a general attitude towards its nationalization Thus, the Reserve bank of India (Transferred to public ownership) Act was passed in 1948. Accordingly, the entire Share Capital of the bank acquired by the Central Government from the private shareholders against compensation and it was nationalised on January 1, 1949.

Indian banking System: Banking Sector in India

India is the 9th largest economy by nominal growth in the world with the major contribution of service sector Service sector plays important role for the development of any country as world economy is moving more towards the service sector. Indian economy is no exception to this. As banking is the largest service sector in India.

Reserve bank of India, the Central bank of country controls Indian banking industry. Banking in India can be classified into commercial banks, foreign banks, cooperative bank, regional rural banks, development banks, financial institution and non-banking finance companies. Depending on the ownership pattern, commercial banks can be classified into

a) Public sector
b) Private sector
c) Foreign banks
d) Regional rural banks
e) Banks in co-operative sector.

2.2.3 Banking Sector in India:

After 1969, commercial banks are broadly classified into public sector banks and private sector banks. The State Bank of India and its associate banks along with another 19 banks are public sector banks. (Total 26) The private sector banks include a small number of Indian scheduled banks, (31 Private banks) which have not been nationalized and branches of foreign exchange banks. After 1991, the banking scenario has been

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23 employee retention policies of public and private sector banks in India: A comparative study by Shalini shukla, Integral Review – A journal of management Vol.7 no2, December 2014
changed completely. The impact of globalization and privatization has affected work culture of both, public sector and private sector banks. These are witnessing a fundamental shift in working attitude and work style due to open economy and increased competition.

**Figure 2.2.1: Banking structure**

Types of banks: Commercial banks operating in India can be categorized into two broad categorizes, Public sector and Private sector.

**2.2.4 Public sector banks:**

**Definition of Public banks.**

The term public sector banks are used commonly in India. This refers to banks that have their shares listed in the stock exchanges NSE and BSE and the government of India holds majority stake in these banks. They can also be termed as government owned banks.

Prior to 19th July 1969, other than the state bank of India and its subsidiaries (associated banks) all banks in India were in Private sector. On 19th July 1969, Government of India
passed "The banking companies (Acquisition and Transfer of Undertakings) Act" and nationalised (14) fourteen commercial banks operating in the private sector having a total business of not less that rupees Fifty crore. During 1980 six (6) more banks operating in the private sector (with total demand and time liabilities of not less than Rupees two hundred crore.) were nationalized in terms of "The banking companies (Acquisition and Transfer of Undertakings) Act". 1980 Thus the nationalized bank rose to (20). In terms of 'The New bank of India (Amalgamation and Transfer of Undertakings)scheme 1993 ', The new bank of India was merged with Punjab national bank on 4th September 1993. Thus the number of nationalized banks reduced to nineteen (19). On 2nd April 2005 IDBI bank Ltd, became IDBI Ltd, and joined the list of Public sector banks. Thus including State bank of India and its subsidiary there are (26) Public sector banks in India. Out of 7 subsidiaries of SBI, State bank of Saurashtra and State Bank of Indore were merged with SBI.

"Narasimham Committee II" in its report (submitted on 23.4.1988) recommended that the Govt. holding in banks should reduce to 33%. The Government should not disinvest its capital. The capital should be increased by market subscription to bring down the government holdings to 33%. The disinvestment policy of the government enabled banks to raise its capital by issue of shares to Public. Till 1994, the entire paid up capital of these 19 banks were held by the central government. The banking companies (Acquisition and Transfer of Undertakings) Act’ 1994, enabled banks to raise capital from the market by way of public issue of shares for meeting their extra capital requirements. However, banks were concentrating to ensure that the shareholding of the central government does not become less than fifty-one percent of the paid up capital of each corresponding new bank (Nationalized bank).

**State bank of India and its Subsidiaries:**

State bank of India and its Subsidiaries (numbering five) are part of Public sector banks. The bank is governed by the provisions of State bank of India Act, 1955 and State bank of India (General) Regulations, 1955. In terms of the State bank of India Act, 1955, business of Imperial Bank of India was transferred to State bank of India in 1955, after paying rupees one thousand seven hundred and sixty-five rupees and ten annas per share for a fully paid up share and four Hundred and thirty-one rupees, twelve annas and four
paise.
For current study, researcher has taken five banks, which were top five in 2011-12 year these were ,1. State bank of India 2. Bank of Baroda3) Punjab National bank 4) Bank of India 5) IDBI.

State bank of India and their associates: with a 200-year history, is the largest commercial bank in India in terms of assets, deposits, profits, branches, customers and employees.
The origins of State Bank of India time back to 1806 when the Bank of Calcutta (later called the Bank of Bengal) was established. In 1921, the Bank of Bengal and two other banks (Bank of Madras and Bank of Bombay) were amalgamated to form the Imperial Bank of India. In 1955, the Reserve Bank of India acquired the controlling interests of the Imperial Bank of India and SBI was created by an act of Parliament to succeed the Imperial Bank of India.

The SBI group consists of SBI and five associate banks. The group has an extensive network, with over 22000 plus branches in India and over 190 offices in 38 other countries across the world. As of 31st March 2016, the group had assets worth over USD 500 billion and capital & reserves in excess of USD 25 billion. The SBI has over 1/5th market share of the Indian banking sector.
Status of SBI Subsidiaries: It was in 1959 that government passed State Bank of India (Subsidiary Banks) Act and made certain princely state level Banks as associates of SBI. The seven banks that became the associate banks originally belonged to princely states until the government took over them between 1959 and May 1960. This was done to expand the base of SBI into rural areas. These seven subsidiaries continued till 2008, when the process of consolidation of SBI began with the merger of subsidiaries. State Bank of Saurashtra merged with SBI in 2008 and State Bank of Indore merged in 2010. Thus, at the end of 2012, there are 5 State bank subsidiaries.

- State Bank of India (SBI)
- Subsidiaries / Associates of SBI:
  - State Bank of Bikaner & Jaipur
  - State Bank of Hyderabad
  - State Bank of Mysore
- State Bank of Patiala
- State Bank of Travancore

Industrial Development Bank of India (IDBI) was established on 1st July, 1964 as a Development Financial Institutions under IDBI Act 1964. It was regarded as a Public Financial Institution in terms of Companies Act. It continued as DFI till 2004, when it was transferred into a Bank. To convert this into Bank, Industrial Development Bank (Transfer of Undertaking and Repeal) Act 2003 was passed. In terms of provisions, a new company under the name of Industrial Development Bank of India Ltd. was incorporated as a Government company under the Companies Act on 27th September, 2004, and thus now it came to be known as IDBI Ltd w.e.f. 1st October 2004, but it also worked as a Bank (in addition to the role of Financial Institutions) in terms of the Repeal Act. w.e.f. from 2nd April, 2005, IDBI Bank Ltd. (a wholly owned subsidiary of IDBI Ltd.) was finally amalgamated with IDBI Ltd. in terms of the provisions of Section 44A of the BR Act 1949. Thus, now it was known as IDBI Ltd. In order that the name of the Bank justly reflects the functions it is carrying on, it was decided to change the name to "IDBI Bank Limited" and it became effective from 7th May, 2008. Thus, now it is functioning as " IDBI Bank Limited". As it was already a government company since its inception, it will be wrong to call it nationalized bank, but it certainly is a Public Sector Bank as Government of India has above 70% shareholding in this Bank.

Bank of India: It was founded on 7th sep 1906 by a group of eminent businessman from Mumbai. The bank was under private ownership and control till July 1969 after Nationalization it was also became a public bank.

Bank of Baroda: On 20th July 1908, Bank of Baroda was established under the rules of companies act 1897, in a small building at Baroda by the Maharaja of Baroda with a paid up capital of rs.10 lakhs The guidelines set up by the Maharaja for the bank was to serve the people of the state of Baroda as well as the neighboring regions with many lending, saving transmission and encouraging the development of Arts, Science, commerce and trade for the people.

Punjab National Bank.: Punjab National Bank, India’s first Swadeshi Bank, commenced its operations on April 12, 1895 from Lahore, with an authorized capital of Rs 2 lac and working capital of Rs 20,000. The far-sighted visionaries and patriots like
Lala Lajpat Rai, Mr. E C Jessawala, Babu Kali Prasono Roy, Lala Harkishan Lal and Sardar Dyal Singh Majithia displayed courage in giving expression to the spirit of nationalism by establishing the first bank purely managed by the Indians with Indian Capital. During the long history of over 122 years of the Bank, 7 banks have merged with PNB and it has become stronger and stronger with a network of 6937 Domestic branches and 10681 ATMs as on 31st March 2010.

2.2.5 Definition of 'Private Banking'

Private sector banks are those banks in which majority of stake are hold by private individuals and not by the government. Personalized financial and banking services that are traditionally offered to a bank's rich, high net worth individuals (HNWIs). For wealth management purposes, HNWIs have accrued far more wealth than the average person has, and therefore have the means to access a larger variety of conventional and alternative investments. Private Banks aim to match such individuals with the most appropriate options.

In addition to providing exclusive investment-related advice, private banking goes beyond managing investments to address a client's entire financial situation. Services include protecting and growing assets in the present, providing specialized financing solutions, planning retirement and passing wealth on to future generations.

While an individual may be able to conduct some private banking with $50,000 or less in investable assets, some exclusive private banks only accept clients with at least $500,000 worth of investable assets. The rationale is that such high levels of wealth allow these individuals to participate in alternative investments such as hedge funds and real estate. Furthermore, this level of wealth often prevents liquidity problems.

Banks considered for the study are

1. HDFC
2. Axis
3. ICICI bank
4. Kotak Mahindra bank
5. Yes bank

HDFC: Housing Development Finance Corporation Limited, more popularly known as HDFC bank Ltd, It was established in the year 1994. It was one of the first bank to
receive an ‘In principle’ approval from RBI. The bank commenced operations as a Scheduled Commercial bank in January 1995. Headquarter in Mumbai, HDFC bank, has a network of over 531 branches spread over 228 cities across India. All branches are linked on an online real-time basis. Customers in over 120 locations through telephone banking.

**ICICI bank:**
1955, The Industrial Credit and Investment Corporation of India Limited (ICICI) was incorporated at the initiative of word bank, the government of India and representative of Indian industry with the objectives of creating a development financial institution for providing medium term and long term project financing to Indian business. In 1994 ICICI established banking corporation as a banking subsidiary formerly Industrial Credit and Investment Corporation of India. later it was renamed as ‘ICICI bank Limited’.

**Kotak Mahindra Bank:** Kotak Mahindra bank is one of India’s leading financial private banking institution. It was established under the brand of Kotak Mahindra finance ltd in 1984, RBI was given license to carry on with banking business in Feb 2003. It was the first company in Indian history which was converted from a private financial institution to a bank.

**Axis bank (UTI)**
Axis bank was formed as UTI when it was incorporated in 1994 when government allowed private players in the banking sector. The bank was sponsored together by Unit trust of India, life insurance corporation of India (LIC) and General insurance corporations ltd and its subsidiary. On July 30, 2007 onwards The UTI bank was named as Axis bank.

**Yes bank:** India’s fourth largest private sector Bank, is an outcome of the professional entrepreneurship of its Founder Rana Kapoor and his highly competent top management team, to establish a high quality, customer centric, service driven, bank catering to the “Sunrise Sector of India”. YES BANK is the only Greenfield Bank license awarded by the RBI in the last two decades, associated with the finest pedigree investors. YES BANK, a ”Full Service Commercial Bank”, has steadily built a Corporate, Retail & SME Banking franchise, with a comprehensive product suite of Financial Markets, Investment Banking, Branch Banking, Business and transaction banking, and Wealth
Management business lines across the country.\textsuperscript{24}

There are pros and cons to working in the private sector as well as the public sector. Public sector brings with job security, power, and a lot of perks. However, on the contrary, there is slower growth, and often, you can feel stagnated, doing the same job over and over again.

Some of the advantages and disadvantages of working in the public sector. As for the private sector, it has both the sides of the coin too.

\textbf{2.2.6 Following are the pros and cons of working in the private sector.}

1. More employment opportunities- The private sector has plenty employment opportunities than the public sector. In fact, finding a job in the public sector is very difficult. On the other hand, if you are skilled enough, you will be picked up by an organization in the private sector sooner or later.

2. Good start- Private sector jobs offer a better start than public sector jobs. Salaries for entry-level jobs in private sector are relatively higher than those for public sector jobs.

3. Fast growth- If you are looking for fast growth in your career, private sector is meant for you. In the public sector, promotions are based on experience than skills. However, in the private sector, if you have the talent, you could quickly get promoted to the higher echelons. The key is to keep working hard.

4. Better job satisfaction- Every day is a challenge in the private sector. There are new clients, new projects, and new deadlines to meet. That keeps the whole atmosphere very dynamic and charged up. If you are seeking job satisfaction, you are likely to find it in the private sector than the public sector.

\textbf{Disadvantages of private sector bank:}

1. Stressful environment- Private sector is more stressful than the public sector. There are tough deadlines to meet, and often, employers seek perfection. There are longer working hours, and odd working shifts. All this can take a toll on you, mentally, as well as physically.

2. Fear of job cuts- Private sector is very volatile when compared to the public sector. If the economy is weak, and the business is slow, employers in the private

\textsuperscript{24}https://www.yesbank.in/about-us/overview
sector do not hesitate in laying off people. In uncertain economic times like these, working in the private sector comes with a lot of risk.

3. Cut-throat competition- You have to face cut-throat competition in the private sector. In other words, you have to be constantly on your toes in order to keep your job and keep moving forward. Office politics is also more common in the private sector than the public sector.

### 2.2.7 Current scenario of Indian Banking system:

As per the Reserve Bank of India (RBI), India’s banking sector is sufficiently capitalised and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally elastic and have withstand the global recession well. Indian banking industry has recently witnessed the roll out of innovative banking models like payments and small finance banks.

#### Market Size

The Indian banking system consists of 26 public sector banks, 25 private sector banks, 43 foreign banks, 56 regional rural banks, 1,589 urban cooperative banks and 93,550 rural cooperative banks, in addition to cooperative credit institutions. Public-sector banks control nearly 80 percent of the market,

#### 2.2.8 Road Ahead

The Indian economy is on the brink of a major transformation, with several policy initiatives set to be implemented shortly. Positive business sentiments, improved consumer confidence and more controlled inflation are likely to prop-up the country’s the economic growth. Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to provide forward motion to expansion. All these factors suggest that India’s banking sector is also poised for tough growth as the rapidly growing business would turn to banks for their credit needs.

Also, the advancements in technology have brought the mobile and internet banking services to the fore. The banking sector is laying greater emphasis on providing improved services to their clients and also upgrading their technology infrastructure, in order to enhance the customer’s overall experience as well as give banks a cutthroat border.25

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25Media Reports, Press releases, Reserve Bank of India, Press Information Bureau, www.pmjdy.gov.in, Union Budget 2016-17
2.3 Differences between policies of Public and Private sector banks.

This section deals with comparison between hr policies of public and private sector banks.

Indian banks have posted remarkable growth in the recent years. The Reserve Bank of India is the apex bank and the monetary authority, which regulates the banking system of the country. It is the banker’s bank, it governs all the banks of the country, like cooperative banks, commercial banks and development banks. The commercial bank includes public sector banks, private sector bank, foreign bank, regional rural bank, local area banks, etc. Before 1969, except eight banks (SBI and seven associate banks), all the banks in India were private sector banks after which 14 commercial banks got nationalized in July 1969 and 6 in 1980. Further, in the year 1993, Liberalization policy is introduced, after which private banks came into the picture.

Nowadays both the categories of banks are doing good in the sector by providing pronounced facilities and services to their customers. But, tough competition can be seen between the public sector and private sector banks. So, here we have discussed the differences between public sector and private sector Banks.

2.3.1. Public sector banks are those whose more than 50% shares are hold by central or state government. These banks are listed on stock exchange. In Indian banking system more than 70% share is of Public bank sector. These banks are classified as nationalized bank and state bank and its associates. Total 27 public sector banks in India.19 nationalized banks and 8 state bank associates. All public sector banks has almost same business model, organization structure and human resource Policies.

2.3.2. Definition of Private sector bank

The banks whose greater part of equity is held by private shareholders and entities rather than government is known as private sector bank. After nationalization of banks those banks who are non-nationalized carried on their operation of banks is known as old generation private sector banks. After liberalization banks who got license are called as new generation private banks. like HDFC, Axis, ICICI banks. India has faced tremendous
change in banking sector after liberalization because of emergence of private sector banks.

**Table 2.2 Comparison chart between Public and Private banks policies.**

<table>
<thead>
<tr>
<th>Basis for Comparison</th>
<th>Public Sector Bank</th>
<th>Private Sector Bank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meaning</td>
<td>Public Sector Banks are the banks whose complete or maximum ownership lies with the government.</td>
<td>Private Sector Banks refers to the banks whose majority of stake is held by the individuals and corporations.</td>
</tr>
<tr>
<td>No. of banks</td>
<td>27</td>
<td>22</td>
</tr>
<tr>
<td>Share in banking industry</td>
<td>72.9%</td>
<td>19.7%</td>
</tr>
<tr>
<td>Customer base</td>
<td>Large</td>
<td>Relatively small</td>
</tr>
<tr>
<td>Interest rate on deposits</td>
<td>High</td>
<td>Marginally lower</td>
</tr>
<tr>
<td>Promotion</td>
<td>Based on seniority</td>
<td>Based on merit</td>
</tr>
</tbody>
</table>
### Growth opportunities

<table>
<thead>
<tr>
<th></th>
<th>Low</th>
<th>Comparatively high</th>
</tr>
</thead>
</table>

### Job security

<table>
<thead>
<tr>
<th></th>
<th>Always present</th>
<th>Purely based on performance.</th>
</tr>
</thead>
</table>

### Pension

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
</table>

|                | Low                  | Comparatively high |

### Job security

|                | Always present       | Purely based on performance. |

### Pension

|                | Yes                  | No                            |

#### 2.3:3 Key Difference between public sector banks and Public sector banks

Following points explain the difference between Public and Private sector banks.

1. Public sector banks are the banks whose maximum shareholding is with government. On the other hand, Private sector banks' maximum shareholding is with individuals and institutions.

At present, 27 public banks and 22 private sector banks are in India. By the total market share of 72.9% was dominated by Public sector banks in the Indian banking system. And Private sector only by 19.7%.

2. Public sector banks were established long ago. But Private sector was emerged a few decades ago. Public sector banks have a greater customer base than the private ones. Public sector banks have transparency higher in terms of interest rate policies. Interest rate offered by public banks to customers is slightly higher than private banks.

3. When it comes to promotion of employees, seniority is the base for promotion in Public sector banks. While merit is the basis for private sector employees for to promote employees.

4. Growth opportunities were few in public sector banks as comparison to private sector banks.
5. In public sector banks job security is always there. But in private sector secure only when their performance is good because in private sector performance is everything.

6. Along with a job security public sector employees get pension after retirement. But in private sector they will not get the pension. But other retirement benefit like gratuity is given by Private banks

Table 2.3 : HRM Functions and practices in public and private sector banks in India -comparison

<table>
<thead>
<tr>
<th>Sr.no</th>
<th>Particulars</th>
<th>Public sector</th>
<th>Private sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Job specification</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>customer contact</td>
<td>Clerks</td>
<td>Junior executives</td>
</tr>
<tr>
<td></td>
<td>Role specification</td>
<td>Vague</td>
<td>Specific</td>
</tr>
<tr>
<td></td>
<td>Performance</td>
<td>General basic performance parameters not</td>
<td>Specific KPA and benchmarks.</td>
</tr>
<tr>
<td></td>
<td>measurement</td>
<td>laid down.</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Compensation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pay</td>
<td>Scale based -follows central government</td>
<td>Job/cv specific could vary from person</td>
</tr>
<tr>
<td></td>
<td></td>
<td>norms</td>
<td>to person</td>
</tr>
</tbody>
</table>

26 The journal of Indian institute of banking and finance, July-September 2010 pg-53-54
<table>
<thead>
<tr>
<th></th>
<th>Variable Pay</th>
<th>Incentive /bonus</th>
<th>Salary levels -entry point</th>
<th>Salary level-top management</th>
<th>3. Recruitment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not in vague</td>
<td>1% of overall profit</td>
<td>Medium</td>
<td>Low</td>
<td>Clerks :minimum entry qualification</td>
</tr>
<tr>
<td></td>
<td></td>
<td>not everyone get it. No transparent guidelines</td>
<td></td>
<td></td>
<td>SSLC</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Performance based</td>
<td></td>
<td></td>
<td>Test and interview</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Performance based</td>
<td></td>
<td></td>
<td>Officers: General minimum qualification</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Salary level-top management</td>
<td>Low</td>
<td>Very high</td>
<td>12th pass</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Salary level-top management</td>
<td>Low</td>
<td>Very high</td>
<td>Method of selection</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Salary level-top management</td>
<td>Low</td>
<td>Very high</td>
<td>Once in year or two, Huge costly process of advertisement tests, interview etc.IQ oriented</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Salary level-top management</td>
<td>Low</td>
<td>Very high</td>
<td>Officers specialist</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Salary level-top management</td>
<td>Low</td>
<td>Very high</td>
<td>Advertisement ,tests, interview etc.IQ</td>
</tr>
</tbody>
</table>

As when wanted campus recruitment, head hunters, placements agencies

As when wanted campus recruitment
<table>
<thead>
<tr>
<th>Role</th>
<th>Recruitment Methods</th>
<th>Selection Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment specialists/officers</td>
<td>Campus recruitment about 10% of requirements</td>
<td>Campus recruitment head hunters, placement agencies</td>
</tr>
<tr>
<td>Lateral entry</td>
<td>Rare, IT and risk</td>
<td>As and when wanted</td>
</tr>
<tr>
<td>Recruitment clerks</td>
<td>Huge process</td>
<td>Generally not done</td>
</tr>
<tr>
<td>Peons</td>
<td>Employment exchange</td>
<td>Out sourced</td>
</tr>
<tr>
<td>4. Promotions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clerks to officers</td>
<td>Vacancies as per agreement with the union. Promotion on merit cum seniority not based on suitability for the intended posts</td>
<td>Suitability</td>
</tr>
<tr>
<td>Officers to higher scales</td>
<td>Vacancies are declared scale wise. Business growth and superannuation based. Seniority and past performance is very important. Prior</td>
<td>As and when required. Requirements are indicated by the concerned line department. Often vacancy arises</td>
</tr>
<tr>
<td></td>
<td>experience in the vertical not important.</td>
<td>due to attrition. merit on the basis of performance and suitability for the job for which being considered. Prior experience in the vertical important.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>When ?</td>
<td>Annual scale based vacancies</td>
<td>Number of eligible candidates on the basis of suitability.</td>
</tr>
<tr>
<td>How</td>
<td>Internal test, interview</td>
<td>Interview</td>
</tr>
<tr>
<td>Who decides</td>
<td>HR</td>
<td>HR and concerned business head/team leader ,</td>
</tr>
<tr>
<td>5. Transfers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clerks</td>
<td>Transfers according to policy.</td>
<td>Almost nil</td>
</tr>
<tr>
<td>Officers</td>
<td>As per policy, frequent-routine and not based on skills.</td>
<td>No transfer-unless the officer agrees -or skill specific</td>
</tr>
</tbody>
</table>
6. **Training**

<table>
<thead>
<tr>
<th>Probation</th>
<th>Induction training on CBS application. Subsequent training happens not in planned manner.</th>
<th>Focused on the job - no general training</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job specific</strong></td>
<td>Training college decides and announce the department. Certification by IIBF encouraged not mandatory.</td>
<td>Job and person specific. All officers have been mandated to clear some common e learning. and job specific e learning. Monitored by hr. department and functional head. Certification by IIBF encouraged</td>
</tr>
</tbody>
</table>

7. **Performance**

<table>
<thead>
<tr>
<th>Per employee business</th>
<th>Medium</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per employee profitability</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Average age profile</td>
<td>About 45</td>
<td>About 35</td>
</tr>
</tbody>
</table>

8. **CEO**

| From other public sector bank. | From outside |
2.3.4 Conclusion: from above tables we could differentiate between the two sectors which will help us to find out difference reasons behind job dissatisfaction of employees in banking sector.