

A Comparative Study of Job Satisfaction in Nationalized and Private Banks

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Abstract

Job satisfaction is the end feeling of a person after performing a task to the extent that a person's job fulfils his dominant needs and is consistent with his expectation and value, that the job will be satisfying. As banking industries are becoming increasingly important to the economies of developed nations, the organizations affirm that their employees are the most valuable asset. If employees perceive satisfaction in his/her job in an organization as in return for their contribution to an organization, then it is likely that employees will report higher levels of performance and job involvement. The objective of the present study was, to compare the job satisfaction of the Employees of the Nationalized and Private Banks. Data were collected from 134 employees of Nationalized and Private Banks in Indore division employees with the help of Job Satisfaction scale in the month of November and December 2014. T-test was used for data analysis. The study reveals that a significant difference exists between Job satisfaction of Nationalized and Private Banks employees. Nationalized Banks employees are more satisfied Private Banks employees are.

Keywords: *Job satisfaction, Nationalized Banks, Private Banks*

Introduction: Job Satisfaction (JS)

“Satisfaction is person's feelings or state of mind of pleasure or disappointment resulting from the nature of work or comparing perceived performance or outcome in relation to his or her expectations.”(Philip Kotler 2007).

The term job satisfaction was brought to limelight by Hoppock (1935). He reviewed 32 studies on job satisfaction conducted prior to 1933 & observed that job satisfaction is a combination of psychological, physiological & environmental circumstances that cause a person to say. 'I am satisfied with my job'. Locke (1976) defines job satisfaction as a "pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences". To the extent that a person's job fulfils his dominant need & is consistent with his expectations & values, the job will be satisfying. Rue and Byarse, (1992), refer to job satisfaction as an individual mental state about

the job. Robbins et al., (2003) add that an individual with high job satisfaction will play a positive attitude towards their job, and the individual who is dissatisfied will have a negative attitude towards the job.

The significance of job satisfaction is now universally recognized. Research shows that work itself, equitable rewards ,promotions , supportive working conditions , supportive colleagues, communication, training and development , performance appraisal, employee involvement, employment security and recognition for performance influence job satisfaction. Satisfied employees tend to be more productive, creative and committed to their employers, and recent studies have shown a direct correlation between employee retention and job satisfaction. It can create work-environments that attracts, motivates and retains hardworking individuals will be better positioned to succeed in a competitive environment that demands quality and cost – efficiency.

Literature Review:

Researchers have analyzed antecedents of job satisfaction and its consequences. Previous studies have found that job satisfaction is determined by multiple variables like structure, content of the job, leadership styles and personality profile of executive etc. The importance of job satisfaction specially emerges to surface if had in mind the many negative consequences of job dissatisfaction such a lack of loyalty, increased absenteeism, increase number of accidents etc. Spector (1997) lists three important features of job satisfaction. First, organizations should be guided by human values. Such organizations will be oriented towards treating workers fairly and with respect. In such cases the assessment of job satisfaction may serve as a good indicator of employee effectiveness. High levels of job satisfaction may be sign of a good emotional and mental state of employees. Second, the behavior of workers depending on their level of job satisfaction will affect the functioning and activities of the organization's business. From this it can be concluded that job satisfaction will result in positive behavior and vice versa, dissatisfaction from the work will result in negative behavior of employees. Third, job satisfaction may serve as indicators of organizational activities. Through job satisfaction evaluation different levels of satisfaction in different organizational units can be defined, but in turn can serve as a good indication regarding in which organizational unit changes that would boost performance should be made.

Job satisfaction is a very important component to employees in any organization (Frank and Vecera, 2008). Many researchers and administrators have noticed the importance of job satisfaction on a variety of organizational variables (Kreisman, 2002). Dissatisfied employees are likely to leave their jobs, thus understanding of employee job satisfaction and its contributing variable are important for any organization to exist and prosper. Similarly Oplatka & Mimon (2008) noted that the principal reason as to why job satisfaction is so extensively researched is that it relates to significant association with life satisfaction

Now a day's Job Satisfaction (JS) has been popular topic to ponder regarding Banking Sector Employees due to the hectic workload and increasing transactions day by day. Banking sector essentially provides job to a large no. of individuals and thus it is necessary to measure satisfaction level of employees working at bank and made a comparison of Public vs. Private Banks.

Objective and Hypothesis of the Study:

- To compare the difference between employees of Private and Nationalized Banks in terms of Job satisfaction.
- H_{01} : There is no significant difference in Job satisfaction between employees of Nationalized and Private Banks.

Research Methodology:

Research Type: Descriptive

Universe: Bank Employees of Nationalized and Private Banks of Indore District.

Sample Size: 72 employees of nationalized Banks

62 employees of private Banks

Sampling Technique: Convenient

Tool for Data Collection: Scale of JS has been used for data collection which was developed by Ganguli, H.,C., & Dayal, I. (1994).

Tool for Data Analysis: In this study, after collecting the data, the raw scores are tabulated and analyzed through appropriate statistics tools with the help of SPSS, t-test was used to test the hypothesis.

Result and Discussion:

The Kolmogorov- Smirnov Statistic tests the hypothesis that the data normally distributed. A low significance value less than 0.05 indicates that the distribution of the data differs significantly from a normal distribution. After conducting this test, it was found that the assumption holds good for the data. The data is normality distributed (.086) (see Table 1.1).

Reliability test has been made for testing the reliability of JS, with the help of Coefficient (Cronbach Alpha). Reliability of data is .953 (see Table 2.1) which is excellent.

Since $p=.000$ (see Table 3.2) which is less than .05 which means that null hypothesis is not accepted. Therefore, H_{01} is not accepted. Hence, it may be concluded that JS in Nationalized and Private Banks employees differ. The JS is significantly higher in case of Nationalized Banks employees than Private Banks employees are. Employees of private sector banks perceive that their jobs are not secure. In fact, the effect of an open economy, globalization, and privatization can be seen more easily in private sector banks than in public sector banks. In private sector banks, the environment is highly competitive and job security is based on performance and various other factors. Though it is true that this environment provides a challenging job profile, it also creates a less secure environment. Industriousness, dedication, devotion, and commitment are not enough to secure a job. The high level of performance of an individual is also based on various factors. These may be market situation, existence of competitor, and government policies. Where these factors are adverse in nature, performance automatically suffers. During this period, employees feel insecure, this reduces overall job satisfaction.

In public sector banks, welfare policies are clearly defined and legally enforced. Retirement, pensions, gratuity, and other related welfare policies are effectively executed. So there is no problem with social security. In private sector banks, welfare activities are neither well planned nor well executed. Employee turnover is very high and job security is very low. Most employees are from middle class Indian families. These employees have seen the golden period of public sectors and government jobs during their growing stages. So the effect of welfare schemes of government jobs and public sectors cannot be easily eradicated from their psyche. Private sector employees are ready to work hard but they demand pensions, security, and sometimes an easy lifestyle. Though The Employees of Public Banks are much more satisfied than private bank employees but there are always chances of improvement.

Conclusion:

Researches revealed that employees of Nationalized Banks are more satisfied with job as compared to their counterpart in Private Banks employees. Efficient human resource management and maintaining higher job satisfaction level in banks determine not only the performance of the bank but also affect the growth and performance of the entire economy. So, for the success of banking, it is very important to manage human resource effectively and to find whether its employees are satisfied or not. Only if they are satisfied, they will work with commitment and project a positive image of the organization.

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Annexure:

Table 1
One-Sample Kolmogorov-Smirnov Test

		Total JS
N		134
Normal Parameters ^{a,b}	Mean	108.0746
	Std. Deviation	20.64910
	Absolute	.108
Most Extreme Differences	Positive	.049
	Negative	-.108
Kolmogorov-Smirnov Z		1.254
Asymp. Sig. (2-tailed)		.086

a. Test distribution is Normal.

b. Calculated from data.

Graph 1 : showing normality of data

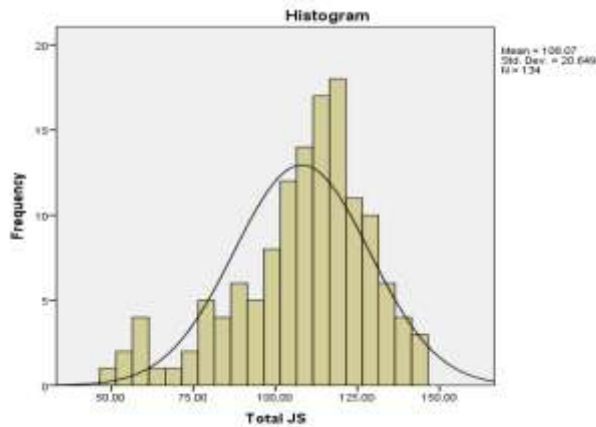


Table 2.1
Reliability Statistics

Cronbach's Alpha	N of Items
.953	30

Table 3.1
Group Statistics

	Banks	N	Mean	Std. Deviation	Std. Error Mean
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Private Banks	62	95.2742	20.95833	2.66171
Total JS Nationalized Banks	72	119.0972	12.45178	1.46746

Table 3.2
Independent Samples Test

	Levene's Test for Equality of Variances		t-test for Equality of Means						
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
								Lower	Upper
Total JS	22.410	.000	-8.125	132	.000	-23.82303	2.93200	-29.62282	-18.02324
Private Banks			-7.838	96.091	.000	-23.82303	3.03943	-29.85617	-17.78988