

A STUDY ON FACTORS INFLUENCING JOB SATISFACTION OF EMPLOYEES IN BANKING SECTOR OF INDIA- AN INVESTIGATION

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Abstract

For any Organization, a satisfied human resource is an asset. Nowadays, business organizations are considering working force as the source of advantage which raises both tangible and intangible benefits for the concern. It is termed as employees' satisfaction and well-being. This study examines various factors influencing job satisfaction of employees in the private banking sector. It includes 103 employees as samples selected from 9 private sector banks in South region (Tamil Nadu) of India using simple random sampling method. A structured questionnaire is used for collecting Primary data and was analyzed using the mean and chi-square test. This study mainly focused three categories of factors such as Personal Factors, Job Related Factors, and Organizational Factors. All the factors were given importance in a sequence. In demographic information of respondent employees, the results shows that there is a significant relationship between socio-economic and demographic variables such as Gender, Designation, Age, Experience, Work Status, Marital Status, Nature of Family, Number of Dependants, Income and job satisfaction; whereas, there is no significant relationship between Nature of the Job, Qualification and job satisfaction.

Keywords: *Job Satisfaction, Indian Banking Sector, Socio-economic and Demographic Variables, Random sampling.*

INTRODUCTION

Job satisfaction of workforce is important for both employees as well as to the business organization. Human resources are the strategic resources that can make a difference to the organization in the positive direction. It is increasingly being realized that by properly managing human resources, organizations can reach their goals in a better manner. If the employees are satisfied and contented, their commitment levels will be high and hence their contribution to the organization also will be high. When employees are satisfied with their

jobs, the Quality of work improves and productivity increases. They tend to continue in the job and be more loyal to the job and to the organization. Lower employee turnover will further reduce recruiting and training costs for the banking organizations. The work behaviors and attitudes of employees in the banking sector have a great importance for increasing the level of service quality and in turn the level of marketing success.

According to the findings of Babakus et al. (2003), job satisfaction is one of the significant drivers of performance among frontline service employees. Therefore, it may be inferred that customer satisfaction depends on employee satisfaction (Koc, 2006).

REVIEW OF LITERATURE

The concept of Job satisfaction is a enjoyable feeling experienced by the employee in a firm when there is a fit between what he expects and what he actually derives from his job. Different research studies have revealed various factors that influence job satisfaction. Some of these factors relate to job characteristics (Hackman & Oldham 1975), culture, environment, and organizational climate (Litwin& Stringer 1968). The research conducted by Vander et al. (2001) studied that group level task activity interdependence enhances the feeling of belongingness and coordination among employees and it will increase the level of job satisfaction..Jonge et al. (2000) conducted an empirical study, the results of which substantiated the view that high- strain job with high demand and low control features have negative repercussions to health leading to emotional exhaustion and health complaints. On the other hand the active job characterizing high demands and high control lead to positive outcomes such as job challenge and job satisfaction. The research conducted by Bajpai&Srivastava (2002) revealed that a secure job and good welfare policies increase the degree of job satisfaction whereas rapid turnover, inadequate welfare schemes, threat of layoff, and less opportunity for vertical structure of growth increase the degree of job dissatisfaction. If organization invests in employee's well-being it results in higher satisfaction in employees. Taylor (2000) reported that there is direct relationship between job satisfaction and employee's well-being.

Organizational politics also influences job satisfaction. Vigoda (2000) reported that there is negative relationship between perception of organizational politics and job attitudes (job satisfaction and organizational commitment). On the other hand organizational politics has a positive relationship with intention to leave the job (exit), and a stronger positive relationship with negligent behavior (neglect). Low job satisfaction, low organizational commitment, high attrition rate and negligent behavior have damaging effect which an organization cannot afford.

The main aims of this study are examining factors influencing job satisfaction of employees in private banking sector of India; and examining the effect of demographic factors on job satisfaction.

RESEARCH METHODOLOGY

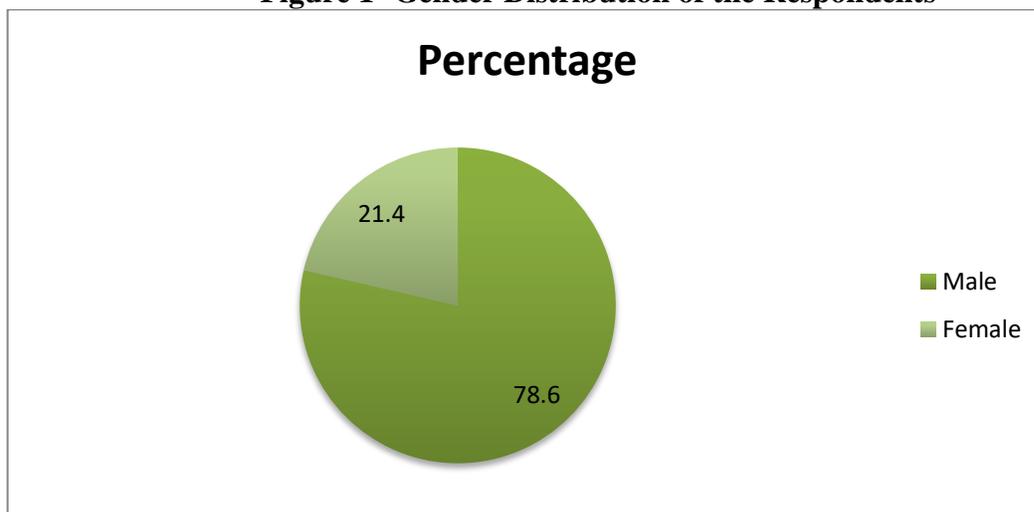
Statistical Population: Employees working in banking sector in Tamil Nadu constitute the population for the present study. Sample includes 103 employees drawn from 9 private sector banks using simple random sampling method. Primary data were collected using a structured questionnaire. Sources of secondary data were also used which include research articles in journals, web sources, etc. Data were analyzed using Mean and Chi-square test.

Demographic Information of Respondents

Table 1. Gender Distribution of the Respondents

Gender	Frequency	Percentage
Male	81	78.6
Female	22	21.4
Total	103	100

Figure 1- Gender Distribution of the Respondents

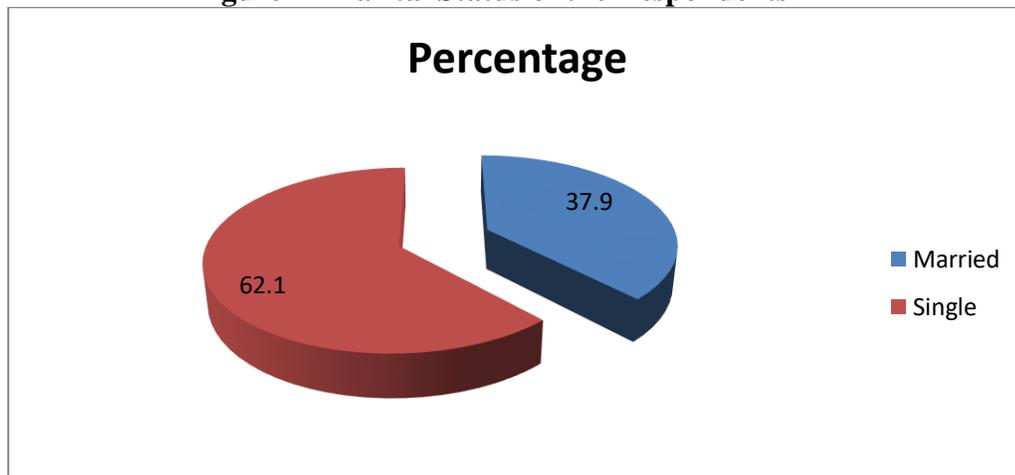


Inference: Table 1 reveals that majority of the respondents i.e. 78.6% respondents are male and 21.4% respondents are female.

Table 2. Marital Status of the Respondents

Marital Status	Frequency	Percentage
Married	39	37.9
Single	64	62.1
Total	103	100

Figure 2- Marital Status of the Respondents

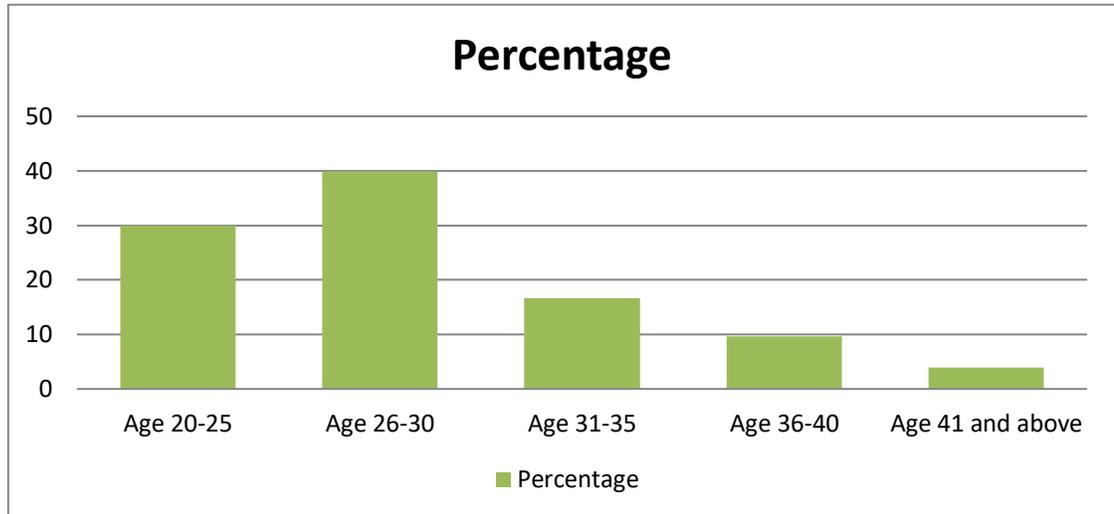


Inference: Table 2 shows that majority of the respondents (62.1%) are single and 37.9% are married.

Table 3-Age Distribution of the Respondents

Age In Years	Frequency	Percentage
20-25	31	30
26-30	41	39.9
31-35	17	16.6
36-40	10	9.6
41 and above	4	3.9
Total	103	100

Figure 3- Age Distribution of the Respondents

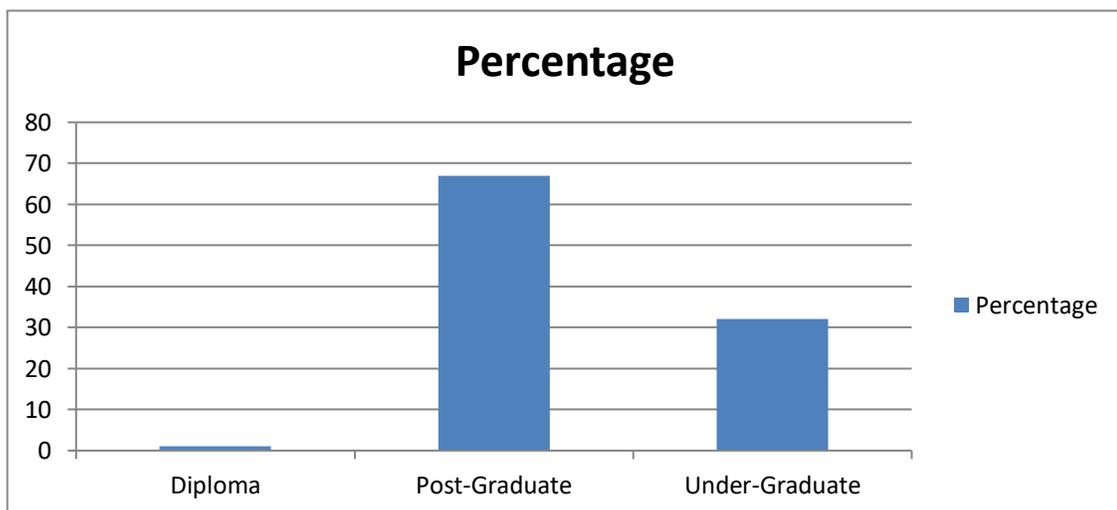


Inference: It is observed from table 3 that majority of the respondents (69.9) are in the age group of 20 – 30 years.

Table 4. Qualification of the Respondents

Qualification	Frequency	Percentage
Diploma	1	1
Post-Graduate	69	67
Under-Graduate	33	32
Total	103	100

Figure 4- Qualification of the Respondents

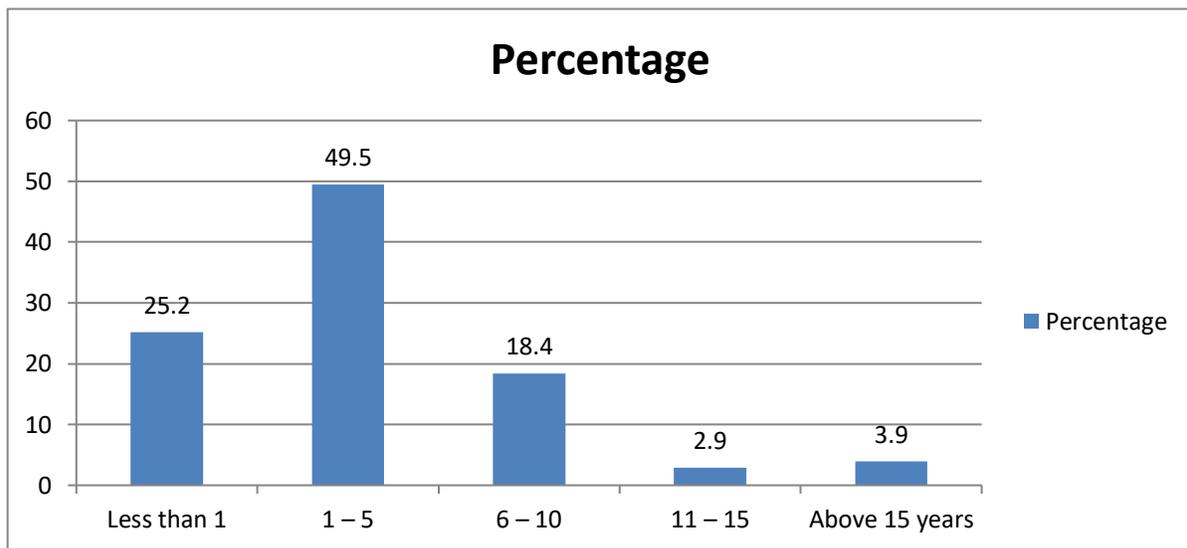


Inference: Table 4 presents that majority of the respondents (67%) are post graduates.

Table 5. Experience of the Respondents

Experience	Frequency	Percentage
Less than 1 year	26	25.2
1 – 5	51	49.5
6 – 10	19	18.4
11 – 15	3	2.9
Above 15 years	4	3.9
Total	103	100

Figure 5- Experience of the Respondents



Inference: Table 5 portrays that nearly 50% of the respondents have 1-5 years of experience, 25% have less than 1 year and nearly 4% of the respondents have more than 15 years of experience.

Table 6. Nature of Work

Nature of Work	Frequency	Percentage
Permanent	76	73.8
Temporary	27	26.2
Total	103	100

Inference: It is observed from table 6 that in the present study, 73.8 % respondents are permanent job holders and 26.2 % respondents are temporary job holders

Figure 6-Nature of Work

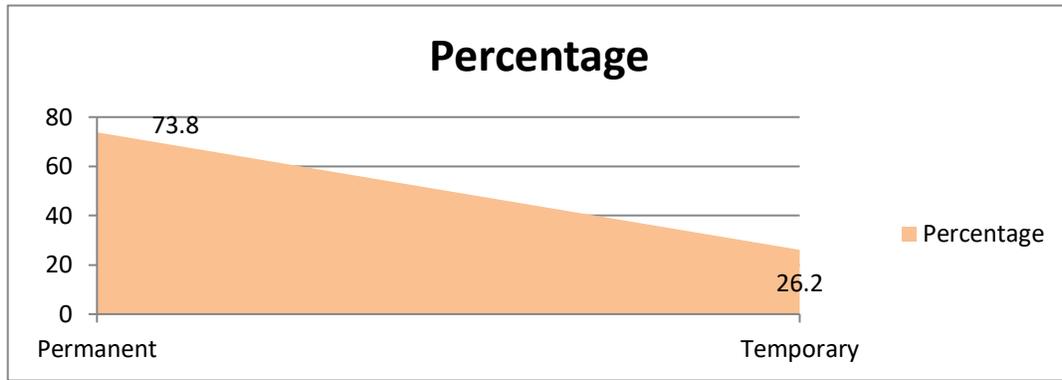
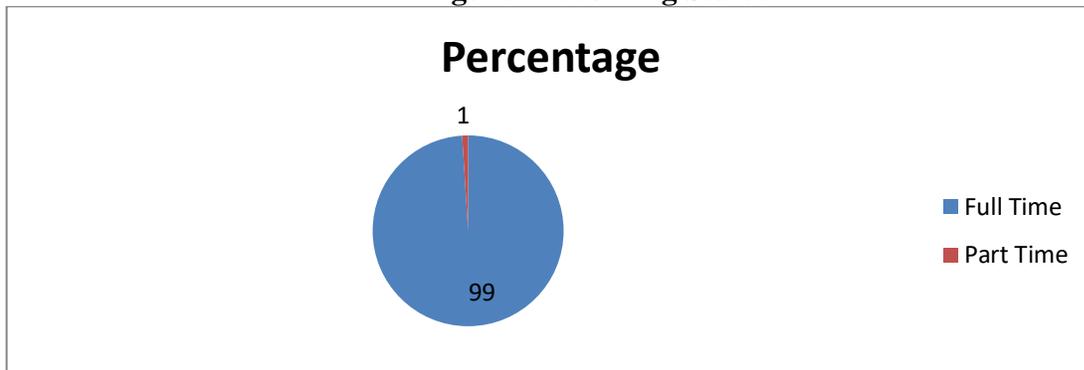


Table 7. Working Status

Working Status	Frequency	Percentage
Full Time	102	99
Part Time	1	1
Total	103	100

Figure 7- Working Status

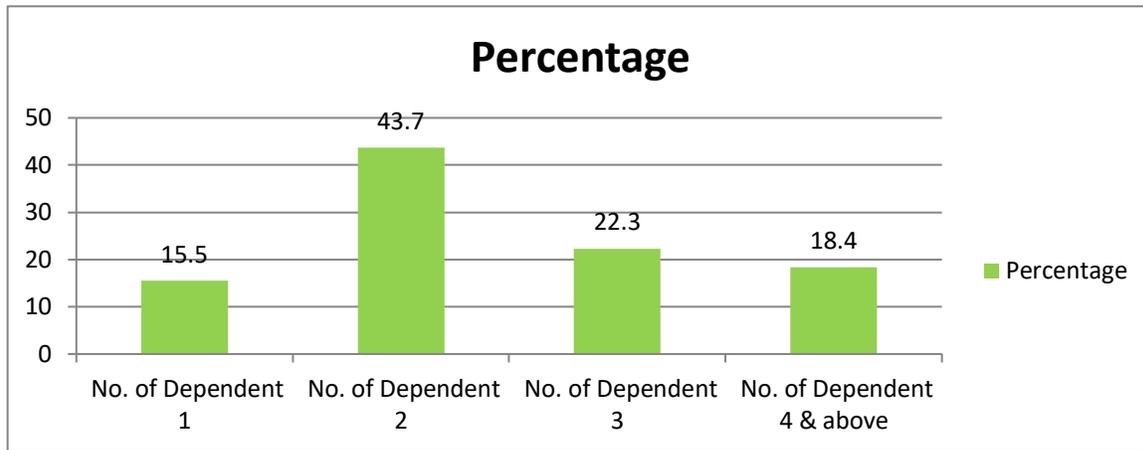


Inference: Table 7 shows that almost all the respondents are full time employees.

Table 8. Number of Dependents

NO of Dependents	Frequen cy	Percentage
1	16	15.5
2	45	43.7
3	23	22.3
4 & above	19	18.4
Total	103	100

Figure 8- Number of Dependents

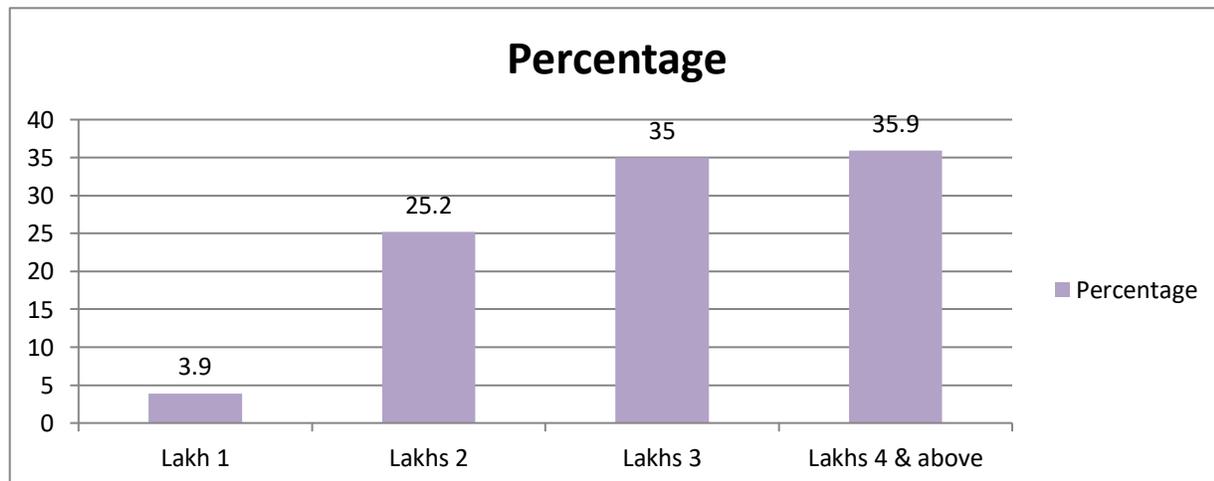


Inference: It is observed from table 8 that 15.5 % of respondents have 1 dependent in their family, 43.7 % of respondents have 2 dependents in their family, 22.3 % of respondents have 3 dependents in their family, 18.4 % of respondents have 4 and above dependents in their family.

Table 9. Annual Income

Income (In Lakhs)	Frequency	Percentage
1	4	3.9
2	26	25.2
3	36	35.0
4 & above	37	35.9
Total	103	100

Figure 9-Annual Income(in lakhs)



Inference: Table 9 presents that only 3.9 % respondents are earning 1 lakhs per annum, 25.2 %

respondents are earning 2 lakhs per annum, 35.0 % respondents are earning 3 lakhs per annum and 35.9 % respondents are earning above 4 lakh per annum.

Instrument

A structured questionnaire was designed with 38 questions using Likert scale. The first part of the questionnaire addresses demographic details and the second part of the questionnaire deals with factors of job satisfaction. Cronbach's alpha is calculated and the value is 0.76 which indicates the reliability of the instrument.

Results

The factors of job satisfaction are classified as follows: (1) Organizational factors; (2) Job related factors; and (3) Personal factors.

Table 10. Mean Scores of Organizational Factors of Job Satisfaction

Organizational Factors	Mean	Rank
Working conditions in bank	3.84	1
Benefits received	3.83	2
Healthy work environment	3.82	3
Good welfare policies	3.81	4
High support for team work	3.78	5
Continuous feedback given by superiors	3.76	6
Location of work	3.71	7
Bonus and incentives	3.69	8
Opportunities to learn new skills	3.69	8
HR practices	3.68	9
Recognition for work accomplishment	3.64	10
Praise received for outstanding efforts	3.62	11
Opportunity for promotion	3.58	12
Salary	3.55	13
Overall compensation package	3.51	14
Rewards offered by the management	3.50	15
Paid vacations/ sick leaves offered	3.48	16
Flexibility in scheduling work	3.48	17
Training given	3.41	18
Appraisals system	3.37	19

Leave facilities	3.29	20
Recognition for suggestions	3.27	21
Accommodating family-related needs	3.18	22
Involvement of family members in work celebrations	3.13	23
Working hours	3.07	24
Study or training leaves	3.01	25
Management attitude	3.00	26

Table 10 depicts that working conditions in bank, benefits received, healthy work environment, welfare policies are the factors that have high mean scores indicating higher satisfaction and the factors that have least mean scores include working hours, study or training leaves, attitude of management reflecting lower level of satisfaction.

Table 11. Mean Scores of Job Related Factors

Job Related Factors	Mean	Ranks
Challenging and responsible job	4.17	1
Dignity and respect provided by the job	4.13	2
Relationship with superiors	3.84	4
Meaningful work	3.83	5
Relationship with co-workers and subordinates	3.66	6
Superior's encouragement for development	3.50	8
Role clarity	3.38	9
Job Security	3.27	10
Work load	3.24	11
Sense of achievement	3.06	12
Role overload	2.78	13
Tedious work	2.76	14

The noteworthy observations presented by Table 11 are that respondents are more satisfied with challenging and responsible jobs and dignity and respect provided by the job which is reflected in high mean scores of the factors. The respondents reported role overload and tedious work with which they are relatively less satisfied as reflected by low mean scores.

Table 12. Mean Scores of Personal Factors

Personal Factors	Mean	Ranks
Opportunities for personal growth	3.93	1
Personal responsibilities	3.51	2
Impact of work stress on health and personal life	3.21	3
Time for family members	2.75	4

Table 12 presents that the mean score of opportunities for personal growth is high (3.93) which indicates that banks provide good opportunities for growth of employees and the factor with least mean score is quality time for family members (2.75). This indicates that they are relatively less satisfied with this factor and feel that they are not able to balance their work and family related matters comfortably.

Table 13. Influence of Demographic Factors on Job Satisfaction

Demographic Variables	Chi-Square Value	Significant/Insignificant
Designation	1931.452	Significant at 1 % level
Gender	74.523	Significant at 5 % level
Age	1245.914	Significant at 1% level
Marital status	68.086	Significant at 5% level
Qualification	76.530	Insignificant
Experience	383.709	Significant at 1% level
Nature of job	61.996	Insignificant
Work status	103.000	Significant at 1% level
Nature of family	69.120	Significant at 5% level
Income	421.635	Significant at 1% level
Number of dependents	532.552	Significant at 1% level

It is evident from Table 13 that barring qualification and nature of job, chi-square value is significant for all other variables indicating that there is significant relationship between socio-economic and demographic variables like designation, gender, age, marital status, experience, work status, nature of family, income and number of dependants and job satisfaction.

Suggestions and Conclusion

It is revealed that it is not just a financial and technological capital that provides organizations with the competitive result, but it is related to people, or human capital. In order to preserve and attract the talent or skill in to the organization employees should be strongly satisfied. Banking sector is no exception and the banking organizations have to ensure that their work force is satisfied with their jobs so that they can enjoy the benefits stemming from contented employees.

The present research is undertaken to study job satisfaction of employees in banking sector in Vijayawada. The results exposed that the respondents are more satisfied with various factors like working conditions in their bank, healthy work environment, benefits received, challenging and responsible jobs, dignity and respect provided by the job, welfare policies, good opportunities for growth of employees. And there is relatively less satisfied with study or training leaves, working hours, role overload, attitude of management, tedious work and quality time for family members.

The main limitation of the study is the sample size which is confined to 103 employees drawn from 9 private sector banks in Vijayawada. The credibility of the results will be enhanced by increasing the sample size and covering more areas. Further studies can be undertaken by increasing the scope incorporating further statistical analysis using factor analysis technique and increasing the sample size covering different types of banks working in different parts of the country.

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