
**AN EMPIRICAL STUDY ON JOB SATISFACTION OF EMPLOYEES IN
COMMERCIAL BANKS**

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INTRODUCTION:

As the economy grows and becomes more sophisticated, banking sector should develop to support and stimulate the growth. One of the central issues faced by emerging markets and developing economies is how to strengthen the financial system. A sound financial system serves as an important arrangement to achieve economic growth by mobilizing and channelizing financial savings to productive purposes and managing risks.¹ The Indian financial system particularly, banking sector should be strengthened to compete and integrate with the global financial system. The recent economic reforms initiated by the Government of India have changed the landscape of the economy.² Banking sector is no exception to it.

The Technological advancements and liberalized market place like disintermediation, blurring of traditional roles and boundaries, emphasis on shareholder value creation etc. has led to transformation of banking sector. This transformation has caused to explore new business opportunities rather than generating revenues from conventional streams. The ongoing developments in the Indian industry and government and integration of financial markets at the global level have offered myriad opportunities to banking sector. Finally, it worked up to competitive dynamics of 'new' Indian market and addressed relevant issues to take on multifarious challenges of globalization.

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The future of any organization hinges on the efficiency and effectiveness of manpower policy. A transparent management with a high degree of corporate governance can alone motivate the work force to keep performing at the highest level of efficiency over a long period. Attitude is a vital emotional trait that triggers self-development and performance. The success of top management depends on its ability to get the people with the right attitude or bring attitudinal change in the existing team to form a cohesive team that ceaselessly works for the goals of the organization.³ Hence, Indian banks has to make HR as the central theme of their organizational transformation exercise. This alone can bring differentiation and a competitive edge in the race for global banking standards.

FUTURE CHALLENGES:

The challenges of banks in the years to come are:

- a. Profitability:** The main challenge of banks is how to manage within margins while at the same time working to improve productivity, which remains low when compared to global standards. With falling spreads, rising provision for NPAs and declining interest rates, greater attention has to be paid to reduce transaction cost. This requires tremendous effort in the area of technology and for on the part of banks to build capabilities to handle much bigger volumes.
- b. Reinforcing technology:** Technology has become a strategic and integral part of banking, which drives banks to acquire and implement world class system that enable them to provide products and services in large volumes at a competitive cost with better risk management techniques. The pressure to undertake extensive computerization is real as banks that adopt the latest in technology have an edge over others. Customers demand banks to deliver customized products through multiple channels access to bank round the clock.
- c. Risk management:** The deregulated environment brings risks along with profitable opportunities. Technology plays a crucial role in managing the risks. Besides being exposed to credit risk, market risk and operational risk, banking business is susceptible to country risk. It heightens when the controls on the flow of capital is eased. In this context, banks have to upgrade their credit assessment and risk management skills and simultaneously retain staff, develop a cadre of specialists and introduce technology driven management information systems.

- d. Sharpening Skills:** The far-reaching changes in the financial sector including banks entail a fundamental shift in the set of skills required for banking. To meet increased competition and handle risk, demand for specialized banking functions, using IT as a competitive tool is set to go up in the years to come. Special skills for retail banking, treasury, risk and foreign exchange management, development banking etc., are to be carefully nurtured and built. Therefore, the twin pillars of banking i.e. HR and IT initiatives have to be strengthened.
- e. Customer orientation:** In the present day competitive environment, banks have to strive hard to attract and retain customers by introducing innovation products, enhancing the quality of customer service and marketing a variety of products through diverse channels targeted at specific customer groups.
- f. Corporate government:** Besides using their strengths and strategic initiatives for increasing shareholder value, banks have to be conscious of their responsibilities towards corporate governance. Following the financial liberalization, ownership of banks has become broad based. Consequently, the significance of institutional and individual shareholders has increased. In such a scenario, banks are to be put in a place, code for corporate government for the benefit of all stakeholders of a corporate entity.
- g. International Standards:** Adopting the internationally followed best practices and adhering to the universally acceptable standards and code is the need of the hour to strengthen the domestic financial architecture. This includes best practices in the area of corporate governance along with, full, adequate and transparent in disclosures. In today's globalised world, focus on the observance of international standards help smooth integration of Indian financial markets with world financial market. Ultimately, it is the HR that has to respond to these challenges. In the years to come, 'human' bias is likely to get stronger and the quality of HR would become the cutting edge of competitiveness. A forward-looking approach to long-term vision must focus on building HR in a continuous cycle of competency and development.

No organization can function efficiently as long as the fundamental fact i.e., human beings remain unrecognized. It is not technical processes, buildings or equipment but it is people who are critical differentiators of a business enterprise. The organizations must endeavor to nurture human assets, knowledge pool to have a competitive advantage. Therefore, study of human behavior is essential in every industrial activity. This can be achieved by scientific job

attitude studies. The study of job satisfaction is one of the most fundamental areas of research as it represents the core of organizational harmony. Job satisfaction plays an important role in the efficient and effective functioning of human resources. It also contributes to the success of an organization. Low job satisfaction is an indication of deterioration in the efficiency of work. In its sinister form, it causes absenteeism, employee turnover etc. it may also generate grievances, low productivity and other punitive problems. On the other hand, high job satisfaction is associated with positive conditions like high productivity, low turnover and so on. Hence it is significant to study the contributory factors for high level of job satisfaction among employees.⁵

Banking industry is the back bone and plays a vital role in the growth of Indian economy. Today banking sector is one of the largest sectors in the world. This sector, especially after globalization and liberalization has witnessed a sea change. In the changed competitive and economic scenario, banks should earn profit for their survival and growth. This is more so in the environment where private and foreign banks compete with public sector banks. Hence, it may be remembered that, the core competencies that generate competitive advantage are human resources knowledge, experience and contribution to organizational development.⁶ The success of banking sector depends on how best banks are able to leverage their human capital potential and capabilities.

The present paper aims at covering following: The level of job satisfaction on various facets like pay, promotion, supervision, fringe benefits, contingent rewards, operating conditions, co-workers, nature of work and communication; individual characteristic features, job factors and social background factors; job characteristics; and the personality type and job satisfaction.

This paper also examines;

- i) the level of job satisfaction of bank employees on various facets.
- ii) the perceptual differences in the level of job satisfaction between the employees;
- iii) the perceptual assessment and expectation of employees from the job and their impact on job satisfaction.

METHODOLOGY:

95 employees working in commercial banks situated in Tirupathi city were selected adopting multi stage sampling technique. Data is collected with the help of structured schedule.

MAIN FINDINGS AND SUGGESTIONS:

1 Age and job satisfaction: Age is an important variable in the dispositions of an individual. It is observed in the study that the dissatisfaction is greater in the age group of 40-50 years than in the age group of 30-40 years.

2. Sex and job satisfaction: There are conflicting findings regarding the relationship between sex and job satisfaction. As per the survey women employees in commercial banks are more satisfied with their jobs as compared to men. So there is a significant association between sex and job satisfaction in commercial banks.

3. Employment status and job satisfaction: There is a positive relationship between status of employees and job satisfaction. This is due to the fact that positions at high level provide more rewards than those at lower level. But any such generalization needs restraints as rewards are mostly associated with higher positions.

4. Monthly salary and job satisfaction: Most of the studies showed positive relationship between income and job satisfaction. But importance of salary may vary from job to job and from situation to situation. As per the study majority of employees are dissatisfied in the monthly salary range of Rs.10,000 -20,000 and 20,000-30,000. A contrary situation prevails among the employees with a salary of Rs.30000 and above.

5. Promotion and job satisfaction: Promotion is advancement of an employee to a better job, better in terms of greater responsibility, more prestige or status, greater skills and increased rate of pay or salary. Promotional opportunities lead to discontentment or dissatisfaction among employees. More than 60% of employees dissatisfied with promotion policy of commercial banks .so, banks need to review its promotion policy.

6. Job security: Sense of job security for employee's i.e assurance of continued employment with stable income, either within the same organization or within the same type of work or profession is another important aspect of job satisfaction. Employees in banks feel happy about job security as 85% expressed their satisfaction in the job security.

7. Power and job satisfaction: In the case of power, a highest percentage of the dissatisfied employees reveal high discrepancy. A dissimilar trend exists in their Counterparts; maximum percentage of satisfied employees has low discrepancy.

A like trend prevails with regards to prestige, recognition and achievement. For an individual, job is one of the source of the of acquiring prestige and status in the society. With regard to prestige, of the dissatisfied employees the highest percentages have high discrepancy while the highest with low discrepancy among the satisfied.

8. Social factors and job satisfaction: It appears that the social factors are considerably related to job satisfaction. Bank employee's value leadership opportunity in their job situations and hence it is one of the determinants of job satisfaction.⁷ among the satisfied employees the discrepancy is low at 42 per cent while high at 42.9 per cent among the dissatisfied. The relationship between leadership and job satisfaction is significant. The analysis of relationship between working conditions and job satisfaction reveals that these are related to each other.

CONCLUSION:

Job satisfaction, overall sensitivity responds to job situation, is a multifaceted phenomenon of immense importance. It refers to a host of feelings that dwell in an individual's bosom towards the job in which he is currently employed. It point out the depth of contentment of an individual with his or her job. A person with a high level of job satisfaction is sure to hold positive feelings about his job while a person who is dissatisfied with his job is always haunted by negative feelings. Employees may be dissatisfied with certain aspects of job while enduring at the same time some other aspects that make them dissatisfied. It is a universal fact that employee satisfaction is a sine qua non for the success of an organization. Banks have to introduce a strong performance management system, called the balanced scorecard system (BSS) that links individual performance with the group's overall strategy. It is important to understand the potential of people. Employee satisfaction tracking system (ESTS), solves employees' problems on a quarterly basis. As a part this, bank wide employee satisfaction survey can be carried out. According to the survey, the reported satisfaction levels have to be analyzed. The group takes strong measures to weed out under-performers. Banks have to adopt 360-degree feedback system to evaluate the performance of employees. The 360-degree feedback is followed by personal interviews and counseling to overcome the deficiencies.

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