
ORIGINAL ARTICLE



**IMPACT OF JOB SATISFACTION ON EMPLOYEES PERFORMANCE A COMPARATIVE STUDY
WITH PUBLIC AND PRIVATE SECTOR BANKS IN VELLORE DISTRICT**

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ABSTRACT:

The private and public banking sectors of India have a long history of catering the financial and economic needs of the nation. A few decades ago, only a few banks existed in the country. Their operations were very traditional, simple and limited. They normally used traditional and manual systems of banking. The number of their customers was very small. However, with the wave of globalization and rising market demands, the banking sector of India moved to tremendous transformation from the traditional banking to modern during last decade due to technology induction and product innovations. A major shift was the exponential growth private banks. At present, different international and well-established domestic banks are operating in India are providing latest banking services to their customers. Researches pointed that satisfied employees are the major asset and source of any bank for successful achievement of its short-term and long-term objectives. The present study investigates the link between job satisfaction with the job salary package, job security, and reward system, and impact of this satisfaction on employees' job performance in banking sector of Vellore District, Tamil Nadu. A data is gathered randomly from sample of 150 employees selected from 10 branches of different banks situated in Vellore District. Hypothesis testing has been done by use of 'chi-square test'. Sample size for the study is 150 and the sampling procedure used it convenience based. The study to determine that there is positive relationship between two variables (job satisfaction and job performance. Employees are satisfaction with job pay package, job security, and reward system is offered in private and public banking sector. The findings of the research is beneficial for banking sector by offering various factors that increase the job satisfaction and promote employees performance in Vellore. A data confidentiality policy of organizations, time constraints and unavailability of concerned personnel at the time of interviews were limitations in some cases while gathering data.

KEY WORDS: Banking Industry; Job Satisfaction, Job Performance, Employee pay package, Job security.

INTRODUCTION:

OVERVIEW OF BANKING SECTOR

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.

1. Public banks under study
 - Punjab National Bank at Vellore
 - Canara Bank at Vellore
2. Private banks under study
 - ICICI Bank at Vellore
 - HDFC Bank at Vellore

EMPLOYEES JOB SATISFACTION LEVEL

JOB SATISFACTION

- Job satisfaction describes how content an individual is with his or her job
- "Job satisfaction can be defined as acceptance of goals, willingness to work hard and intention to stay with the organization."
- Work has an economic aspect as well as mechanical aspect; it has also a psychological aspect. The happier people are within their job, the more satisfied they are said to be.
- Job satisfaction is not the same as motivation, although it is clearly linked. Job design aims to enhance job satisfaction and performance; methods include job rotation, job enlargement and job enrichment. Other influences on satisfaction include the management style and culture, employee involvement, empowerment and autonomous work groups. Job satisfaction is a very important attribute which is frequently measured by organizations.

RESEARCH PROBLEM

The research problem of this study is to find out the impact of employees' job satisfaction in the areas of job pay package, job security, and job reward system) on their performance in the banking sector of Vellore District, India.

PROBLEM STATEMENT

- How does the efforts made by banks to raise their workers job satisfaction practically work?
- What extent banks are successful in satisfying their workers for their pay packages, job security and reward system?
- How employees job satisfaction influence their job performance?

OBJECTIVES OF STUDY

The objective of this study is to find out the impact of employee job satisfaction on their job performance. More specific objectives are outlined in the following:

Primary Objective:- The main objective of the study is to compare the satisfaction level of employees in public and private banks.

Secondary Objectives:-

- To have a depth knowledge of the topic.
- To Study Effective Factors in Job Satisfaction.
- To study employees satisfaction level.
- To study employees satisfaction from designations.
- To study employees satisfaction from welfare schemes.
- To study employees satisfaction from compensation packages.
- To determine strength of relationship between employee pay package and employee job Satisfaction.
- To ascertain nature of relationship between employee job security and employee job satisfaction.
- To study the link between employee reward system and employee job satisfaction.

SIGNIFICANCE OF THE STUDY

The significance of choosing this study is to understand employees' job satisfaction level at banks and difference in level at public and private sector banks. Through this study I will come to know that

- What benefits and facilities banking jobs providing to the employees?
- What conditions or requirements based on age, sex, religion, caste and ethnicity employees think should be provided by job?
This helps banks to know
- Where they are lacking in having a satisfied workforce presently?
- How they can modify it in future?

HYPOTHESIS

- Satisfaction level of public bank employees is higher than that of private banks.
- Job is something for which employees bear to live and dare to die.
- Banks put efforts for satisfying their employees.
- Banks provide excellent conditions to satisfy their employees.

LITERATURE REVIEW

Human life has become very complex and completed in now-a-days. In modern society the needs and requirements of the people are ever increasing and ever changing. When the people are ever increasing and ever changing and the people needs are not fulfilled they become dissatisfied. Dissatisfied people are likely to contribute very little for any purpose. A large number of researchers have proved the importance of job satisfaction of employees in business organizations.

Evans (2001), argues that this level has contributed not only to an understanding of what job satisfaction is, but also to what its determinants are, such as individual needs fulfillment, expectations fulfillment or values congruence. Therefore Evan (2001) defines job satisfaction as "a state of mind encompassing all those feelings determined by the extent to which the individual perceives her/his job-related needs to be being met" (Evans, 2001:12).

Robbins et al., (2003), individuals with high job satisfaction will display a positive attitude towards their job, and the individual who are dissatisfied will have a negative attitude about the job.

Putman, 2002 Research has suggested that understanding job satisfaction, as a management philosophy is essential to managing an organization and improving its overall performance.

Sempene, Rieger and Roodt (2002) states that job satisfaction is an individual's personal assessment of conditions prevalent in the job (Sempene, Rieger and Roodt, 2002). Although there are many definitions put in different ways, most of these definitions say the same thing, that job satisfaction is a crucial part of the employees psyche and behaviors.

Spector, 1997 Job satisfaction is one of the most popular and widely researched topics in the field of organizational psychology.

Locke 1976 defines job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. Job satisfaction has been studied both as a consequence of many individual and work environment characteristics and as an antecedent to many outcomes.

Lease, 1998 Employees who have higher job satisfaction are usually less absent, less likely to leave, more productive, more likely to display organizational commitment, and more likely to be satisfied with their lives.

Porter, Steers, Mowday and Boulian (1974) state its ,Job satisfaction is an attitude, which is a more "rapidly formed" and a "transitory" work attitude "largely associated with specific and tangible aspects of the work environment".

(Naumann, 1993) are content (Herzberg, 1968; Maslow, 1987; Alderfer, 1972) and process theories (Adams, 1965; Vroom, 1964; Locke, 1976; Hackman & Oldham, 1975) Job satisfaction is often considered in terms of intrinsic and extrinsic factors. Intrinsic factors (e.g., opportunities for advancement and growth, recognition, responsibility, achievement) promote job satisfaction, whereas extrinsic factors (e.g., supervision, pay, policies, working conditions, interpersonal relations, security) prevent job dissatisfaction.

Zain, Ishak and Ghani. 2009 The components of job satisfaction include employees' thoughts, feelings, interactions and performance Understanding these components and its correlation to job performance can assist South African organizations to evaluate their current practices in terms of employees

Scholars like Brown (1996), Peiro (1999), and Hunter & Hunter (1984) considered the job satisfaction and job performance relationship a prerequisite for higher productivity of organizations.

Sowmya and Panchanatham (2011), Argyris (1964), Likert (1961), and McGregor (1960) contend that satisfied bank employees are the reason for higher productivity, higher involvement and a less likelihood of resignation.

Harrison, Newman & Roth (2006), Schleicher, Watt, & Greguras (2004), and Gupta & Joshi (2008) emphasized job satisfaction as an important technique used to persuade the employees to work harder as "**A HAPPY EMPLOYEE IS A PRODUCTIVE EMPLOYEE**".

Skinner (1969) and Kessler & Purcell (1992) opposed by arguing that financial rewards are very fruitful if according to the perceptions of employees.

Johnson et al. (1986), Deci (1971), Frenkel, Tam, Korczynski & Shire (1998), Beardwell, Holden, and Claydon (2004) contended the effectiveness of reward system.

Herzberg (1966) suggested that extrinsic rewards are external to the work itself like wage or salary, fringe benefits, promotions and recognition and praise from others. While intrinsic rewards are related directly to performing the job like feelings of task accomplishment, autonomy, and personal growth and development.

McCormick and Tifflin (1979) also agreed with Herzberg. The increasing literature on relationship of job satisfaction and job performance showed that job satisfaction is positively related to the job performance.

DIMENSIONS OF JOB SATISFACTION

The idea of job satisfaction is very complicated and argumentative. Over the years researchers have identified the following dimensions of job satisfaction: work, benefits and reward systems, promotions, working conditions, supervision and co-workers.

Reward and benefits

Reward systems has three main objectives:

1. To attract new employees to the organization,
2. To elicit good work performance, and
3. To maintain commitment to the organization.

A reward system is intended to attract and retain suitable employees. An employer who develops a reputation as “cheap” is unlikely to be desirable in the job market, because potential employees will think it does not reward effort. Such an organization is likely to end up with the people that nobody else wants. Rewards are also intended to maintain and improve performance.

RESEARCH METHODOLOGIES AND DESIGN

Research is a systematic method of finding solutions to problems. It is essentially an investigation, a recording and an analysis of evidence for the purpose of gaining knowledge.

Clifford woody, —research comprises of defining and redefining problem, formulating hypothesis or suggested solutions, collecting, organizing and evaluating data, reaching conclusions, testing conclusions to determine whether they fit the formulated hypothesis

Research design: Research design is the conceptual structure within which research is conducted; it constitutes the blue print of the collection, measurement and analysis of the data. As search the design includes an outline of what the researcher will do from writing the hypothesis and its operational implication to the final analysis of data. The present study is exploratory in nature, as it seeks to discover ideas and insight to bring out new relationship. Research design is flexible enough to provide opportunity for considering different aspects of problem under study. It helps in bringing into focus some inherent weakness in enterprise regarding which in depth study can be conducted by management.

Sampling design and method: For the purpose of the study, the researcher selected the banks on the basis of random and stratified technique. Random and stratified sampling is the least expensive and least time consuming of all sampling techniques. The sampling units are accessible, easy to measure and cooperative. The researcher personally contacted 150 employees of private and public banks in Vellore region on the basis of convenience. They were appraised about the

purpose of the study and request was made to them to fill up the questionnaire with correct and unbiased information.

Sampling size: 150 employees were selected from private and public banks of Vellore area after considering time and cost.

Data collection: Data was collected from both primary and secondary source. The primary data was conducted through structured questionnaire and some personal interview and the secondary data was collected from books, magazines, internet, and newspapers.

Statistical tools used for interpretation and analysis: The collected data has been analyzed by using percentage analysis. It refers to special kind of ratio; percentages are used in making comparison between two or more series of data, and used to describe the relation. Since to percentage reduced everything to a common based and thereby allows meaningful comparison to be made.

Questionnaire: The questions were designed to facilitate the respondents to identify the various variables contributing towards Job satisfaction of employees performance. The endeavors were to identify the key Job satisfaction issues, on which employee's perception can be obtained like nature of job, job security, working environment, salary and incentives linked job, promotional methods, performance appraisal, relationship with other employees and management, and grievance handling etc.

The respondents were requested specifically to ignore their personal prejudices and use their best judgment on a **5 point Likert scale**. The purpose of this exercise was to make the response a true reflection of organization reality rather than an individual opinion. The 5 point of the scale indicated in the questionnaire are- 1. Strongly disagree, 2. Disagree, 3. Indifferent, 4. Agree and 5. Strongly agree.

LIMITATIONS OF THE STUDY

- Sample may not represent the true population.
- Satisfaction level to various factors may differ from person to person.
- Study may be obsolete because of changing environment and needs.
- Employees may not will to co-operate.

MAJOR FINDINGS

1. The employees of banks revealed that their organizational culture and commitment are indispensable for organizational productivity and they would recommend the same type of approach in all the organizations.
2. The commitment of the employees has enhanced their communication level with their superiors and subordinates. There is also a change in the interpersonal relationship with their work group now than in the past.
3. Commitment, organizational culture and sincerity of employees have made worthwhile contribution to the Banks.
4. Performance evaluation provided a systematic basis for determining the relative worth of jobs within an organization. The bank employees are very much satisfied with the Innovative culture in their organizations.

5. Adequate facilities are provided to the employees to motivate them to follow the prevailing organizational culture. The facilities actually increased the Performance of the employees.
6. The commitment and prevailing organizational culture at present increased the employees Performance and their Job involvement more than the past.
7. The community culture of the organization is derived from the existing organizational culture which is found suitable to increase the Performance efforts.
8. The Leadership styles and organizational culture of employees and Banking Industry respectively optimistically perceived the goals of organization.
9. A powerful motivation is exerted as the consequence of organizational culture in banks dragging the employees towards sustained and unstinted commitment in raising the organizational efficiency and Profitability.
10. The employees of banks perceived that the Participative culture is the primary aim of employees in the all kinds of change management in the organization.

CONCLUSION

One of the objectives of the study was to find out the relationship between employees' job satisfaction with respect to pay package, and its further impact on their job performance. It was concluded from the research that there was a positive relationship between these two variables. Employees performance was best when they were satisfied with the different aspects of their pay package. Another objective was to find out the relationship between employees job satisfaction with respect to job security, and its further impact on their job performance. The research suggested that there was a direct relationship between these two variables. Respondents told that their satisfaction level was high when they were feeling secure about their jobs. They worked with tension free mind and become more loyal to their banks. It resulted in higher levels of performance. Next objective of the study was to find out the relationship between employee job satisfaction with respect to reward system, and its impact on their job performance. It is also proved from the study that there is a direct relationship between the reward system of the bank and employees' job satisfaction. If respondents were satisfied with the reward system of their bank, they performed well. Their motivation level rose up when they were rewarded for their performance properly.

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