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## STATISTICAL STUDY ON PSYCHO-DEMOGRAPHIC FACTORS ON JOB SATISFACTION: A STUDY OF BANKS IN CHANDIGARH

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### INTRODUCTION

In recent times there has been a convergence of interest on the efforts by organizations to examine conditions that foster greater satisfaction with job. The basic reason for this renewed interest is the perception that broad even global, shifts in the internal structures and employment practices are inducing changes in the ties that bind employees to their job

While the concern for employee satisfaction in India is high. Most knowledge comes from journalistic accounts, individual experiences, opinions of scholars and corridor conversation. These are essentially descriptive pieces without much empirical base and with limited utility for the theory of knowledge.

Today's managers find it hard to ignore the issue of job satisfaction at a time when the demand of meaningful work is increasing. There are two main reasons why managers are concerned with job satisfaction. First, they have a moral responsibility to do what they can to provide their employees with a satisfying work environment. Second, they believe that the behaviour of satisfied workers will make positive contributions to the organization. Studies have shown that job satisfaction have a direct effect on turnover (Fishbein & Ajzen, 1975; Fishbein, 1980). Therefore the viable organization must achieve a minimum level of productivity and also provide a minimum level of job satisfaction for its members.

This is very much true especially in the banking sector in India where the labour market is very tight. Many banks are having problems with high labour turnover and difficulty in hiring new employees. There is immense competition for the scarce resource that has resulted in an increased cost of labour. So banks are seeking ways to improve productivity and reduce turnover without having to hire more employees. This can only be done if the company can keep their existing employees satisfied. As the saying goes "a happy worker is a contented worker".

The concept of job satisfaction, though of considerably recent origin, is closely linked to motivation in the workplace and is a causal factor in improved performance in the workplace. These issues are again linked to job characteristics, which primarily describe the inherent features of a job, which can again motivate or de-motivate workers.

The worth of employees in the running of organizations has been analyzed and debated by management experts, sociologists and psychologists in depth and detail. A number of theories, most of them the result of painstaking and detailed research, are in use to explain human psychology in the workplace, the stressors and de stressors of a working environment, and the reasons behind employee performance, or for that matter, the lack of it.

For all practical purposes, employee satisfaction is essential for corporate success and all famous leaders of corporate enterprise apparently were also exceptional leaders of men. Low attrition rates in companies is an indication of stable and employee friendly HR policy and a barometer of corporate well being. The onset of higher employee turnover brings with it indications of difficult times ahead and is considered as a serious competitive disadvantage by business and financial analysts.

The issue of job characteristics and employee satisfaction has been looked at from a number of perspectives. One view, which is followed by many, is the importance of money. A number of employers feel that in today's multiple opportunity, flexi choice, work from home environment, money is the basic reason for a person to take up a job, furthermore that people work only for money. Companies that pay more usually get the most applications be it at college graduation time for new entrants to the work force, or later on for mid career shifts for middle and senior people.

There are again many management experts and HRD specialists who feel that the theory of money being the only real choice in an employment choice in a free market situation has many serious limitations and indeed is deeply flawed. These experts feel that while money is an important factor in the contemplation of an employment decision there are a number of other factors, which also influence such choices.

The truth is far more complex and while the cynical continue to believe in the overwhelming supremacy of money, in its power to buy happiness and satisfaction, be it in personal life or the workplace, a number of management thinkers, social scientists and corporate managers feel otherwise, advocating and using distinctly different HR philosophies and policies.

These include the understanding of need hierarchies like Abraham Maslow's theory of needs and Clayton Alderfer's ERG theory of motivation, the thinking of Herzberger and McClelland and the various theories of goal setting and motivational processes. A number of

organizations base their HR practices upon an understanding of these various theories and their adaptation to the business environment. Another variable which has come to occupy a permanent factor in HR policy making is employee reaction to the comparatively new practice of having to spend a significant part of working time in front of laptops and computer screens, be it any job profile, such is the pervasiveness of information technology in all areas of corporate life.

It is an undeniable fact that the future of business enterprise depends upon the satisfaction level of its workforce. Dissatisfied workforces cause immediate problems only to their particular businesses.

Working in the banking system is not easy but it can bring enormous satisfaction if employee commit himself to what he does, if employee is responsible and hard working in the banking system job satisfaction is linked to jobs requirements:

Bank experience or customer care experience, Enthusiastic person, always willing to help and solve customers' issues Problem solving and attention to details Fast learner Very good communication skills and listening skills, Selling skills, Team player, adaptability, ability to work under pressure, good knowledge of English is a must, especially verbal and computer skills .

#### **Responsibilities of the employees are as follows:**

The primary responsibility is to providing information to potential individual and corporate customers regarding product and service features, pricing, delivery and contractual conditions. The employee develops qualified leads by selling the company image; he/she encourages individuals to visit branch or contacts the company sales executive about the potential customer.

Providing immediate information to the queries raised by bank customers on: account balance, statements of account, products procedures;

Phone Banking Representative is responsible to smoothly transfer of service to the Account Administration department, in *case* of queries that need further investigations and/or special attention, Phone banking Representative must ensure that all service requests (received by prior established channels) are properly handled and solved within the time lines agreed.

Processes customer complaints in a courteous and professional manner in order to resolve any issues within his/her control, Knowledge of the relevant information and facts and an understanding of the issues are required by the employee to deal with the complaint promptly and within established guidelines. More complex complaints are passed on to Customer service unit officer.

Working with customers who wish to terminate their contract with the company which requires the employee to understand the customers' position and develop ways to retain the customer's account and interest in the company. This reactive form of selling requires the employee to compare competitive products, services, and prices and to appeal to the customer's original reasons for wanting a bank product. Keeping track of the reasons for which customer interacted with him. This information is necessary to increase customer satisfaction by better understanding each customer's needs in future interactions, by customizing approach to each customer, and by identifying general or specific reasons for customers' requests and complaints. In order to do this, proper identification of the customers' requests and accuracy of interaction coding are required.

The banking sector has undergone a sea-change over the years, which has put new pressures and realities in front of the bank employees. Bank officers have perhaps felt the maximum heat. Bank officers form a delicate link between the management and the clerical staff. The success of the bank to a large extent depends upon the coordination, synchronization and cooperation of the bank officers with these two very divergent entities. Through this research study an attempt has been made not only to ascertain the degree of overall job satisfaction prevailing among the Bank officers but also to elicit officer's views on the different factors contributing to their job satisfaction, in the light of current realities. This will also give emphasis on psychological aspect (favorableness with which employees view their work, their attitude, their expectation from bank, their personal views about life in bank, etc).

## **METHODOLOGY**

This section gives detail about the study in this study, its need and significance, objectives, hypothesis, limitation of the studies, research design etc.

### ***NEED AND SIGNIFICANCE OF STUDY:***

The effects of globalization have brought about a significant change in service sector of India. Much emphasis has been laid on privatizations, which have created employment opportunities for the people. The change has increased income level that transformed consumption patterns of the people. This has eventually created a competitive business environment in the banking sector. Also, the demand for financial services in India continues to thrive more and more due to its large growing population and other related pressures like direct foreign investment, private investment, marginal propensity to save, government borrowing and export import development. As a result, a rapid expansion of private banks has taken place from the mid 1990s till present, which has created a good competition among both the private and public banks in India. Good financial services of the banks along with their better customer services become important due to this rising competition. It has been realized that bank employees play an important role for the good performance of the bank by delivering good financial services to its constituencies, since it is a services based business. In

such situation, job satisfaction of bank employees is an important issue for the improved financial services to the customers.

Investigated by several disciplines such as psychology, sociology, economics and management sciences, job satisfaction is a frequently studied subject in work and organizational literature. This is mainly due to the fact that many experts believe that job satisfaction trends can affect labour market behaviour and influence work productivity, work effort, employee absenteeism and staff turnover. Moreover, job satisfaction is considered a strong predictor of overall individual well being (Diaz Serrano and Cabral Vicira, 2005), as well as a good predictor of intentions or decisions of employees to leave a job (Gazioglu and Tanscl, 2002).

### ***OBJECTIVE OF THE STUDY***

The present study is aimed at finding out the impact of various Psycho-demographic factors with relation to job satisfaction of bank employees. To study such impact following hypothesis has been made.

### ***HYPOTHESIS***

- H1: Job satisfaction depends on Quality & Customer Focus
- H2: Job satisfaction depends on Respect for Management
- H3: Job satisfaction depends on Purpose & Direction
- H4: Job satisfaction depends on Trust
- H5: Job satisfaction depends on Teamwork & Cooperation
- H6: Job satisfaction depends on Communication
- H7: Job satisfaction depends on Compensation
- H8: Job satisfaction depends on Stress and Workload
- H9: Job satisfaction depends on Employee involvement
- H10: Job satisfaction depends on Induction and Training
- H11: Job satisfaction depends on Fairness.

### ***SAMPLE***

The population for this study comprised bank employees up to Scale 3. A total of 120 questionnaires were administered to potential respondents chosen from 11 banks. Selected banks for this study are taken on the basis of number of employees in bank through random number generator technique. These are State Bank of India, ICICI, Punjab National Bank, UCO Bank, Corporation Bank, Andhra Bank, Bank of Maharashtra, Punjab and Sind Bank, Kotak Mahindra Bank, ING Vysya Bank, Yes Bank. A total of 100 questionnaires were returned, giving a response rate of 83.33%.

## **QUESTIONNAIRE**

A questionnaire constituting a slightly modified form of the Job Descriptive Index (Smith *et al.*, 1969, 1985) and some demographic questions was constructed. The questionnaire used in this study employed five scales designed to measure satisfaction with respect to different components of the bank employee' overall job satisfaction, namely satisfaction with pay, promotion, supervision, and coworkers, quality & customer focus, respect, purpose & direction, communication, and training. A structured questionnaire was developed having 11 facets of job satisfaction which is addressed through 41 statements to which the respondents is asked to react using a five —step Likert scale ranging from strongly agree (1) to strongly disagree (5). Thus recordings of 4 and 5 represent positive satisfaction—the higher the number, the greater the satisfaction level. Similarly, recordings of 1 and 2 represent negative satisfaction—the lower the number, the greater the level of dissatisfaction. The total of the five scales gives a summary measure of overall job satisfaction. The demographic questions queried gender, education and Job Scale.

## **DATA COLLECTION**

The instruments used to gather data were hand delivered to the employees identified for this study. The instruments were coded and returned anonymously to a central place, where they were collected. This procedure was not considered problematic or perceived to constitute a bias, because the identity of respondents was protected. Of the 120 questionnaires distributed, a total of 100 usable questionnaires were returned, giving a response rate of 83.3%. A linear regression model has been used for analysis.

## **EMPRICAL RESULTS**

This study aims to find the impact of psycho-demographic factors on job satisfaction. The response from 100 respondents was collected through questionnaire and regression analysis was applied on them. The results of regression analysis is shown in table 4.0

**Table 4.0 Regression Coefficients**

Dependent Variable: Job Satisfaction

Model	Un-standardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
(Constant)	1.151	.374		3.078	.003	.408	1.894
Fairness	.047	.062	.071	1.892	.061	-.075	.170
Induction and training	.278	.079	.353	3.504	.001	.120	.435
Employee Involvement	.102	.094	.120	2.564	.011	-.084	.288
Stress and workload	.070	.066	.128	2.963	.003	-.061	.200
Compensation	.045	.072	.070	3.123	.002	-.098	.187
Communication	.106	.089	.123	2.102	.038	-.071	.284
Teamwork and cooperation	.060	.080	.077	1.963	.052	-.100	.219
Purpose & direction	.096	.086	.116	1.705	.091	-.074	.267
Respect for Management	-.059	.081	-.073	1.969	.051	-.220	.103
Quality & Customers Focus	-.077	.083	-.079	2.012	.046	-.243	.088

As the Regression analysis show the significance for different independent variables.

**Fairness:** It has a significance level of 0.061 which shows that this variable is not significant at 5% of significance and hence our dependent variable i.e. Job satisfaction is not much dependent on Fairness.

**Induction and Training:** This variable shows a significant value of 0.001 which is much below 5% of significance and hence it shows that employees perceive training and induction as an important variable for job satisfaction.

**Employee Involvement:** The significant value attached to it is 0.011 which shows that job **satisfaction of an** employee is also dependent on involvement of the employee in decision making.

**Stress and workload:** The job satisfaction is dependent on work pressure as its significance value is 0.003.

**Compensation:** this variable has significant value of 0.002 which shows that job satisfaction is much dependent on compensation of employees

**Quality and customer focus:** it has 0.046 significant value in the table 4, so it is also the significant factor for the job satisfaction.

Teamwork and Cooperation: this variable has significant value of 0.052, and can be considered significant factor for Job Satisfaction.

Respect for management: employees consider the respect for management as the important factor for job satisfaction, **It** has significant value of 0.052.

<b>Hypothesis Result</b>	
H1: Job satisfaction depends on Quality & Customer Focus:	Accept
H2: Job satisfaction depends on Respect For Management	Accept
3: Job satisfaction depends on Purpose & Direction	Reject
H4: Job satisfaction depends on Trust	Accept
H5: Job satisfaction depends on Teamwork & Cooperation	Accept
H6: Job satisfaction depends on Communication	Accept
H7: Job satisfaction depends on Compensation	Accept
<b>H8: Job satisfaction depends on Stress and Workload</b>	<b>Accept</b>
<b>H9: Job satisfaction depends on Employee involvement</b>	<b>Accept</b>
<b>RIO: Job satisfaction depends on Induction and Training</b>	<b>Accept</b>
<b>JLI 1: Job satisfaction depends on Fairness.</b>	Reject

## **FINDINGS AND CONCLUSION**

This study has several important contributions. It demonstrates various factors that can affect the job satisfaction among employees such as compensation/salary of employees, employee involvement in decision making, trust of employee in the management of organization, stress and workload in the organization, training, communication between banks employees and management, respect for the management and teamwork, Results have shown that among all the factors compensation, employee involvement, and stress level affects the **job** satisfaction among employees the most in the banking sector. In banks, employees have to work similar job everyday which creates monotony among them thus leads to high fatigue levels. Job in



banking sector comprises low innovativeness, so role of direction by the senior or management in day to day work is quite low, so direction and purpose does not give impact on the Job satisfaction.

In banking sector, Trust of employee in the management of organization is an important factor for the job satisfaction among employees. Banking sector deals with money so trust between management and employee is very mandatory. Communication between employee and organization also effects the job satisfaction in a considerable manner. Communication is important as management should clearly convey strategic goals, important decision so that employee fell comfortable and give his best and employee should also share all the knowledge with management so that bank can operate as well greased machinery.

### **Limitation of the study:**

During groundwork of this report some obstacles have come across, which can be termed as the limitations. Following are limitations that were faced:

- In this study the sample size taken is 100 which will give results that are close to actuality but not actual as the 100 sample size does not fully give view of everyone.
- Another factor that limits the study is that there are number of banking institutions available across country and our target bank are 11 which may not show the actual position of job satisfaction among employees as policies in banks that are not targeted may be different.
- Lack of sufficient time of the Bank personnel which did not allow learning about certain issues or practices deeply. Employees hesitate to provide in depth information about their practices and tend to show biased response about their bank.

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