EMPLOYEE SATISFACTION IN URBAN COOPERATIVE BANKS- A CASE STUDY OF PUNJAB

NACHHATTAR SINGH¹ & RUCHIKA SONI²

¹Advisor to VC, Punjab Technical University, Kapurthala, Punjab, India
²Research Scholar, Punjab Technical University, Kapurthala, Punjab, India

ABSTRACT

The employees of the Bank are valuable assets to the organization. If they are highly satisfied they produce more and it is profitable for the organization. So in this competitive environment it is necessary to know the employees views toward their job and to measure the level of satisfaction with regard to various aspects of job satisfaction and performance of organization itself. 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. In the present paper an attempt has been made to identify factors as perceived by employees who are expected to be dictating and determining the growth performance of Urban Cooperative Banks of Punjab.

KEYWORDS: Employee Satisfaction, Job Satisfaction, UCB & Human Resource Management

INTRODUCTION

Job satisfaction is an integral component of organization climate and an important element in the management employee’s relationship. Job satisfaction means individuals emotional reaction to job it. It is a positive emotional state that occurs when a person’s job seem to fulfill important job values provided. High job satisfaction is the hallmark of well managed organization and is fundamentally the result of effective behavioral management. It is measure of the counting process of building a supportive human climate in an organization. To utilize their contribution they should be provided with good working conditions to boost their job satisfaction. Job satisfaction is very important because most of the people spend a major portion of their life at working place. Moreover, job satisfaction has its impact on the general life of the employees also, because a satisfied employee is a contented and happy human being. So, in this context, for the better future prospects of UCBs, it has become very essential to give proper weight age to the opinions of employees of these banks and at the same time to measure and monitor the employee satisfaction continuously. In the present paper an attempt has been made to identify the level of satisfaction of employees of UCBs of Punjab which further helps in determining the growth performance of Urban Cooperative Banks of Punjab.

REVIEW OF LITERATURE

Various theories like Maslow's Need Hierarchy Theory, Herzberg's Motivation, Hygiene Theory, and Vroom's Expectancy Model have been extended to describe the factors responsible for the Job Satisfaction. Employee satisfaction, also called “job satisfaction” (Wang, 2005). Employee satisfaction defined as employees’ feelings and thoughts about organization, work and co-workers (Beer, 1964). Locke (1976) proposed the theory of value, and suggested that employee satisfaction does not address individual desires, but associated with employee’s needs or principles. In case of a good salary package, work environment and chances to prospect in the future, may positively influence the employee’s loyalty and ultimately increased job satisfaction. Robbins (1994) said that job satisfaction refers to an individual’s general attitude towards his or her job. A person with high level of job satisfaction holds positive attitude towards his job, a person who is
dissatisfied with his or her job holds negative attitude about the job. Vroom (1964) has done an excellent job of examining the relationship between job satisfaction and various aspects of job behavior. Kamal and Hanif (2009), concluded that special strategies and rules which are related to salaries, work environment, policy evolvement and the staff input, may lead to employee commitment, satisfaction. Employee who is more satisfied is more likely to be welcoming and observant.

**Population and Sample Size**

The research used a descriptive survey design. The two main objectives of this survey are to (1) measure the level of employee satisfaction in the UCBs of Punjab in terms of gender, age, experience and educational background, etc; and (2) to identify the factors which affect employee satisfaction regarding their job. The employees of all branches of urban cooperative banks in the state of Punjab are our population. Questionnaires were sent / personally administered to all the employees working in UCBs of Punjab. We received back only 150 questionnaires. The questions were formed to promote and recognize the various variables contributing in job satisfaction of employees. The five points Likert scale used in the employee’s questionnaire are: 1) Highly satisfied, 2) Satisfied, 3) No satisfy nor dissatisfy, 4) Dissatisfied, and 5) Highly dissatisfied.

**Data Analysis and Discussions**

For data analysis purpose, following techniques were used Cronbach’s alpha, Correlation, Descriptive statistics (mean, standard deviation) and Factor analysis. Data so collected was used for factor analysis to bring out the important factors which an employee expects from its employer i.e. bank. Majority of the respondents belonged to position of manager. Number of respondents occupying manager position stood at 24% of the total followed by assistant manager position occupying 23% of the total. The respondents are also analyzed on the basis of their educational qualifications. They are divided into various categories such as below matric, matric, graduate, post –graduation and any other qualification. Maximum respondents 40% are taken from the category of post-graduates and 37% taken from the category of graduates. Education is considered as an imperative factor in getting the desired information from the sampled respondents. Out of 150 respondents, 5 respondents have experience of up to 1 year, 25 have experience of 1 year to 5 years, 50 have experience of 5 years to 10 years, 45 have experience of 10 years to 20 years and 25 have experience of above 20 years.

**Table 1: Perception of Employees of Urban Cooperative Banks**

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Statement</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Sr. No</th>
<th>Statement</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>Quality of bank premises</td>
<td>3.8276</td>
<td>.53157</td>
<td>P17</td>
<td>Proper laid down loan appraisal systems/ policies</td>
<td>3.4414</td>
<td>.49827</td>
</tr>
<tr>
<td>P2</td>
<td>Work environment</td>
<td>3.6759</td>
<td>.52550</td>
<td>P18</td>
<td>Level of NPA’s</td>
<td>3.5931</td>
<td>.50685</td>
</tr>
<tr>
<td>P3</td>
<td>Inner layout of bank</td>
<td>3.7241</td>
<td>.50666</td>
<td>P19</td>
<td>Recovery of NPA’s</td>
<td>3.6000</td>
<td>.49160</td>
</tr>
<tr>
<td>P4</td>
<td>Employee Recognition</td>
<td>3.3862</td>
<td>.51621</td>
<td>P20</td>
<td>Customer friendly formalities</td>
<td>3.6483</td>
<td>.47916</td>
</tr>
<tr>
<td>P5</td>
<td>Salary</td>
<td>3.2897</td>
<td>.45517</td>
<td>P21</td>
<td>Security and surveillance of bank premises</td>
<td>4.0621</td>
<td>.48906</td>
</tr>
<tr>
<td>P6</td>
<td>Job security</td>
<td>3.2828</td>
<td>.45190</td>
<td>P22</td>
<td>Social responsibility initiatives by the bank</td>
<td>4.0207</td>
<td>.54606</td>
</tr>
<tr>
<td>P7</td>
<td>Computerized operations</td>
<td>3.7655</td>
<td>.44118</td>
<td>P23</td>
<td>Bank’s image in public</td>
<td>3.7310</td>
<td>.51714</td>
</tr>
</tbody>
</table>
The employees were asked to rate the level of their satisfaction regarding different aspects of performance of UCBs on a Five Point Likert Scale. The reliability of the scale was tested using Cronbach’s alpha which is most widely used method to test reliability. The adequacy of data to run factor analysis is tested by Kaiser Meyer Olkin (KMO) measure of sampling adequacy. It is recommended to have KMO statistic more than 0.5 for acceptance (Field, 2000). In the present study this value is 0.892 which shows that the sample is significantly sufficient. For the purpose of factor analysis we used Principal Component method followed by Varimax rotation. By using the Principal Component method, using varimax rotation, 32 statements of the questionnaire were reduced to seven factors. The factor loading 0.40 to 0.49 are considered as more important and those with 0.50 and above are very significant. It can be observed that eight statements namely, recognition of employees work, fair salary patterns as compared to industry, provision of other allowances/ remuneration (if any), motivated staff, preparedness of bank to compete with other banks, negligible employee turnover, career progression / growth of employees and Training facilities/ initiatives by bank represent factor1. In factor 2, we see that six statements namely, Annual review of bank’s performance, bank’s advertisement/ marketing about bank’s products, location of bank / branches, contribution to economy of state/ country, Transparency of operations and Future of urban cooperative banks can be placed. This factor accounts for 7.634% total variance and has an Eigen value of 2.443. These factors can be put under head Bank Competitiveness. The next factor i.e. factor 3 can be titled as Funds management. It consists of 4 variables namely, Existence and awareness about banks set aim and objectives, Adherence to banks set objectives/ policies (if any), Diversification of bank products and proper laid down loan appraisal systems / policies. Factor 4 covers 6 variables namely, financial inclusion initiatives, security & surveillance of bank premises, Social responsibility initiatives by the bank, Bank’s image in public, Effectiveness/ Competency of higher management of bank and profitability position of bank and it accounts for 5.042% of total variance. This factor is given the name of Professional Banking with focus on CSR. In factor 5, four statements namely, State / Quality of bank building & premises, physical work environment for employees, inner layout of bank/ branches and Computerized operations are covered. This factor can be termed as
working environment. NPA and Recovery management covers three variables namely, level of NPAs, Timely and whole hearted steps to recover NPAs and Customer friendly formalities for getting loans. It accounts for 3.596% of total variation. The last factor i.e. factor 7 covers only one factor. Political interference in bank’s routine operations, therefore coined as Political patronage which accounts for 3.241 of total variance along with an Eigen value of 1.037.

CONCLUSIONS AND RESULTS

The above discussion indicates that there are seven major factors related to various perceptions of employees about the service and performance of UCBs in Punjab. The respondents perceive that Job satisfaction/recognition is the most important factor to get them satisfied. Bank competitiveness, Funds management, Professional Banking focusing CSR and Working environment are considered to be important features which the employees of the bank expects from their service provider. The Political patronage is given least importance by the employees, but this should carefully be looked into by the bank so as to have a lesser impact of it on the performance of UCBs. Keeping in view the profile of respondent bankers which is very model profile and covering the age group, marital status, education, experience and position the above conclusion can be given due weight age.

REFERENCES