



Employee Job Performance & New Trends of Indian Banking Sector

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Abstract:

Banking sector plays a crucial role in the economic growth of developing countries like India. Because in developing countries a chunk of population always lives in poverty who are denied formal financial services. In the provision of formal financial services at a reasonable rate, banking sector has an important role to play. Indian banking structure comprises nationalised and non-nationalised banks. Beyond this there are several other foreign banks, co-operative banks, which too provide banking services in the country. New line newline Banks in India had been so liberal on its functioning for several years. For years together, in India banking services had been solely provided either by the Government, or by a handsome number of entrepreneurs or groups of entrepreneurs. There was no competition among them in the provision of banking services. Hence, banking services were not competitively provided to the customers.

Keywords: Job Performance, Performance Appraisal, Job Satisfaction, Morale, and Organizational Environment.

Introduction:

The success of any organisation depends upon its employees. In sustaining the market share, every organisation has a big responsibility of keeping its workforce satisfied.

Employees' of the day expect not a mere decent living but also a satisfied life. Personal satisfaction in the life of an employee depends upon the satisfaction he/she gets in his/her job. A worker in stress cannot perform well in the job. The higher employee turnover and dissatisfy action in the job are the two serious competitive disadvantages faced by many of the modern day undertakings.

It is an undeniable fact that the future of any business enterprise depends upon the level of satisfaction of its workforce.

Dissatisfied workforce causes immediate problem to their business. If the problems are left unattended they have a tendency of spiralling out to other business, or industry and even to other region. Hence in course of time it could become a serious threat to the growing economy.

Banking in India, in the modern sense, originated in the last decades of the 18th century. Among the first banks were the Bank of Hindustan, which was established in 1770 and liquidated in 1829-32; and the General Bank of India, established in 1786 but failed in 1791.



The largest bank, and the oldest still in existence, is the State Bank of India (S.B.I). It originated as the Bank of Calcutta in June 1806. In 1809, it was renamed as the Bank of Bengal. This was one of the three banks funded by a presidency government, the other two were the Bank of Bombay and the Bank of Madras. The three banks were merged in 1921 to form the Imperial Bank of India, which upon India's independence, became the State Bank of India in 1955. For many years the presidency banks had acted as quasi-central banks, as did their successors, until the Reserve Bank of India was established in 1935, under the Reserve Bank of India Act, 1934.

In 1960, the State Banks of India was given control of eight state-associated banks under the State Bank of India (Subsidiary Banks) Act, 1959. These are now called its associate banks. In 1969 the Indian government nationalised 14 major private banks. In 1980, 6 more private banks were nationalised. These nationalised banks are the majority of lenders in the Indian economy. They dominate the banking sector because of their large size and widespread networks.

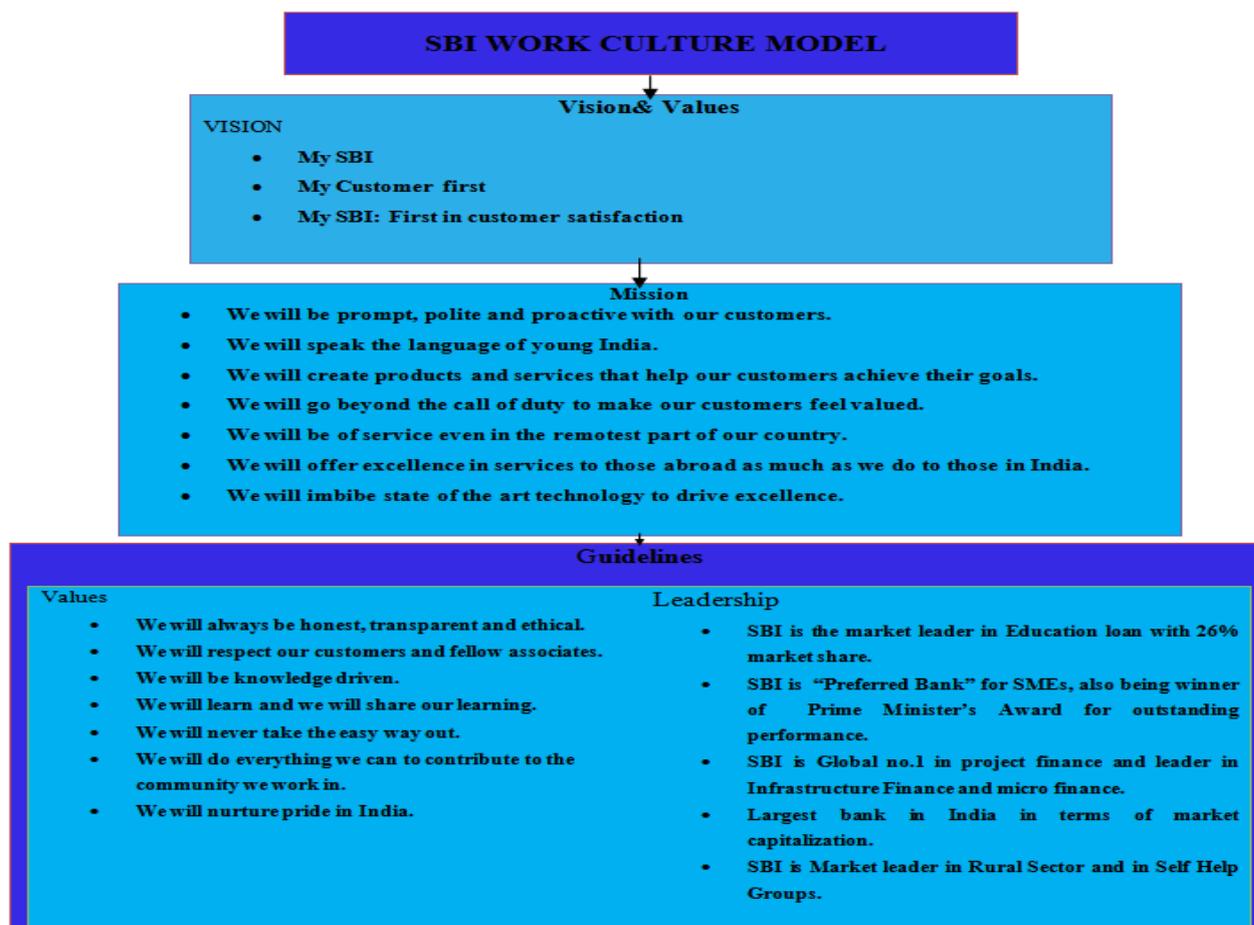
The Indian banking sector is broadly classified into scheduled banks and non-scheduled banks. The scheduled banks are those included under the 2nd Schedule of the Reserve Bank of India Act, 1934. The scheduled banks are further classified into: nationalised banks; State Bank of India and its associates; Regional Rural Banks (RRBs); foreign banks; and other Indian private sector banks. The term commercial banks refers to both scheduled and non-scheduled commercial banks regulated under the Banking Regulation Act, 1949.

Generally banking in India is fairly mature in terms of supply, product range and reach-even though reach in rural India and to the poor still remains a challenge. The government has developed initiatives to address this through the State Bank of India expanding its branch network and through the National Bank for Agriculture and Rural Development with facilities like microfinance.

Statement of The Problem: Some Examples:

Banking sector plays a crucial role in the economic growth of developing countries like India. Because in developing countries a chunk of population always lives in poverty who are denied formal financial services. In the provision of formal financial services at a reasonable rate, banking sector has an important role to play. Indian banking structure comprises nationalised and non-nationalised banks. Beyond this there are several other foreign banks, co-operative banks, which too provide banking services in the country.

Policy of Banks Regarding problem: Some Examples:



In the recent scenario especially after globalisation customer attrition is very high especially from public sector banks to private sector banks. One of the reasons for the higher attrition is the poor banking services. Hence every commercial bank attempts to make their employees satisfied in their job and try to attract more customers. The private sector banks are owned and controlled by private corporate bodies. Hence under the direct supervision of the owners the banks are well managed and employees are well focussed towards their customers who are satisfied with the service provided. But in the nationalised banks owned by the Government and managed by the officials, good governance is not assured.



5. Work-Life Policies & Some Benefits

- Employee Salary A/c Benefits.
- Family Health Insurance
- Flexibility to innovate
- Exhibits rigidity in terms of well laid systems, processes and infrastructure

-Staff Retirement Benefits:

1. Gratuity
2. Superannuation Fund
3. Pension
4. Provident Fund
5. Leave Encashment

REVIEW OF PREVIOUS STUDIES:

This section reviews the relevant studies on job satisfaction carried out to find out the research gap. Reviewing the previous literature not only highlights the historical works in the area, but also helps to identify the niche in the area. Further, reviewing helps to study the methodology and techniques used in these studies so that the present study can be set up in a new dimension.

Sinha (1958) in his study on “Job Satisfaction in Office and Manual Workers” found that “inadequate salary” and “insufficient leave” were the most important contributors to dissatisfaction. The study stresses that salary and security were the two components with which workers are more dissatisfied than other components.

Roy (1960) in his study entitled “Job Satisfaction and Informal Interaction” has stated that job satisfaction is not a matter of single element but a result of several variables. But he stresses that among all other variables informal interaction with workers is the variable which offers a key source of job satisfaction. Hence he suggested that every employer should give due importance to informal interaction.

Porter, L.W. (1961) in his study “A Study of Perceived Need Satisfaction in Bottom and Middle Management Job”, observed that satisfaction is the difference between one actually received and what he feels as he should receive. The study identified that job satisfaction is a psychological concept related to one’s mental set up.

Sinha and Sharma (1962) in their study entitled “Union Attitudes and Job Satisfaction in Indian Workers”, have reported that there is a negative association between union and job satisfaction, and at the same time, age and marital status were significantly associated with

job satisfaction. The study explored the relationship among various variables with job satisfaction.

Jayashri Desai (1964) in her study, “Employees Job Satisfaction”, have found that job satisfaction is related to the satisfaction of physiological needs, status needs and the need to belongness, employees interest, work environment, interrelation and the employee’s personality.

Sinha and Nair (1965) in their study entitled, “A Study of Job Satisfaction in Factory Workers”, have observed that a satisfied worker was usually more skilled and he was either fresh to the organisation or had put up many years in it with a few dependents to support it.

Nataraj and Hafeez (1965) in their study on, “A Study of Job Satisfaction among Skilled Workers”, investigated the level of job satisfaction and found that skilled workers were more highly satisfied than other categories of workers.

Guha (1965) in his study, “Job Satisfaction among Shoe Factory Workers”, has revealed that there is a positive correlation between age and job satisfaction. In the study it is found that workers in the advanced age group tend to be more satisfied because they have thoroughly analysed their job conditions and as the outcome they get job satisfaction. But the workers of the younger age do not do it and hence their job satisfaction is less.

Objective of the study:

Behind conducting any kind of research work is prime task to establish the basic objectives regarding conducting the present study work. Some of the important objectives are under mentioned below:

1. To understand the role of innovative trends in Indian banking industry.
2. To get the insights regarding job performance in state bank.
3. To get understand the usage and level of satisfaction with regard to innovative concepts.
4. To analyse the comparative study regarding pros and cons from the innovative banking trends.

Training effects employee's job performance positively. Training is a motivational factor which enhances the knowledge of the employee towards the job by which employees become proficient in their jobs and they become able to give better results. In addition, training is seen as a useful means of coping with changes fostered by technological innovation; market competition, organizational structuring and most importantly it plays a key role to enhance employee performance. This paper analyses the relationship between training and its impact on employee performance in banks. Several measures of performance are analyzed including



compensation, performance appraisal, and organizational commitment. Introduction Human resource has become strategic resource to gain sustainable competitive advantages in this age of globalization. Human capital is the differentiator between a good company and a great company. Human resource is the very important and the backbone of every organization and it is also the main Resource of the organization. Human capital is the differentiator between a good company and a great company. One significant function of Human Resource Management to the effective use of human resources is training and development. Effective training and development is an investment in the human resources of an organization, with both immediate and long-range returns. Training is a key element for improved performance; it can increase the level of individual and organizational competency. Training holds the key to unlock the potential growth and development opportunities to achieve a competitive edge. Training programs helps in making acquaintance of employees with more advance technology and attaining robust competencies and skills in order to handle the functions and basics of newly introduced technical equipment. Training facilitates the updating of skills and lead to increase commitment, well – being, and sense of belonging, thus directly strengthening the organization's competitiveness (Acton and Golden, 2002; Karia and Ahmad, 2000; Karia, 1999). Training has the distinct role in the achievement of an organizational goal by incorporating the interests of organization and the workforce (Stone R J. Human Resource Management, 2002). There is no doubt that training is important in all aspect for an organization. Training has traditionally been defined as the process by which individuals change their skills, knowledge, attitudes, and/or behavior (Robbins and DeCenzo, 1998). The primary role of training is to improve the employees' skill for current and future duties and responsibilities. Training helps them to change with aspects like technology and competition (Dessler 2000). Now a days training is the most important factor in the business world because training increases the efficiency and the effectiveness of both employees and the organization. Training is important to enhance the capabilities of employees. Recent researches reveal that training enables most organizations meet their goals and objectives. In doing so employees are able to learn new work concepts, refresh their skills, improve their work attitude and boost productivity (Cole 2002). On the one hand, most of the employees need training to perform their job duties or at least to increase the quality and quantity of their work; on the other hand, skilled and efficient manpower is the most important success factor in achieving the goal of organizations. Training facilitates the updating of skills and leads to increase commitment, well – being, and sense of belonging, thus directly strengthening the organization's competitiveness (Acton and Golden, 2002; Karia and Ahmad, 2000; Karia, 1999). Training has been an important variable in increasing organizational productivity. Most of researches including Colombo and Stanca (2008), Sepulveda (2005) and Konings & Vanormelingen, (2009), showed that training is a fundamental and effectual instrument in successful accomplishment of the firm's goals and objectives, resulting in higher performance and productivity of the organization. Training is a tool to fill the gap and the firms should use it wisely to improve employee productivity. Armstrong (2000) contends that trained employees often work better as teams because everyone is aware of the expectations and can achieve them together smoothly. In addition,



employees who receive regular training are more likely to accept change and come up with new ideas. Training plays a vital role, improving performance as well as increasing productivity, and eventually putting companies in the best position to face competition and stay at the top. Past researches provide the evidence regarding the positive affect of training programs on both employee and organizational performance. Training has direct relationship with the employees' performance. A significant relationship was found between the employees training and their resultant performance in accomplishing different tasks. By the help of training employees become proficient in their jobs and they become able to give better results.

Examples of ICICI Bank:

Scope of the study:

The present study aims to assess the level of job satisfaction of the employees of the ICICI Bank, a private commercial bank in the state of Himachal Pradesh. It covers employees working in the ICICI bank. The employees belong to different categories such as officers, clerical staff and sub-staff. The study explores level of job satisfaction among employees working in the the ICICI Bank and examine it in organizational context, such as, rewards, promotion policies, working conditions, career development, inter-relationships etc., which affect job satisfaction. motivation. Hence, another important question emerges, to what extent employees are satisfied with the organization structure?

Above all, it can be said, that job satisfaction is very important for the individual and as well as an organizational concern. In today's world of work imbued with diversity in human resource, technological interventions, changing nature of job, differential expectations, new management practices, demands for specialized skills etc., the success and growth of any organization, to a great extent, depends on the satisfaction of employees. In this phase when employee's expectations are not met by the organization and vice versa then various disputes take place. These disputes may cause loss of workforce, wages and production. This is also true to the banking sector.

Methodology

This ex-post facto approach was considered most suitable to understand the phenomenon of job satisfaction of employees of the ICICI bank. There are eighteen branches of the ICICI bank spread over ten districts in the state of Himachal Pradesh. The population of the study consisted of all employees who are working in ICICI bank in the state of Himachal Pradesh. A convenient sample of employees at selected six branches of ICICI bank, located at Nahan and Paonta in District of Sirmour, Baddi and Solan in District Solan and Kasumpti and Shimla in district Shimla was used. The sample consisted of eighty employees (Management Executives 20; Official Staff 40; and Supporting Staff 20). Those employees who are permanent and had two years of working experience were selected. The unit of the study was an employee in ICICI bank.



The instrument for data collection was questionnaire. The first part consisted of questions about personal information on age, gender, education, marital status etc., and the second part had fifteen questions extracted from the short form of Minnesota Satisfaction Questionnaire (MSQ). These questions included important dimensions of organizational structure. These are: salary/compensation, training and development, flexibility, communication, work life balance, security, interpersonal relationships, decision-making, welfare measures, reward and recognition, attitude of employees, role clarity and morale of employees, working conditions, team work, promotion policies etc. Spector (1997) identified the 20-item short form of the Minnesota Satisfaction Questionnaire (MSQ) (Weiss *et al.*, 1967) as a popular measure that is frequently used in job satisfaction research. One advantageous feature of the MSQ short form is that it can be used to measure two distinct components: intrinsic job satisfaction and extrinsic job satisfaction. Intrinsic job satisfaction refers to how people feel about the nature of the job tasks themselves; extrinsic job satisfaction refers to how people feel about aspects of the work situation that are external to the job tasks or work itself (Spector,1997). The reliability coefficient value of MSQ short form ranges from 0.87 to 0.97 and its validity is considered adequate. Each question had five response categories i.e., Very Satisfied, Satisfied, Neutral, Dissatisfied, and very Dissatisfied and allotted score as 5, 4,3,2,1, respectively. We depended on the reliability and validity of the instrument as indicated in original manual of MSQ. Interviews were conducted on the selected respondents and the questionnaire was administered to them. The data was analysed using frequency and percentages, and to draw meaningful findings.

Observations:

The statistical data in terms of gender, education, marital status, work experience and respondents' designation, monthly income of eighty employees of the ICICI banks in three districts of Himachal Pradesh are presented in Table No. 1. From the table, it can be pointed out that there was preponderance of males with significantly more than half of the respondents i.e. 66.25 per cent. A little more than half (53.75 %) of them were graduates. A little more than half (56.25%) were married. The proportion of respondents with income between Rs. 2500 to 35000/- was highest (33.75%). Those with work experience 21 years and above were represented highest (37.50 %) and those with less than 10 years of experience also had the same proportion (37.50%). Half of the respondents were from office cadre staff.

Table1. Characteristics of respondents (N=80)



Characteristic	Category	Frequency	Percentage
Gender	Male	53	66.25
	Female	27	33.75
Education	Diploma	10	12.50
	Graduation	43	53.75
	Post-graduation	27	33.75
Marital Status	Married	45	56.25
	Unmarried	35	43.75
Income P.M (Rs)	Below 15000	10	12.50
	15001-25000	25	31.25
	25001-35000	27	33.75
	Above 35001	18	22.50
Experience in years	Below 10	30	37.50
	11 - 20	20	25.00
	21 - 30	15	18.75
	Above 31	15	18.75
Designation	Management Executives	20	25
	Office cadre	40	50
	Supporting staff	20	25

Organizational context and job satisfaction

Hertzberg's two factor theory points out that the 'hygiene factors' are very crucial in understanding job satisfaction of employees. These include aspects of the working environment such as pay, company policies, supervisory practices, and other working conditions. The cumulative evidence of research studies also points out that various dimensions of organization, such as, salary, training and development, rewards and compensation, nature of job, promotion, autonomy, communication, job security, morale, role clarity, attitude of superiors, working conditions, team work etc., influence job satisfaction and morale of employees. The basic concern of this study is on to understand dimensions of job satisfaction in its contextual perspective, as it is difficult to determine impact of intrinsic factors of motivation. In this study, information on their satisfaction with different dimensions of organizational work environment was collected and analysed. The table 2 below presents summary of these findings. Only responses under 'satisfied' category are mentioned here.

**Table2.**Summary of findings

Parameter	Job Satisfaction
Salary	50.00
Training and Development	41.25
Nature of Job	31.25
Work life balance	48.75
Inter-personal Relationship	70.00
Job Security	32.50
Communication	62.50
Autonomy	37.50
Morale	38.75
Rewards and Recognition	38.75
Attitude of Superiors	67.5
Role Clarity	40.00
Working Conditions	55.00
Team Work	51.25
Promotion	32.50

Based on statistical results mentioned in table 2 above, some important findings emerged. These are;

- Half of the respondents (50 %) were satisfied with their salary package which they are paid for their job. Salary happens to be a satisfier for them.
- Interestingly, in case of training and development programme almost equal response (a little over 40%) was found regarding employees' satisfaction and dissatisfaction.
- It appears that a little over 30 percent of respondents were contented with the nature of job which includes flexibility, workload on the employees, working hours etc. Those who were not contented often felt overloaded with work of different kinds in addition to their own work.
- In striking balance between responsibilities at work place and family, that is, work-life balance, a little less than half (48.75%) of the respondents were satisfied. They could realize it along with their involvement in different tasks in the bank. Those who found it difficult and felt unhappy were also in good number (36.25%).
- Majority (70.00%) of the respondent employees were happy and satisfied with relationship with their colleagues at their work place. This they felt is a healthy sign of development of an organization. This they viewed leads to discharge their responsibilities better and in this task they get cooperation and guidance of other colleagues. Aarti et al. (2013) also reported that



employee's relationship with management and other co- employees as one of the major factor for improving job satisfaction of employees.

- About one-third of the respondents (33%) were happy with the provisions of job security in ICICI bank. But those who were not satisfied with this were in higher proportion (41.25%). This reflects that job security in ICICI bank is not up to expectations of employees at large. Jagannathan and Sunder (2011) in their study in Tamil Nadu opined that job security has significant impact on job satisfaction of employees.
- Sizeable proportion of respondents i.e. more than half (62.00%) were satisfied with the communication in the ICICI bank. In other words, most of the employees were happy and satisfied by the communication channels at all levels within organization.
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- More than half (62.00%) of the respondents were satisfied with the communication in the ICICI bank. In other words, most of the employees were happy and satisfied by the communication channels at all levels within organization.
- On the dimension of autonomy i.e freedom to take independent decision with regard to job related matters, clear cut trend did not emerge as equal number of employees (37.50%) were satisfied and as well as dissatisfied with it. Jagannathan and Sunder (2011) also reported similar results in their study on 200 employees of LIC in Tamil Nadu. They found that sizable proportion of employees were not satisfied with the nature of job.
- Most of the employees were satisfied with the welfare measures at the work place as they expressed of having no anxiety, tension and breakdown of emotions in dealing with their superiors and subordinates. This means there is cooperative and helpful attitude among employees. Such respondents accounted for 38.75 per cent.
- Sizeable proportions (48.75%) of employees were not satisfied with the reward and recognition system of the ICICI bank. They mentioned that the rewards and recognitions are not commensurate with the nature of work i.e. workload, flexibility and working hours.
- Most of the employees were satisfied with the attitude of their superiors at their work place. The percentage of such respondents was 67 percent. They felt that it leads to better inter-personal relationship which in turn enhances better performance and job satisfaction.
- As far as dimension of role clarity is concerned, those satisfied held that role assigned to them is clear and without any ambiguity. Those dissatisfied with this were lesser in number (31.25%) to satisfied ones (40.00%).
- The respondents were satisfied with their organizational working conditions, such as, seating facility, the canteen, ventilation in the work place, safety facilities etc. Such employees were a little more than half of the respondents (55%) were satisfied with the working conditions in the ICICI bank.
- It was found that half of the respondents showed positive attitude for Team work was adored by the respondents as they felt that it not only builds harmonious inter-personal



relationships, but also instills confidence to work in the organization. Number of such informants was 51.25 per cent.

- A little more than half of the respondents (57.50%) were dissatisfied with promotion policies of the bank.
- Interestingly, three-fourth of respondents (78.75%) expressed high level of morale, that is, they were satisfied with their work, rewards and working conditions. They expressed their willingness to continue working with the ICICI bank. The factors of salary, inter-personal relationship, communication, attitude of superiors, working conditions and team work were found to influence job satisfaction more than other factors, such as, training and development, rewards and compensation, nature of job, job security, morale and role clarity. Their proportion happened to be sizably greater, that is, between 50 to 70 per cent. Similar observations were reported by Abbas (2011), Jagannathan and Sunder (2011), Aarti et. al. (2013), and Vikram Jeet and Sayeeduzzafar (2014).

Conclusions

After the analysis of statistical data and findings arrived, it can be concluded that employees in the ICICI bank in Himachal Pradesh nurture differential level of satisfaction across organizational variables, such as, salary/ compensation, training and development, the nature of job, work life balance, colleagues relationship, job security, chain of communication or relationships, decision-making, welfare measures, rewards and recognition, attitude of superiors, roles of the employees, working conditions, team work promotion policies etc. On the face of statistical findings, difference in percentage between satisfaction and dissatisfaction suggests that factors of salary, inter-personal relationship, communication, attitude of superiors, working conditions and team work are more significant in determining job satisfaction of employees of the ICICI bank in Himachal Pradesh. It can be pointed out that improvement in organizational variables, most particularly, in performance appraisal system, promotional strategies, position status and related rewards etc., may enhance job satisfaction and morale of employees in the ICICI bank.

Suggestions

On the basis of above findings of the study, a few suggestions are put forward, and if followed by the ICICI bank, may help in enhancing job satisfaction among its employees.

1. The conclusion mentioned above should be understood as indication. This is because, for drawing conclusions, more studies of this nature and on controlled and large samples are needed.
2. The ICICI bank should suitably reward initiatives and contributions of employees. They must be recognized given adequate incentives to outstanding employees.
3. Promotion involves higher responsibilities and therefore promotion policies should be effectively implemented as this forms an effective reward for commitment, loyalty and long service.



4. Working conditions in terms of flexibility, workload and working hours should be tuned in such a way that they do not serve as barriers in maintaining work life balance which is essential for individual and social development.
5. Seniors should inculcate positive attitude towards their subordinates in helping them to perform assigned tasks with increased efficiency and in turn learn comfortably with cooperation of others.
6. The ICICI bank should further strengthen team building and team work backed by proper communication channel.

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