

“A Study of customer’s contentment and impact of work culture on banks employees’ gratification in Gurgaon district in the state of Haryana”

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Abstract

The issue of rural retail banking is extremely topical. Over the past few decades, while urban retail banking has seen a lot of growth, rural areas in India have continued to suffer from insufficient access to financial services despite the fact that India is predominantly known as a land of villages with the large chunk of rural population. There are around six hundred thousand (6 lacks) of villages in India out of which only 31,727 villages have banking facilities with approximately 1 crore 80 lakhs (18 million) bank accounts out of total 200 million bank accounts in India. Indian rural banking is now seen as an important means for inclusive growth for overall economic development of a country. So, there is an immediate need to step up the flow of credit to agricultural and other rural activities in India, to improve rural productivity and economic welfare. RBI has taken certain steps to increase the banking services in rural areas by mandating banks to open at least 25% of their own branches in un-banked rural areas with a population of over 2000 and offer priority sector lending.

The banking sector in India has made a remarkable progress since the economic reforms in 1991. New private sector banks and foreign banks have brought the necessary competition into the industry and spearheaded the changes, towards higher utilization of technology, improved customer service and innovative products. Customers, all over, are now becoming increasingly conscious of their rights and are demanding more than ever before. The recent trends show that most banks are shifting from a “product-centric model” to a newer model, the “customer-centric model”. In this context, prioritization of preferences and close monitoring of customer satisfaction have become essential for all banks.

Banking sector plays an important role in our economy ranging from economic development in rural nations to form core of the money market in urban areas. Different measures that have been taken from time to time would help the highly regulated and directed banking system to transform itself into one, characterized by openness, competition, prudential and supervisory discipline.¹

1. Indian Banking Sector

There is one area of the economy which is most getting attention in present scenario that is financial sector. And the financial sector, the banking sector that has been the focus of academia and playmakers alike. With concern about the financial stability coming to the forefront of policy challenges facing central banks

worldwide, it is being increasingly realize that promoting healthy financial institutions, especially banks are a crucial prerequisite for rapid and inclusive growth.

India launched a programme of stabilization and structure reforms in 1991-92 with the main objective of improving the efficiency of the whole economic system and imparting more competitive and structural flexibility. A reform of the financial sector constitutes a crucial of India's programme towards economic liberalization.

The banking industry in India has undergone a **radical change in the last two decades**. When the 90s saw the revamping of Banking industry and setting up of new generation private banks, the first decade of the 21st century will precede a little further, Samal 2005[2]

A major part of human's life is spending in work which is a social reality and social expectation to which human seem to confirm. Even then only economic motivation has never satisfied men. It's always of **greater interest to know why men work** and at which level and how they satisfied with the job.

1.1 Employees satisfaction

Is thought to be one of the primary requirements of a established organization and considered and imperative by all corporate management. It is an undeniable fact that the future of business depends upon the satisfaction level of its employees. This satisfied employees cause immediate problems on to their particular business. Psychologist and sociologist have long been interested in the functions and significance of job attitudes, Hoppock, 1935. [3].

Now the banking has become more competitive. They sell both life insurance and other life insurance products. They sell all mutual funds and issue credit cards and other debit cards. Bank's ATM is now refilling mobile pre-paid cards of several companies. Everybody is trying to become the same customer.

The success of an organization depends not only on its technical, updated machinery, plant layout and dynamic organization etc. but also depends upon its **human recourses (employees)**. A fully satisfied, happy and hardworking employees the **valuable asset** of any organization, including **banking sector**. Workforce of any bank is responsible to a large extent for its productivity and profitability. So for the success of banking. It is very important to manage human resources effectively and to find whether its employees are satisfied or not. One of the **key factors** of any organization of any factors of any organization is its **employees**.

The success of failure of the organization largely depends on their satisfactions and this satisfaction. One of the reasons for deteriorating condition in an organization is low job satisfaction. Due to which, work slowdown, employee remain absent and sometimes employee may leave the organization also. **High job**

satisfaction on the other and, is desired by the management because it tends to be connected with the **positive outcomes** that managers want. High job satisfaction is the hall mark of well managed organization and is fundamentally the result of effective behavioral management. It is a measure of the counting process of building a supporting human climate in an organization. Job satisfaction is a primary aspect of job attitudes.

The most important evidence indicating the condition of the organization getting worse is the low rate of job satisfaction, Kaya, 1995 [4]. Thus the job satisfaction is essential pre-requisites for healthy organizational environment.

1.2 Customers Satisfaction

Bankers are an integral part of the banking system. They are the **bridge between the organization and the customers**. They come in contact with customers regularly and are in a better position to understand the expectations of the customer.

As a service provider, their roles are quite important in changing the perception of customers. As indicated in different studies, the perception of quality of services and customer satisfaction depends on the banker Adrain 1995 [5], and Parasuraman et al 1991 [6],

Service quality is meeting customer's needs matching to their expectations, Human life has become very complex and complicated in now-a-days. In modern society the needs and requirements of the people are ever changing. When the people's needs are not fulfilled they become dissatisfied. Dissatisfied people's needs are likely to contribute very little for any purpose. Job satisfaction of industrial workers is very important for the industry to function successfully. Apart from managerial and technical aspects, employers can be considered as backbone of any organization including banks. To utilize their contribution they should be able to achieve success and peace only when their problems of satisfaction and dissatisfaction of workers are understood and solved, problems of efficiency, absenteeism, labour turnover require a social skill of understanding human problems and dealing with them. Scientific investigation serves the purpose to solve the human problems in the industry. Howcroft, 1991 [7]

2. Efficiency of a banking sector

It depends upon how best it can deliver services to its target customer. In order to survive in this competitive environment and provide continually customer satisfaction, the providers of banking services are now required to continually improve the quality of services. The globalization of Indian economy has truly called for overall quality of customer services through smart use, absorption and adoption of flexible and appropriate information technology. A favorable climate for excellent services manifests itself in employee behavior, for example, being attentive to customers, speaking favorably about the organization and its services. With frequent employee – customer contact, customers are more often exposed to such positive behaviors, which in turn, lead to customer satisfaction.

To sum up, the adoption of technology in banks is increasing with the growing use of internet, electronic commerce, and various other banking innovations.

Evolution of technology in banks is taking place at an enormous pace and it is only question of time before banks commit themselves on full scale technology up gradation, aiding their growth and adding their competitive features. The computer and the communication age are opening up a flood of new opportunities that are redefining the very concept of traditional banking.

It is for the individual banks to reinvest themselves and reconfigure their business processes and practices in tune with the growing customer expectation in an ever increasing competitive environment. There is no way, a bank can remain lukewarm to new technology products and yet hope to grow because it is a choice of survival or extinction.

In such a competitive in government, financial institutions are forced to **examine their performance** because their survival in the dynamic economics of the coming years will be dependent upon their overall efficiencies. In response, banking firms have been trying to adopt and to adjust themselves to improve their efficiencies in the changing g social and economic environment. The efficiency of a banking sector depends upon how best it can deliver service to its target customers or how far the exceptions of customer are met Arora 2011 [8].

Therefore, the banking sector in most emerging economics in present scenario. Thus the following are the key challenges of changes in the banking industry:

Changing customer needs and expectations;

- Impact of technology;
- Competition among the banks and from MNCs in the financial sector,
- **These are the major challenges that the banking industry face today. This study has been taken up to investigate these challenges and needs. Focus is on three important variables of banking industry namely customer satisfaction, work culture and employee satisfaction and strengths and weakness of the banks and also comparison between the public bank and private banks.**

Banks play a role of considerable economic significance as intermediaries in mobilizing public saving and channelizing the flow of funds for productive purposes, keeping on the process of the economic growth of the country. Realizing the importance of the role of the banks in economic development, Government of India/Reserve bank of India took several major initiatives after the

country attained independence to gear the banking system to serve the national objective. An efficient financial sector is an engine for economic growth. It converts the fuel of saving into kinetic for the economy. The banking industry which is at the core of the financial sector must take the lead. The reform process started in the 90's has given the industry a great opportunity. Not only must the sector become more efficient it must also identify sectors having growth opportunity and devise strategies to move saving into these sectors. Customer can be defined as a user or potential user of banking services. A customer would include an account holder, or his representative, or a person carrying out casual business transactions with a bank, or a person who on his own initiative, may come within the banking fold, Talwar Committee Report 1976 [9].

3. RETAIL BANKING – AN INTRODUCTION

All over the world, there is a shift in the economy from the manufacturing to the service sector. The contribution of banking to the service economy is duly recognized. Banking industry includes a number of businesses such as corporate banking, investment banking, wealth management, capital market etc. Retail banking is another segment of the banking industry.

It is a typical mass- market banking characterized by a large customer base and a large volume of transactions. There is a high level of co-operation between banks, retailers, customers and consumers in this segment. Retail banking has brought in a drastic make over in the overall banking scenario in India. The exceptional improvement in the banking system in India is a result of strong initiatives taken up by both the government and private companies. Retail Banking has been the new focus of the banking industry across the world. The emergence of new economies and their rapid growth has been the most important contributing factor behind this resurgence in Retail Banking. Changing lifestyles, fast improvement in information technology, other service sectors and increasing levels of income have contributed to the growth of retail banking in countries like India that are developing at a good pace. In India the Retail Banking scenario has been the market changing from a seller's market to a buyer's market.

“Retail banking is typically mass – market banking where individual customers use local branches of larger commercial banks. Services offered include savings and checking accounts, mortgages, personal loans, debit cards, credit cards and so. [10]

4. PURPOSE OF THE STUDY

The main purpose of this study was to identify the job satisfaction of the bank employees of a public and private sector banks in Gurgaon district, Haryana to determine whether the sectoral differences in terms of

growth, working hours, team spirit, work life balance, working environment and job security influence employee's perception regarding job satisfaction.

Employee satisfaction is of utmost importance for employees to remain happy and also deliver their level best. Satisfied employees are the ones who are extremely loyal towards their organization and stick to it even in the worst scenario.

It is also a recognized fact that employees of a bank also reside in an exclusive and responsive position in banking sector. No meaningful change is possible without the participation of the employees. If bank have to undertake some important changes to adapt themselves to the new competitive environment, one of the most essential initiatives lies in organizing and preparing their employees to the requirement of competitive banking. No longer can an organization motivated for success afford to devalue and deflate its workforce touched at the expense of those who help and make this success possible. The level of employees' satisfaction will decide the quality of services the customer receives.

The first benefit of employee satisfaction is that individuals hardly think of leaving their current jobs. Employee satisfaction in a way is essential for employee retention. Organizations need to retain deserving and talented employees for long term growth and guaranteed success. If people just leave you after being trained, trust me, your organization would be in a big mess. Agreed you can hire new individuals but no one can deny the importance of experienced professionals. It is essential for organizations to have experienced people around who can guide freshers or individuals who have just joined.

This study is to identify and measure the various factors of job satisfaction among 5 banks of public sector and 5 banks of private sector in Gurgaon district, Haryana and highlight the main findings by performing statistics techniques to judge the correlation and level of significance for the factor.

The scope of this study is Gurgaon district, Haryana.

Which include 5 tehsils: -

1. Gurgaon
2. Sohna
3. Pataudi
4. Farukhnagar
5. Manesar.

FOUR rural developmental blocks:-

1. Pataudi

2. Sohna
3. Gurgaon
4. Farukhnagar

Haryana is a state in Northern India. The state shares its boundaries with Rajasthan in the south and west, Himachal Pradesh and Punjab in the north, and the territory of Delhi in the east. The capital of [Haryana](#) is Chandigarh and it is also the capital of the neighboring state of Punjab. However, the biggest city of the state is Faridabad. The state was formed on 1 November, 1966. [11]



Gurgaon district is one of the 21 districts of Haryana state in northern India. Gurgaon city is the administrative headquarters of the district. The population is 1,660,289 which include revenue tehsils which are now part of Nuh district. Gurgaon district is part of Ahirwal Region. It is one of the southern districts of Haryana. On its north, it is bounded by the district of Jhajjar and the Union Territory of Delhi. Faridabad district lies in its east. On its south, lie the districts of Palwal and Mewat. To its west lies Rewari district.

This district contains many small hill ranges which are part of the Aravali and MangarBani ranges. The district is divided into 3 sub-divisions: Gurgaon North, Gurgaon South and Pataudi, which are further

divided into five revenue tehsils, namely, Gurgaon, Sohna, Pataudi, Farukh Nagar, Manesar. It also comprises four rural development blocks, Pataudi, Sohna, Gurgaon and Farrukhnagar.

5. Analysis of the Study

5 PUBLIC SECTOR BANKS:-

1. Bank of baroda
2. State bank of india
3. Punjab national bank
4. Corporation bank
5. Central bank of india

5. PRIVATE SECTOR BANKS:-

1. HDFC BANK
2. ICICI BANK
3. AXIS BANK
4. YES BANK
5. INDUSIND BANK

Table Public Banks - customer's satisfaction

Name of the Bank	Pataudi's customers Sample size	Sohna's customers Sample size	Gurgaon's Customers satisfaction	Farukhnagar's customers satisfaction	Manesar's customers satisfaction	Total
Punjab National Bank	4	4	4	4	4	20
Bank of Baroda	4	4	4	4	4	20
State Bank of India	4	4	4	4	4	20

Corporation Bank	4	4	4	4	4	20
central Bank	4	4	4	4	4	20
TOTAL (5)	20	20	20	20	20	100

Table: Private Banks

Name of the Bank	Pataudi customers Sample size	Sohna customers Sample size	Gurgaon Customers satisfaction	Farukhnagar customers satisfaction	Manesar customers satisfaction	total
HDFC Bank	4	4	4	4	4	20
ICICIBank	4	4	4	4	4	20
AXIS Bank	4	4	4	4	4	20
YES Bank	4	4	4	4	4	20
INDUSIND Bank	4	4	4	4	4	20
TOTAL (5)	20	20	20	20	20	100

No. of Banks : 10

No. of branches : 184 (Public banks) +220 (Private Banks)

Total employee respondents : 150

Total customer respondents : 125

❖ Employees Job Satisfaction in Public and Private sector banks

Objective 1: To study and analyze the level of job satisfaction on the basis of work culture and amenities given to the employees in the banking sector (Public & Private) in Gurgaon district, HARYANA state.

In order to achieve this objective, several factors affecting the job satisfaction of the employees was analysed separately for public and private sector banks. These factors were then ranked in the order of their importance on the basis of their mean values.

The major factors affecting employees Job satisfaction in the public and private sector banks can be categorized as follows:-

Table 5.1: Factors of Job Satisfaction

S.No.	Factors	Statement Number of Questionnaire	Aspects of Job satisfaction factors
1	Communication	14	overall communication
2	Communication	18	competitive awareness
3	Communication	22	information awareness
4	Role Efficacy	15	working hours
5	Role Efficacy	16	performance opportunity
6	Role Efficacy	17	flexible work schedule
7	Role Efficacy	3	feeling about work assigned
8	Role Efficacy	20	job rotation
9	Role Efficacy	26	job inspiring
10	Role Efficacy	30	time with family
11	Role Efficacy	31	personal problems

12	Amenities and Infrastructure	1	Commuting to the bank
13	Amenities and Infrastructure	33	technical updated
14	Compensation	4	salary satisfaction
15	Compensation	10	incremental policy
16	Promotion	5	promotion opportunity
17	Promotions	25	transfer policy
18	Interpersonal Relations	11	superior relationship
19	Interpersonal Relations	12	Co-worker relationship
20	Interpersonal Relations	13	subordinate relationship
21	Interpersonal Relations	24	relationship in bank
22	Employee Motivation	9	achievements rewards
23	Employee Motivation	19	work recognition appreciation
24	Training and Development	21	overall development
25	Training and Development	23	training satisfaction
26	Participative Decision Making	34	employee autonomy
27	Participative Decision Making	35	employee suggestions
28	Participative Decision Making	36	suggestion implementation
29	Job Satisfaction	29	overall bank opinion

The analysis tables and figures representing the relative ranking of these Job satisfaction factors in the order of their importance (on the basis of their mean values) for the Private sector bank employees are presented in the table 5.2 below:-

❖ Private sector bank**Table 5.2:** Job Satisfaction factors of Public sector bank employees

S.No	Job Satisfaction Factors	Mean	Std. Deviation	Ranking
1	Employee Motivation	4.36	0.47619	1
2	Interpersonal Relations	4.2967	0.86865	2
3	Participative Decision Making	4.2889	0.74452	3
4	Compensation	4.1267	1.02038	4
5	Role Efficacy	3.945	0.72807	5
6	Amenities and Infrastructure	3.8933	0.52821	6
7	Communication	3.66	0.93378	7
8	Promotions	3.6333	0.71345	8
9	Training and Development	3.48	0.84805	9
10	Job Satisfaction	3.2933	1.27102	10

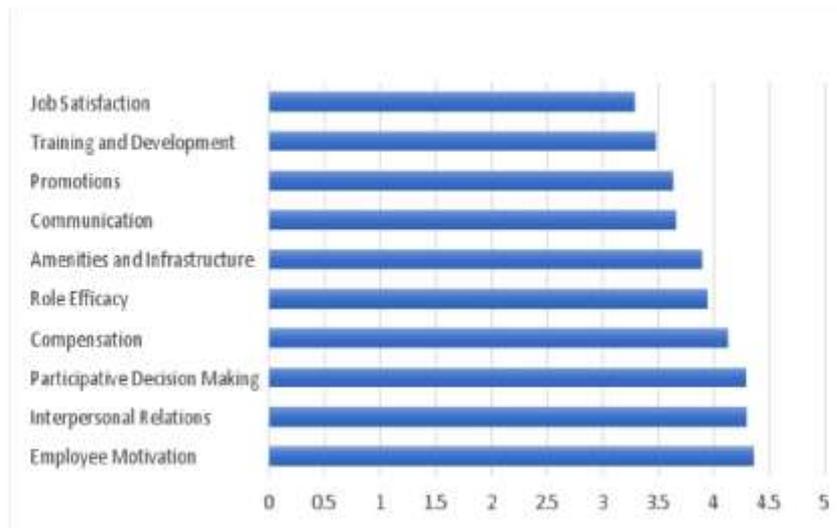


Figure 5.1: Job Satisfaction factors of Public sector bank employees

Interpretation

It can be interpreted from the above table 5.2 that the important factors responsible for the Job satisfaction of employees in the case of Public sector banks were Employees Motivation (Mean= 4.36) followed by Interpersonal Relations (Mean=4.2967), then Participative Decision Making (Mean= 4.2889). Compensation (Mean= 4.1267) and Role Efficacy (Mean=3.945). This implies that employees in the public sector banks were intrinsically satisfied and motivated as feel involved and important in their job roles. But on the other hand, they were relatively less satisfied with Amenities and Infrastructure (Mean=3.8933), Promotions (Mean=3.6333) and Training and Development (Mean= 3.48) which must be provided by the public sector banks to increase their job satisfaction.

The overall Job Satisfaction of the public sector banks was moderate with a mean score of 3.2933 which implies that there is more scope for betterment of employee's job satisfaction in terms of amenities, promotions and training and development aspects.

❖ **Private sector bank**

Similarly, a ranking on the mean values for these Job satisfaction factors was conducted for the private sector banks. The tables and figures representing for which are presented as :-

Table 5.3: Job Satisfaction factors of Private sector bank employees

S.No.	Factors	Mean	Std. Deviation	Ranking
1	Employee Motivation	3.9467	0.70984	1
2	Amenities and Infrastructure	3.7667	0.76376	2
3	Compensation	3.7067	0.74477	3
4	Job Satisfaction	3.6	1.23299	4
5	Promotions	3.52	0.84805	5
6	Participative Decision Making	3.4533	0.9294	6
7	Training and Development	3.4	0.95507	7
8	Communication	3.2978	0.95676	8
9	Role Efficacy	3.245	0.78425	9
10	Interpersonal Relations	3.24	0.75722	10

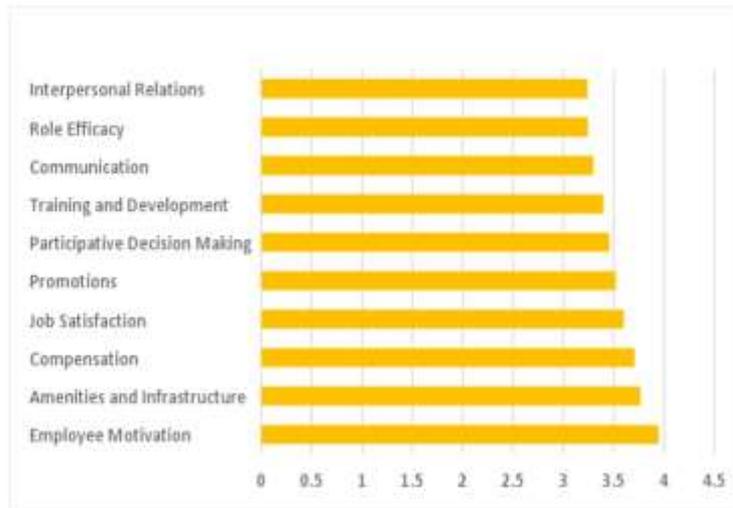


Figure 5.2: Job Satisfaction factors of Private sector bank employees

Interpretation

It can be interpreted from the above table 5.3 that the important factors responsible for the Job satisfaction of employees in the case of Private sector bank employees were Employee Motivation (Mean= 3.9467) followed by Amenities and Infrastructure (Mean=3.7667), then Compensation(Mean=3.7067), Promotions(Mean= 3.52). This implies that employees were extrinsically more satisfied through the amenities and infrastructural facilities provided to them, including the compensation and promotions which are very important factors affecting the satisfaction level of the employees. But still the mean values were not high. So private sector banks should pay more attention to these HR factors improving the satisfaction level of their employees.

On the other hand, they were relatively less satisfied with the factors such as Participative Decision Making (Mean=3.4533), Training and Development (Mean=3.4), Communication (Mean= 3.2978), Role Efficacy (Mean=3.245) and Interpersonal Relations (Mean=3.24).

The overall Job Satisfaction of the private sector bank employees was moderate (Mean score of 3.6) but this was higher than that for public sector bank employees (Mean=3.2933) which implies that there is more scope for betterment of employee's job satisfaction in case of public sector banks.

Objective 2: A comparison of the employee's satisfaction level in banking sector (Public and Private sector banks in Gurgaon district, HARYANA state

A comparison table showing the mean values on these factors affecting the employees job satisfaction in public and private sector banks is shown in the table and figure below:-

Table 5.4: Factors affecting Job Satisfaction for Public vs Private sector banks

S.No.	Factors of Job Satisfaction	Public banks Mean	Private banks Mean
1	Employee Motivation	4.36	3.95
2	Interpersonal Relations	4.30	3.24
3	Participative Decision Making	4.29	3.45
4	Compensation	4.13	3.71
5	Role Efficacy	3.95	3.25
6	Amenities and Infrastructure	3.89	3.77
7	Communication	3.66	3.30
8	Promotions	3.63	3.52
9	Training and Development	3.48	3.40
10	Job Satisfaction	3.29	3.60

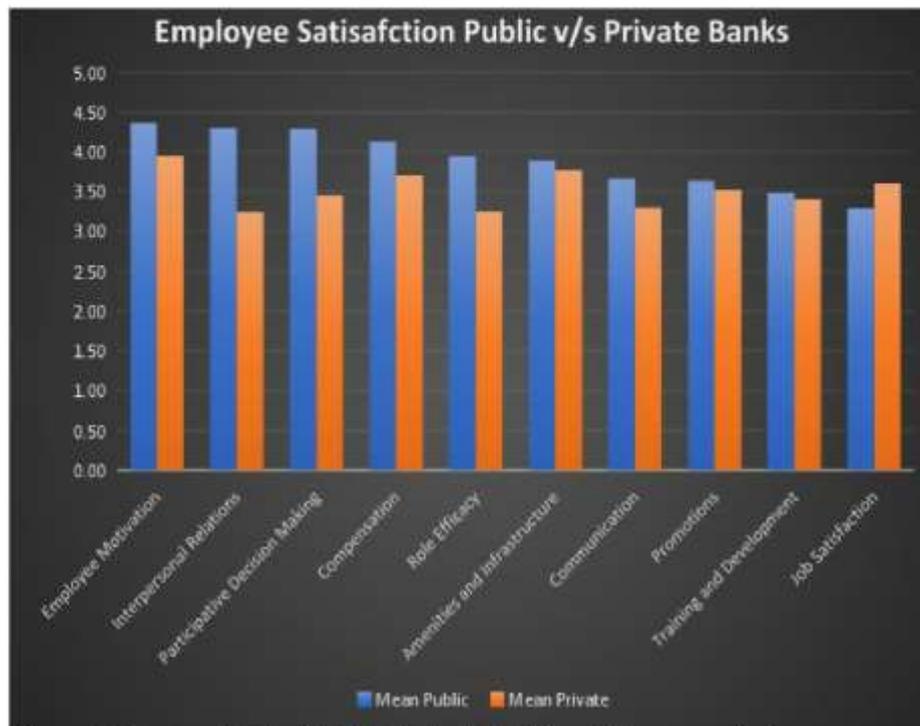


Figure 5.3: Factors affecting Job Satisfaction for Public vs Private sector banks

Interpretation

From the above figure 5.3, and as discussed above, it can be clearly represented that in this study, the for the factors affecting Job satisfaction, the mean values of public sector banks are relatively more than the private sector banks for Employee motivation, Interpersonal relations, Participative decision making, Compensation and Role efficacy. But there is hardly any major difference in case of Promotions and Training and Development. This implies that in the banking sector more emphasis should be placed on Amenities and Infrastructural development and maximum emphasis should be placed on Promotions and Training and Development.

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