Chapter-II

STUDY DESIGN
AND
METHODOLOGY
This chapter presents statement of the problem, review of literature, objectives, hypotheses, method of data collection and other methodological aspects of the study.

STATEMENT OF THE PROBLEM

In the wake of liberalization, privatization and globalization (LPG) across the globe has brought in tremendous changes in the working of financial institutional in general and the functioning of commercial banks in particular. Introduction of computers, down-sizing, mergers and implementation of voluntary retirement scheme are some of the revolutionary changes that are taken place and implemented by almost all the banks in the country. All these steps have resulted in stiff competition from within the branches and among the banks. More so, all these changes might have made a great impact on morale and motives of banking personnel and finally their level of job satisfaction. From psychology it is understood that the high morale leads to greater motivation and this motivation in turn to job satisfaction and highly satisfied employees perform better than dissatisfied employees. However, this statement should
prove empirically touching the level of morale of the banking personnel on various aspects of the banking sector and their level of satisfaction or dissatisfaction on various job-related factors. The present study is an humble attempt in this direction.

REVIEW OF LITERATURE

(a) Studies on Banking Sector

Shukla (1987)\(^1\) while highlighting the importance of Human Resource Development in the banking sector, emphasized the need for a changed strategy in which the human resource development assumes greatest importance in the era of 21\(^{st}\) century. He suggested that employers and employees should work together to attain the required goal.

Subba Rao (1988)\(^2\) in his book “Principles and Practice of Bank Management” briefly covered the Human Resource Management practices in the Indian Banking Sector. He said that the Human Resource Management is relatively new as a specialist part of management activity. Though Indian Banking Sector developed sophisticated techniques and practices but it has not yet developed as a specialist function.

Thakur (1989)\(^3\) in his paper on “Human Resources Effective Management” stressed that in the banking industry Human Resource Management to be effective requires top management commitment of a higher order to some philosophical ideas. He also held that the participative
style of management should, therefore, be extended to the branch level for which mechanism be worked out. A bank’s training strategy should, therefore, has a focus on motivation and attitudinal change.

Mankidy, Jacob (1990)\(^4\) presented a paper on Human Resource Management and focused that the changing profile of the bank employees would be yet another reason for change in Human Resource Management. He also added that the changing social values with which new generation of employees are brought up gave them different value orientation and hence new approach is needed to manage them.

Mira Singh and Pestonjee (1990)\(^5\) in their study tried to bring out relationship between job involvement, sense of participation and job satisfaction in banking industry in western India. They concluded and confirmed that the job satisfaction of the bank employees was positively effected by the occupational level, job employment and participation.

Bagul (1991)\(^6\) in his study on Regional Rural Banks stated that the Regional Rural Banks should be merged with their sponsor banks. He further suggested that some incentives should be announced to the employees of Regional Rural Banks since they have to work in rural areas experiencing some problems connected with their children’s education, transportation, accommodation etc.
Doreen Tam and Syed Akhtar (1992)\textsuperscript{7} tried in their study to identify Human Resource Management strategies that promote employee retention. The study also attempted to exemplify how strategies can be utilized to create the linkage between employees and the organization. They concluded that there is no single strategy which can adequately be addressed to the issue of employee turnover. Instead, a right mix of Human Resource Management strategies within a holistic framework is advocated to ensure a sense of belonging.

In another study Hossain and Miah (1992)\textsuperscript{8} strongly believed that there exists a strong relationship between job satisfaction and performance of commercial bank employees. However, the study could not identify a positive relationship of job satisfaction of younger employees than experienced older ones.

Jahan and Haque (1993)\textsuperscript{9} made a critical study on effects of organizational climate on job related aspects of middle level managers of banks. The authors observed and found that there is an indispensable correlation between job satisfaction and the organizational factors like decision-making, communication, supervision and salary packages.

Kulkarni and Nikhade (1996)\textsuperscript{10} made a study on critical analysis of in-service training needs of banks' branch managers and endeavoured to correlate with job satisfaction and job performance. The study concluded
that some respondents appear to have expressed dissatisfaction towards job. Some of the important reasons for such a dissatisfaction according to them are: non-availability of facilities such as infrastructure including supporting staff, vehicles, power etc.

Dakshina Murthy (1996) made a study on Human Resource Development practices a case study of Anantha Grameena Bank. He concluded that the personnel of the Regional Rural Banks are to be imparted training in the areas of work ethics, and inter-personal relations. He further inferred that training programmes are to be directed to achieve this end.

Gangana Shastry (1996) in his article “Rural Banking needs a radical change” stated that the process of financial globalization and liberalization is going on in full swing throughout the world. In the same context it is the time to think of some radical changes in our rural bank too. He further stressed that management principles and policies of the bank must be evaluated and updated to the changing skills of the personnel to the present study banking environment.

Kulkarni and Nikhade (1996) undertook a study on critical analysis of in-service training needs of branch managers and correlated with job satisfaction and job performance. The study concluded that some respondents appear to have expressed dissatisfaction towards the job. Some
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Balasubramanian (1999)\textsuperscript{14} in his study explored the existing weightage schemes in 8 banks in the state of Goa and tried to identify some of the problems and issues in determining a proper weightage scheme. Factors like range restriction, stipulation of minimum, offsetting of weights, the number of components and their linkages were explored.

Musharaff (2000)\textsuperscript{15} conducted a comparative study on job satisfaction of commercial bank employees in Bangladesh. The study was designed with a view to investigate the satisfaction of commercial bank employees and its consequences on related issues. A total number of 450 commercial bank employees from both the public and private sectors were randomly selected. The results revealed that the public sector bank employees were in a better position in terms of their job satisfaction than the private sector bank employees and the executives were more satisfied than the non-executives. It was also found that job satisfaction had significant positive correlation with performance but significant negative correlation with job stress and propensity to quit the job.

Singh (2000)\textsuperscript{16} examined the extent of power and influence managers had over their clerical and sub-ordinate staff and how their
powerfulness / powerlessness was related to various power measures used to influence their subordinates. 340 managers belonging to 14 public and 4 private sector banks participated in the study. The results showed that managers considered themselves moderately powerful. The author concluded that enforcing discipline and persuasiveness emerged as important influence strategies as these were positively related to personal effectiveness and satisfaction with work and support.

Gani and Shah (2001)\textsuperscript{17} conducted a study in the banking industry in the state of Jammu and Kashmir. The total employees in all the banks in aggregate were about 3,745. The total size of the sample was restricted to 125. The stratified sampling technique was employed for drawing the sample. The authors provided an adequate description of the concept, constructed, determinants and correlates of organizational climate. The study indicated that the banking industry as a whole has a poorly perceived organizational climate and that the situation in the private sector banks is worse than public sector ones.

Rai and Sinha (2002)\textsuperscript{18} in their study on job delight: beyond job satisfaction identified a concept of job delight, which connotes a delight of having expectations surpassed, and delight brought about by augmentation. Data were obtained from 261 managers of nationalized banks. Statistical analyses included were correlation and regression analysis. The results based on two sub samples of 60 and 43 respondents showed that compared
to intrinsic job satisfaction, the intrinsic job delight was a better predictor of self-esteem and of the two measures of personal effectiveness. The results were supportive of the implicit hypotheses that job delight is a more worthwhile variable compared to job satisfaction under specified condition.

(b) Studies on Morale and Job Satisfaction

Stephen (1947)\textsuperscript{19} began a series of job satisfaction surveys on the life insurance agency management association. He found that:

(i) most agents are satisfied with their company's reputation.

(ii) a negative correlation (-0.76) exists between company size and satisfaction scores, and

(iii) men who like their work are not generally satisfied with the public attitude towards insurance agents.

In another study, Katz and associates (1949)\textsuperscript{20} found that morale had four dimensions: job satisfaction, satisfaction with wages and promotional opportunities, identification with company, and pride in work group. They found that only the last dimension was significantly correlated with productivity.

The studies of Reynolds and Shister (1949)\textsuperscript{21} focussed on the reasons for quitting their previous job and also the reasons for being satisfied or dissatisfied with the present job. The same reasons were given
for leaving the last job and for current dissatisfaction. Time factors of primary importance, according to them, were:

(i) physical characteristics of the job,
(ii) closeness of supervision,
(iii) adequacy of wages,
(iv) treatment by the company, and
(v) intrinsic interest in the work

Bose (1951)\(^22\) studied employee morale and supervision and concluded that employee-centered supervision created an atmosphere of good morale, which is conducive to higher productivity.

The study conducted by Gangrade (1954)\(^23\) for the first time stressed upon the importance of personal factors in job satisfaction. In his study he focused the aspects like:

(a) personal data sheet,
(b) questionnaire for attitude measurement,
(c) questionnaire for determining personality make-up, and
(d) intelligence test.

He found that younger and older workers were more satisfied than the middle-age group. Educated workers were found to be less satisfied than uneducated ones. Intelligence and little influence on attitude disposition
and the relationship between personality and attitude was also found to be significant.

Ganguli (1955) investigated the effects of many possible variables on the morale of 2084 workers in a Calcutta factory. He further opined that the factors unrelated to morale were province of birth, pay increase, total income, skill and efficiency.

Ganguli (1957) in his study isolated three dimensions of morale by factor analysis and held that:

(i) satisfaction with total organization.

(ii) Satisfaction with interpersonal relations with the superior, and

(iii) Satisfaction with supervisor's technical competence.

Herzberg (1957) analysed the results of nearly two dozen studies on the effects of morale on productivity. In 54 per cent of the studies, high morale was related to high productivity; in 35 per cent, morale and productivity were not related; and in 11 per cent, high morale was related to low productivity.

Cozen (1959) stated in his study that the morale, employee satisfaction and productivity increased when routine jobs were combined so that employers could use more of their skills and abilities. Similar results have been obtained by giving white collar workers some share in management.
Chatterji (1960)\textsuperscript{28} pointed out that modern society recognizes the importance of every individual feeling satisfied in his / her job. Job security, a good supervision, opportunities, for promotion and satisfactory solutions of grievances are equally as important as amount of pay.

Sinha and Singh (1961)\textsuperscript{29} studied the relationship between absenteeism and job satisfaction of hundred workers of TISCO at Jamshedpur and concluded that there is a higher degree of relationship between absenteeism and job satisfaction. The higher absence group was much less satisfied with their jobs than the low absentee group.

Sinha and Sharma (1962)\textsuperscript{30} found that no relationship between job satisfaction and material status could be observed. They observed that negative association between union attitude and job satisfaction and positive relationship between job satisfaction and general adjustment.

Prasad (1965)\textsuperscript{31} while studying personality and some personal factors in job satisfaction concluded that extrovert were significantly better satisfied with their jobs and introvert persons. Further he found that older workers are more satisfied than their young colleagues and education is also found related to the job satisfaction. He concluded that higher the education of the worker less is the satisfaction and vice-versa.

Rao and Rao (1973)\textsuperscript{32} evaluated the theoretical validity of Herzberg's two factor motivation theory. A questionnaire was framed with
the terms pertaining to oversell satisfaction 113 supervisors, 137 clerks and 250 skilled workers. Multivariate analysis disclosed that motivators and hygiene factors were not mutually exclusive variables and their effects were not unidimensional. Both these factors as a whole influenced the overall satisfaction of the all the respondents.

Anjaneyulu (1974)³³ studied the job satisfaction in the secondary school teachers in Andhra Pradesh and found that the post-graduate teachers were more dissatisfied than the other teachers with less educational qualifications.

Pandey (1975)³⁴ tried to analyse the relationship between job satisfaction and some personal variables namely: age, sex, formal education, job training, job experience, parental occupation and number of dependents. The analysis of data showed significant relationship between job satisfaction and personal variables like, age, sex, formal education and parental occupation. However, no significant relationship could be determined between job satisfaction and variables like job experience, job training, and number of dependents.

Dwivedi (1976)³⁵ in a comprehensive study which formed part of a research project undertaken as a consultancy measure for the organization development programme in a leading printing press in India, illustrated the measurement of employee morale. The study accessed the employee
attitudes towards job, co-workers, supervisors, superior officers, company and other miscellaneous objects in the company. It was found that the items like punctuality in payment, cleanliness, supervision, ease at work were liked while canteen, job security, bonus and partiality were disliked by the employees. Overall, there existed a high employee morale in the company.

Katz and Hyman (1978)\textsuperscript{36} on the basis of a study in five shipyards, concluded that morale varied among shipyards and was correlated with productivity, and that morale and productivity had a circular casual relationship.

Singh and Singh (1980)\textsuperscript{37} conducted a study on the 90 supervisors. The results indicated that personal factors like age, marital status, education and number of dependents have significant effect on the level of job satisfaction.

Anrold and Feldman (1982)\textsuperscript{38} carried out an empirical investigation on a multivariate analysis of the determinants of the job turnover in the manufacturing organization. It was found in the study that unremunerative wages, close supervision, poor working conditions and options of good retirement benefits were some of the factors that led to high rate of absenteeism and finally resorted to leave the existing organizations.
Slocum (1990)\textsuperscript{39} made an attempt to establish the relationship between performance and job satisfaction. In this empirical study the authors could find a tangible relationship and close proximity between job satisfaction and organizational performance. Yet the study could not able to correlate job satisfaction with that of employee turnover.

Doreen Tan and Syed Akhtar (1992)\textsuperscript{40} concluded that while monetary rewards may be potent force influencing employee turnover intention, the extent of its impact depends on its interaction with a contribution of other human resource management practices. By implication, therefore, Human Resource Management practices have to be viewed as a whole in order to promote employee retention.

An empirical study was made by Khaleque et. Al., (1992)\textsuperscript{41} titled job satisfaction, mental health, fatigue and performance of industrial workers. The authors empirically could see the positive relationship between job satisfaction and mental health and performance of industrial workers.

Rama Devi (1997)\textsuperscript{42} conducted a study on faculty job satisfaction and their views on management of two universities in Andhra Pradesh. The sample consists of 200 teaching faculty – 100 teaching staff working in Sri Krishnadevaraya University, Anantapur and teaching staff working in University of Hyderabad. The sample was drawn on random basis using
Fisher and Yates random numbers and an attempt was made to measure job satisfaction of the faculty in universities in Andhra Pradesh and found the factors such as freedom in doing job, scope for self improvement, income and job security causing satisfaction while bureaucratic rules, no recognition for work and routine work are the dissatisfaction to them.

Hossain and Islam (1999)\(^43\) the study was intended with a view to investigate the overall quality of working life (QWL) and job satisfaction and performance of the Government Hospital Nurses in Bangladesh. A total number of 63 nurses were selected from three government hospitals on a stratified random sampling basis. The results reveal that there was significant positive correlation between QWL and job satisfaction. A significant positive correlation was also found QWL and performance and, job satisfaction and performance. QWL had the highest contribution to performance perceptions of QWL and job satisfaction were significantly higher among the respondents in small organizations than in the large organization.

Uma Bhowon (1999)\(^44\) made an empirical study aiming at identifying the styles of handling interpersonal conflict and the impact of perceived organizational climate on the respondents' use of these styles with their superiors and subordinates. Altogether 225 male executives representing 6 manufacturing concerns participated in their study. Factor analysis results of the conflict handling styles scale constrained to five
factors namely, integrating, avoiding, compromising, obliging and dominating. Integrating and dominating were the most and least preferred styles for handling conflict with both targets. Power and independence oriented climates predicted the use of avoiding and integrating styles in both contexts whereas achievement and independence climates determined the use of integrating, avoiding, and dominating styles only with supervisors.

Hoque and Rahman (1999) assessed and compared the quality of working life of industrial workers of private and public sectors and measured whether there is any significant relationship among job behaviour of the workers. The sample of the study consisted of 100 workers, of whom, 51 have been taken from a private sector textile mill and the rest from a public sector textile mill situated at Tongi near Dhakha, Bangladesh. The results revealed that:

(a) workers of private sector mills perceived significantly higher quell than their counterparts in the public sector

(b) quell has significant positive correlation with performance and finally

(c) quell has significant negative correlation with absenteeism and accident.
Negi et al. (2001) in their paper on “Motivation and Morale as a tool of HRD,” discussed the implication of motivation theories on management practices. The researchers revealed that employees who reported feeling happy with their jobs usually described the following six factors: achievement, recognition, responsibility, work itself, advancement and growth. On the other hand, when feelings of unhappiness were reported they were not associated with the factors just mentioned but with external conditions, such as supervision, company policy and administration, working conditions, interpersonal relationship, status, salary, job security and factors in personal life.

Sharma, et al. (2001) carried out a study in a large Engineering Industrial Organization and tried to find out the extent of job satisfaction of its women artisans. The study also intended to know whether the determinants of job satisfaction evoke any reaction or response from the women workers. It is found from the study that about 80 per cent of the respondents agreed that they got adequate supervisory guidance, 40 per cent of the respondents fully satisfied with the job while 48 per cent expressed their partial satisfaction. This partial satisfaction, according to the authors, may be due to disinterest, monotony, partiality of the supervisor and the pressure of the family. The authors concluded that the job satisfaction cannot be built in a job from external factors but satisfied if one is happy about the intrinsic nature of it.
NEED FOR THE STUDY

It is evident from the literature that many studies are made on banking sector and scant attempts are made on morale and job satisfaction. Similarly, studies are found on job satisfaction in business and other manufacturing organizations. However, no specific study is found exclusively on the employee morale and job satisfaction in banks especially after introduction of LPG process in the country. Therefore, under these changing economic scenario, there is an urgent need to have an in-depth empirical study covering both morale and job satisfaction of the banking personnel.

It is firmly believed that the studies of this nature would enable the policy-makers, bankers, financial institutions, economists, researchers including academicians to gauge the attitudes of employees on various aspects of banking sector and accordingly can frame their human resource management strategies and policies for enhancing the morale of the employees in general and job satisfaction in particular for better performance.

An organization that plans and implements programmes to ensure better motivation would be able to create high morale of the workforce resulting in positive worker attitude, better productivity and performance. Employee morale can be determined with the help of attitude surveys, on
the basis of which a systematic action plan can be instituted. A systematic approach should be made to get rid of hygiene factors (dissatisfaction) and to effectively incorporate motivators. A periodic evaluation of the attitudes and approaches of the people may act as eye-openers, in accordance with which motivational programmes, can be planned. The human side of enterprise must focus the policies and strategies, so that the morale can be boosted, better job satisfaction ensured and higher (employee productivity) performance can be achieved.

OBJECTIVES OF THE STUDY

The main objective of this study is to know the employee morale and job satisfaction of the employees in commercial banks. However, the specific objectives are to:

(a) perceive the employee morale on various aspects of banking sector
(b) measure the level of job satisfaction of the selected commercial banks' employees
(c) correlate the aspects of employee morale with the personal aspects of the selected employees.
(d) correlate the level of job satisfaction with those of employees' personal variables like age, education, experience, training etc., and
(e) suggest measures for formulating human resource strategies and policies for achieving high morale and job satisfaction among the bank personnel.
HYPOTHESES

The following hypotheses have been formulated and tested:

(a) Employee morale among the selected commercial bank employees is high.

(b) Morale among the bank employees varies according to their cadres and personal characteristics.

(c) Employee job satisfaction in commercial banks is high, and

(d) Job satisfaction varies according to personal characteristics of the employee.

SAMPLE OF THE STUDY

As on 31st March 2001, there are about 22 public and 6 private commercial banks with 184 branches working in different commercial viable places / towns in Chittoor district. In all 184 branches, there are altogether 1,865 employees are working. Of these, 624 employees are the managers / officers, 878 are clerical staff and 363 are the sub-staff. Majority of the branches and staff are working in urban and semi-urban places in the district.

For selecting the branches purposive sampling technique has been adopted and accordingly 9 commercial banks of both public and private sectors and their 35 branches which are locating in major commercial urban and semi-urban areas are selected. For a detailed study, 200
questionnaires were handed over to the managers of the banks concerned and explained the purpose and importance of the study and requested the managers to circulate the same among their colleagues. The questionnaires were also accompanied with a request to fill it and return the same within 30 days. Surprisingly, only 135 employees have responded positively, filled and returned the questionnaires. Of these, only 120 questionnaires were found filled correctly in all respects.

Thus, 53 managers / officers, 67 clerical staff are selected from 35 branches of 9 commercial banks in the district and their responses are the basis for analysis of the study.

SCOPE OF THE STUDY

The study has been confined to morale and job satisfaction of the bank employees in selected commercial banks in Chittoor district within the objectives framed as above.

METHOD OF DATA COLLECTION

The study is basically an empirical in nature. However, secondary data have also supplemented the findings.

Primary data have been collected by administering a structured questionnaire among the managers/officers and the clerical staff. The questionnaire is so framed with an intention to elicit the information from
the bank employees broadly in four areas. They are: (a) personal aspects, (b) aspects of job environment, (c) employees job satisfaction, and (d) factors which are causing most satisfaction and most dissatisfaction. Accordingly, Section I, is intended for the details of personal aspects of the employees such as name of the employee, designation, age, caste, sex, marital status, family background, type of family, size of family, salary, educational qualifications, number of years of service in the bank and other job related details.

Section-II, is meant to seek the opinion of the employees on various aspects of job environment on eight dimensions in the commercial banks. These dimensions include salary, awards & rewards, supervisory system, working conditions, communication system, decision-making process, employer-employee trust and innovation and change practices. Again under each dimension some statements are given ranging from 4 to 6 and sought the opinion on a three-point scale – strongly agree with a score of 3, neutral with 2 score and the last score 1 for strongly disagree.

Section III, this section is meant for knowing the level of job satisfaction of the employees on various job related aspects in the commercial banks. The level of satisfaction is elicited on FIVE-POINT LIKERT SCALE viz., highly satisfied, satisfied, neutral, dissatisfied and strongly dissatisfaction with the scores of 5, 4, 3, 2 and 1 respectively.
Section IV, is intended to get the opinion of the bank employees to the job related factors which gave them the most satisfaction and the most dissatisfaction in the banking sector. For this, altogether 20 factors have been given and out of these, the employees are asked to specify any five factors in an order of priority which gave them most satisfaction and most dissatisfaction.

Secondary data have also been collected from the published books, journals, newspapers and official documents of the banks. As to get first hand information, bank managers and some trade union leaders are also personally contacted and had an informal discussions on various aspects of working of banks and bank employees and the same is included.

STATISTICAL TOOLS USED

The collected data have been processed, compiled and tabulated with the help of computers. The well known statistical techniques like mean, median, standard deviation, Karl Pearson's co-efficient of correlation, Spearman's rank correlation and chi-square test have been deployed for analysis of the data.

\[
\text{Mean } \bar{X} = \frac{\Sigma X}{N}
\]

Whereas \( \bar{X} \) = Arithmetic average or Mean
\( \Sigma X \) = Sum of the observations.
\( n \) = Number of the observations
\[ \text{Median} = \frac{N + 1}{2} \]

Where \( N \) = number of items.

**Standard Deviation**

\[ \sigma = \frac{\sqrt{\sum X^2}}{N} \]

\[ X = (X - \bar{X}) \]

Where

\( \bar{X} \) = actual mean of the series

\( X^2 \) = Square of deviations

**Karl Pearson's Method**

\[ r = \frac{\sum xy}{\sigma_x \sigma_y} \]

where

'\( r \)' is the co-efficient of correlation

\( \sigma_x \) = standard deviation \( x \)

\( \sigma_y \) = standard deviation \( y \)

**Spearman's Rank Correlation**

\[ R = 1 - \frac{6 \sum d^2}{N (n^2 - 1)} \]
Where

\[ \Sigma d^2 = \text{Square of rank difference} \]

\[ N = \text{number of observation} \]

**LIMITATIONS OF THE STUDY**

The present study is undertaken within the limitations listed below:

1. The study is confined to only employee morale and job satisfaction of bank employees in selected commercial banks in Chittoor district only.

2. Because of time constraints, the bank branches which are locating in urban and semi-urban areas and the 120 employees who are working in them are only selected and their responses to the questionnaire are the basis for arriving at empirical analysis and findings.

3. The sub-staff in the banks have been purposively excluded from the study. This has been done with an intension that these employees may not be able to understand the contents of the questionnaire and respond properly.
REFERENCES:


