CHAPTER – I

INTRODUCTION

1.1 Introduction to the Study
1.2 Human Resource Management
1.3 Human Resource Management Practices
1.4 Job Satisfaction
1.5 Theories of Job Satisfaction
1.6 Factors Influencing Job Satisfaction
1.7 Consequences of Job Satisfaction
1.8 Importance of Job Satisfaction
1.9 Human Resource Management Practices and Job Satisfaction
1.10 Conclusion
1.1 INTRODUCTION TO THE STUDY

Organizations are now confronted with many challenges in maintaining competition level in this business world. Now, it is difficult to remain in competition without human resource. It is the need of hour to give importance to human resources and the management of human resources is becoming very challenging task for organizations. As for managing technology and capital, organization requires effective management in the organization same it requires efficient human resource management system for managing human resource. The human resources play an important role in gaining competitive advantage in today’s highly competitive global business environment. Human resource is important in every sector whether it is service or manufacturing sector, especially the emergence of efficient human resource in banks has made a drastic change in the economy of India. The factors such as globalization, liberalization, growing business economies, and continuous improvement in technology are regularly presenting new challenges and opportunities for people.

Today to sustain in such a competitive era, it is very important to retain good employees, the employees who are well satisfied with the organization and that contribute towards the attainment of organizational goal. Job satisfaction represents one of the most complex areas facing today’s managers when it comes to managing their employees. Human resource management practices play an important role among employees for their satisfaction and this satisfaction leads to improvement in production of the organization or the performance of the firm. People's perceptions regarding their jobs are also changing. Employees are expecting much from their job and fulfilling the expectation of employees is the task of management. The success of an organization depends upon several factors such as performance of the employees, organization productivity but the most important factor that affects the organization is satisfied employees. Organization can easily achieve its goals if the employees of an organization are satisfied with their jobs.

The effective utilization of human resource in any organized effort has always been an urgent problem for an organization. Researchers and practitioners are always in a search of universal solution that can be applied to all kinds of organizations for the universal success. People in organization are different and belong to different places, but they come together with their ideas, thoughts, beliefs, etc. The human behaviour
in relation to an organization has assumed a great significance and forms the major subject matter of various studies conducted in the field of human resources management to provide the basis for the organizational development process and to improve the organizational effectiveness. Organization performance and success depends on the effective utilization of the available resources.

Bank today have realized that there is a need to change or respond to the changes occurring in the environment whether it is human resource management practices, technology, business dimensions or the emerging market trends. The people component is thus becoming the key factor of the strategy; be it for survival or growth or achieving excellence through people. People management has been the most intriguing aspect of managing an organization all along. The organizations have recognized its contribution in the total framework but this aspect is so dynamic that it does not seem to reach a level of stability. The technology, the system and its subsystem or the infrastructural resources tend to get stabilized at least for a certain period in their evolution process, but people management issue tends to remain alive. An organization is primarily a consequence of the fact that there is an interdependency implied in the satisfaction of needs of individuals alongside with the achievement of organizational objectives.

Overall the organizations are striving to achieve the goal sets, through the committed, motivated and satisfied workers. Therefore, satisfying employees is utmost important for banks, continuous efforts should be made by the bank for sake of the employees.

The objective behind this research is to study the human resource management practices in public and private sector banks and impact of these practices on job satisfaction of employees and also to compare public and private sector banks and also to find out significance difference between public and private sector banks in terms of human resource management practices in context of job satisfaction in Gwalior region. The study also focuses on the best Human Resource Management Practices in relation to Job Satisfaction, and which bank is more focusing on Human Resource Management Practices. With the help of this we can also provide some suggestions to enhance the human resource practices which can improve the satisfaction level of the employees.
1.2 HUMAN RESOURCE MANAGEMENT

Human resource management (HRM) refers to the policies and practices involved in carrying out the ‘human resource’ aspects of a management position including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development and labour relations.

Human resource management includes all the practices and policies involved in the overall management and development of people. It considers all the aspects of human resource which are important for an individual as well as organization. Human resource management act as a process for the attitude of the individuals, which develops the abilities among employees for their growth and self actualization which helps individual to contribute towards organizational objectives. Human resource management is one of the principle mechanism by which managers integrate the actions of the individuals to keep their behaviour congruent with the interests of the firm.

Human Resource is considered to be the most precious asset for organization. Human resource management focuses on the sum-total of inbuilt capabilities and abilities, acquired knowledge and skills represented by the work, talents and aptitudes of the employed persons who may be the manager, executives, supervisors, and other employees. Human resources are the source of achieving competitive advantage because of its capability to convert other resources such as money, machine, methods and material in to desired output such as product or service. This resource cannot be copied by the competitor like other resources such as technology and capital because it is always unique and make an organization stand different. It should be utilized to the maximum possible extent, in order to accomplish the individual and organizational goals.

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Armstrong defines Human Resource Management (HRM) as a strategic and coherent approach to the management of an organization’s most valued assets - the people working there who individually and collectively contributes to the achievement of the objectives and goals of organization. Human Resource Management involves all management aspects, decisions and practices that directly affects and are related to the people, or human resources, who are working for the organization.

The term human resource management (HRM) has been relatively adopted in business organizations in place of personnel management. It is generally the management of activities which are undertaken to attract, develop, motivate, and maintain a high performing workforce within the organization. The people who are working in an organization are humans and they are considered as important resources of today’s business environment. Management of people is now becoming very important because other sources of competitive success are less powerful. As recognized that the basis for competitive advantage has changed and it is essential to develop a different frame of reference for considering issues of human resource management and strategy. There are many sources through which success can be achieved such as product and process technology, protected markets, economies of scale, etc, but the resource which makes organization look different is only human resource. On the same lines, understanding that human resources are vital for an organization, it focuses on ensuring that the organization obtains and retains the skilled, talented, committed and well motivated workforce for their organization. This requires that management should take important measures to assess and satisfy future employee needs and to enhance and develop the capacities of people, their contributions in work, their potential extent and employability by providing them the continuous development opportunities. It involves the proper recruitment and selection procedures, investment in training and development activities which is directly linked to the needs of the business.

HRM started in early 1800s in England during the apprenticeship and craftsmen era and it developed further with the organizational revolution in late 1800s. In 19th

In the 19th century, Frederick W. Taylor suggested a combination of organizational psychology and scientific management of employees and workers. He proposed that the workers and employees should be managed for the job, job efficiency, worker psychology, and effective wellbeing of employees. In the 1920s, the development of personnel departments started with the growth of organizations, the government concerns and interventions, the changes in technology, and the rise of unions. The term Personnel Management (PM) led to the start of HRM. The term PM emerged after the Second World War as an approach for personnel practitioners to distinguish and separate them from other management functions and developing the personnel function into a professional managerial function. The function of PM traditionally was to hire and fire personnel’s other than training and salary payments. Many researchers argued that the HRM term is similar to the PM term as both are concerned to the obtaining, organizing, and motivation functions of organization’s human resources and assets. The change of term from PM to HRM was because of evolution and changes in the management world, and the new HRM term was suitable to carry on new ideas, philosophies, and concepts of human resources. The purpose of HRM is to specify employee’s potential and develop it in line with the needs of the organization. Finally, HRM holds the view that the management and non-management have a common interest in the success of the organization.

Human resource management is a functional and activity area of business that attempts to develop programmes, policies, practices, and activities related to employees to promote and encourage employees to work for the organization. People join organizations with certain motives of their life like security of job, for earning handsome salary, and better prospects in future and satisfaction from social and psychological needs and also to fulfill the personal and family desires. It is the responsibility of management to recognize the basic fact and provide appropriate opportunities and environments to employees at work to satisfy their needs. The human resource carry various sources such as talent, knowledge, attitude, skills, enthusiasm, and decision making power carry for the accomplishment of

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organizational as well as individual goals. Efficient and effective practices can only help organization to retain the talented and skillful employees at workplace.

The HRM’s goal is to maximize the organization’s productivity by optimization of the effectiveness and productivity of its employees and by the improvement of employees’ work and treatment of them as an important asset. Human resource management encompasses its efforts for the promotion of employee, for their satisfaction from job, for their overall personality development and compliance with the help of employment laws. HR managers determine HRM’s future activities and they plan for the implementation of human resource management procedures for helping the organization to realize their goals.

Human resource management is inclusive and a proper systematic approach to manage the people working in the organization. It also copes with the ways how the environment and culture within the organization is managed. The effective and efficient management can lead organization to achieve its goals and objective through which the performance and productivity of organization improves. The concept of human resource management was traditional earlier but now it has changed according to the needs. It is now more than the traditional outsourced activities that were related to personnel, transactional roles and administration. It is not a demarcated area but a broader concept and according to the time, it is becoming more enriched and hence provides the organization with an edge against its competitors. Effective use of human resource management practices adds value by inspiring the employee through various activities and programs that have a significant impact on the business. However, this cannot be ignored because the fact that these are the traditional terminologies and with the passage of time, with more enriched knowledge, these traditional expressions are becoming less common theoretically. Sometimes, due to misperception even industrial relations and employee are listed as synonyms, although these refer to the employee behaviour and the relation between the people working in the organization and the management.

The word human resource management is a relatively recent title for all aspects of managing people in organization. Human resource management is directed mainly towards managerial needs of the people in organization, which focus on proper planning, monitoring, directing and controlling rather than on problem solving and mediation, whereas traditional personnel management is committed to the idea that employee’s needs should be looked after, since employees are effective and efficient when they are fully satisfied with each and every things with the organization, thus the human resource role is constantly evolving and it is required to move forward from traditional human resource to administrative approach and consider human resource management as a main contributor to organization’s success.

Human Resource Management is an entire different perspective. Human resource management is also a management of employees in a reliable, honest and in professional manner as it plays a critical and important role in all sectors of economy from corporate sector to banking sector, from political sector to education sector, from IT sector to publishing sector and from non-profit organizations to human right organizations. The human resource management’s goal is to maximize the organization’s productivity by optimization of the effectiveness and productivity of its employees and by the improvement of employees’ work. Human resource management encompasses efforts for the promotion of employee satisfaction, personal development and compliance with employment laws. Individual human resource management refers to helping the employees to recognize their strengths and weaknesses, and improve and develop strengths more and deal with their weakness, and successfully make their contribution to the organization. HRM deals with developing and realizing the talents of human resource, fostering organizational development and implementing programmes and strategies for enhancing cooperation and communication between employees and employers. Business strategies are linked with the long term plans which concern the whole of the organization and its resources. Business strategies tend to be formulated by senior managers within the organization. Today major organizations are giving a high priority to people management in their corporate objectives and plans. This human capital is the main source of adding value to organizations products.

Without human resource no organization, industry, business, firms cannot be staffed and managed, because the human resource is an most important one as a means of production. Organizations are made up of people and functions through people only. Without people organization cannot exist. The importance of cooperative endeavour cannot be over emphasized. The resources like money, material and machinery, methods are collected, coordinated, directed and utilized through human related resource. It is a matter of common knowledge that every business organization depends for its effective execution not only on its other resources like material or financial resources but also on the human resources employed. Human resource is more important in service industries whose value is delivered through information that is personal interaction with the outsiders or customer, the need of human behaviour comes here and plays a significant role and shows the overall picture of organization. The overwhelming importance of this factor is due to its uniqueness. There is no evident to what people can accomplish when they are motivated to use their potential to create new and better ideas. A manager can buy workers time, physical presence etc but cannot buy his enthusiasm, his initiative, his loyalty and devotion, his satisfaction from present job etc. Development of competencies by facilitating training and career related programmes among human resource help organization in gaining sustained competitive that are firm specific and cannot be copied. People are dynamic even flexible and behave differently in same situation in quite different ways. They have great potential to grow and develop and provide the right climate to the organization and can achieve their pre determined objective.

Globalization has forced organization and their human resources functions to redefine their strategies, policies and practices. It is necessary for the management to invest considerable time and money to learn the changing scenario of the human resource department in the 21st century. In order to survive the competition human resource department should continuously update itself with the transformation in human resource suitable human resource policies and practices that would lead to the achievement of the organization as well as the individual's goals should be formulated.


Emphasize on new human resource initiatives and practices focused on the better quality needs, customer-oriented, higher productivity and stress management, team work and leadership building for employees. The researcher has thrown light on the emerging HR trends and discusses HR issues in various industries like financial services, banking, IT, power, healthcare etc. It is valuable for practicing HR managers of every organization and also for those who have a significant interest in the area of human resource management, to understand the growing importance of these human resources and recognize the need to build up effective HR practices, strategies and policies to combat HR issues arising among the employees in the 21st century. There is no doubt that part of an organization’s knowledge resides in the people who form it who work for it. The potential of employee in terms of knowledge contribute towards the achievement of an organizational competitive advantage. It is generally accepted that firms can create a competitive advantage from human resources and from their management policies and practices. Effective and good human resource management will create and retain good employees who are qualified, satisfied and motivated for good performance, and also the benefits from having adequate and qualified employees are numerous. Some examples are higher profitability, less rotation, higher product quality, lower costs in manufacturing and a faster acceptance and implementation of the organizational strategy. Human resources are one of the few organizational resources with the potential not to become obsolete and to be transferable to a variety of techniques, products, services and markets. Human resource management focus on the needs of shareholders and implement such policies that make balance between management of diverse workforce and shareholders taking account individual as well as group difference in employment, personal needs, working style, aspiration and the provision of equal opportunities for all.

The aim behind in developing human resource strategies, policies and practices is to ensure that organization effectively doing everything concerning the employment and development of people and the relationship that exist between management and the workforce. The human resource function can play a major part in the creation of an environment that enables people to make the best use of their capabilities and to realize their potential to the benefits of both the organization and themselves.

accusation that human resource management treats employees as means to end is often made. However it could be argued that if organization exists to achieve some ends which they obviously that can only be achieved through people. The concern of management for commitment and performance from those people is not unnatural and its not attributable to the concept of human resource management it existed in the good old days of personnel management before human resource management treat people as ends and what management provide in return.

Human resource management is undergoing a massive transformation that will change career paths in uncertain ways. Employees are placing greater emphasis on business insight and outsourcing many administrative functions, which will force human resource professionals to demonstrate new skills and compete for new, job titles, academics, HR consultants and HR professionals.

Human resource management is today one of the leading free resources for human resource professional in the world. A combination of a powerful social network where thousands of business professionals interested in human resource, human capital management and talent strategy can exchange ideas and give new insight to the human resource management. Human resource management is designed to elevate the profession of human resource in such strategic and business centric level. The main objective behind the human resource management regardless of work being done is to maximize the value added by all employees to achieve the objective of organization at the right time and place and under the right condition.

Human resource as asset, needs to be managed continuously in the tune with the organization needs. Today’s most competitive organization are working to ensure from employees that who eagerly and able to address towards competitive challenges are developed. To sustain a competitive advantage a firm’s human resource should be rare and cannot be imitate by others. If competitors have same talent similar to the firm’s no advantage can be gained over competitors. Organization that manage their human resource effectively have policies and practices that support the goals of providing good products and services to customers creating financial returns on the


investments of owners and shareholders, contributing to society and meeting the needs of employees. The employees add value to resources and convert into valuable products and services that generate profits, their skills and talents transform the organization resources in forms of return. Employees who are most closely associated with the activities that generate valued returns are given opportunity to add value in their career too. They are referred as core employees and are closest to the essential work of the organization. Core employees have different position in the organization, they add value to an organization in a variety of ways through research and new and innovative product development, production, problem diagnosis, services delivery and in many others things. Core employees are helpful in improving the efficiency of organization by reducing cost by analyzing the environmental to identify new markets opportunities, carrying out necessary administrative tasks and facilitating coordination among core employees. The best organization gives importance to managing human resource effectively and focused on the current employees.

Successful organizations particularly adapt to bringing out the different kinds of people together to achieve a common purpose. This is the main essence of human resource management. This involves wide variety of activities, including analyzing a company’s competitive environment and designing job so a firm’s strategy can be successfully implemented to beat the competition. This requires identifying the right people through recruitment and selection procedures, providing training, motivating and appraising these people, developing competitive compensation policies to retain them and grooming them to lead the organization in the future. Competing through people is a major theme of human resource management in today’s day to day life. Managers of all types have to carry out the specific activities for a company to effectively do so. In today’s highly competitive environment in which competition is global and innovation is continuous process requires organization to adapt and became a key to capturing opportunities and overcome obstacles for the survival.

Years ago the human resource personnel were often relegated to conducting administrative tasks but that has changed now. Executives know that human resource professionals can help them improve not only a company’s bottom line by

streamlining employment costs but the top line by forecasting labor trends, designing new ways to acquire and utilize employees, measuring their effectiveness and helping managers enter new markets. All successful organization communicates their objectives to every member of the organization so that everyone is pulling in the same direction. If the organization is to gain the commitment of its employees it must also find out about the personal development aspirations of the individuals that make up an organization.

1.3 HUMAN RESOURCE MANAGEMENT PRACTICES

HRM practices refer to organizational activities directed at managing the pool of human resources and ensuring that the resources are employed towards the fulfilment of organizational goals. These practices may differ from one organization to another and from one country to another. Many researches on human resource management practices have been conducted from time to time and researchers have identified different practices by different names.

Lado and Wilson (1994) describe human resource management practices as ‘a set of distinct but interrelated activities, functions and processes that are directed at attracting, developing and measurement, supportive environment and market organization maintaining (or disposing of) a firm’s human resources’. The human resource management practices contribute significantly to the accomplishment of a firm’s objectives and to creating and adding value for its customers and physical resources. If these human resource management practices are implemented properly in the organization, the employees can be more satisfied and committed to their work in the organization and they show their extra role for organization’s benefit. Good human resource management practices help in attracting and retaining talent, train people for challenging roles, develop their skills and competencies, increase productivity & profits, satisfaction and enhance employee commitment towards the organization.


An appropriate range of human resource policies, processes and practices are developed and implemented effectively, which will make a substantial impact on firm performance. Every organization is continuously engaged in variety of human resource management practices whether they are small or large organization. Human resource activities include the formal human resource policies developed by the company as well as the actual ways these policies are implemented in the daily practices of supervisors and managers. In some organization the formal human resource policies and daily practices are closely aligned. In many organization however, the formal policies are regarded as statements of expectations and aspirations, but they are implemented in actual daily practices. The more these policies and practices are aligned and the more systematic companies are in creating human resource activities to fit the organization and its environment, the more effective the organization is likely to be. When an organization systematically aligns all these thing and integrates all its policies and practices, it creates a systematic human resource management system. It takes many human resource management policies and practices working together as a system to get the best results. These practices can only make a difference between a successful organization and unsuccessful one.

The following are the human resource management practices which are considered for this study

**REWARD MANAGEMENT**

Reward is perceived as compensation to the employee by organization for his or her services. It contains various forms of compensation such as comfortable office, favorable relationship inside the organization, having decision making power, various further growth opportunities and sense of achievement and so forth these kinds of forms which is difficult to measure in various currencies. It is given to an individual’s after his accomplishment of goals or projects or submission of creative ideas. It is familiar concept using by organization which motivates and satisfied employees at their work place.

It aims at purposefully designing ways to compensate employees for their efforts made for the organization. It encourages employees by fulfilling desire for monetary gain for their efforts made towards the workplace. It simply allows employees to receive a share in the financial gains made by the organization through their contribution. Rewarding by organization clearly states that efforts of employees are fairly and generously contribute for an organisation benefits.

Reward management is mainly concerned with the making such strategies and policies that are accordance with organization for employees. The proper formulation and implementation of strategies and policies that aim to reward people fairly, equitably and consistently are important for the organization. It focuses on analyzing and controlling benefits and remuneration for the sake of employees. Reward management aims to create and efficiently operate a reward structure for an organization which directly contributes towards achievement of organization goals. Reward structure usually consists of practices related to pay policy, salary and payroll administration. The reward management strategies and practices of an organization contribute to the improvement of organizational performance by developing and operating reward systems which help to attract, retain and engage the people upon which the business relies.

Harvard business school professor and management consultant Rosebush Moss Kanter defines a reward as something special, a special gain for special achievements done by employees in favor of organization, a treat for doing something above and beyond. There are however certain basic truths in management that you can always rely on. One is, “you get what you reward” sometimes referred to as the greatest management principle in the world. From the extensive research the human behaviour is shaped by its consequences and that is the most powerful ways to enhance employee performance by providing positive consequences for that performance.

Rewarding helps in the fulfilment of the need to be fairly rewarded to the employees for their talents, capabilities, efforts and contribution made by employees. Rewarding aims at offering competitive wage/salary/bonus packages, sharing the fruits of people’s mutual efforts generously and fairly, and to distribute gains widely with all,

through profit sharing, bonuses or other incentive plans and providing opportunities for wealth and ownership sharing. It also ensures that employees understand how their performance relates to the organization’s success and their compensation. It is very important for the organization to carefully set the reward system for employees to evaluate them correctly. The reward system is gaining importance from the performance management which aligns needs and goals between organization and employees. The performance-related reward systems are designed to lead to greater rewards and motivation for those who contribute the most.

Human resources are the important for organization and rewarding them timely helps organization in gaining prosperity and success. Unless and until the institution does not recognize the efforts and contributions of their employees and reward them accordingly, it would not be able to conquer the highest level of motivation and job satisfaction of the employees. Employees contribute up to the mark when they come to know that their efforts made by them are rewarded by the management.

Rewards serve many purposes in organization, build a better employment environment which holds on good employees and also reduce turnover. The principle goal is to increase people willingness to work in one’s company, to enhance their productivity and even satisfaction from job. People takes “rewards” as salary and bonuses but this is only one kind of them. The other word related to reward is total reward strategy which probably help and improves in their psychological contract and organizational citizenship behaviours of employees along with employees’ work efficiencies, job satisfaction and job performances. The effectiveness of this strategy helps management to get acquaint with employees’ work life and other needs; in other way round, the personnel can keep positive attitude towards the organizations, might being less stressful or fairly treated or some else. The total reward strategy helps human resource management practices in varieties of ways to survive in the global marketing environment through improving the effectiveness of employees to compete.

Types of Rewards

1. Extrinsic rewards:

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Extrinsic rewards are rewards in tangible form which contains financial terms such as raises salary, giving bonuses and other benefits and facilities. These rewards are external to the job or task performed by the employee. Extrinsic rewards played a dominant role in earlier eras, when work was generally more routine and bureaucratic, and when complying with rules and procedures was paramount. These are salary raises, bonuses, gifts, promotion and other kinds of tangible rewards.

2. Intrinsic rewards:

Intrinsic rewards are intangible or psychological rewards that employees get from doing meaningful work and performing it well. The intrinsic reward involves appreciation, meeting the new challenges, positive and caring attitude from employer and job rotation after attaining the goal. The intrinsic rewards is like giving opportunities to the employees to use their intelligence and experience to direct their work activities to accomplish important organizational purposes such as innovation, problem solving and improvising to meet the conditions they encounter to meet customers’ needs.

The Modalities of Reward

Wage: A wage is usually a financial compensation, received by a worker in exchange for their labor.

Salary: A salary is a form of periodic payment from an employer to an employee, which may be specified in an employment contract. It is contrasted with piece wages, where each job, hour or other unit is paid separately, rather than on a periodic basis.

Compensation: Compensation is something similar with pay or salary, typically a monetary payment for services rendered, as in an employment it includes some extra benefits.

Total compensation: Total compensation includes pay, benefits, flexible schedules, education assistance, training courses, and workplace opportunities to help you get the most out of your career and personal life

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Total Reward: Total reward covers all the elements that employees value in working for their employer. It emphasizes the integrity of remuneration and is put forward in contrast to total compensation. Although at most times it is thought as the same as total compensation, total reward remains the most new word in the category of remuneration or reward.

RECOGNITION

Recognition is the appreciation of employee’s performance in formal or an informal way. It is one of the most powerful methods of rewarding people. Recognition can take the form of acknowledgement, approval or the expression of gratitude and many other things like giving thank you notes to employees, awarding employees in award ceremonies, gift vouchers, employee photograph in the company newsletter or on “the wall of fame”.

Recognition is an activity, a social or interpersonal activity. Workers want respect and they want that they are trusted to do good job, they want autonomy to decide how best to do it and they want support, even if they make a mistake. Most important they want to be appreciated when they do a good job. Recognition can be provided by positive and immediate feedback and praise where it is well deserved. Recognizing or honoring employees for his or her effort is meant to encourage repeat actions that are reinforced in form of praise, commendation or appreciation. Recognition can be given while an employee is striving to achieve a certain goal or behaviour. Recognition maintains a strong bond between motivation, performance and job satisfaction and as a result the level of motivation and satisfaction of employees stays very high almost all the time in employees. Recognition also increases the levels of job satisfaction among employees and satisfied employees are valuable assets for an organization. After working for many years in an organization people strive for the praise even for appreciation because after earning a handsome salary they want more which make them stand different from other employee that is called recognition and

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make them more satisfied. It is a work of human resource manager to keep an eye on these practices which make employees satisfied.

Every organization has different way of recognizing people in different manner. Some organizations like giving awards in ceremony and some like giving prizes and non cash awards on occasion or annual function. Non cash awards are generally preferable by employees.

Employees Recognition is also broken down into following

1. Formal Recognition:

A formal recognition is a structured and planned program for recognizing employees. This recognition is for desired performance like president’s award, years of service award, employee of the month. This type of recognition is generally accepted from employees side because appreciating employees in crowd motivates them. This recognition is significant and symbolic and presented in public forum.

Informal Recognition:

This type recognition is not well planned and it consist spontaneous gesture of sincere thanks for desired behaviour like creating a “pass around” trophy to acknowledge exceptional customer service, bringing donuts or a pizza to celebrate in a department for achievements. These forms of recognition increase morale of employees in day to day life.

2. Day to Day Recognition:

Daily feedback about their performance to employees is very important for the employees as a part of recognition. Employees should be known about their daily routine work and their performance, what they have achieve today and also come to know the views of senior regarding their work. Appreciating employees with words like well done, very good, really appreciating, keep it up are some of the examples comes under day to day recognition.
Recognition that works has four basic elements such as praise, thanks, opportunity and respect. Recognizing employees includes one of these basic elements. These four are very important if someone is recognized and if these are not include then it is not recognition it is just giving incentive, prize, gift.

Reward and recognition is advantageous to the employee in a way that it injects self-confidence. Offering different schemes of rewards etc. is a way of acknowledging the efforts of employees which helps the employee to ponder on the point that he/she as well as his/her work is being valued by the institution. It also works as stress reliever. When an institution is offering different sorts of incentives and rewards to the employee, it will relieve many of his/her fears.

**TRAINING AND DEVELOPMENT**

Training and Development represents a fundamental investment in the employees who work for an organization with the overall goal of improving their ability to make contribution to the firm’s effectiveness. Training and development may be understood as any attempt to improve current or future employee performance by increasing an employee’s ability or increasing his or her skills and knowledge. It is the acquisition of technology which permits employees to perform their present jobs to standards. It is the one means of improving manpower utilization and thereby potentially raising job satisfaction. Training provides chances to employees to enhance their knowledge and skills for effective development because trained workers are more satisfy to their job as compared to untrained employees.

According to Armstrong’s:

The systematic development of the knowledge, skills and abilities required by an individual to perform adequately a given task or job.

According to Mathis and Jackson:

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A learning process whereby people acquire skills, concepts, attitudes or knowledge to aid in the achievement of goals.

Development is an ongoing process in an employees life, it is a process that “strives to build the capacity to achieve and sustain a new desired state that benefits the organization or community and the world around them”. It refers to long term growth and learning, directing attention towards what an individual may need to know or do as some future time.

Training and development term is used in coordinated with organizational activity that mainly deals in bettering the performance of individuals and group in organization. Training involves designing programs for employees and supporting learning activities which result in a desired goal. It is also an educational process where people learn things related to their jobs, relearn and reinforce existing knowledge and skills and most importantly it give time to employees to think and consider what new options and opportunities help them to improve their performance towards the job.

Importance of training and development:

1. Improving skills and knowledge along with enhancing morale, mould attitude and behaviour- cooperative of employees.
2. It enhances the job satisfaction level of employees and lowers turnover, absenteeism and grievances.
3. Training helps employees in efficient and economic use of equipment and material- minimal wastage.
4. Meet organizational and technological changes with confidence.
5. Investment in training and development results in good results or return.

Training and development are commonly used in organization for improving the performance and self fulfilment of their employees through a variety of educational methods and programmes. It is ongoing efforts that are made within organization to improve the level of employees and these two are used together to describe the overall improvement and education of an organizations employees. These processes are often

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closely connected. Training can be used as proactive means for developing skills and expertise to prevent problems from arising and can also be an effective tool in addressing any skills or performance gaps among staff. Training is related with current performance and progress of an employee while development is related with future performance and progress.

An organization must manage four resources i.e. money, equipment, information and people. These four resources are interrelated with each other. Investments in better equipment may speed up production or reduce waste which requires money. Information is power, data about any products, prices and customers are essential to every business. These three are only managed by peoples. Investments in training and development of employees can make them more productive and more satisfied and even more effective in performing their jobs which directly contributing to the bottom line. When organization invests in improving the knowledge and skills of its employees, the investment is returned in the form of more productive and effective employees. Training and development programs may be focused on individual performance or team performance.

Training and development is one of the key elements of employees job satisfaction because it reduces the discrepancies in jobs tasks and enhances the job skills which in result motivates the employees and lead towards job satisfaction. Training helps employees in more specific with their job an organization and as a result increases employee job satisfaction and makes them work better. Training is believed to nullify the influence of factors which cause dissatisfaction of employees at work.

CAREER MANAGEMENT

Career management is the combination of structured planning and the active management choice of one’s own professional career. It involves matching an individual career aspirations with the opportunities available in an organization. It is also concerned with the provision of opportunities for people to develop their abilities and their careers in order to ensure that the organization has the flow of talent it needs.

and to satisfy their own aspirations. It is about integrating the needs of the organization with the needs of the individual.

According to Baron and Greenberg (1995), a typical career management programme, as part of the larger human resources system, involves efforts to:

1. Help employees to assess their own career strengths and weaknesses.
2. Set priorities and specific career goals.
3. Provide information on various career paths and alternatives within the organization.
4. Offer employees yearly reviews of their progress towards these goals by managers who have received training in conducting such assessments.

Career management programmes strive to involve employees in setting their own goals and recognising their strengths and weaknesses. It assists employees with the identification and facilitation of training needs and opportunities. This is mainly achieved by building a process of feedback and discussion into the performance management systems of institutions. Through career management programmes employees are informed of career options available within the institution. It assists employees with the identification of skills and other qualities required for current and future jobs. Most career management programmes seek to focus employees career plans upon the institution, thereby enhancing their commitment to the institution. In doing this, career paths are developed that indicate mobility in different directions in the institution for employees.

Career management programmes also seeks to improve the matching of jobs with the right employees according to their aim. An assessment of the skills and competencies of employees could assist in accommodating them in positions which suit them better. Many practices such as transfers and rotation are effective and improved the operational effectiveness. Career management programmes are also helpful for management in a reduction of recruiting people externally as employees with the required capabilities are revealed through their career planning activities. Management needs to focus on the effective career management system so the efficiency of organization improves. Career management practice is also related with satisfaction of employees. The role played by career management practice in the life of employee is very important. Career management improves the job satisfaction of the employees. Employees maintain a long-term relationship with the organization if
organization provides the opportunity to develop their career. Employees aspiration from their job is to grow and learn things which makes them perfect and fulfil the needs and aspirations of organization as well as in the achievements of the personal goals through proper career management.

**PAY PRACTICE**

Pay refers to the amount of financial compensation that an individual receives as well as the extent to which such compensation is perceived to be equitable. It is one of human resources management practice which normally refers to pay, wage, salary and benefit etc. Pay is instrument in fulfilling many needs of an individual. Pay serve as a symbol of achievement as well as sources of recognition, it is also seen as a reflection of an organization towards their employees. Pay is a form of episodic compensation from a firm to its worker, which is completely stated in an employment contract. Pay is an important instrument in fulfilling one’s needs; and employees who often see pay as a reflection of management’s concern. Pay system should be simple, fair and in line with the expectations of employees. The emphasis is on the fairness of the amount paid to employees but not on the absolute amount.

The pay has an important role in implementation strategies, the high level of pay and/or benefits relative to that of competitors can ensure that the company attract and retains high-quality employee, but this might have a negative impact on the company’s overall labor costs. Pay plays a significant role to reward to motivate the workers and their behaviour towards the goals of employer. It is a cost of hiring employees in an organization for running the firm and its operations. Employees have some needs which are fulfilled through this salary received from organization. Pay is one of the motivating factors for employees and encourages employees to work. There exist a strong link between happiness of the employees and handsome salary.

The relationship between pay practice and job satisfaction is useful to influence motivation of employees’ work then achieved higher productivity. Pay has been

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considered as the major factors for job satisfaction and however other related factors like promotion, work efforts, supervision, and relationship with co-workers, reward out of which pay is important factor. The pleasure from pay satisfaction is also an important thing that is linked to some administrative outcomes and success. When pay is seen as fair, based on job demands, individual skill level, and community pay standards, satisfaction is likely to result.

Pay is associated with global satisfaction and even more closely with the facet of pay satisfaction. The dissatisfaction with pay can lead employee to decreased job satisfaction, decreased interest of working, and decreased the learning level of employees, motivation and performance, increased absenteeism and turnover, and more pay-related grievances.

The relationship between pay practices and job satisfaction is ambiguous in the efficiency wage theories. Low performance of employee is the result of low level of satisfaction from salary. Organization need to develop strategy for the pay related system because it encourages the employee towards the works. A pay-for-performance is one of the common strategy used for employees and found effective technique to encourage salary level satisfaction.

**JOB SECURITY**

Job security is the probability that an individual will keep his or her job. A person with a high level of job security has a small chance of becoming unemployed. It is the assurance from the firm to employee for the employment. Job security is also an employee’s assurance or confidence that they will keep their current job. Employees with a high level of job satisfaction have a low probability of losing their job in the future and that also builds a confidence level in employees and they works without any fear. Certain profession or employment opportunities inherently have better job security than others.

Job security affects the workers performance, success of the business and the current economic environment. \(^\text{26}\) Employee’s commitment towards organization depends on

the job security provided from the organization which results in the higher performance. Employees work without stress and fear which is beneficial for the firm for the long term business.

There is a strong relationship between employees job satisfaction and job security which leads to higher commitment of employees. Job satisfaction arising from job security is a major factor affecting the quality of the employer-employee relationship. Job security reflects the individual’s overall sense of satisfaction in the work situation. The employees with permanent job are much secure as compare to the temporary job. The importance of job security comes in the knowledge of employees when there are ups and down in the business. It is closely related to the current climate and rapidly changing organizational environment. Employees with high job security are closely attached with the organization. Employees stand with the organization in the ups and downs of the business.
1.4 JOB SATISFACTION

Job satisfaction is one of the common and important term used in the organization for the employees. Job satisfaction is major factor in the human resource management programmes. It is mainly related to employees feeling towards their job. Job satisfaction has been studied both as a consequence of many individual and work environment characteristics and as an antecedent to many outcomes. Human resource management focus on the job satisfaction of employees for the sake of organization development.

MEANING AND DEFINITION

Job satisfaction is the degree to which individual feels positively or negatively about their jobs. An individual have different attitudes, perception toward various aspects of the job. It is also an attitude or emotional response to one’s works as well as to the physical and social condition of the work place. It is derived from many interrelated factors, such involvement, commitment, character and personality of individuals’ that impacts on job satisfaction of employees. People with positive thinking are more likely satisfied with their jobs.

There are three important dimensions to job satisfaction.

1. Job satisfaction being an emotional response to a job cannot be seen. As such, it can only infer.
2. Job satisfaction is often determined by how well outcomes meet or exceed expectations. Satisfaction in ones job means increased commitment in the fulfilment of formal requirements. There is greater willingness to invest personal energy and time in job performance.
3. Job satisfaction represents an employee’s attitudes towards five specific dimensions of the job; pay, work itself, promotion, opportunities and supervision with co-workers. Effective Human resource management practices must ensure job satisfaction to the employees.

Job satisfaction is a worker’s sense of achievement and success on the job. It is an regard to one's feelings or state-of-mind regarding the nature of their work. Job satisfaction can be influenced by a variety of factors like the relationship with their supervisor and co-workers, the physical environment in which they are working, degree of fulfilment in their work, etc. It is generally perceived to be directly linked to productivity development of the organization as well as to personal well-being. Job satisfaction implies doing a job one enjoys, doing it well and being rewarded for one’s efforts. Job satisfaction further implies enthusiasm and happiness with one’s work. Job satisfaction is the key ingredient that leads to recognition, reward, income, promotion, appraisal, career growth and the achievement of other goals that lead to a feeling of fulfilment.

Job satisfaction is the collection of feeling and beliefs that people have about their current job. People’s levels of degrees of job satisfaction can range from extreme satisfaction to extreme dissatisfaction. In addition to having attitudes about their jobs as a whole, people also have attitudes about various aspects of their jobs such as the kind of work they do, kind of people etc. It can be influenced by a multitude of factors. The term relates to the total relationship between an individual and the employer for which they are paid. Satisfaction does not mean the simple feeling of state accompanying the attainment of any goal, but the end feeling of accompanying the attainment by an impulse of its objective. The term job satisfaction was brought to limelight by Hoppock (1935) who reviewed 32 studies on job satisfaction conducted prior to 1933 and observed that job satisfaction is a combination of psychological, physiological and environmental circumstances that cause a person to say, "I am satisfied with my job". Such a description indicates the variety of variables that influence job satisfaction but tell us nothing about its nature.

**Definition:**

According to P. Robbins: “Job satisfaction is a general attitude towards one’s job: the difference between the amount of reward workers receive and the amount they believe they should receive.”

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According to Hugh J. Arnold and Daniel C. Feldman: “The amount of overall positive affect (or feeling) that individuals have toward their jobs.”

According to Andrew J DuBrins: “Job satisfaction is the amount of pleasure or contentment associated with a job. If you like your job intensely, you will experience high job satisfaction. If you dislike your job intensely, you will experience job dissatisfaction.”

According to E.A. Locke: “Job satisfaction is as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experience.”

According to Davis and Newstrom: “Job satisfaction is a set of favorable or unfavorable feelings with which employees view their work.”

Job satisfaction is always a centre of attention of theoreticians, researchers and practitioners for many decades. Past researches confirm that job satisfaction is related to employee’s job performance, organisational commitment, organisational citizenship behaviour, life satisfaction, and health. These job–related outcomes are also the main goals of HR function. It is also the result of employee perception of how well the job provides those things that are viewed important. Commonly noted facets are satisfaction with the work itself, wages, and recognition, rapport with supervisors and co-workers, and chance for advancement. Each dimension contributes to an individual overall feeling of satisfaction with the job itself, but different people define the “job” differently.

The employees who are satisfied are the biggest assets to an organization whereas the dissatisfied employees are the biggest liabilities. Dissatisfaction leads to frustration and frustration leads to aggression. Dissatisfaction is infectious and quickly spreads to other employees and is likely to affect the morale and working of other employees and image of organization. A dissatisfied worker may seriously cause damage to the reputation and property of the organization and harm its business interest. Job satisfaction/dissatisfaction is the result of various factors which are related to the present job situations. These various factors are opportunities for career advancement, amount of tension at work, work involvement, relations with colleagues and

supervisors, due recognition of merit, sufficient emoluments and good working conditions, grievances removal, feeling of fatigue and loneliness and prestige of the organization.

There are two types of job satisfaction based on the level of employees feeling regarding their jobs or there are two general approaches to measure overall job satisfaction. The first and most studied is global job satisfaction, which refers to employees overall feeling about their jobs that they think about their job i.e. ‘I m happy with my job’. The second is job facet satisfaction which refers to feeling about specific job aspects such as salary, benefits and quality of relationship with one’s co-workers, where the employee is not actually dissatisfied with job but some of the practices makes unsatisfied such as ‘my job is good but my co-workers are not supportive or my working condition are not’. Research shows that in many cases, the global approach is superior to the facet approach. Researchers have offered little support that a happy employee is productive; furthermore some research has suggested that causality may flow in the opposite direction from productivity to satisfaction.

1.5 THEORIES OF JOB SATISFACTION

1. Need Fulfilment theory

According to the fulfilment theory, the basic rule of the happiness of workers is to satisfy their demands and getting their wishes. Workers are satisfied if their demands are totally provided. Fulfilment theorists regard satisfaction in terms of outcomes (rewards) a person receives or the extent to which a person’s need are satisfied. It simply explains the reaching of the thing needed. A person is satisfied when he gets what he wants from his job and gets satisfied when he received it. Job satisfaction will vary directly with the extent to which those needs of an individual which can satisfied are actually satisfied. This variable was the strength of the individual’s desire, or his level of aspiration in a particular area.

The difficulty with fulfilment theory is that satisfaction is a function of not only what a person receives but also what he feels he should receive or wants to receive. What may satisfy a person may leave another factor for dissatisfaction because of difference in their expectations, which hardly fills. So the job satisfaction is a function of the degree to which the employees needs are fulfilled in the job satisfaction.

2. Discrepancy Theory

According to this theory job satisfaction depends upon what a person actually receives from his job and what he expects to receive. When the rewards actually received are less than the expected rewards it causes dissatisfaction. It is concerned on what the workers are expecting and what they are getting. Their expectations, evaluations and hopes of workers about their works are more important than what they are having in real. The difference in expectation and receiving is actually discrepancy.

According to Locke job satisfaction and dissatisfaction are functions of the perceived relationship between what one wants from one’s job and what one perceived it is offering. This theory fails to reveal whether over satisfaction is or is not a dimension of dissatisfaction and if so, how does it differ from dissatisfaction arising out of the situation when received outcomes are less than the outcomes one feels he should receive. This led to the development of equity theory of job satisfaction.

![Figure No. 1.1 Discrepancy Theory](image-url)

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3. Equity Theory

This theory ponders about employee qualifications, contribution to the work and the job’s contribution to him. It means creating an attitude of worker against the work he does. If the worker is paid over his work he will feel guilty but if he is paid under what he deserves his feeling for justice will rise. According to equity theory, a person’s satisfaction is determined by his perceived equity. Perceived equity is in turn determined by his input-output balance as compared to his comparison to others (the person he compares with) input-output balance. Input-output balance is the perceived ratio of what a person receives from his job relative to what he puts in the job. People compare their input-output balance with others. Every individual compares his rewards with those of a reference group. If he feels his rewards are equitable in comparison with others doing similar work, he feels satisfied. Job satisfaction is thus a function of the degree to which job characteristics meet the desires of the reference group. Equity theory also explains equal balance in rewards, either under reward or over reward can lead to dissatisfaction, although feeling associated with them are different. Under reward causes feelings of unfair treatment while over reward leads to feeling of guilt and discomfort.

4. Expectancy Theory

Expectancy theory is more concerned with the cognitive antecedents that go into motivation and the way they relate to each other. It is a cognitive theory of motivation that is based on the idea that people believe there are relationships between the effort they put forth at work, the performance they achieve from that effort, and the rewards they receive from their effort and performance. It can be explained as people will be motivated if they believe that strong effort will lead to good performance and good performance will lead to desired rewards. Rewards are seen as fulfilling or not fulfilling expectations. Expectancy theory challenges management to demonstrate to employees that extra effort will reap a commensurate reward. The link between effort and reward needs to encompass both the pay packet and a variety of other extrinsic or intrinsic rewards.

The expectancy theory based on these assumptions has three key elements: expectancy, instrumentality, and valence. A person is motivated to the degree that he or she believes that (a) effort will lead to acceptable performance (expectancy), (b) performance will be rewarded (instrumentality), and (c) the value of the rewards is highly positive (valence).

5. **Maslow’s Hierarchy of Needs Theory**

Maslow in 1954 first published his book on “Motivation and Personality”, which introduced the theory regarding people satisfaction i.e. how people satisfy their various personal needs in the context of their work. Based on his observations as a humanistic psychologist, he postulates as a general pattern of needs recognition and satisfaction that people follow in general life. These needs are related to one another and are arranged in an order of hierarchy of prepotency. He also theorized that a person could not recognize or pursue the next higher need in the hierarchy until her or his currently recognized need is completely satisfied. Maslow classified human needs into five categories that ascend in a definite order as follows:

1) Physiological needs
2) Safety and security needs
3) Belonging and love needs
4) Esteem needs
5) Self-actualization needs.

6. **Herzberg’s Motivation/ Hygiene Theory (Two factors theory)**

This theory was developed by psychologist Fredrick Herzberg, according to this theory there are two classes of motives i.e. hygiene or maintenance factor and the other is motivators factor. Herzberg found that the factors causing job satisfaction were different from that causing job dissatisfaction. He developed the motivation-hygiene theory to explain the results of satisfaction and dissatisfaction. The first group includes factors called hygiene factors which represent that their presence does not cause motivation though their absence causes dissatisfaction. Therefore they are called dissatisfiers. The second groups factor are called satisfiers because their
presence does not cause motivation or satisfaction though their absence cause dissatisfaction.

Factors such as achievement, recognition, responsibility, growth, work itself and advancement are satisfiers, the presence of these factors causes satisfaction but their absence does not result in dissatisfaction. On the other hand, factors such as supervision, salary, working conditions, company policy, relationship with boss and peers are dissatisfiers i.e. absence of these factors causes dissatisfaction. However, their presence does not result in job satisfaction.

Herzberg stated in the theory that factors causing satisfaction are different from those causing dissatisfaction among employees, the two feelings cannot simply be always treated as opposites of one another. The opposite of satisfaction is not actually dissatisfaction, but it is no satisfaction. Similarly, the opposite of dissatisfaction is no dissatisfaction. The theory states that job satisfaction and dissatisfaction are affected by two different sets of factors. Therefore, these two cannot be measured on the same continuum.

The following table presents the top six factors causing dissatisfaction and the top six factors causing satisfaction

Table No. 1.1 Herzberg’s Theory Factor

<table>
<thead>
<tr>
<th>FACTORS</th>
<th>LEADING TO DISSATISFACTION</th>
<th>LEADING TO SATISFACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Company Policy</td>
<td>Achievement</td>
<td></td>
</tr>
<tr>
<td>2 Supervision</td>
<td>Recognition</td>
<td></td>
</tr>
<tr>
<td>3 Relationship with boss</td>
<td>Work itself</td>
<td></td>
</tr>
<tr>
<td>4 Working condition</td>
<td>Responsibility</td>
<td></td>
</tr>
<tr>
<td>5 Salary</td>
<td>Advancement</td>
<td></td>
</tr>
<tr>
<td>6 Relationship with peers</td>
<td>Growth</td>
<td></td>
</tr>
</tbody>
</table>

The implications of Herzberg’s theory for management and HR practices is that the motivation-hygiene theory states that management should not only focus on hygiene factors to avoid employee dissatisfaction, but also provide factors that are intrinsic to the work itself in order for employees to be satisfied with their jobs. Motivators can
only cause employers to exert more effort and thereby attain more productivity, and this theory suggests that motivators are the only tools for managers to utilize to enhance employee performance.

7. **Job Characteristics**

Job characteristics theory describes the relationship between job characteristics and individual responses to work. The theory specifies the task condition in which individuals are predicted to prosper in their work. The job characteristics model argues that jobs which contain intrinsically motivating characteristics which lead to higher levels of job satisfaction as well as other positive work outcomes such as enhanced job performance and lower withdrawal. The model was introduced by Hackman and Oldham (1976) according to them, jobs that are enriched to provide these core characteristics are likely to be more satisfying and than jobs that do not provide these characteristics. There are five job dimensions prompting three psychological states.

The five dimensions of job characteristics are:

1. **Skill variety**- The degree to which a job requires a variety of different activities in carrying out the work, involving the use of a number of different skills and talents of the person.

2. **Task identity**- The degree which requires completion of a whole, identifiable piece of work; that is, doing a job from beginning to end with the visible outcomes.

3. **Task significance**- The degree to which a job has substantial impact on lives of other people, whether those people are in the immediate organization or in the world at large.

4. **Autonomy**- The degree to which the job provides substantial freedom, independence and discretion to the individual in scheduling the work and in determining the procedure to be used in carrying it out.

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5. Job feedback - The degree to which carrying out the work activities required by the job provides the individual with direct and clear information about the effectiveness of his or her performance.

The combination of these five job characteristics reflects the overall motivating potential of a job into a single index.

\[ \text{MPS} = \frac{(\text{Skill variety} + \text{Task identity} + \text{Task significance})}{3} \times \text{autonomy} \times \text{feedback} \]

The three psychological states are:

1. Experienced meaningfulness of the work - it explains that is to feel that the work, the individual does is generally worthwhile, valuable or important by some system of values he or she accepts.

2. The experienced personal responsibility - means that he or she feels personally accountable for the results of the work he or she does.

3. Knowledge of results - the person who has knowledge of the results of one’s work knows and understands how effectively he or she is performing the job.

Achieving these three psychological states serves as reinforcement to the employee and as a source of internal motivation to continue doing the job well. If anyone of these psychological states are not present, several outcome variables such as motivation and satisfaction will be weakened.

### 1.6 FACTORS INFLUENCING JOB SATISFACTION

**A. Work Environment**

Work environment can be explained as a place where employees work. It involves each and every thing related to employees working. Overall life is affected with the environment in which employee work. If employee is not satisfied with the working environment, he or she cannot properly focus on the work and which indirectly affect the organization.

The factor which comes in work environment are:
• Working Condition: The employees desires for good working condition because they lead to greater physical comfort. The working conditions are important to employees because they can influence life of employees outside also. If people work long hours or do overtime, then they require comfort in their working time.

• Stress: When negative stress is high it reduces job satisfaction. When a job does not correspond with employee’s personal life, or is the source of anxiety and confusion, it’s stressful. Stress always makes person unsatisfied with the things happening in the organization. Stress in employees affects both the employees health and the production of the organization. Stress arises from the working environment such workload, relationship with their supervisor, peers etc.

B. Organizational factors

Organization factors are concerned with practices and procedures followed by the organization. They affect employees if they are not properly formulated and implemented. Employees expectation from organization impacts on satisfaction level of employees too. The factors are:

• Promotion: Promotional opportunities have a moderate impact on job satisfaction. A promotion of an employee to a higher level in an organization typically involves positive changes in supervision, job content, pay and many other things. Employees on higher level position usually provide workers with more freedom, more challenging work assignments and high salary which influence the satisfaction.

• Fair Rewarding: Employees are more satisfied when their works are fairly rewarded. Fair rewarding to the employees plays a very important for the satisfaction of the employees. But if this factor is ignored by the organization it will be harmful for employees in the level of satisfaction. So organization needs to balance this factor with the work. Employees should be rewarded timely and fairly.

• Opportunities: Job related opportunities increase employee satisfaction. Organization should provide job opportunities to the employees so employees can make their career and move further. The opportunities such as to doing projects work, employees participation in competition, giving decision making authority etc. It motivates the employees and employees feel like home in the organization when the opportunities are given to the employees.
C. Behavioural Factors

Behavioural factors involved employee’s nature or employees perception towards the job. It is the only major factor that influences the employees towards their job that what employees think about their job. The perception regarding the job is the outcome of behavioural factor. The perception differs from people to people that means no two employee have same perception.

- Pay: Wages do play a significant role in determining of satisfaction. Pay is instrumental in fulfilling so many needs. Pay is the primary need of an employee for which employee work. The basic needs such as food, shelter, clothing provides the means to enjoy valued leisure interest outside of work. Moreover, pay can serve as symbol of achievement and a source of recognition. Employees often see pay as a reflection of organization. Fringe benefits have not been found to have strong influence on job satisfaction as direct wages.

- The work itself: The second most important in determining employees satisfaction is the work itself. The job profile also somewhere affects the satisfaction of employees. The two most important aspect of the work itself that influence job satisfaction are variety and control over work methods and work place. Employee with moderate amount of variety produce the most job satisfaction and employees found their job challenging. Jobs with too little variety cause workers to feel bored and fatigue. Jobs with too much variety and stimulation cause workers to feel psychologically stressed and burnout.

- Supervision: Supervision is one of the main factors which affect job satisfaction. Managers interested in employees’ work, assisting them in solution of their work related and personal life problems and also developing informal relations together with the formal ones are increasing employees’ job satisfaction.

Two dimensions of supervisor style:

1. Employee centered or consideration supervisors who establish a supportive personal relationship with subordinates and take a personal interest in them.

2. The other dimension of supervisory style influence participation in decision making, employee who participates in decision that affect their job, display a much higher level of satisfaction with supervisor an the overall work situation.
• Work Group: Having friendly and co-operative co-workers is a modest source of job satisfaction to individual employees. The working groups also serve as a social support system of employees. People often used their co-workers as sounding board for their problem of as a source of comfort.

• Adequate Authority: Giving more freedom to employees in their job increases their satisfaction. When certain teams are organized in the organization and one person was given the adequate authority to manage the whole team. These things make employees more responsible towards their job, and in this way they are more engaged or spend more time in the organization.

Fitting the right man on the right job is the primary and the important function of an organization for its success. Then only all the resources can be managed effectively and efficiently. Without human efforts an organization cannot accomplish its objectives. Renis Likert rightly observes “All the activities of any enterprise initiated and determined by the persons, who make up that institution, plants, offices, computers, automated equipment and all else that make a modern firm uses, are unproductive except for human effort and direction of all the tasks of management, manager the human component, is the central and the most important task, because all else depends on how well it is done”.

1.7 CONSEQUENCES OF JOB SATISFACTION

The preponderance of research evidence indicates that there is not only a strong linkage between satisfaction and productivity but also there are many variables which are affected by job satisfaction. There are many possible moderating variables, those effect are seen on job satisfaction. Previous research evidence indicates that satisfaction may not necessarily lead to individual performance improvement but does lead to departmental and organizational level improvements.

Job satisfaction has a variety of effects that results in many things related to employees and also in context to organization. Dissatisfaction from job lead to many intolerable results which is unbearable for the organization.

• Physical and Mental Health:
The degree of job satisfaction affects an individual’s physical and mental health. Since job satisfaction is a type of mental feeling, its favourableness or unfavourableness affects the individual psychologically which ultimately affects his physical health. For example, Lawler has pointed out that drug abuse, alcoholism and mental and physical health result from psychologically harmful jobs. Further, since a job is an important part of life, job satisfaction influences general life satisfaction. The result is that there is spill over effect which occurs in both directions between job and life satisfaction.

- Productivity:

There are two views about the relationship between job satisfaction and productivity:

1. A happy worker is a productive worker,

2. A happy worker is not necessarily a productive worker.

The first view establishes a direct cause-effect relationship between job satisfaction and productivity; when job satisfaction increases, productivity increases; when satisfaction decreases, productivity decreases. The basic logic behind this is that a happy worker will put more efforts for job performance. However, this may not be true in all cases. For example, a worker having low expectations from his jobs may feel satisfied but he may not put his efforts more vigorously because of his low expectations from the job. Therefore, this view does not explain fully the complex relationship between job satisfaction and productivity. The another view is that a satisfied worker is not necessarily a productive worker explains the relationship between job satisfaction and productivity. Various research studies also support this view.

This relationship may be explained in terms of the operation of two factors

1. Effect of job performance on satisfaction i.e. Job performance leads to job satisfaction and not the other way round. The basic factor for this phenomenon is the rewards (a source of satisfaction) attached with performance. There are two types of rewards intrinsic and extrinsic. The intrinsic reward stems from the job itself which may be in the form of growth potential, challenging job, etc. The satisfaction on such a type of reward may help to increase productivity. The extrinsic reward is subject to
control by management such as salary, bonus, etc. Any increase in these factors does not help to increase productivity though these factors increase job satisfaction.

2. Organizational expectations from individuals for job performance is that a happy worker does not necessarily contribute to higher productivity because he has to operate under certain technological constraints and, therefore, he cannot go beyond certain output. Further, this constraint affects the management expectations from the individual in the form of lower output. Thus, the work situation is pegged to minimally acceptable level of performance. However, it does not mean that the job satisfaction has no impact on productivity. A satisfied worker may not necessarily lead to increased productivity but a dissatisfied worker leads to lower productivity.

- **Absenteeism:**

  Absenteeism refers to the frequency of absence of job holder from the workplace either unexcused absence due to some avoidable reasons or long absence due to some unavoidable reasons. It is the former type of absence which is a matter of concern. This absence is due to lack of satisfaction from the job which produces a lack of will to work and alienate a worker from work as far as possible. Thus dissatisfaction from job also lead to absenteeism which organization suffers.

- **Employee turnover:**

  Turnover of employees is the rate at which employees leave the organization within a given period of time. When an individual feels dissatisfaction in the organization, he tries to overcome this through the various ways of defense mechanism. If he is not able to do so, he opts to leave the organization. Thus, in general case, employee turnover is related to job satisfaction. However, job satisfaction is not the only cause of employee turnover, the other cause being better opportunity elsewhere. For example, in the present context, the rate of turnover of computer software professionals is very high in India. However, these professionals leave their organizations not simply because they are not satisfied but because of the opportunities offered from other sources particularly from foreign companies located abroad.
1.8 IMPORTANCE OF JOB SATISFACTION

The term “job satisfaction” is understood to mean everything from “making all aspects of a job easy for employees” to “making the job meaningful, significant and challenging.” Job satisfaction can be considered as one of the main factors when it comes to efficiency and effectiveness of business organizations. In fact the new managerial paradigm which insists that employees should be treated and considered primarily as human beans that have their own wants, needs, personal desires is a very good indicator for the importance of job satisfaction in contemporary companies. When analysing job satisfaction the logic that a satisfied employee is a happy employee and a happy employee is a successful employee.

Job satisfaction is also correlated moderately with citizenship behaviour. The employees who are satisfied are engage in more frequent “extra mile” behaviours to help their co-workers, supervisors and at last organization. Positive feelings increase their desire to interact with others and often result in spontaneous acts of helping and other instances of good citizenship. In addition, dissatisfaction results in negative feelings towards job, co-workers, supervisor and others also. Satisfied employees intentionally cannot harm the organization and never result in destructive actions.

The study of job satisfaction enriched the management with a range of information pertaining to job, employee, environment etc. which facilitated it in decision making and correcting the path of organizational policies and behaviour. It indicates the general level of satisfaction in the organization about its programmes, policies etc. This not only helps in knowing the employee behaviour but also help organization to plan such a policies which helps organization indirectly. It is an important task for knowing employees problems, solving them and effecting changes and correcting with least resistance. The communication system also plays a strong role in the organization and helps management to discuss the result for shaping the future course of action. Job satisfaction helps in improving the attitudes of employees towards the job and facilitates integration of employee with the organization. It inspires sense of belongingness and sense of participation among, leading to the overall increase in the productivity and performance of the organization.

It helps unions to know exactly what employees want and what management is doing. Thus, it facilitates mutual settlement of grievances and other unwanted situations. It facilitates in determining the training and development needs of the both, employees and the organization.

Spector (1997) lists three important features of job satisfaction. First is that employees should be treated fairly and with respect, the priority should be given to the human values. In such cases the assessment of job satisfaction may serve as a good indicator of employee effectiveness. High levels of job satisfaction may be sign of a good emotional and mental state of employees. Second, the behaviour of workers depends on their satisfaction and that will directly affect the functioning and activities of the organization’s business. It is concluded from this, that job satisfaction will result in positive behaviour and dissatisfaction from the work will result in negative behaviour of employees. Third, job satisfaction may serve as indicator of organizational activities. Through job satisfaction evaluation, different levels of satisfaction in different organizational units can be defined, but in turn can serve as a good indication regarding in which organizational unit changes that would boost performance should be made.

To improve the job satisfaction and morale, the management set about to take advantage of this newly found insight and they should take action on two fronts. First, they should initiated attempts to measure the state of employee- feeling in order to know where to concentrate their efforts in improving employee- satisfaction. Secondly, they should know to train their managers, especially first-level supervisors, to pay attention to the attitudes and feelings of their subordinates so that performance could thereby be improved.

1.9 HUMAN RESOURCE MANAGEMENT PRACTICES AND JOB SATISFACTION:

Human Resource (HR) practices and job satisfaction of employees have significant relationship in an organization. To survive in the competition, organization needs to manage the relationship and challenges arising out of it. It is assumed with the studies done in this field that HR practices are closely associated with job satisfaction. Because many scholars and practitioners believe that sound HR practices result in better level of job satisfaction which ultimately improves organizational performance. These practices help organizations in improving product quality, achieve higher flexibility and good performance while remaining cost competitive by inducing workers to work harder and using the skills and information’s of their employees more effectively.

Job satisfaction performs many functions and forms the basis and core of most of the HRM activities. A relationship between HRM practices and organizational performance including job satisfaction is established and also further improved by the strategic HRM researches. The job satisfaction is an important part of organizational research because it is linked with human resource. It determines the impact and influence of HRM practices such as leadership behaviour, teamwork and job autonomy on the job satisfaction. The proper management of human resource practices led to the job satisfaction.

Human resource management practices works for many field in a working firm, but the most important it works for job satisfaction because until the employees are not satisfied with the terms and conditions of organization they will not concentrate on work and it will definitely affects the productivity and performance of a firm. Somewhere employees are affected by the practices in their working life, they are dependent on the firm for everything which is directly link with the practices running over there. So for the organization it is very important to keep their employees satisfied with the practices. The human resource practices and job satisfaction increased the mutual understanding between the employer and the employees.

HRM and job satisfaction are considered as communication channel between the employees and the employer.
1.10 CONCLUSION

The concept of human resource management and job satisfaction is very crucial and even important at every walk of life for an organization. The management of people with help of these practice, improves both the organization as well as individuals. Overall the organizations are striving to achieve the goal sets, through the committed, motivated and satisfied workers. Therefore, satisfying employees is utmost importance for any organization. Continuous efforts should be made by the bank for sake of employees which results in productivity and achieving competitive advantage. The above chapter is fully based on explaining these terms in very clear way. This illustrates that how these two terms are linked with employees in the working firm.

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