

Employees' Satisfaction on Quality of Worklife at State Bank of India

Radha Yadav, and Ashu Khanna

Abstract— Work life is a “central” thing in which individual wants to be emphasis themselves on it as well as concentration on a family life. The quality of work life defines the life at work and the life at home with family member. Happy and satisfied employee easily handles the problem of life but only exultant individual can't cope up with the environment of the organization until getting the satisfaction from the job. So, the proclamation of work life and family affects each other is probably go in the same direction. This paper emphases the quality of work and performance of the state bank of India. State bank of India is developed public sector bank and known as the “mini RBI”. In this paper Participative management, grievance handling procedure, health care facilities, fringe benefits , rewards and recognitions etc., are used as variable to identified the satisfaction of employees' towards the quality of work life offered by the organization and return on net worth, return on assets, dividend per share and net profit margin are used to determine the organization's performance. 150 questionnaires were distributed among the branches of SBI which touched the East Uttar Pradesh. The objective of the study was: to find out the quality of work life of employees are growing with the organization's growth. The result indicates that performance of the SBI is highly satisfactory than the quality of work life offered to the employees'.

Keywords— Dimensions of quality of work life, Employees, Organization performance, State bank of India.

I. INTRODUCTION

BETTER Quality of Working Life (QWL) is very important for organization to accomplish the goals. Creating high quality of working life for employees can enhance their productivity and increase their job satisfaction. Organizations which seek to attract and retain qualified, committed and motivated employees have understood the term QWL and invest supplementary to build desirable one. QWL create an environment which motivates and increased the morale of the employees' to enhance career goal and organization's objectives [14].

During the last two decades, the organization in the developed world have been more apprehensive about QWL to build a high quality corporate culture and increased the organizational performance. QWL was first developed in the

United States and UK, and then spread to Norway, the Netherlands, India and Japan (Davis & Trist, 1974). However, there are many barriers such as perception of Fairness, job stress, equal opportunity for reward and promotion job security and upward and downward communication inside the organization (Ethgen, Bruyere, Richy, Dardennes and Reginster, 2004) which makes a different meaning of QWL for everyone. The Quality of Work Life refers to the level of satisfaction with the facilities like fringe benefits, rewards and remunerations, promotion policy etc., offered by the organization [1]. It is the degree to which individuals are able to satisfy their important personal needs while employed by the firm [4]. Quality of work life is the key for the profitability of the organization (Lau, 2000). Better Quality of work enhances the morale of the employees' and motivates them to do a better work which increases the productivity of the organization [8].

The performance of the organization depends on the two factors: customers' and employees'. Customers are directly linked with the products and services offered by the organization. If a customer are satisfied with the products and services it enhance the performance of the organization in terms of profitability [7]. Quality of the products and services depend on the employees' satisfaction and employees' satisfaction depend upon the quality of work life [7]. QWL firms have a higher growth rate according to the five year data of sales growth and asset growth than the non- QWL firms, (Lau, 2000). Psychological Capital of human resource plays an important role in the organizational performance (S. mortazabi, 2012). Psychological Capital is a more state-like factor than personality traits [11]. Researchers believe that these factors lead to improving the performance and decreasing the absence and lateness, improving the physical and mental health, and satisfaction of life [8]. Some variables of QWL such as: meaningfulness, pessimism, and self-determination are also the main factor for the job satisfaction, (D. Chitra et al, 2012) except this health care benefits, working environment, flexible work, and relationship with peers and superiors [9] and good supervision helps the employees' to encourage them towards accomplish the goals, [13]. Chen Huang (2005) in a research entitled "The Impact of Quality of Work Life on Organizational Commitment" found that quality of work life has different meanings to different individuals. Organizational commitment defines the relation of individual towards organization. Organizational commitment is of three types: affective commitment defines positive's attachment towards organization, continuance commitment describes the profit behind the job and normative commitment means

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feelings of obligation [2]. Personal characteristics like gender, age, and marital status lead to significant differences in quality of work life and organizational commitment [3]. The environment is the vital factor of employees, satisfaction. It is also proved by the researcher that working environment and working condition really affects the employee perception towards the job, (Johnston, 1975).

A. State bank of India

State Bank of India is the largest state-owned bank and financial services company in India. The Bank provides banking services and their subsidiaries provides a range of financial services to the customer, key services like life insurance, merchant banking, mutual funds, credit card, factoring, security trading, pension fund management and primary dealership in the money market. Four business segments operate by the bank, namely Treasury, Corporate/ Wholesale Banking, Retail Banking and Other Banking Business. SBI provides a high range of products and services related to banks through their vast network of branches in India and overseas, including products aimed at NRIs. The State Bank Group, with over 16,000 branches, has the largest banking branch network in India. According to the Forbes State bank of India took the place of 10th most reputed company in the world. The bank has 156 overseas offices spread over 32 countries. They have branches of the parent in Colombo, Dhaka, Frankfurt, Hong Kong, Johannesburg, London and environs, Los Angeles, Male in the Maldives, Muscat, New York, Osaka, Sydney, and Tokyo. They have offshore banking units in the Bahamas, Bahrain, and Singapore, and representative offices in Bhutan and Cape Town. In 1955, State Bank of India was incorporated. The equity shares of SBI are listed on the Bombay stock exchange. Bombay Stock Exchange where it is a constituent of the BSE SENSEX index, and the National Stock Exchange of India where it is a constituent of the S&P CNX Nifty. Its Global Depository Receipts (GDRs) are listed on the London Stock Exchange.

B. Employees

According to the data in 31 March 2013, SBI is having 228,296 employees, out of which, there were 46,833 female employees (21%) and 2,402 disabled employees (1%). On the same date, SBI had 43,550 Schedule Caste (19%) and 16,764 Schedule Tribe (7%) employees. The percentage of Officers, Assistants and Sub-staff was 35%, 48% and 17% respectively.

C. Rewards

SBI was ranked as the top bank in India based on tier 1 capital by "The Banker" magazine in a 2014 ranking. SBI was ranked 298th in the Fortune Global 500 rankings of the world's biggest corporations for the year 2012. According to the Forbes list, SBI was ranked 155th in the global 2000 for the year 2014.

II. OBJECTIVE OF THE STUDY

State Bank of India is developed bank and has been maintaining good organizational performance. Is SBI indeed good in quality of work life? The objectives are as:

- 1) To examine the quality of work life and employee' satisfaction at state bank of India.
- 2) To analyse the profitability of the SBI.
- 3) To assess the position, status and working norms of employees in the banking sector, especially in State Bank of India.

III. RESEARCH METHODOLOGY

A. Data collection

Primary data were collected through the distribution of questionnaire in the bank premises. Survey was based on convenience sampling method and the branches of the SBI selected according to the convenience. Simple random sampling method was adopted for the respondent's selection and distributes 150 questionnaires among the employees'.

Secondary data were collected from the Forbes magazines, India info, and capital line to analyses the performance of five year of state bank of India.

B. Sample size

Subject of the present study will be selected from various branches of State Bank of India (EAST UTTAR PRADESH) according to the convenience. Questionnaires were distributed in the branches of these areas: Mathura, Agra, Meerut, and Saharanpur to know the quality of work life.

The sample size calculated according to Birchall, 2009 are as

$$N = \frac{T^2 * p(1 - p)}{m^2}$$

Where N is the required sample size, T is the confidence level of 95% and p is the estimated frequency of the performance of the SBI and m is the margin of the error at 5%.

$$N = \frac{1.96^2 * 0.9(1 - 0.9)}{.0025^2}$$

$$N = 138.24$$

The required sample for this study was approx. 139 and the sample was further close to be sample size, N = 132.

C. Statistical tools

The study is based on the data collected to analyze the employees' satisfaction towards the dimensions of the quality of work life. Measurement scale is based on the likert scale of 5 degree and simple %age method used to assess the satisfaction level of the employees.

IV. RESULTS AND DISCUSSIONS

To study the quality of work life, Questionnaire distributed among 150 employees of SBI and got 132 questionnaires from the employees in which 90 male employees and 42 female employees. The respondent's rate was 88%. The questionnaire covered the questions related to participative management, fringe benefits, grievance handling procedures, welfare facilities, working hours, participative management and reward and recognition. There were total 20 questions in the questionnaire containing grievances handling procedures, welfare facilities, working hours, participative management

and rewards and recognition as a variable. Each variable had 3 questions except fringe benefits which had 6 questions. The reliability coefficient of the questionnaire is approx.84% measured by Cronbach's Alpha.

A. Grievance handling procedure

The majority of the respondents were dissatisfied with the process of grievance handing. The result showed that management takes above 1 month to solve a grievance of employees. 55% employees strongly agreed that management is less concern with grievances occurred among employees. 62% employees' personal life affects from the grievances where grievance affect the job of the employees for some employee.

B. Participative management

Participative management tends to improve motivation and identify himself or herself with the work and employee feel more accepted and involved in the management. The result indicates that management does not take initiation to get an opinion from the employees with strong result of 65% employees. Employees are the part of management in some branches of SBI but not in every branch. There is no clear result in case of giving ideas from the employees.

C. Fringe Benefits

Health benefits, insurance transport facilities and recreation facilities are used to identify the fringe benefits. It is clear that SBI provides a good health benefits and insurance with the result of above 92% employee's acceptance. Transport facilities are good enough with 68% employee's acceptance. A recreation facility is not so good in the branches of Mathura, Meerut and Saharanpur of SBI.

D. Welfare facilities

Facilities play an important role in actualization of goals and objectives to satisfying the both emotional and physical needs. There is no accurate working space for employees, according to their demand with the result of 71% employees agreed. A sanitation facility available in SBI's branches is not satisfactory according to employees it is not up to mark as they want. 75% employees and 72% employees respectively is not satisfied with the sanitary/washing facilities and changing room in SBI's branches.

E. Rewards and Recognitions

Rewards and recognitions are motivational factors, the best performer is given the rewards, and this builds the competitions among the employees to work hard and to achieve both organizational and individual goals. 43% employees agreed that they doesn't get acknowledgement from their boss regarding their work done. 62% employees got the appreciation certificate from the organization. Result shows rewards and recognition is satisfactory in the SBI's branches.

F. Working Hours

Working hours is important to make a balance between the work and other commitments. Working hours as a variable used in this study to examine the salary according to the hours.

62% employees are satisfied with the working hours but 69% employees are not satisfied with the salary according to their working hours and work pressure.



Fig. 1 Employees' satisfaction level towards QWL's variables in state Bank of India

Quality of work life in SBI gave a unexpected results means employees are satisfied with the fringe benefits and working hours but not with salary according to their hard work, perhaps both factors are giving them job satisfaction. It shows that salary is not satisfactory according to their work and an employee is quite satisfied with the rewards and recognitions providing by the SBI. Participative management has been lacking in the branches of SBI from some last years. Welfare facilities are the most necessary for the female employees which is unsatisfactory in the branches of SBI.

V. PERFORMANCE OF STATE BANK OF INDIA

After the study of financial ratios of the SBI, the net profit margin of SBI has been fluctuating from year 2009 to the year 2013. SBI achieved good net profit margin 12.03% in year 2009 which is greater than among five years and it is showing the efficient management of the affairs of SBI. Generally, a quick ratio of 1:1 is considered satisfactory. Quick ratio has been continuously increasing from the year 2009 to the year 2013. But, having a quick ratio of 1:1 or higher does not mean that the company has a strong liquidity position because a company may have high quick ratio but slow paying debtors.

A higher ROCE (return on capital employed) in the year of 2012 and 2013 with 9.35% and 9.45% indicates efficient use of capital, [10]. ROCE is higher than the company's capital cost; which indicates that the company is employing its capital effectively and is generating shareholder value.

Return on equity/ return on net worth indicates the efficiency of SBI used by the management towards resource of the business is appreciable. Return on equity (ROE) has been widely used for the measurement of the overall profitability of the company which means in the year of 2009 with 15.74% shows that SBI had a good profitability among five years according to the preference and common stockholders. Result of ROCE indicates that SBI has been using good efficiency in management regarding uses of resources from the last five years.

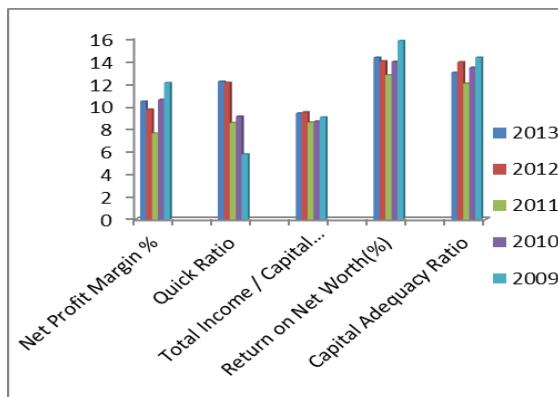


Fig. 2 Performance of State Bank of India from the year 2009 to 2013

Capital adequacy ratio used to measure the bank's capital and expressed as a percentage of a bank's risk weighted credit exposures. RBI mandates minimum CRAR of 9%, but the Government of India has mandated total CRAR of 12%, with 8% Tier I capital. A minimum capital adequacy ratio serves to protect depositors and promote the stability and efficiency of the financial system. SBI has been holding the good weightage of capital from the year of 2009 to the year of 2013.

Overall, SBI's performance regarding profitability is satisfactory in terms of Return on equity, Capital adequacy ratio, return on capital employed and net profit margin [9].

VI. CONCLUSION

Financial performance of the state bank of India is much satisfactory than the quality of work life. It shows that the employees' is satisfied with the overall quality of work life offered by the organization. There are some issues in the QWL like grievance handling procedure is not well established in the branches of SBI which affects the individual life. 69 % Employees' are not satisfied with the salary as well as with the participative management. Welfare facility of the branches of the SBI is not well maintained with result of more than 70% employees'. The manager of the branches should take action to improve welfare facilities and grievance handling procedure because SBI is well-known bank in India and having a good financial position. Net profit margin is showing financial indication and profitability of the SBI. SBI well controlled on their cost of capital in the year 2009 year comparison to the year 2011 and year 2012 [9]. Quick ratio is considered a more reliable test of short-term solvency than current ratio because it shows the ability of the SBI to pay short term debts immediately. A higher value of return on capital employed is favorable which is indicating that SBI generates more earnings per dollar of capital employed. A lower value of ROCE indicates lower profitability and also indicates the efficiency of the management in using the resources of the business. Higher ROCE means high return on shareholders' investment. Investors always search for the highest return on their investment and a company that has higher ROE ratio attracts more investors than the others companies.

In the end, State Bank of India has been holding the good profitability from the year 2009 to year 2013 but quality of

work life in terms of participative management, work space, salary, welfare facilities, and grievance handling procedures is not satisfactory according to the employees. This study showed that employees prefer fringe benefits more rather than other QWL's variable. The key elements of QWL include job security, job satisfaction, better reward system, employee benefits, employee involvement and organizational performance (Havlovic, 1991) [13] is also important for the employees. This study also proved that rewards and recognitions, fringe benefits and working hours are important dimension for employees' satisfaction in banking sector.

VII. LIMITATIONS

Several limitations should be reflected that this study did not exemplify the whole sample population. Data was abundant but comparison should have been done in appropriate custom with branches of the SBI. Managers of the branches didn't give the thriving response for the study. Questionnaire covered only six dimensions of QWL which is enough to find out the QWL of SBI but questions were not well appropriated in the questionnaire. Numbers of questions were very less in the questionnaire. Financial performance should have been done with the compare of the branches of the state bank of India which give proper result. The study did not capture the male and female individually where male's perception can be positive or may be female's employees more socialization, [13]. The result may not show the actual satisfaction of employee regarding quality of work life in the context of only agreed and disagreed

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