

SHIV SHAKTI

**International Journal of in Multidisciplinary and
Academic Research (SSIJMAR)**

Vol. 3, No. 3, May-June (ISSN 2278 – 5973)

**Relationship between Employee Participation & Job Satisfaction among
the Employees in HDFC Bank Ltd.**

Anchal Pathak¹

Research Scholar, Faculty of Management Studies, Banaras Hindu University, Varanasi, Lucknow

Email-anchal.pathak20@gmail.com, Contact-8004356252

Mrs. Reeta Singh²

Assistant Professor, School of Management Sciences, Email-reeta.singh2008@gmail.com, Contact-
9598338252

**Impact Factor = 3.133 (Scientific Journal Impact Factor Value for 2012 by Inno Space
Scientific Journal Impact Factor)**

Indexing:



Abstract

It is widely believed that employee's participation affect employee's job satisfaction, and employee's productivity and they all can create competitive advantage for the organization. The present study investigates the relationship between Employee Participation and Job Satisfaction in banking sector.

Materials & Methods: For the purpose of study the data was collected from the employees of one of the leading private sector banks HDFC bank Ltd in Uttar Pradesh. Two different standard questionnaires based on five pointer likert scale were used for the collection of data. Job Satisfaction has been treated as a dependent variable and Employee Participation as an independent variable.

Key Findings: The results show a positive correlation between job satisfaction and employee participation i.e. satisfaction increases with an increase in employee participation and vice-versa.

Key words: Banking Sector, Employee Participation, Job Satisfaction.

Relationship between Employee Participation & Job Satisfaction among the Employees in HDFC Bank Ltd.

Introduction

The importance of service sector contribution to economic well-being has been gaining momentum world-wide and India is not an exception to this global trends. In the Indian context, the service sector activities have received importance during the New Economic Reforms of 1991. After 1991, the banking scenario has been changed completely, the impact of globalization and privatization has affected work culture of both public and private sector

banks. Globalization has brought about not only a paradigm shift in the functions and operations of Indian commercial banks which took them apart from the traditional banking activities, but also it has bearing on the psychology of the employees to adopt to the changing needs of the business and satisfying the expectations of the customers. Thus employees' participation has a unique motivational power and a great psychological value. Participation makes employees more responsible, they are willing to take initiative and contribute cost-saving suggestions and growth oriented ideas. It is widely believed that employee's participation affect employee's job satisfaction and employee's productivity and they all can create competitive advantage for the organization. According to **Farnham (1997)** Employee Participation is one of four policy choices for managing the employment relationship. Cited in **Rose (2001, p380)** Farnham states: '...an employee has the right to question and influence organization decision making' and '.... this may involve representative workplace democracy. **S.P. Robbins (2009)** defines job satisfaction as positive feeling about one's job resulting from an evaluation of its characteristics. Employee participation has been emphasized in relation to job satisfaction as well **Cotton et al., (1988)**. When workers are given opportunities to participate in decision making processes there are positive gains for organizational effectiveness and morale of employees'. It has its strong influence on job satisfaction.

Literature Review

Participation means different things to different people. A broad definition given by **Davis (1962)** views it as 'the mental and emotional involvement of a person in a group situation which encourages him to contribute to group goals and share responsibilities in them'.

Morse and Reimer (1956) have shown that greater participation leads to productivity.

In line with the research on participative management, participative decision making has been emphasized in relation to job satisfaction (**Cotton et al. 1988; Macy, Peterson, and Norton 1989**). Several studies have demonstrated that participative decision making can be beneficial to workers' mental health and job satisfaction (**Spector 1986; Miller and Monge 1986; Fisher 1989**). Daniels and Bailey, however, argue the evidence regarding the impact of participative decision making on job satisfaction has not been consistent. The relationship between participative decision making and job satisfaction could be nonlinear and contingent on individual and situational variables.

Pfetter (1994), Wagner (1994), and Verma (1995) concluded that employee participation is positively related to performance, satisfaction and productivity of an employee.

Kim, Soonhee (2002) has published that, Researchers and practitioners in both the public and private sectors agree that participative management improves employees' job satisfaction. Public agencies have also turned to strategic planning to enhance government performance and accountability. This study explores the relationship between participative management in the context of the strategic planning and job satisfaction in local government agencies. The results of multiple regression analysis show that managers' use of a participative management style and employees' perceptions of participative strategic planning processes are positively associated with high levels of job satisfaction. The study also finds that effective supervisory communications in the context of the strategic planning process are positively associated with high levels of job satisfaction.

Bhatti & Qureshi (2007) in their study on “Impact of Employee Participation on Job Satisfaction, Employee Commitment and Employee Productivity” said that the employee participation may affect employee’s job satisfaction; employee productivity, employee commitment and they all can create comparative advantage for the organization. The main

intention of this study was to find out relationship among employee participation, job satisfaction, employee productivity and employee commitment. The findings of this study are that employee participation not only an important determinant of job satisfaction components. Increasing employee participation will have a positive effect on employee's job satisfaction, employee commitment and employee productivity.

Maryam Rafiq (Author), Dr. Saeed-ul-Hassan Chishti (2010) in their book titled "Impact of Participative Management on Employee Job Satisfaction & Performance", basically aims to resolve the question that whether participative approach to management pay off in terms of employee job satisfaction and performance. The findings indicate significant positive relationship among participative management, employee job satisfaction and performance.

Nazir Ahmad Gilkar & Javid Ahmed Darzi (2012) in their study on "Employee Job Involvement and Sense of Participation Influence on Job Satisfaction: An Empirical Evidence" makes a humble academic effort to study the influence of job involvement and sense of participation on employees job satisfaction. The main findings of the study are the variables like job involvement, sense of participation and job satisfaction are positively correlated.

Riyaz Ahmad Raimayee (2012) in his article on "Mediating effect of Sense of Participation on Job Involvement & Job Satisfaction" examines the relationship among employee job involvement, sense of participation & job satisfaction. . The result reveal that sense of participation mediates between employee job involvement & job satisfaction of private sector bank employees and employee job involvement, sense of participation and job satisfaction are positively correlated.

Research Methodology

Statement of the problem

There has been lot of study in the area of employee participation and job satisfaction and its relationship with each other still it remains unexplored to some extent and yet a general understanding has not been developed when it comes to study conducted at different times and in different work environment. globalization has brought about not only a paradigm shift in the functions and operations of Indian commercial banks which took them apart from the traditional banking activities, but also it has bearing on the psychology of the employees to adopt to the changing needs of the business and satisfying the expectations of the customers. It is widely believed that employee's participation affect employee's job satisfaction and employee's productivity and they all can create competitive advantage for the organization. With this background the present study is an humble endeavour towards exploring the dynamic relationship between the Employee Participation and Job Satisfaction in one of the leading private sector bank HDFC.

Objective of the Study

The main objective of the study is to establish a functional relationship between employee participation as an independent variable and job satisfaction as dependent variable in private sector banks.

Hypothesis Formulated

In the light of the available literature concerning relationship among employee participation and job satisfaction it can be hypothesized that there is no significant relationship between employee participation and job satisfaction in HDFC bank.

Research Design

In the present study, job satisfaction has been treated as dependent variable and employee participation as an independent variable. Mathematically relationship between these two variables is enumerated as:

$$JS = f(EP)$$

Where, JS stands for job satisfaction and EP stands for employee participation.

Data Collection

As the research is descriptive in nature the study relies on primary data collected from one of the leading private sector bank in Uttar Pradesh. Primary data has been collected by the researcher from the employees working in various branches of HDFC bank through standard Structured Questionnaire.

Tools and Techniques Used

Two questionnaires one for job satisfaction and one for employee participation have been used. Both the Questionnaires are standard questionnaires and have passed the reliability and validity test. The Psychological participation index has been used to assess the level of employee's participation in managerial decisions. This Index (PPI) has been developed by Singh and Pestonjee (1978). The Psychological Participation index comprises of 15 items, each Statement has five response alternatives, namely, definitely true, mostly true, sometimes true, mostly false and definitely false scoring from [5 to 1]. Job satisfaction has been used to assess the level of job satisfaction of bank employees. The scale consists of 25 statements based on 5- point likert scale scoring from [4 to 0]. Analysis has been done with the help of SPSS software using mean, median, quartiles, ANOVA and linear regression for the study of relationship between employee participation and job satisfaction.

Data Analysis & Interpretation

Regression Model I: To Show the Relationship between Job Satisfaction (Dependent Variable) and Employee Participation (Independent Variable) in Private Sector Bank.

Table 1: Model Summary (Displaying Model I Fitness)

MODEL SUMMARY^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.790^a	.624	.623	8.274

a: Predictors : (Constant), sum of all PPI scores

b: Dependent Variable: sum of all JS scores

Explanation: Table 1 throws light on the fitness of the model. This model too reports a strong correlation (0.790) between the observed models predicted values of the dependent values. The R square value (0.624) is too very strong and shows that 62.4 % of the variation in the dependent variable (job satisfaction) is explained by the independent variable. The value of adjusted R square (0.623) also comes out to be high indicating a strong model fit. To analyse the validity of the Model I we move forward with the analysis of the rest of the tables.

Table 2: Analysis of Variance of the Model Explained by the Independent Variable in the Dependent Variable.

ANOVA ^b					
Model 1	Sum of Squares	Df	Mean square	F	Sig.
Regression	33860.987	1	33860.987	494.598	.000 ^a
Residual	20401.583	298	68.462		
Total	54262.570	298			

a: Predictors : (Constant), sum of all PPI scores

b: Dependent Variable: sum of all JS scores

Explanation: Table 2 shows the next element in the output which is an ANOVA table. Firstly, ANOVA test for the acceptability of the model from a statistical perspective as the Regression row displays information about the variation accounted for by the model and the Residual row displays information about the variation that is not accounted for by the model. F statistics is less than 0.05 which means that the variation explained by the model is not due to chance.

Secondly, as we know that if dependent and independent variables in a study comes out to be unrelated then the slope of the regression line would be zero. When we run a regression analysis with sample data we compute an estimated slope. Typically, this slope is non zero (or at least we aspect it to be non zero). It is critical to recognize that estimated slope is a result of the particular sample at hand. Thus, our estimated slope is subject to sampling error, and is a matter for hypothesis testing.

Table 2 also tests for the null hypothesis that the true slope for the regression line equals zero. Here, with F statistics being significant, we reject our null hypothesis and confirm that the slope of our regression line is non-zero.

Table 3: Regression Model of Job Satisfaction Showing Value of Coefficient of Independent Variable Included in the Model.

COEFFICIENTS^a					
Model 1	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	-9.769	2.424		-4.029	.000
Sum of all PPI Scores	1.515	.068	.790	22.240	.000

a: Dependent Variable: sum of all JS scores

Explanation: **Table 3** is the table of coefficients. There is now one intercept (constant) and one slope. The intercept represents the value of dependent variable (job satisfaction) when the independent variable (participation level) equals to zero. The slope represents the marginal change in dependent variable (job satisfaction) associated with one unit change in the corresponding independent variable (participation level), if the other independent variables if they are in the model remains unchanged i.e. if job satisfaction is to increase by one unit, then participation would increase by 1.515 units, on an average. The coefficient table also reports standardized coefficients or beta for an independent variable. The beta allows comparing the relative importance of each independent variable in the model; it tells which independent variable will have a greater impact on the dependent variable. A standardized beta weight

represents the number of standard deviations that dependent variable (job satisfaction) changes if corresponding independent variable (participation level) changes by one standard deviation. But, it is not of much importance in this case as there is only one independent variable. In the last two columns of the table there are t- ratios and their significance level. The significance tells us that the participation has a statistically significant relationship to job satisfaction.

Thus, Model I can be expressed as an equation shown below:

$$\text{Job Satisfaction} = 1.515(\text{Participation Level}) - 9.769$$

Conclusion

The effect of participation has been studied with the help of linear regression model I. The study reveals a strong relationship between participation and job satisfaction and shows that 62.4 % of the variation in the dependent variable (job satisfaction) is explained by the independent variable. It has been also found that job satisfaction has more strong relationship with participation as compared to job involvement in banking sector. Mathematically, this model I can be expressed as:

$$\text{Job Satisfaction} = 1.515(\text{Participation Level}) - 9.769$$

Thus it can be concluded from the study that there is a relationship between employee participation and job satisfaction in private sector bank, with an increase in the levels of participation job satisfaction increases.

References

- Alexander, K.C. (1972). *Participation Management: The Indian Experience*, Shri Ram Centre, New Delhi.
- Allen, J. F. & Judd, B. B. (2007). Participation in Decision-Making and Job Satisfaction: Ideal and Reality for Male and Female University Faculty in the United States. *Human Communication*, 10(3), 157–179.
- Bhatti, K. et al. (2007). Impact of Employee Participation on Job Satisfaction, Employee Commitment and Employee Productivity. *International Review of Business Research Papers*, 3(2), 54-68.
- Dr. Nazir Ahmad Gilkar and Javid Ahmad Darzi (2013). Job Involvement – Sense of Participation- Job Satisfaction – A Triangular Framework, *IOSR Journal of Business and Management*, 6(6), 41-47, Retrieved from www.iosrjournals.org.
- Gilkar N.A and Darzi J.A. (2012). Relationship between participation and job satisfaction: Analysis of a bank organization, *International Journal of Commerce and Business Management* 5(1):53-57.
- Gupta, C. B. (2009). *Human Resource Management*. New Delhi: Sultan Chand & Sons, 30.6-30.7.
- Mhetras, V.G. (1966). *Participation in Management*, Manaktalas, Mumbai
- Moorman, R.H. (1993). The Influence of Cognitive and Affective Based Job Satisfaction Measures on The Relationship Between Satisfaction And Organizational Citizenship Behavior. *Human Relations* 6: 759–776.

Sheth, N.R (1972). The Joint Management Councils: Problems and Prospects, Sri Ram Centre of Industrial Relation, New Delhi.

Singh, A. and Sharma, T. (1999), “Job Satisfaction Scale”, National Psychological Corporation, Agra.

Singh, A.P. and Kumari, P. (1988), “A study of individual need strength, motivation and involvement in relation to job satisfaction, productivity and absenteeism”, Managerial Psychology, Vol. 182, pp. 24 – 42.

Suri, R.K, Chhabra, T.N (2000). Industrial Relations: Concepts & Issues, Dhanpat Rai & Co., Delhi.

Tastrie, Z. (1969). Workers Participation in Management, Shri Ram Centre of Industrial Relations, Delhi.

Teicher, J. (1992), “Theories of employee participation and industrial democracy: towards an analytical framework”, Contemporary Australian Industrial Relations, Readings”, Longman Cheshire, Melbourne.

Thangraj B and Kartick. C. (2012). An Analysis of Employees Job Satisfaction of Private Sector Banks with Special Reference to Coimbatore, *International Journal of Contemporary Practices*, 2(2), pp-8-19.

Website Consulted

http: www.jstor.org

http:www.emeraldinsight.com

<http://www.academia.edu>