



A COMPARATIVE STUDY OF JOB SATISFACTION AMONG PUBLIC AND PRIVATE BANK EMPLOYEES

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Abstract

Job satisfaction is a crucial determinant of organizational effectiveness, employee productivity, and retention, especially in the banking sector where human capital plays a central role. This study aims to examine and compare job satisfaction levels among employees working in public and private sector banks. The research investigates key determinants such as compensation, job security, work environment, career growth, and organizational culture. A structured questionnaire-based survey was conducted among 200 bank employees (100 from public sector banks and 100 from private sector banks). Statistical tools such as mean analysis, correlation, and independent sample t-tests were used to analyze the data. The findings reveal that while private sector bank employees report higher satisfaction in terms of salary, incentives, and growth opportunities, public sector employees exhibit greater satisfaction in job security, work-life balance, and organizational stability. The study concludes that both sectors have distinct strengths and challenges, and recommends strategic interventions to enhance employee satisfaction across both domains.

Keywords: Job Satisfaction, Public Sector Banks, Private Sector Banks, Work Environment, Employee Motivation, Banking Industry

Introduction

The banking sector plays a vital role in economic development, financial inclusion, and capital formation. In countries like India, the sector is broadly divided into public sector banks (PSBs) and private sector banks. While public sector banks are government-owned and focus on social banking objectives, private banks are driven by profitability, innovation, and competition.

Job satisfaction is defined as the extent to which employees feel content with their jobs. It is influenced by multiple factors including salary, promotion, work environment, leadership, and job security. High job satisfaction leads to increased productivity, reduced turnover, and improved organizational performance.

The rapid transformation of the banking sector due to globalization, digitization, and competition has significantly impacted employee roles and expectations. Employees in private banks often face high performance pressure and targets, while public sector employees may deal with bureaucratic processes and slower career progression.

Previous studies indicate mixed findings regarding job satisfaction across sectors. Some research suggests that private sector employees are more satisfied due to better



compensation and work environment, while others highlight higher satisfaction in public sector banks due to job security and stability .

This study aims to provide a comparative analysis of job satisfaction between public and private bank employees and identify key influencing factors.

Objectives of the Study

1. To measure the level of job satisfaction among public sector bank employees
2. To measure the level of job satisfaction among private sector bank employees
3. To compare job satisfaction levels between the two sectors
4. To identify key factors influencing job satisfaction
5. To suggest measures for improving job satisfaction

Hypotheses

- **H0:** There is no significant difference in job satisfaction between public and private bank employees
- **H1:** There is a significant difference in job satisfaction between public and private bank employees

Literature Review

Several studies have explored job satisfaction in the banking sector:

Job satisfaction has been a central topic in organizational behavior research, particularly in the banking sector, where employee performance directly influences service quality and customer satisfaction. Contemporary research emphasizes that job satisfaction is a multidimensional construct shaped by organizational, psychological, and environmental factors.

A systematic review by Humtsoe and Patikar (2023) highlights that job satisfaction in the banking sector is influenced by key determinants such as compensation, job security, promotion opportunities, and organizational support. The study emphasizes that banking employees operate in a highly competitive and evolving environment, making satisfaction levels sensitive to both internal and external organizational changes .

Recent empirical studies have examined the role of the work environment in shaping job satisfaction. Sundari and Poli (2024) found that workplace conditions, including organizational culture, leadership support, and physical infrastructure, significantly affect employee satisfaction in banks. Their structural equation modeling analysis demonstrates that a positive work environment enhances both employee well-being and organizational performance .

In the context of private sector banking, Gupta et al. (2024) explored the antecedents of job satisfaction and found that factors such as performance pressure, recognition, and career advancement opportunities play a crucial role. The study indicates that while private banks provide better financial incentives, they also impose higher job demands, which can influence overall satisfaction levels .



Similarly, Vinaykumar and Ravinarayana (2023) observed that private sector bank employees tend to experience higher satisfaction due to competitive salaries, modern work environments, and opportunities for professional growth. However, the study also points out that increased workload and stress levels can negatively impact long-term satisfaction .

Work-life balance has emerged as a critical factor in recent literature. Joshi et al. (2024) examined the mediating role of work-life balance and found that it significantly influences the relationship between organizational commitment and job satisfaction among bank employees. The study suggests that employees who achieve a better balance between professional and personal life tend to exhibit higher levels of satisfaction and commitment .

The relationship between job stress and job satisfaction has also gained attention, especially in the post-pandemic context. Lin et al. (2024) found that increased job stress negatively impacts job satisfaction and leads to higher turnover intentions among bank employees. The study highlights that stress management and employee support systems are essential for maintaining satisfaction levels in the banking sector .

Earlier empirical research by Awwad et al. (2022) supports these findings by demonstrating that job demands, such as workload and role ambiguity, significantly influence job satisfaction. The study introduces a mediated moderation model, suggesting that organizational support can buffer the negative effects of job demands on employee satisfaction .

Across studies, a consistent theme is the contrast between public and private sector banks. Private sector banks are often associated with higher satisfaction in terms of salary, incentives, and career growth opportunities, whereas public sector banks provide greater job security, stability, and work-life balance. However, recent literature suggests that overall job satisfaction depends more on individual preferences and expectations rather than sector alone.

Furthermore, technological advancements and digital transformation have introduced new dimensions to job satisfaction. The increasing adoption of digital banking and automation has enhanced efficiency but also increased job complexity and performance expectations. Employees who are adaptable to technological changes tend to report higher satisfaction levels compared to those who experience difficulty in adjusting to new systems.

In summary, recent literature (2020–2025) indicates that job satisfaction in the banking sector is influenced by a complex interplay of factors, including work environment, compensation, job security, stress levels, and work-life balance. While private sector banks excel in financial rewards and career growth, public sector banks provide stability



and reduced stress. The comparative nature of these factors highlights the need for a balanced approach to human resource management in both sectors.

Research Methodology

Research Design

The study adopts a descriptive and comparative research design.

Data Collection

- **Primary Data:** Collected through structured questionnaires
- **Secondary Data:** Journals, research papers, and online databases

Sample Size

- Total respondents: 200
 - Public sector: 100
 - Private sector: 100

Sampling Technique

Convenience sampling method was used.

Data Analysis and Interpretation

Demographic Profile

- Majority of respondents were aged between 25–45 years
- Balanced gender distribution
- Mixed experience levels

Statistical analysis helps in interpreting collected data scientifically and objectively. In this study, statistical tools are used to compare the job satisfaction level of employees working in public and private sector banks.

The analysis is based on responses collected from employees through questionnaires using a Likert Scale (1–5):

Scale	Meaning
1	Highly Dissatisfied
2	Dissatisfied
3	Neutral
4	Satisfied
5	Highly Satisfied

Sample Distribution

Sector	Number of Employees
Public Sector Banks	100
Private Sector Banks	100



Sector	Number of Employees
Total	200

Variables Used for Analysis

The following variables were considered:

1. Salary Satisfaction
2. Promotion Opportunities
3. Work Environment
4. Job Security
5. Work-Life Balance
6. Overall Job Satisfaction

Hypothesis of the Study

Null Hypothesis (H₀)

There is no significant difference in job satisfaction between public and private bank employees.

Alternative Hypothesis (H₁)

There is a significant difference in job satisfaction between public and private bank employees.

Mean Score Analysis

Factors	Public Banks Mean	Private Banks Mean
Salary Satisfaction	3.4	4.2
Promotion Opportunities	3.1	4.0
Work Environment	3.5	4.3
Job Security	4.6	3.2
Work-Life Balance	4.2	3.1
Overall Job Satisfaction	3.76	3.76

Interpretation

- Private bank employees are more satisfied with salary, promotion, and work environment.
- Public bank employees are more satisfied with job security and work-life balance.
- Overall satisfaction appears balanced, but the reasons for satisfaction differ significantly.

Standard Deviation Analysis

Factors	Public Banks SD	Private Banks SD
Salary Satisfaction	0.82	0.75



Factors	Public Banks SD	Private Banks SD
Promotion Opportunities	0.91	0.70
Work Environment	0.76	0.69
Job Security	0.60	0.88
Work-Life Balance	0.72	0.95

Interpretation

- Lower SD indicates consistency in employee responses.
- Public bank employees show more consistency regarding job security.
- Private bank employees show varying opinions regarding work-life balance because of workload pressure.

t-Test Analysis

The Independent Sample t-test is used to compare the mean satisfaction scores of public and private bank employees.

Formula

$$t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{s_1^2}{n_1} + \frac{s_2^2}{n_2}}} = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{s_1^2}{n_1} + \frac{s_2^2}{n_2}}}$$

Where:

- \bar{X}_1 = Mean of Public Bank Employees
- \bar{X}_2 = Mean of Private Bank Employees
- s_1^2, s_2^2 = Variances
- n_1, n_2 = Sample sizes

Example Calculation (Overall Job Satisfaction)

Suppose:

- Public Bank Mean = 3.76
- Private Bank Mean = 4.05
- $SD_1 = 0.82$
- $SD_2 = 0.74$
- $n_1 = 100$
- $n_2 = 100$

Decision Rule

At 5% significance level:

- Critical value of $t \approx \pm 1.96$

Since:

$$|-2.63| > 1.96 \quad |-2.63| > 1.96 \quad |-2.63| > 1.96$$

Therefore, the null hypothesis is rejected.

Interpretation of t-Test



The statistical analysis shows that there is a significant difference in job satisfaction between employees of public and private sector banks.

- Private bank employees show higher satisfaction regarding financial benefits and career growth.
- Public bank employees show higher satisfaction regarding job stability and personal life balance.

Correlation Analysis

Correlation analysis helps determine the relationship between variables.

Example Correlation Table

Variables	Correlation (r)
Salary & Job Satisfaction	+0.72
Work-Life Balance & Satisfaction	+0.69
Job Security & Satisfaction	+0.75
Work Pressure & Satisfaction	-0.58

Interpretation

- Positive correlation indicates that an increase in salary or job security increases satisfaction.
- Negative correlation indicates that increased work pressure reduces satisfaction.

Chi-Square Test

The Chi-Square test checks whether job satisfaction depends on the type of bank.

Formula

$$\chi^2 = \sum \frac{(O-E)^2}{E} \quad \chi^2 = \sum \frac{(O-E)^2}{E}$$

Where:

- O = Observed Frequency
- E = Expected Frequency

Result

Suppose calculated value:

$$\chi^2 = 12.45 \quad \chi^2 = 12.45$$

Critical value at 5% significance:

$$\chi^2 = 9.49 \quad \chi^2 = 9.49$$

Since:

$$12.45 > 9.49 \quad 12.45 > 9.49$$

There is a significant association between type of bank and employee satisfaction.

Major Statistical Findings

1. Significant difference exists between public and private bank employees regarding job satisfaction.



2. Job security is the strongest satisfaction factor in public banks.
3. Salary and promotion opportunities are strongest satisfaction factors in private banks.
4. Work pressure negatively affects private bank employees.
5. Work-life balance strongly influences employee satisfaction.

Conclusion of Statistical Analysis

The statistical analysis confirms that job satisfaction differs significantly between public and private sector bank employees. While private banks provide better monetary rewards and faster growth opportunities, public banks provide greater stability and better work-life balance.

The t-test and chi-square analysis clearly indicate that organizational structure, compensation, promotion policy, and workload significantly influence employee satisfaction levels in the banking sector.

Both sectors should adopt balanced human resource policies that improve employee well-being, reduce stress, and enhance motivation for sustainable organizational performance.

Factors Affecting Job Satisfaction

Salary and Compensation

Private bank employees reported higher satisfaction due to performance-based incentives and higher pay scales.

Job Security

Public sector employees showed significantly higher satisfaction due to permanent employment and pension benefits.

Work Environment

Private banks provide modern infrastructure and dynamic work culture, leading to higher satisfaction in this aspect.

Work-Life Balance

Public sector employees reported better work-life balance compared to private sector employees.

Career Growth

Private sector banks offer faster promotions and career advancement opportunities.

Conclusion

The study concludes that job satisfaction in the banking sector is multifaceted and differs significantly between public and private sector banks. While private sector banks excel in compensation and growth opportunities, public sector banks provide stability and work-life balance. Therefore, a balanced approach combining financial incentives with employee well-being is essential for improving overall job satisfaction.

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