

# An Analytical Study of Public and Private Sector Bank Employees with Respect to Work Culture and Employee Morale

Bhavna S. Pendke<sup>1</sup>, Dr Rajesh Timane<sup>2</sup>, Dr Gayathri Band<sup>3</sup>

<sup>1</sup>Research Scholar, RTMNU, Nagpur, Maharashtra, India

<sup>2</sup>Asst Professor, PDIMTR, Dhanwate National College, Nagpur, Maharashtra, India

<sup>3</sup>Asst Professor, Ramdeobaba College of Engineering and Management, Nagpur, Maharashtra, India

**Abstract:** - Appropriate work culture can boost the morale of the people to a large extent resulting in intrinsic satisfaction for the employees. It also helps in improving the productivity, creating healthy organizational climate and all round harmony in the organization. Similarly when the morale is high it can also positively make a substantial impact on the work culture. The purpose of this study was compare work culture and morale of public and private sector bank employees of Nagpur city. Researchers have chosen six different parameters each of work culture and morale for this study. The relevant data was collected from public and private sector banks of Nagpur city using a structured questionnaire. It was concluded that there are significant differences in the opinion of the employees of public and private sector banks in Nagpur city.

**Keywords:-** Work Culture, Morale, Public Banks, Private Sector Banks, Bank Employees

## I. OBJECTIVES

1. To assess the correlation between the opinions of public and private sector bank employees.
2. To examine and establish the interrelationship between work culture and morale.
3. To evaluate the influence of work culture on morale of the employees.

## II. HYPOTHESIS

**Null:** There is no correlation between opinion of public and private sector bank employees.

**Alternate:** There is correlation between opinion of public and private sector bank employees.

## III. INTRODUCTION

A study was designed to investigate the relationship between Work Culture of the organization and the Employee Morale and if Work culture effects the morale of the employees. Six factors under employee morale is considered. Each factor consists of four statements which is reduced to one factor for further analysis. The six factors are Individual Performance,

Job Satisfaction, Participation, Motivation, Rewards, Work Culture and Environment. Similarly six factors have been considered under Work Culture. They are Leadership, Communication, Conflict, Innovation, Fun and Career Prospect. Each statement was rated on a 5-point Likert type scale, with high scores indicating strong support for that particular statement. A total of 200 bank employees from Nagpur have been considered. 100 from Private bank and 100 from Public bank have provided responses to these statements. Factor analysis (with principal components extraction) was employed to investigate whether these statements represent identifiable factors which are important criterion of Work culture to increase employee morale.

## IV. LITERATURE REVIEW

The literature review has been studied on Work Culture, Morale and Public and private sector bank employees.

The study was done on the 'Organizational Culture in retaining Nursing Workforce'. The study was conducted in the year 2009. The purpose of the study was to examine how organizational culture in nursing homes affects staff turnover as the author thinks that culture is a first step to creating satisfactory work environment. Nursing home administrators were asked to report on facility, culture and staff turnover. It was found that turnover rates are found lower than in past but remain significantly higher among nursing aid staff. Finally effects on nursing aid turnover became insignificant when turnover was adjusted if voluntary turnover was reported. (Hall 2013)

The research was conducted on the banking sector in Turkey on the topic "Role of innovation in the relationship between organizational culture and firm's performance" The purpose of the study was to examine the mediating role of innovation on the relationship between organizational culture and firm performance. Data for the study were collected through a survey from 154 branches of ten prominent banks in Turkey and responses were analyzed to assess the relationships between organizational culture, firm performance and

organizational innovation. The findings reveal that in the banking sector, although organizational culture and innovation have a direct and positive effect on the firm performance dimensions, organizational culture was found to have an insignificant regression coefficient on the dimensions of firm performance in the presence of organizational innovations. (Kumar 2013)

The main aim of research article was to identify and measure strong relationship between performance and organizational culture. Literature review was adopted as methodology to assess the culture of an organization impacts upon process, employees and systems. Certain dimensions of culture had been identified so far and research shows that value and norms of an organization were based upon employee relationship. The goal of an organization is to increase level of performance by designing strategies. The performance management system has been measured by balance scorecard and by understanding nature and ability of system culture of an organization have been identified. It was recommended that the strong culture of an organization based upon managers and leaders help in improving level of performance. Managers relate organization performance and culture to each other as they help in providing competitive advantage to firms. (Awadh march 2013)

The study was done on Organization–environment adaptation: A macro-level shift in modeling work distress and morale. Authors theorized that organization–environment adaptation, the interaction between external demands and personnel resources, predicts distress and morale. They tested this hypothesis in 29 stations within one state police department, and combined three data sources. They measured environmental demands for policing via census data pertaining to the station precinct (e.g., per cent unemployed; per cent in public housing). They assessed resources via personnel numbers within stations. Outcomes were employee's perceptions of staff distress and morale at the station ( $N = 247$ ), assessed twice, 14 months apart.

Using hierarchical linear modeling, they found that environmental demands predicted perceptions of workgroup distress and morale and that the relationships were moderated by personnel resources. For distress, when resources were low, demands were positively associated with distress; when resources were high, demands were negatively associated with distress. For morale, when resources were high, demands were positively associated with morale; there was no relationship when resources were low. Results showed that aversive and pleasurable reactions at work may be traced to how resources are employed to manage external demands. Results support a macro-level shift in modeling distress and morale, incorporating external demands, and strategic management decisions regarding personnel resourcing. Their research suggests that rather than being a result of individual failure to adapt, compromised work ability may result from an

organizational failure to adapt to the environmental context (Maureen D 2013).

A literature based study was done of the topic 'Liaison of morale, Leadership and Productivity' by Dr Timane and Mrs Bhavna P. They have studied how morale reflects overall efficiency of employees, factors affecting morale, effects of morale on productivity and role of leadership in boosting the morale of the employees. It was concluded that leadership helps in enhancing employee morale and hence the performance of the overall organization. (Bhavna Pendke 2015).

A study was conducted on Age Disparity in job stress, employee morale and job involvement: Real or unreal by Dr Namrata Mann Dr Ritu Lehal on the bank executives. Both the author thinks that irrespective of age, no individual is immune to stress. As adults, stress is a daily event, majority of which is chiefly manifested at work place. On the flip side, with age one acquires better understanding of one's work, learns greater adaptability skills, refined skills for execution of work, and overall becomes more apt at one's job. But, the question remains whether the acquired skills, experience, etc. are enough to offset the increased stresses of responsibilities with age. Also, would an older employee bear a better level of morale compared to a younger employee. It would also be interesting to find about the differences in job involvement levels of employees taking into account their age. Hence, the present study. A comparative analysis brings out similarity in the job stress level of bank executives aged  $\leq 30$  years and  $> 30$  years on the basis of eight out of ten sub variables of job stress.

Self-Role Distance, Role Expectation Conflict, Role Overload, Inter-Role Distance, and Role Ambiguity are the predominant sub variables contributing towards job stress among the bank executives of both age groups. A comparative analysis brings out that the overall morale level of bank executives aged  $\leq 30$  years and  $> 30$  years is similar on the basis of three out of five indices of employee morale. Index of Satisfaction with Superiors and Index of Satisfaction of Emotional and Physical Needs are the highest employee morale reducers in the case of both age groups of bank executives. Considering the job involvement variable, a comparative analysis based on age brings out that job involvement is possessed alike by bank executives aged  $\leq 30$  years and  $> 30$  years under study. (Dr Ritu Lehal 2014)

The study conducted on "Quality of Work Life in Public and Private Sector Banks" author reveals that many managers view quality of work life and firm performance as contradictory goals. However, it seems that assuring a high quality of work life is one of the best ways to attract and keep talented staff as well as to achieve better firm performance. Quality of Work Life (QWL) is a philosophy, a set of principles, which holds that people are the most important resource in the organization as they are trustworthy,

responsible and capable of making valuable contribution and they should be treated with dignity and respect. There are many barriers to overcome, however, in order to shift from a traditional managerial culture based solely on control systems to a democratic managerial culture based on trust and self-regulation systems. The present study seeks to compare and analyse the QWL in public sector banks and private sector banks. The results are interesting and can be useful for academicians' for further studies and bank employees for their career development. (bagga, 2008)

The article "India's Public and Private sector banks:- Who is better?" discusses about the relative performance of new private sector banks vis-à-vis the public sector banks of India during the period 2009-11 on many key aspects such as the banks network, banks growth, productivity, capital adequacy, asset quality, management quality, earnings quality and liquidity. From the study it can be concluded that most of the new private sector banks have shown better performance than their public sector counterparts during the period 2009-11. This in a way is very good for Indian banking system since past says that private banks are the most hit during recession. The author concludes the following reasons for their better performance were:

- a) New private sector banks have shown better net interest income margin and fee income than most of the public sector banks.
- b) The credit-deposit & investment-deposit ratio of new private sector banks were higher which reflected in higher interest income.
- c) The operating efficiency was higher for most of the new private sector banks.
- d) The Return on Equity (ROE) was higher due to better asset quality.

In the Comparative study done on "Performance of Indian Public and private sector banks" the author thinks that the economic reforms in India started in early nineties, but their outcome is visible now. Major changes took place in the functioning of Banks in India only after liberalization, globalisation and privatisation. It has become very mandatory to study and to make a comparative analysis of services of Public sector Banks and Private Sector banks. Increased competition, new information technologies and thereby declining processing costs, the erosion of product and geographic boundaries, and less restrictive governmental regulations have all played a major role for Public Sector Banks in India to forcefully compete with Private and Foreign Banks. This paper an attempt to analyze how efficiently Public and Private sector banks have been managing NPA (Non Performing Asset).

The author concludes that it is right time to take suitable and stringent measures to get rid of NPA problem. An efficient management information system should be developed. The bank staff involved in sanctioning the advances should be

trained about the proper documentation and charge of securities and motivated to take measures in preventing advances turning into NPA. Public banks must pay attention on their functioning to compete private banks. Banks should be well versed in proper selection of borrower/project and in analyzing the financial statement. (Kajal chaudhari, june2011).

This article "Estimating differences in public and private sector pay" has shown that when comparing public sector and private sector earnings there are a number of factors that must be taken into account due to the different characteristics of these sectors. This makes it difficult to estimate a definitive "public/private sector pay gap", and the gap estimated in this article is exactly that - an estimate of the pay gap rather than an authoritative measure of the difference in the average earnings of the public sector and the private sector. The earnings model used in this article estimated that after accounting for: gender, age, occupation, the region that the job is located in, and factoring in qualifications, the public sector, on average, earned 7.8 per cent more per hour (excluding overtime) than the private sector in 2010. However, the pay gap may also be explained by other characteristics that were not included in the regression model because they are not collected on the LFS datasets.

This excludes some of the highest paid workers, and also some of the lowest paid workers. Further, the timing of the survey in April means that only bonus payments related to April are included, outside of the main bonus season which is normally January to March. These factors would account for some but not all of the difference. Also, despite using a detailed level of occupation classification in order to remove many of the differences in jobs between the public and the private sector, some differences still remain meaning that the pay in the two sectors for certain occupations may not be directly comparable. (Andrew damant, 2011)

## V. RESEARCH METHODOLOGY

**Research Design:** The research design that is followed in this research is exploratory and causal.

**Sample:** The samples for the present study are drawn through convenient sampling method to include 5 Banks each from public and private sector. The employees of both Public and Private sector banks working at top and middle level of management constituted the sample units. The study has been confined to the employees (top and middle level) of public and private sector banks in Nagpur which constituted the sampling universe. Total numbers of sample respondents have been 200, from each private and public sector 100 employees have been selected. The method used for sampling has been multistage sampling and cluster sampling.

Primary data was collected through structured questionnaire while secondary data was collected through different journal articles, reference books and websites

VI. DATA ANALYSIS AND INTERPRETATION

Hypotheses

**H0:** There is a no correlation between opinion of Public and Private sector bank employees.

**H1:** There is a correlation between opinion of Public and Private sector bank employees.

Generally speaking, the chi-square test is a statistical test used to examine differences with categorical variables.

*Is there a difference between in work culture of Public and Private sector banks?*

Similarly a Chi-square test is performed to test whether or not the employees feel that there is significant difference in the work culture in a public and private bank.

Chi-Square Test: Yes, No			
Expected counts are printed below observed counts			
Chi-Square contributions are printed below expected counts			
	Yes	No	Total
1	90	10	100
	90.91	9.09	
	0.009	0.091	
2	90	8	98
	89.09	8.91	
	0.009	0.093	
Total	180	18	198
Chi-Sq = 0.202, DF = 1, P-Value = 0.653			

From the Chi - Square test result it can be concluded that since the significance value (p = 0.653) is greater than 0.05, both private and public bank employees feel that there is a significant level of difference in the work culture of public / private bank.

*Correlation between the opinion of employees of public sector and private sector employees on work culture*

The correlation coefficient may range from -1 to 1, where -1 or 1 indicates a “perfect” relationship. Positive coefficients tell us there is a direct relationship: when one variable increases, the other increases. Negative coefficients tell us that there is an inverse relationship: when one variable increases, the other one decreases.

*Individual Performance*

Correlations		IP_PUBLIC	IP_PRIVATE
IP_PUBLIC	Pearson Correlation	1	.216*
	Sig. (2-tailed)		.031
	N	100	100
IP_PRIVATE	Pearson Correlation	.216*	1
	Sig. (2-tailed)	.031	
	N	100	100

\*. Correlation is significant at the 0.05 level (2-tailed).

Given the variety of factors that may influence one’s opinion about the work culture of their organization with respect to the individual performance of the employee a coefficient of 0.216 suggests that there is positive correlation on the opinion of the private and public bank employees. But the positive association is also very weak.

*Leadership*

Correlations		LEADERSHIP_PRIVATE	LEADERSHIP_PUBLIC
LEADERSHIP_PRIVATE	Pearson Correlation	1	-.033
	Sig. (2-tailed)		.742
	N	100	100
LEADERSHIP_PUBLIC	Pearson Correlation	-.033	1
	Sig. (2-tailed)	.742	
	N	100	100

Given the variety of factors that may influence one’s opinion about the work culture of their organization with respect to the leadership authority a coefficient of -0.033 suggests that there is negative correlation on the opinion of the private and public bank employees. But the neagative association is also very weak.

*Communication*

Correlations		COMM_PRIVATE	COMM_PUBLIC
COMM_PRIVATE	Pearson Correlation	1	.044
	Sig. (2-tailed)		.663
	N	100	100
COMM_PUBLIC	Pearson Correlation	.044	1
	Sig. (2-tailed)	.663	
	N	100	100

Given the variety of factors that may influence one’s opinion about the work culture of their organization with respect to the communication flow existing in the organization a coefficient of 0.044 suggests that there is positive correlation on the opinion of the private and public bank employees. But the

positive association is also very very weak and is also not very significant.

*Conflict Management*

Correlations		CONFLICT_PRIVATE	CONFLICT_PUBLIC
CONFLICT_PRIVATE	Pearson Correlation	1	.006
	Sig. (2-tailed)		.952
	N	100	100
CONFLICT_PUBLIC	Pearson Correlation	.006	1
	Sig. (2-tailed)	.952	
	N	100	100

Given the variety of factors that may influence one’s opinion about the work culture of their organization with respect to the conflict management existing in the organization a coefficient of 0.006 suggests that there is almost no correlation on the opinion of the private and public bank employees and is not significant as well.

*Innovation*

Correlations		INNO_PRIVATE	INNO_PUBLIC
INNO_PRIVATE	Pearson Correlation	1	-.038
	Sig. (2-tailed)		.708
	N	100	100
INNO_PUBLIC	Pearson Correlation	-.038	1
	Sig. (2-tailed)	.708	
	N	100	100

Given the variety of factors that may influence one’s opinion about the work culture of their organization with respect to the innovation in the various aspects of the organization & management a coefficient of -.038 suggests that there is negative correlation on the opinion of the private and public bank employees. But the negative association is also very weak and not significant.

*Fun*

Correlations		FUN_PRIVATE	FUN_PUBLIC
FUN_PRIVATE	Pearson Correlation	1	.036
	Sig. (2-tailed)		.719
	N	100	100
FUN_PUBLIC	Pearson Correlation	.036	1
	Sig. (2-tailed)	.719	
	N	100	100

Given the variety of factors that may influence one’s opinion about the work culture of their organization with respect to the fun element in an organization a coefficient of 0.036 suggests that there is positive correlation on the opinion of the private

and public bank employees. But the positive association is also very weak and not significant.

*Correlation between the opinion of the employees of public sector and private sector employees on morale*

*Career Prospect*

Correlations		CP_PRIVATE	CP_PUBLIC
CP_PRIVATE	Pearson Correlation	1	.032
	Sig. (2-tailed)		.629
	N	100	100
CP_PUBLIC	Pearson Correlation	.032	1
	Sig. (2-tailed)	.629	
	N	100	100

Given the variety of factors that may influence one’s opinion about the employee morale of their organization with respect to the career prospect of the employee a coefficient of -.022 suggests that there is positive correlation on the opinion of the private and public bank employees. But the association is also moderate and not significant.

*Job Satisfaction*

Correlations		JS_PRIVATE	JS_PUBLIC
JS_PRIVATE	Pearson Correlation	1	-.067
	Sig. (2-tailed)		.506
	N	100	100
JS_PUBLIC	Pearson Correlation	-.067	1
	Sig. (2-tailed)	.506	
	N	100	100

Given the variety of factors that may influence one’s opinion about the Employee morale of their organization with respect to the job satisfaction of the employee a coefficient of -.067 suggests that there is negative correlation on the opinion of the private and public bank employees. But the association is also very weak and not significant.

*Participation*

Correlations		PARTI_PUBLIC	PARTI_PRIVATE
PARTI_PUBLIC	Pearson Correlation	1	-.083
	Sig. (2-tailed)		.412
	N	100	100
PARTI_PRIVATE	Pearson Correlation	-.083	1
	Sig. (2-tailed)	.412	
	N	100	100

Given the variety of factors that may influence one’s opinion about the Employee morale of their organization with respect to the participation of the employees in an organization a coefficient of -0.083 suggests that there is negative correlation on the opinion of the private and public bank employees. But the association is also very weak and not significant.

*Motivation*

Correlations		PARTI_PUBLIC	PARTI_PRIVATE
PARTI_PUBLIC	Pearson Correlation	1	-.083
	Sig. (2-tailed)		.412
	N	100	100
PARTI_PRIVATE	Pearson Correlation	-.083	1
	Sig. (2-tailed)	.412	
	N	100	100

Given the variety of factors that may influence one’s opinion about the Employee morale of their organization with respect to the job satisfaction of the employee a coefficient of -0.067 suggests that there is negative correlation on the opinion of the private and public bank employees. But the association is also very weak and not significant.

*Rewards*

Correlations		REWARD_PUB LIC	REWARD_PRI VATE
REWARD_PUBLIC	Pearson Correlation	1	.067
	Sig. (2-tailed)		.512
	N	100	100
REWARD_PRIVATE	Pearson Correlation	.067	1
	Sig. (2-tailed)	.512	
	N	100	100

Given the variety of factors that may influence one’s opinion about the Employee morale of their organization with respect to the rewards and recognition of the employee a coefficient of 0.067 suggests that there is positive correlation on the opinion of the private and public bank employees. But the association is also very weak and not significant.

*Work Environment*

Correlations		ENVIRON_PUBLIC	ENVIRON_PRIVATE
ENVIRON_PUBLIC	Pearson Correlation	1	.114
	Sig. (2-tailed)		.260
	N	100	100

ENVIRON_PRIVATE	Pearson Correlation	.114	1
	Sig. (2-tailed)	.260	
	N	100	100

Given the variety of factors that may influence one’s opinion about the Employee morale of their organization with respect to the job satisfaction of the employee a coefficient of 0.114 suggests that there is positive correlation on the opinion of the private and public bank employees. But the association is also very weak and not significant.

VII. CONCLUSION

*There is no correlation between the opinion of the employees of both the private and public sector. With respect to the opinion if there is difference in the opinion of both public and private sector both of different opinions as verified by the Chi Square test. Further it was evaluated through the cross tabulations to identify the common and different opinion of both the public and private sector employees with respect to the Work Culture and Employee Morale.*

*The difference in their percentage is not greater than 4% or 5% for Individual Performance, Leadership, Fun and Innovation. But there is a huge difference of opinion with respect to the liking for Communication and Conflict Management. By comparison we can say Private Bank employees like their organization Conflict Management more than the Public Bank employees. Similarly, the public bank employees like the communication flow of their organization more as compared to private bank employees.*

*There is a significant difference in the opinion of the employees of the Private and Public bank with respect to the features they want to change in the Work Culture of their Organization. The private bank employees are more concerned to change the Individual Performance, Innovation and Leadership. The public bank employees are concerned to change the Innovation, Conflict Management and Individual Performance. With respect to the correlations as well we don’t find correlation among the different aspects of the work culture (except individual performance) and same is the case with the employee morale as well for both the public sector and private sector employees.*

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