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December 2014 Vol - 2 Issue- 12



EMPLOYEE MORALE IN PRIVATE SECTOR COMMERCIAL BANKS IN GUNTUR DISTRICT: A STUDY

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ABSTRACT

The present study has been taken with the prime objective of measuring the employee morale and level of satisfaction on selected dimensions. For this purpose the researcher selected private sector commercial banks, those are ICICI Bank and HDFC Bank. On a selective random sampling method, 120 employees are select from 12 branches of two banks in the Guntur district and their responses have analyzed and the appropriate suggestions has given in this study for the betterment of banking sector.

KEY WORDS: Morale aspects, total morale, Private Commercial Banks, Guntur District.

EMPLOYEE MORALE: CONCEPT AND BACKGROUND

An employee in an organization is a member of a team. The organization irrespective of its nature and type is a world by itself and the employees lead a social life in it. Therefore, the employee rarely functions as an isolated individual and it is in fact impossible to deny the existence of the social structure in any organization. According to Blum "to do so is to refuse to face reality, men and women lead

a social life in the job and they make friends and enemies, they exchange confidence, meet socially after working hours, talk together and so on. In short,, consciously or unconsciously they form groups. These groups at last become the basic core of morale formation.

Morale is the most frequently used term in organizational literature. Almost all scientists unanimously agree to the importance of morale

for it is a hallmark of sound behavioral climate. Morale is a fundamentally psychological and multi-dimensional concept. It is an individual's attitude in a group endeavour. It refers to the spirit of the organization and the managerial climate. It is mostly regarded as a long-term condition of the employees in an organization. According to Jucius (1971) morale is the extent to which an individual needs are satisfied and the extent to which the individual person perceives that satisfaction is stemming from his total job satisfaction.

Morale can also be understood as a group phenomenon. It refers to the operation of the group. It is the way the group thinks, feels and acts. In the context of an organization, it develops a 'we' feeling among the employees. It also develops a sense of belongingness to the group. Blum (1949) holds the view that morale is a by-product of the group and is generated by the group. A similar view was expressed by Tiffin and McCormick said that morale usually has an implication of group notions. Thus, morale is the vital ingredient of organizational success for it reflects the attitudes and sentiments and individual and group has towards the organizational objectives. Management relies on morale measurement as a basis for estimating motivation level of the employees because direct measurement of motivation has several complications. Dwivedi (1995) also strongly opines that high morale can help enhance job performance, job satisfaction and employment stability in any organization irrespective of its nature and type.

Thus, today the emphasis of industrial psychologists, business executives, academicians and researchers have shifted from the studies of isolated individuals and physical environment to the studies of motivation, morale and job satisfaction in

group. The problem of morale has drawn the attention of many organizational experts today. The zeal, vigour and enthusiasm that are found in the work of a group are never found in a single-minded work, perhaps because of the absence of morale. Similarly, the difference between the organization or group that cooperates and unites and the one that does not is surely due to the difference in morale and cohesiveness.

There exists a general impression that if morale is high employees are satisfied and happy about their jobs, working conditions, pay, allowances and perks and various other employment situations. Greater the motivation the greater would be the job satisfaction and resultantly, the greater would be the morale.

INDIVIDUAL AND GROUP MORALE

Individual's morale is related with knowing one's own expectations and living up to them. If one is clear of his own needs and how to satisfy them most of the time, his morale is high. Individual's morale is a single person's attitude towards life. While group morale reflects the general export of corps of a collective group of personalities (Amudha, 2009).

FACTORS AFFECTING MORALE

These are the factors that come under the domain of control of management.

- 1. Goals of an organization:** If the goals set by management are worthwhile, valid and useful, then workers develop a positive feeling toward job and the organization. Allowing workers participation in setting goals enhances morale of the employees to a larger extent.
- 2. Structure:** In a sound structure where lines of authority are clearly specified and responsibility is precisely defined and where there is candid

communication among the people, morale tends to be high. Further, if the structure of the organization is such that employees associate with management at least now and then, helps remove the sense of isolation and misunderstanding among employees, about the organization serves to build morale. Normally, in decentralized structures morale will be high.

3. Nature of Task: Perhaps the biggest factor that affects morale of employee is the nature of the task he confronts. If he is asked to do time and again the dull, monotonous and repetitive jobs, he might feel depressed adversely affecting his morale. On the other hand, if an employee is asked to do some challenging tasks his morale may be high. Management has to consider the skills, competence and willingness of the individual to perform the job. A job that may be quite dull and dead may be satisfying to the individual resulting in high morale.

4. Managerial Philosophy: An employee's strong feeling toward his job may be seen by some as caused by how permissive his supervisor is. The treatment of subordinates by their leader can have profound influence on the morale of the employees. Further, the style of leader also affects morale. It is generally felt that a participative style will enhance morale and a directive style will have a negative impact on the morale.

5. Working Conditions: Morale will be generally high when employees are placed in a clean, safe, comfortable and pleasant environment. People generally feel suffocated if they are placed in a

congested environment, which adversely affects the morale. Good working conditions are, therefore, sine-qua-non for high morale of the employees in an organization.

6. Compensation: Morale of the employees is also influenced by the compensation schemes in the organization. Inadequate compensation leads to low morale and low job satisfaction and may also result in low productivity. Organizations cannot afford to ignore the financial and non-financial rewards to the employees.

7. Group: Each individual has a unique storehouse of perceptions, attitudes and beliefs about the work environment, organizations and people. Social forces and work groups also exert strong influence on these individual perceptions and attitudes and to this extent the morale of individual employees will also be affected.

OBJECTIVES OF THE STUDY

The main objective of this study is to find out the relationship between morale aspects of the employees to that of the total morale in select private sector commercial banks. However, the specific objectives are to:

1. To perceive the employee morale on various aspects of private banking sector.
2. To suggest measures for formulating human resource strategies and policies for achieving high morale among the bank personnel.

SAMPLE OF THE STUDY

As on 31st August 2014, there are about 2 private commercial banks with 35 branches working in different commercial viable places/towns in Guntur district. In all 35 branches, there are altogether 880 employees are working.

Of these, 360 employees are the managers/officers, 450 are clerical staff and 70 are the sub-staff. Majority of the branches and staff are working in urban and semi-urban places in the district. For selecting the branches selective random sampling method has been adopted and accordingly commercial banks of private sectors and their 12 branches which are locating in major commercial urban and semi-urban areas are selected. For a detailed study, 150 questionnaires were handed over to the managers of the banks concerned and explained the purpose and importance of the study and requested the managers to circulate the same among their colleagues. The questionnaires were also accompanied with a request to fill it and return the same within 15 days. Surprisingly, only 126 employees have responded positively, filled and returned the questionnaires. Of these, only 120 questionnaires were found filled correctly in all respects.

SCOPE OF THE STUDY

The study has been confined to employee morale in selected private commercial banks in Guntur district within the objectives framed as above.

METHOD OF DATA COLLECTION

The study is basically an empirical in nature. However, secondary data have also supplemented the findings.

Primary data have been collected by administering a structured questionnaire

among the managers/officers and the clerical staff. The questionnaire is so framed with an intention to elicit the opinion of the employees on various aspects of job environment on eight dimensions in the private commercial banks. These dimensions include salary, awards & rewards, supervisory system, working conditions, communication system, decision-making process, employer-employee trust and innovation and change practices. Again under each dimension some statements are given ranging from 5 to 1 and sought the opinion on a five-point scale – strongly agree with a score of 5, Agree with a score of 4 neutral with 3 score, 2 for strongly disagree and the last score of 1 for disagree.

Secondary data have also been collected from the published books, journals, newspapers and official documents of the banks. As to get first hand information, bank managers and some trade union leaders are also personally contacted and had informal discussions on various aspects of working of banks and bank employees and the same is included.

STATISTICAL TOOLS USED

The collected data have been processed, compiled and tabulated with the help SPSS 17.0 version. The well-known statistical techniques like median, mean, standard deviation mean in percentages and ranks have been deployed for analysis of the data.

DATA ANALYSIS

Table: 1 Means, Standard Deviations, Mean In Percentage and Ranks of Employee Morale Aspects

Sl.No.	Aspects of Morale	Mean Score	S.D.	Mean in Percentage	Rank
1.	Salary	3.4167	1.32578	66.7	1
2.	Awards and Rewards	2.5833	1.19230	29.2	6
3.	Supervision	3.3750	1.15273	57.13	4
4.	Working Conditions	2.2917	1.21196	20.9	8
5.	Communication	3.2083	1.19450	53.13	5
6.	Job security	2.4583	1.19450	25.0	7
7.	Trust	3.3333	1.25245	62.5	2
8.	Innovation and change	3.4250	1.13510	60.8	3

Source: Field Survey.

In order to assess the overall morale of the selected employees in the banking sector, their responses on all the individual variables are summed up and divided with the number of respondents and thus arrived the mean scores, standard deviation and means in percentage are calculated. Finally, ranks are allotted to the dimensions of morale based on mean percentages. It is clear from table 1 that employees have been viewed different dimensions of morale with different levels – high and low.

Accordingly, salary packages have received the highest rating of 66.7 percent, followed by trust 62.5 per cent and innovations

and change 60.08 per cent. However, working conditions received 20.9 per cent with the lowest rank followed by job security 25 per cent and awards and rewards 29.2 per cent. The details are demonstrated in Figure No. 4.2. Thus, the analysis implies that the employees have favored the morale factors such as salaries, mutual trust and readiness to accept innovation and change more than any other factors.

Table 2 intends to find out the relationship between morale aspects of the employees to that of the total morale. It has been statistically found that there is a close relationship between the individual factors of morale with the morale total.

Table 2: Employee Perception on Level of Morale

Score	Level of Morale	Frequency	Percentage
86 and above	High	66	55.00
Up to 85	Low	54	45.00
Total		120	100.00

Source: Field survey.

In order to measure the employees' perceptions of overall morale, their scores on all the individual variables are summed up and taken median values and then classified into 'high' (score 86 and above) and low score (up to 85) level categories. The results in table 2 reveal that majority (55.00 per cent) of

employees have felt high morale existing in private commercial banks. The results also indicate that 45.00 per cent of employees have expressed a low level morale. This signifies the fact that the morale among the bank employees is observed to be high as is witnessed according to the score values.

SUGGESTIONS

The preceding analysis and findings of the study has led to offer the following suggestions to enhance employee morale in private sector commercial banks.

1. It is found in the study that majority of the employees in selected commercial banks in the study area have opined a slight high morale but with moderate job satisfaction. There are a number of studies gratifying that high morale will lead to high job satisfaction and this in turn lead to better performance. Therefore, it is suggested that the efforts are to be initiated by the bank authorities to enhance a positive morale on various aspects of the banks so as to ensure job-satisfaction and therefrom high productivity per employee and per branch.
2. In the wake of liberalization of the economies across the globe, tremendous changes have taken place in the functioning and philosophy of financial institutions in general and commercial banks in particular. As a part of these global changes, the banks have bound to adopt strategies such as down-sizing, mergers, and implementation of voluntary retirement scheme. This has resulted in the minds of banking personnel a sense of job insecurity. Hence, measures are to taken and create a sense of confidence ensuring their job security in the years to come. This can, indeed, boost up the morale among the employees and therefrom job satisfaction.
3. In the competitive world as of today, employees work in an environment of

competition and comparison and perform their jobs. They expect due awards and rewards for their excellence. Absence of reward or award for better performance would lead to low morale and low job satisfaction. This is what exactly found in the study. Hence, banking authorities should once again have introspection towards the existing awards and reward packages for better work and implement new methods of awards and incentives for excellent performance.

4. Owing to heavy working hours majority of the employees have said that their personal life is affected. Therefore, actions are to be initiated and see that the working hours are to be reduced.

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ANNEXURE-I

		Statistics							
		Salary	Trust	Innovation	Supervision	communication	Award	Jobsecurity	Working conditions
N	Valid	120	120	120	120	120	120	120	120
	Missing	0	0	0	0	0	0	0	0
Mean		3.4167	3.3333	3.4250	3.3750	3.2083	2.5833	2.4583	2.2917
Std. Deviation		1.32578	1.25245	1.13510	1.15273	1.19450	1.19230	1.19450	1.21196

1:salary					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	20	16.7	16.7	16.7
	2.00	10	8.3	8.3	25.0
	3.00	10	8.3	8.3	33.3
	4.00	60	50.0	50.0	83.3
	5.00	20	16.7	16.7	100.0
Total		120	100.0	100.0	

2:Trust					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	15	12.5	12.5	12.5
	2.00	20	16.7	16.7	29.2
	3.00	10	8.3	8.3	37.5
	4.00	60	50.0	50.0	87.5
	5.00	15	12.5	12.5	100.0
Total		120	100.0	100.0	

3:Innovation					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	10	8.3	8.3	8.3
	2.00	17	14.2	14.2	22.5
	3.00	20	16.7	16.7	39.2
	4.00	58	48.3	48.3	87.5
	5.00	15	12.5	12.5	100.0
Total		120	100.0	100.0	

4:Supervision					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	10	8.3	8.3	8.3
	2.00	20	16.7	16.7	25.0
	3.00	20	16.7	16.7	41.7
	4.00	55	45.8	45.8	87.5
	5.00	15	12.5	12.5	100.0
Total		120	100.0	100.0	

5:communication					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	15	12.5	12.5	12.5
	2.00	20	16.7	16.7	29.2
	3.00	20	16.7	16.7	45.8
	4.00	55	45.8	45.8	91.7
	5.00	10	8.3	8.3	100.0
Total		120	100.0	100.0	

6:Award					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	25	20.8	20.8	20.8
	2.00	40	33.3	33.3	54.2
	3.00	20	16.7	16.7	70.8
	4.00	30	25.0	25.0	95.8
	5.00	5	4.2	4.2	100.0
Total		120	100.0	100.0	

7:Jobsecurity					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	30	25.0	25.0	25.0
	2.00	40	33.3	33.3	58.3
	3.00	20	16.7	16.7	75.0
	4.00	25	20.8	20.8	95.8
	5.00	5	4.2	4.2	100.0
Total		120	100.0	100.0	

8:workingconditions					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	40	33.3	33.3	33.3
	2.00	35	29.2	29.2	62.5
	3.00	20	16.7	16.7	79.2
	4.00	20	16.7	16.7	95.8
	5.00	5	4.2	4.2	100.0
Total		120	100.0	100.0	

FACTORS	MEAN	S.D	PERCENTAGE	RANK
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