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## Employee satisfaction in urban co-operative banks of Kerala

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### Abstract

Employee satisfaction is a crucial factor in an organization's success, especially for banks, where motivated staff directly influence service quality and performance. This study explores the satisfaction levels of employees at Urban Co-operative Banks (UCBs) across Kerala, examining nine key aspects: Pay, Promotion, Supervision, Fringe Benefits, Contingent Rewards, Operating Procedures, Co-workers, Nature of Work, and Communication. A total of 240 samples were collected from the selected six Urban Co-operative Banks in Kerala. The researcher collected data from employees using a structured questionnaire based on the Job Satisfaction Survey (JSS) and analyzed it using composite indices, and percentages.

The study reveals that employees at Urban Co-operative Banks generally feel moderately satisfied with their work. While some aspects received higher satisfaction ratings, the findings highlight areas needing improvement, such as recognition, communication, and career advancement opportunities. To boost employee morale, the researchers recommend implementing better recognition programs, enhancing transparent communication, and providing more opportunities for career growth. The findings offer valuable information for management to improve worker contentment and foster organizational progress in the UCB industry.

**Keywords:** Employee satisfaction, urban co-operative bank, index, UCB

### 1. Introduction

Urban Co-operative Banks in India are financial organizations mainly set up to meet the banking needs of urban and semi-urban communities. As cooperative entities owned by their members, these co-ops are registered under the Cooperative Societies Act of their respective states. Co-operative banks are governed by a two-part system involving the Registrar of Co-operative Societies and the Reserve Bank of India. The Urban Banks Department of the Reserve Bank is in charge of regulating, overseeing, and growing these banks. This includes granting licenses, upholding banking regulations, and conducting inspections to safeguard depositor funds. Urban Co-operative Banks must follow specific rules regarding capital, asset management, and liquidity.

Employee satisfaction reflects the degree of contentment and joy employees experience in their jobs and the overall workplace. It encompasses diverse aspects that shape employees' perceptions of their roles, interactions with co-workers and supervisors, and the organizational atmosphere. Contentment of employees in Urban Co-operative Banks is an important area of study, as it shows how happy workers are in these financial organizations. Studies have identified different factors that affect the satisfaction levels of employees in these banks, especially considering their distinct working environments. The future success of Urban

Co-operative Banks relies on prioritizing the perspectives of their employees and regularly assessing and tracking their satisfaction levels. This article highlights the significance of analysing employee satisfaction to cultivate a thriving and sustainable work culture within Urban Co-operative Banks.

### 2. Materials and Methods

The study examined Urban Co-operative Banks in the northern, central, and southern regions of Kerala. A stratified sampling method was used to select the banks, with two banks chosen from each region, resulting in a total of six banks included in the study. A total of 240 employees will be selected from the six chosen Urban Co-operative Banks, with a proportional number of employees chosen from each level within the banks.

Primary data were collected through interviews using a structured questionnaire based on the Job Satisfaction Survey (JSS). The variables assessed included pay, promotion, supervision, fringe benefits, contingent rewards, working conditions, co-workers, operating conditions, and communication. Statistical analyses such as percentages, averages, and satisfaction indexes were used to analyse the primary data. Frequency distributions and percentages were also applied to examine the socio-economic characteristics of the respondents.

### 3. Results and Discussion

#### 3.1 Socio-Economic Characteristics of Respondents

To evaluate the level of satisfaction of employees; and total contribution to the bank, it is crucial to comprehend their socioeconomic profiles. The demographic and socioeconomic traits of respondents who work for Urban Co-operative Banks in Kerala are thoroughly examined in this section. Age, gender, designation, marital status, educational qualifications, monthly salary, and length of service are among the factors taken into account

The above Table 1. Depicts distribution of respondents based on socio-economic variables. Most of the respondents are between 41 and 50 years old (38 percent), showing that middle-aged workers make up the majority of the workforce in Urban Co-operative Banks. There are also many employees older than 50 years, suggesting experienced personnel. The 31-40 age group is the third-largest (23 percent), while those under 30 years are the smallest group (10 percent). The low representation of younger age groups under 30 could mean limited hiring of new talent or difficulties in attracting younger professionals to this sector.

**Table 1:** Distribution of Respondents Based on Socio-Economic Variables

Socio- Economic Variable	Frequency	Percentage (%)
<b>Age</b>		
Below 30	24	10
31-40	54	22
41-50	91	38
Above 50	71	30
<b>Gender</b>		
Male	148	62
Female	92	38
<b>Designation</b>		
Junior Clerk	84	35
Senior Clerk	42	18
Junior Accountant	35	15
Senior Accountant	34	14
Assistant General manager	3	1
Branch inspector	5	2
Manager	33	14
Managing Director	4	2
<b>Marital Status</b>		
Married	192	80
Unmarried	35	15
Divorced	5	2
Widowed	8	3
<b>Education Qualification</b>		
UG	96	40
PG	64	27
Diploma	48	20
Professional	32	13
<b>Monthly Income</b>		
Below 20000	20	8
20000-50000	60	25
50,000-1, 00,000	114	48
Above 100000	46	19
<b>Length of Service</b>		
Below 5	25	10
5-10	71	30
10-20	80	33
Above 20	64	27

Source: Compiled from primary data

It is clear that males make up the majority of the workforce (62 percent), with females making up a smaller percentage. The results show that there are more male participants, which is consistent with recent studies. These studies suggest that gender imbalance in the banking industry is often due to a lack of workplace policies that support employees, like flexible schedules and childcare services.

Designation-wise distribution of employees indicates that most respondents hold junior clerk positions (35 Percent), indicating a significant number of entry-level roles. Senior clerks are the second most common with 18 percent, followed by junior accountants. The predominance of lower-level roles like junior and senior clerks reflects the operational structure of Urban Co-operative Banks, which may have a large workforce at the clerical level.

Many of the respondents are married (80 Percent), indicating stability in their personal lives, which could have a positive impact on their job satisfaction. Divorced employees make up the smallest group. Most respondents have an undergraduate degree (40 Percent), followed by those with postgraduate qualifications. Employees with diplomas are third, while those with professional qualifications are the least. The large number of employees with undergraduate and postgraduate degrees suggests that Urban Co-operative Banks attract academically qualified applicants.

The majority of the employees earn a monthly income between ₹50,000 and ₹1,00,000, which suggests a competitive salary range for mid-level staff. The next largest group earns between ₹20,000 and ₹50,000, likely representing entry to mid-level positions. A small proportion of employees earn less than ₹20,000, indicating a limited presence of lower-tier or entry-level staff.

Most employees have 10-20 years of service, demonstrating a significant number of experienced workers. This is followed by those with 5-10 years of service. Employees with less than 5 years of experience are the least represented, indicating a relatively low number of new hires.

#### 3.2 Descriptive analysis

Descriptive statistics of means and standard deviation were obtained from the independent and dependent variables. The summary of the descriptive statistics is shown in Table 2. All variables were measured using a 5-point Likert scale (1 being strongly disagree to 5 being strongly agree). The mean values for pay were 66, promotion was 64, supervision was 63, fringe benefits were 70, contingent rewards were 58, co-workers were 62, operating procedures were 66, Nature of work was 65, and communication was 61 respectively. The total satisfaction of JSS was 64.

**Table 2:** Overall descriptive statistics of the variables

Sl. No	Factor	Mean	Std. Dev.	n
1	Pay	66	5.39	240
2	Promotion	64	2.08	240
3	Supervision,	63	6.17	240
4	Fringe Benefits	70	6.75	240
5	Contingent Rewards	58	5.01	240
6	Operating Procedures	66	7.50	240
7	Co-workers	62	12.27	240
8	Nature of Work	65	4.83	240
9	Communication	61	10.48	240
10	Total Satisfaction	64	3.57	240

Source: Compiled from primary data

### 3.3 Job Satisfaction of Employees

Employee satisfaction is a crucial component that impacts an organization's performance and longevity. In the context of Urban Co-operative Banks in Kerala, evaluating the satisfaction levels across various aspects can provide valuable insights into employee well-being and the overall organizational environment. This section examines the composite indices of nine key factors that influence employee satisfaction, as well as the overall satisfaction index. These factors encompass compensation, advancement opportunities, supervision, additional benefits, contingent rewards, operational procedures, co-workers, job nature, and communication. By analyzing the satisfaction levels for each factor, the goal is to identify strengths and areas that require improvement to enhance employee satisfaction and organizational effectiveness.

**Table 3:** Overall Employee Satisfaction Index

Sl. No	Factor	Total score	Composite Index
1	Pay	3158	66
2	Promotion	3073	64
3	Supervision,	2922	61
4	Fringe Benefits	3370	70
5	Contingent Rewards	2772	58
6	Operating Procedures	3150	66
7	Co-workers	2996	62
8	Nature of Work	3110	65
9	Communication	2950	61
<b>Overall Index</b>			<b>64</b>

**Table 4:** Level of Satisfaction

Satisfaction index	Level of satisfaction
>71.14	Excellent
67.57-71.14	Good
60.43-67.57	Moderate
56.86-60.43	Poor
<56.86	Very poor

The composite index for pay is 66. This suggests that while workers are generally content with their compensation, there may be issues with how appropriate the pay scales are, particularly for lower-level roles. Offering competitive pay packages could raise employee satisfaction in this regard. The promotion factor is categorised as "Moderate" as well, with a score of 64. This implies that even while workers are aware that promotions are available, they can believe that there aren't enough options for career advancement or that it's limited.

The score for supervision was 61. Supervisors are generally seen as supportive by their staff, but in order to increase satisfaction, there may be areas where management engagement or leadership techniques are lacking. With a composite value of 70, fringe benefits received the highest score of any factor. Insurance, bonuses, and leave policies are examples of extra perks and benefits that employees value. This element is a major contributor to employee satisfaction and strength of the organisation.

Employees seem to be unhappy with the Contingent Rewards they receive, with a rating of 58. They may feel their efforts and contributions are not fully appreciated. Improving the reward structure or recognition programs based on performance could greatly enhance this aspect.

Operating procedure received a score of 66. Employees consider the bank's policies and operational processes as functional, but they may want more streamlined or efficient procedures.

Co-workers' score of 62 indicates a moderate level of contentment. There may be places where team dynamics or collaboration might be enhanced, even if employees usually respect their ties with their co-workers. The nature of the work was indexed 65. Despite finding their roles meaningful, employees may feel that certain aspects of their job responsibilities could be more engaging or better aligned with their skill sets. With a score of 61, communication falls into the moderate range. This suggests that although internal communication is operational, there might be deficiencies in feedback systems, transparency, or clarity.

Employees feel their work is not appropriately acknowledged or rewarded. This can result in dissatisfaction, lower motivation, and potentially higher staff turnover. Addressing this is vital for improving overall satisfaction. The moderate communication score indicates issues with information sharing, transparency, or feedback. Employees may feel their opinions are not heard or there is a lack of clarity in organizational communication. While the organization has a solid foundation, addressing specific concerns can improve satisfaction levels.

### 4. Conclusion

According to the findings, employees of Urban Co-operative Banks in Kerala have a "Moderate" level of satisfaction, with an overall index score of 66. The high score for fringe benefits suggests that the additional perks and advantages offered to employees are a significant strength, as they are valued by the workforce. However, the low score for contingent rewards indicates a critical area of dissatisfaction, implying a need for better recognition and reward systems. The organization seems to be effectively addressing employees' needs beyond basic salaries, as they appreciate the provided benefits such as health insurance, bonuses, and leave policies. Maintaining and improving these benefits can further enhance employee morale and loyalty.

Improving employee satisfaction levels can be achieved by addressing the identified issues. Enhancing recognition programs, introducing performance-based rewards, and establishing transparent communication channels are crucial steps. Additionally, improving career advancement opportunities and streamlining operational procedures can further enhance satisfaction. By focusing on these areas, Urban Co-operative Banks can move from moderate to higher satisfaction levels, fostering a motivated workforce and achieving better organizational results. Investing in employee satisfaction benefits both the employees and the overall efficiency and sustainability of the organization.

The examination of employee satisfaction metrics reveals a combination of positive aspects and areas needing improvement within Urban Co-operative Banks in Kerala. Although fringe benefits are a strong point, the organization needs to focus on crucial areas like variable rewards and communication to enhance satisfaction levels. A thorough strategy encompassing policy adjustments, enhanced recognition initiatives, and better communication methods can help raise employee satisfaction and, in turn, support the

long-term growth of the organization.

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