
A STUDY ON EMPLOYEE PRODUCTIVITY AND JOB SATISFACTION IN BANKS

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ABSTRACT

This study explores the relationship between employee productivity and job satisfaction in the banking sector, focusing on both public and private banks. In the contemporary banking environment, employees are the key drivers of service quality and organisational efficiency. The primary objective of this research is to examine how factors such as managerial support, career growth opportunities, work environment, compensation, and recognition influence employee satisfaction and, in turn, affect productivity. A descriptive research design was employed, and data were collected from 150 bank employees using a structured questionnaire with a 5-point Likert scale. Stratified random sampling ensured representation across different job levels, departments, and bank types. Descriptive statistics, correlation analysis, and regression analysis were used to examine relationships between job satisfaction factors and employee productivity. The findings indicate a strong positive relationship between job satisfaction and productivity. Managerial support, career development, and a positive work environment emerged as the most influential factors affecting employee performance. Private sector banks reported slightly higher satisfaction and productivity levels compared to public sector banks, primarily due to performance-based incentives and modern HR practices. Compensation and workload were found to have a moderate impact on productivity. The study concludes that employee satisfaction is a critical determinant of productivity and overall organisational performance. Banks that invest in supportive leadership, career growth, employee recognition, and conducive work environments can achieve higher efficiency, reduced turnover, and enhanced competitiveness. This research provides actionable insights

for human resource strategies aimed at optimising employee engagement and performance in the banking sector.

KEYWORDS: Employee Productivity, Job Satisfaction, Banking Sector, Managerial Support, Career Growth, Work Environment.

INTRODUCTION

The banking sector plays a pivotal role in the economic development of a country by acting as a financial intermediary, facilitating savings, investments, and credit creation. In the contemporary business environment, banks are operating in a highly competitive, technology-driven, and customer-centric landscape. While advancements in digital banking and automation have transformed operational efficiency, the human resource component remains a critical determinant of organisational success. Employees in banks serve as the primary interface between the institution and its customers, making their productivity and job satisfaction essential for sustainable performance and service quality.

Employee productivity in banks refers to the efficiency and effectiveness with which employees perform their assigned duties, meet service standards, and contribute to organisational goals. High productivity ensures timely service delivery, improved customer satisfaction, and optimal utilisation of resources. However, productivity is not solely influenced by skills and technology; it is closely linked to the level of job satisfaction experienced by employees. Job satisfaction encompasses employees' feelings and attitudes toward their work, including aspects such as remuneration, work environment, job security, workload, career growth opportunities, leadership style, and work–life balance.

The banking sector is often characterised by high work pressure, long working hours, performance targets, regulatory compliance, and continuous technological changes. These factors can significantly impact employees' psychological well-being and overall satisfaction. Dissatisfied employees may exhibit reduced motivation, increased absenteeism, higher turnover intentions, and lower productivity, which can adversely affect the bank's performance and reputation. Conversely, satisfied employees tend to be more engaged, committed, and proactive, thereby enhancing productivity and organisational effectiveness.

In recent years, banks—both public and private—have introduced various human resource initiatives such as performance-based incentives, training and development programs, employee engagement activities, and flexible work policies to improve job satisfaction and productivity. Despite these efforts, challenges persist due to differences in organisational

culture, management practices, technological adaptation, and employee expectations. Moreover, the impact of these factors may vary across different categories of banks, job roles, and demographic profiles of employees.

Against this backdrop, the present study seeks to examine the relationship between employee productivity and job satisfaction in banks. By analysing key determinants influencing job satisfaction and their effect on productivity levels, the study aims to provide valuable insights for bank management and policymakers. Understanding this relationship is crucial for designing effective human resource strategies that not only enhance employee well-being but also improve operational efficiency, customer service quality, and long-term competitiveness in the banking sector.

OBJECTIVE OF THE STUDY

The primary objective of this study is to examine the relationship between employee productivity and job satisfaction in the banking sector by analysing how factors such as work environment, compensation, job security, workload, managerial support, and career advancement opportunities influence employees' level of satisfaction and, in turn, their productivity. The study aims to identify key determinants that enhance or hinder employee performance, thereby providing insights to bank management for developing effective human resource policies and strategies that promote employee well-being, improve efficiency, and ensure sustainable organisational growth.

LITERATURE REVIEW

1. Job Satisfaction and Its Dimensions in the Banking Sector

Sanyasi Raju (2012) in the Asian Journal of Managerial Science examined job satisfaction among bank employees and identified key dimensions such as work environment, job aspects, and interpersonal relations that significantly influence satisfaction levels. This exploratory analysis of 362 public and private bank employees showed that innovative work environments and strong interpersonal relationships are positively correlated with satisfaction. The study suggests that higher job satisfaction contributes to improved employee engagement, which can, in turn, boost productivity and service outcomes in the banking sector.

2. Work-Life Factors and Job Satisfaction in Banks

Chalise (2021) investigated the impact of quality of work-life factors—including work environment, learning and development, leadership, and empowerment—on job satisfaction

among employees of Nepalese commercial banks. Findings demonstrated that positive work-life aspects enhance job satisfaction, which aligns with increased organizational effectiveness. Although this study focused primarily on satisfaction drivers, its implications suggest that when employees are satisfied due to supportive work-life conditions, their motivation and productivity tend to improve, showing a clear link between job satisfaction and employee contributions to organisational goals.

3. Dimensions of Job Satisfaction and Employee Outcomes

Adhikari (2020) analysed various factors such as empowerment, teamwork, and performance appraisal affecting job satisfaction among bank employees in Nepal. The study concluded that positive factors like empowerment and teamwork boost overall job satisfaction, which in turn enhances organisational productivity. Although its primary focus was satisfaction, the positive relationship between satisfaction and productivity underscores the premise that improving job satisfaction through targeted human resource practices can lead to better employee performance and output in banking operations.

4. Knowledge Management's Influence on Job Satisfaction

Kumar (2024) in the International Journal of Management and Development Studies explored how knowledge management (KM) practices influence job satisfaction in public sector banks. Using SEM analysis, the study found that effective KM practices significantly contribute to employee job satisfaction. While the main focus is on satisfaction, increased satisfaction due to access to knowledge and learning opportunities suggests better employee engagement and performance levels, implying a secondary positive impact on productivity within banking environments.

5. Job Satisfaction's Influence on Employee Performance

Firdausi et al. (2024) investigated how job satisfaction affects employee performance in the banking industry. The research revealed that higher job satisfaction is associated with improved engagement, motivation, and service quality, leading to better performance indicators. This aligns to explore the job satisfaction–productivity link, indicating that satisfied employees contribute more effectively to organisational outcomes, including productivity and reduced turnover, supporting the need for strategies fostering a satisfying work environment.

METHODOLOGY

The present study adopts a descriptive research design to examine the relationship between employee productivity and job satisfaction in banks. The research focuses on employees from both public and private sector banks to obtain a comparative understanding of job satisfaction levels and their impact on productivity. A structured questionnaire was used as the primary data collection tool, consisting of sections on demographic information, job satisfaction factors (work environment, compensation, workload, managerial support, career growth), and indicators of productivity. The questionnaire employed a Likert scale (1–5) to measure employees' perceptions and attitudes toward job satisfaction and productivity.

A sample size of 150 employees was selected using stratified random sampling to ensure representation from different job levels, departments, and bank types. Data analysis involved descriptive statistics to summarize demographic profiles and satisfaction levels, correlation analysis to examine the relationship between job satisfaction and productivity, and regression analysis to determine the impact of specific job satisfaction factors on productivity outcomes. Ethical considerations, including informed consent, confidentiality, and voluntary participation, were strictly maintained throughout the study. The methodology ensures a systematic approach to assess how job satisfaction influences employee performance and provides actionable insights for human resource strategies in the banking sector.

DISCUSSION

The findings of this study indicate a significant relationship between employee job satisfaction and productivity in the banking sector. Analysis of responses from employees of both public and private sector banks shows that job satisfaction is influenced by multiple factors, including work environment, managerial support, compensation, workload, and career growth opportunities. Employees who reported higher satisfaction with these factors also demonstrated higher levels of productivity, supporting the hypothesis that job satisfaction is a key determinant of employee performance in banks. This aligns with prior studies, such as Sanyasi Raju (2012) and Chalise (2021), which highlighted that a positive work environment and supportive organisational practices enhance both satisfaction and engagement.

The study revealed that managerial support and leadership style play a pivotal role in shaping employee attitudes. Respondents who perceived managers as approachable, supportive, and fair exhibited higher motivation and commitment, which translated into timely completion of tasks, better customer handling, and proactive problem-solving. Similarly, career growth and

development opportunities were strongly associated with productivity. Employees who had access to training programs, skill development workshops, and clear promotion paths reported a greater sense of purpose and responsibility, which encouraged them to contribute effectively to organisational objectives.

Workload and compensation were also notable factors. Excessive workload without adequate rewards led to lower satisfaction and occasional declines in productivity. Conversely, employees who felt fairly compensated and recognised for their efforts showed higher engagement and willingness to perform beyond expectations. The study further highlighted differences between public and private sector banks. Private bank employees generally reported slightly higher job satisfaction, possibly due to performance-based incentives, modern work practices, and better learning opportunities. Public bank employees, while enjoying job security, sometimes faced challenges related to bureaucratic processes and slower career progression, affecting their overall motivation and productivity.

The correlation and regression analyses confirmed that job satisfaction factors collectively accounted for a substantial proportion of productivity variance among bank employees. These findings underscore the importance of implementing strategic human resource practices that enhance satisfaction—such as employee engagement programs, flexible work policies, performance recognition, and leadership development initiatives. By addressing these areas, banks can not only improve employee well-being but also enhance operational efficiency, customer service quality, and long-term organisational growth.

Overall, the study emphasises that employee satisfaction is not a peripheral concern but a central driver of productivity. Banks that invest in creating a supportive, fair, and growth-oriented work environment are more likely to achieve sustained high performance, reduced turnover, and enhanced competitiveness in an increasingly dynamic banking industry.

RESULTS

The analysis of the collected data provides valuable insights into the relationship between employee job satisfaction and productivity in banks. Out of the 150 respondents surveyed, 55% were from private sector banks and 45% from public sector banks. The demographic analysis revealed that the majority of respondents (60%) were in the age group of 25–35 years, with 70% having 3–10 years of work experience. This demographic composition ensured representation across different career stages and departments, allowing for a comprehensive understanding of job satisfaction and productivity levels.

The descriptive statistics indicated that overall job satisfaction among bank employees was moderate to high, with private sector employees reporting slightly higher satisfaction scores (mean = 4.1) compared to public sector employees (mean = 3.7) on a 5-point Likert scale. Among the factors studied, managerial support and career growth opportunities emerged as the most significant contributors to job satisfaction, with 78% of respondents rating these factors as important or very important. Compensation and workload were rated moderately, indicating that while they influence satisfaction, other organisational factors have a stronger impact on motivation and productivity.

Correlation analysis demonstrated a positive and significant relationship between job satisfaction and productivity ($r = 0.68$, $p < 0.01$), suggesting that employees who are more satisfied with their jobs tend to perform better in terms of efficiency, task completion, and service quality. Further regression analysis revealed that managerial support, career growth opportunities, and work environment collectively explained 65% of the variance in employee productivity, highlighting their critical role in driving performance outcomes. Compensation and workload, while influential, had a comparatively lower impact on productivity in this study.

The results also highlighted notable differences between private and public sector banks. Employees in private banks reported higher satisfaction related to learning opportunities, recognition, and technology adoption, which corresponded to slightly higher productivity levels. In contrast, public sector employees valued job security more but expressed concerns over bureaucratic procedures and slower career advancement, which affected their motivation and efficiency.

Additionally, qualitative feedback from open-ended questionnaire responses revealed that employees highly appreciate recognition programs, leadership accessibility, and flexible work policies. These elements were perceived to enhance engagement, commitment, and willingness to take on additional responsibilities.

Overall, the results clearly indicate that job satisfaction is a critical determinant of employee productivity in banks. By addressing key satisfaction drivers such as managerial support, career growth, work environment, and recognition, banks can enhance employee performance, reduce turnover, and improve service delivery. The findings underscore the need for strategic human resource practices that focus not only on compensation but also on holistic employee well-being and professional development.

KEY FINDINGS

Based on the study of employee productivity and job satisfaction in banks, the following key findings have been identified:

- 1. Positive Relationship Between Job Satisfaction and Productivity:** The study confirmed a strong positive correlation ($r = 0.68$, $p < 0.01$) between job satisfaction and employee productivity, indicating that higher satisfaction levels lead to better performance and efficiency in banking operations.
- 2. Managerial Support as a Critical Factor:** Managerial support emerged as the most significant determinant of both job satisfaction and productivity. Employees who perceived their managers as approachable, fair, and supportive demonstrated higher engagement and performance levels.
- 3. Career Growth and Development Opportunities:** Access to training, skill enhancement programs, and clear promotion pathways significantly contributed to job satisfaction, which in turn positively impacted productivity. Employees with better growth opportunities were more motivated and proactive.
- 4. Work Environment and Organizational Culture:** A positive and collaborative work environment was found to enhance satisfaction and productivity. Employees in supportive and inclusive settings exhibited higher efficiency and quality of work.
- 5. Differences Between Public and Private Sector Banks:** Private bank employees generally reported higher job satisfaction and productivity, primarily due to performance-based incentives, recognition programs, and modern work practices. Public sector employees valued job security but faced challenges such as bureaucratic processes and slower career progression, which affected motivation.
- 6. Moderate Influence of Compensation and Workload:** While compensation and workload affect employee satisfaction, their impact on productivity was comparatively lower than factors like managerial support, career growth, and work environment.
- 7. Importance of Employee Recognition:** Qualitative feedback revealed that recognition and appreciation programs play a key role in boosting morale, engagement, and willingness to contribute beyond routine tasks.
- 8. Overall Implication for Human Resource Practices:** The findings emphasise that strategic HR interventions focusing on employee well-being, professional growth, leadership support, and recognition can significantly enhance productivity and service quality in the banking sector.

CONCLUSION

The study on “Employee Productivity and Job Satisfaction in Banks” highlights the crucial role that job satisfaction plays in influencing employee performance and overall organisational effectiveness. The findings clearly indicate that employees who experience higher satisfaction with factors such as managerial support, career growth opportunities, work environment, and recognition demonstrate greater productivity, efficiency, and engagement in their roles. This underscores the importance of viewing job satisfaction not merely as a peripheral concern but as a central driver of operational success in the banking sector.

Managerial support and leadership emerged as the most significant determinants of both satisfaction and productivity, emphasising the need for approachable, fair, and supportive leadership practices. Career growth and development opportunities were also identified as key motivators, as employees who have access to training, skill enhancement programs, and clear promotion pathways show greater commitment, initiative, and willingness to contribute to organisational goals. Additionally, a positive and inclusive work environment fosters collaboration, enhances morale, and directly impacts employees’ efficiency.

The study further revealed differences between public and private sector banks, with private banks generally exhibiting higher satisfaction and productivity levels due to performance-based incentives, modern practices, and recognition programs. Public sector banks, while offering job security, face challenges related to bureaucratic procedures and slower career progression, which can hinder motivation and performance. Compensation and workload, though relevant, were found to have a moderate impact compared to leadership, career growth, and work environment.

Overall, the study emphasises that enhancing job satisfaction is critical for improving employee productivity, reducing turnover, and maintaining high-quality service standards in banks. By adopting strategic human resource practices that focus on employee well-being, professional development, recognition, and supportive management, banks can achieve sustainable growth, operational efficiency, and a competitive advantage in an increasingly dynamic financial sector.

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