

**Title:**

**Career Management: An Empirical  
Study relating to State Bank of  
India**

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### **Abstract**

The perception of career management among employees of any organization plays very pivotal role in shaping their career. The Indian financial sector is highly volatile and unpredictable in many terms. Employment stability has become important issue in developing an employee's career. The responsibility of the employer as well as employee can only facilitate career growth.. The overview of banking sector in India has resulted in recruiting employees at lower level and promoting them to senior level. Stability in job is characterized by long service tenure, good relation with the boss and long term association with the organization. Moreover the satisfaction derived from the job relates to the level of association which the employee has with the organization. This paper attempts to analyze the reasons behind long term association of the employee with one of the reputed PSU banks.

### **Key Words**

Stability, Designation, Job Satisfaction, Career Management. Public Sector Units (PSUs).

### **State Bank of India—Historical**

#### **Perspective**

The evolution of State Bank of India can be traced back to the first decade of the 19th century. It began with the establishment of the Bank of Calcutta in Calcutta, on 2 June 1806. The bank was redesigned as the Bank of Bengal, three years later, on 2 January 1809. It was the first ever joint-stock bank of the British India, established under the sponsorship of the Government of Bengal. Subsequently, the Bank of Bombay (established on 15 April 1840) and the Bank of Madras (established on 1 July 1843) followed the Bank of Bengal. These three banks dominated the modern banking scenario in India, until when they were amalgamated to form the Imperial Bank of India, on 27 January 1921.

An important turning point in the history of State Bank of India is the launch of the first Five Year Plan of independent India, in 1951. The Plan aimed at serving the Indian

economy in general and the rural sector of the country, in particular. Until the Plan, the commercial banks of the country, including the Imperial Bank of India, confined their services to the urban sector. Moreover, they were not equipped to respond to the growing needs of the economic revival taking shape in the rural areas of the country. Therefore, in order to serve the economy as a whole and rural sector in particular, the All India Rural Credit Survey Committee recommended the formation of a state-partnered and state-sponsored bank.

The All India Rural Credit Survey Committee proposed the takeover of the Imperial Bank of India, and integrating with it, the former state-owned or state-associate banks. Subsequently, an Act was passed in the Parliament of India in May 1955. As a result, the State Bank of India (SBI) was established on 1 July 1955. This resulted in making the State Bank of India more powerful, because as much as a quarter of the resources of the Indian banking system were controlled directly by the State. Later on, the State Bank of India (Subsidiary Banks) Act was passed in 1959. The Act enabled the State Bank of India to make the eight former State-associated banks as its subsidiaries.

The State Bank of India emerged as a pacesetter, with its operations carried out by the 480 offices comprising branches, sub offices and three Local Head Offices, inherited from the Imperial Bank. Instead of serving as mere repositories of the community's savings and lending to creditworthy parties, the State Bank of India catered to the needs of the customers, by banking purposefully. The bank served the heterogeneous financial needs of the planned economic development.

The corporate center of SBI is located in Mumbai. In order to cater to different functions, there are several other establishments in and outside Mumbai, apart from the corporate center. The bank boasts of having as many as 14 local head offices and 57 Zonal Offices, located at major cities throughout India. It is recorded that SBI has about 10000 branches, well networked to cater to its customers throughout India.

### **What is Career?**

A career can be defined as sequence of positions, roles or jobs held by one person over a relatively long time span. It can also be defined as a sequence of separate but related or connected work/life activities that provide continuity, order and meaning in a

person's life. A career is sum total of all the work – paid and unpaid – a person has done and will do in his lifetime. Career is not confined to one organization. It could cut across organizations and roles all interrelated with one another. A career represents an organized path taken by an individual across time and space with a horizon. While for some people, the career is planned, for others it could just happen on account of circumstances, situations, current location and so on. The concept of career is meaningful for those who look beyond just a job or salary.

Career Path is a chart showing the possible directions and career opportunities available in an organization; it presents the steps in a possible career and a plausible timetable for accomplishing them. Career Planning is a process to gain insight into the what an employee is, where he is where he wants to go in future. Career Planning today is characterized by rapid changes, complex nature of work in today's organizations, high diversity of people, gender issues and availability of career materials and resources.

### **What is a Public Sector Bank (PSB)?**

A public sector bank is defined as a unit wherein majority of shares of the unit is

owned by the Government of India (GOI). In Indian scenario the maximum holding of share goes to 51 %. Even today most of Public sector banks are having the ownership of GOI upt 51% and rest of the ownership is with other parties. Public sector banks are essentially commercial and scheduled bank under RBI Act 1951. The emergence of PSBs in India goes back with the nationalization of banks in 1969 under the leadership of Mrs. Indira Gandhi, the then Prime Minister.

Private sector banks, on the contrary have maximum 51% of ownership with private parties and rest (49 %) with other players. After the LPG (Liberalization, Privatization, and Globalization) phenomena Indian economy has seen the upcoming of many such banks in all major cities.

Not to mention, there is a third category of MNC Banks (Multinational banks) Multi National Banks are headquartered in some country but have operating branches spread all over the world. In India we have Banks like HSBC (Hongkong and Shanghai Banking Corporation), Standard Chartered and others which fall under the category of MNCs. Even now we find so many MNC banks operating in India.

## MAJOR FUNCTIONS OF THE BANKS IN INDIAN ECONOMY

Major function of the bank in economic development of the nation can be stated as follows:

- 1) Fund mobilization and divestment
- 2) Transfer or remittances of the fund
- 3) Facilitating negotiable instrument
- 4) Safety of valuable items
- 5) Foreign exchange dealings
- 6) Merchant banking and capital issues.

### Differences between public and private sector banks

Literature indicates that the performance of the private and foreign banks have been stronger than that of public sector banks (IBA, 2008<sup>1</sup>). A recent study (Selvaraj<sup>2</sup>, 2009) reveals that private banks are more successful vis-à-vis public sector banks in terms of implementing Total Quality Management (TQM) initiatives, such as human resource management, customer focus, and top management commitment. Furthermore, public and private sector banks

differ with respect to their compensation structures, working environments, technology, growth opportunities, and job security provided to the employees. Public sector banks structure compensation in a way such that there are lower pay differentials between the employees, long-term tenure is rewarded and there is a high base pay, whereas in the private sector banks, there are larger pay differentials, fewer rewards for tenure, and pay for performance (D'Souza, 2002). In addition, the working environment in private sector banks has been found as growth driven, technologically advanced, and devoid of bureaucracy. Public and private sector banks differ in terms of structure, operations and efficiency. The public sector banks are largely regulated by the government, whereas the private sector banks are regulated by the private bodies. Structurally public sector banks have wide network of branches largely concentrated in the rural and semi urban areas as contrasted to private sector banks which are mainly concentrated in urban and metropolitan areas. Public and private sector banks differ with respect to their background and work culture. It has been observed that the work culture of public sector banks was based on the socioeconomic responsibility concept. They

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<sup>1</sup> Indian Banker's Association.

were and are still involved in variety of non-profit social sector welfare activities. On the other hand, private sector banks work toward profitability.( **Bajpai and srivastava**).

### **Literature Review**

Employee perceptions of jobs satisfaction and promotions are highly contingent on their performance and merit. However, private sector banks do not provide job security and would lay off their employees in cases of poor performance or adverse market conditions ( **Thakur, 2007**).

**Bajpai and Srivastava (2004)** studied the satisfaction levels of employees of two public sector and two private sector banks in India. The results indicated that layoff threats, quick turnover, less welfare schemes, and less scope for vertical growth increased job dissatisfaction. In contrast, secure job environment, welfare policies, and job stability increased the degree of job satisfaction. In their study, **Kumudha and Abraham (2008)** compared 100 managers from 13 public and private sector banks and found that the programs related to self-development, information about job openings, opportunities to learn new skills and retirement preparation programs greatly influence the feelings of career satisfaction.

Public and private sector banks also differ with respect to their background and work culture. It has been observed that the work culture of public sector banks was based on the concept of socio-economic responsibility, in which profitability is secondary. On the other hand, private sector banks work towards profitability. Because these differences between the sectors hold an important factor in shaping the work culture of an organization, it needs to be explored how they would likely affect job satisfaction. For the success and sustained growth of Indian banks, it is imperative to create a pool of committed employees by determining whether they are job satisfied. Their satisfaction would affect their performance and commitment, which would eventually influence the banks' growth and profitability. In the light of the above discussion, it is seen that public and private sector banks in India differ with each other in terms of various human resources (HR) practices and policies. (**Selvaraj, 2009**). In addition, the literature shows that organizational contextual factors such as pay, growth opportunities, job security, among others, influence an employee's perception of job satisfaction.

**Weiss and Cropanzano (1996)**, job satisfaction represents a person's evaluation

of one's job and work context. This definition is still being debated. It captures the most popular view that job satisfaction is an evaluation and represents both belief and feelings. It is an appraisal of the perceived job characteristics and emotional experience at work. Satisfied employees have a favorable evaluation of their job, based on their observations and emotional experiences. **Saleh (1981)** states that job satisfaction is a feeling which is a function of the perceived relationship between all that one wants from his job/life and all that one perceives as offering or entailing. The emphasis here is on all that one wants, whether it is important for self-definition or not. **Luthans (1989)** states that job satisfaction is a pleasurable, or positive emotional state resulting from the appraisal of one's job, or job experience, and is the result of the employee's perception of how well the job provides those things which are viewed as important.

### **Objective of study**

The following objectives were set for study:

- a) To understand the employee's perception of career management in banking sector.
- b) To understand the attitude of employees towards stability in job

Further it is hypothesized that:

**H1 (Null Hypothesis):** Job satisfaction in banks is derived from stability, salary increment high designation and increasing responsibility.

**Ho (Alternate Hypothesis):** Job satisfaction in banks is not derived from stability, salary increment, high designation and increasing responsibility.

Perception of the variables can be defined as follows:

**Job Satisfaction:** It refers to the level of attachment and involvement an employee has with the job and its contents.

**Stability:** It refers to the tenure of service in the organization

**Salary and Increment:** It refers to grade pay at all scales which includes basic, D.A. and LTC.

**High Designation:** It refers to the rising scale/ranking from the level of manager to Chairman.

**Increasing responsibility:** It refers to increase in gamut of activities related to the job position.

The theme identified for the category of “satisfiers” and “dissatisfiers” have been identified which were also reflected in the questionnaire. **SATISFIERS**

- a) Job stability
- b) Being a part of highly old and credible institution
- c) Amiable relationship with one’s supervisor
- d) Salary and increment
- e) Challenges faced, high designation

- c) Poor social relationship
- d) Less opportunity for growth
- e) Unfair appraisal

The time taken to conduct this study was 6 months.

**Research Methodology Sample Design**  
**Probability/Non probability sampling**

Convenience sampling was used as it was found easy to get information from both the divisions of SBI namely training centre and Administrative office, Ranchi.

**DISSATISFIERS:**

- a) Uncongenial working environment’
- b) Odd working hours

**Satisfiers                      Frequency      Percentage**

Satisfiers	Frequency	Percentage
<b>Job stability</b>	<b>58/100</b>	<b>58%</b>
<b>Old organization</b>	<b>60/100</b>	<b>60%</b>



<b>Amiable relationship</b>	<b>97/100</b>	<b>97%</b>
<b>Salary and increment</b>	<b>24/100</b>	<b>24%</b>
<b>Challenges faced</b>	<b>60/100</b>	<b>60%</b>
<b>High designation</b>	<b>14/100</b>	<b>14%</b>

**Dissatisfies**

Frequency Percentage

<b>Uncongenial working environment</b>	<b>24/100</b>	<b>24%</b>
<b>Odd working hour</b>	<b>26/100</b>	<b>26%</b>
<b>Poor social relationship</b>	<b>19/100</b>	<b>19%</b>
<b>Less opportunity for growth</b>	<b>18/100</b>	<b>18%</b>
<b>Unfair appraisal</b>	<b>55/100</b>	<b>55%</b>

Job Stability: It is service condition in job wherein employee can be removed from services only after completion of quasi judicial departmental proceeding. This

assures the employee that their job is secured even when they perform much less than the expected level. This can only happen in public sector industry only. Till today in Public Sector Banks officer and clerks who are graduate in any subject are absorbed and trained for the job. Obviously such employee feels insecure if their job is not secured /permanent as they may not get better or similar opportunities in the market in case of termination from the job. This is why 58% have selected stability in job as a motivating factor.

Old Organization : Here old organization means such banks which are pretty old in banking industry like SBI, PNB<sup>3</sup>,BOI<sup>4</sup>,Allahabad Bank etc. Such banks are large in size and carry brand value in the market. Associated with them are more career growth and more social recognition. It appears that due to this factor as many as 60% have selected old organization as a source of job satisfaction.

Amiable relationship with boss refers to the situation wherein boss or supervisor are constantly providing motivation, guidance and grooming of their subordinate. He has to

<sup>3</sup> PUNJAB NATIONAL BANK

<sup>4</sup> BANK OF INDIA

play the role of friend, philosopher and guide to the subordinate. This fact has rightly been reflected in this study as because almost all the employees (97%) has selected this parameter as a factor for job satisfaction.

Salary and increment: Although salary and increment fulfills the basic need of an employee, the study reveals that it occupies fourth priority after job satisfaction; Old Institution and cordial relationship with the boss. Only 24% of people have rated it as a factor of job satisfaction.

Scaling: The bank has categorized employees under scales viz:

***Scale 1: Assistant Manager***

***Scale 2: Deputy Manager***

***Scale 3: Manager***

***Scale 4: Chief Manager***

***Scale 5: Assistant General Manager***

***Scale 6: Deputy General Manager***

***Scale 7: General Manager***

***Scale 8: Chief General Manager***

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used for studying and measuring the extent of relationship between two variables.

Over here we find Positive Correlation (high degree) between:

- 1) Designation and increasing Salary.
- 2) Job satisfaction and Stability

This implies that as the employee goes high in hierarchy there is increase in salary and perquisites matching the grade to compensate the higher responsibility shouldered by officers.

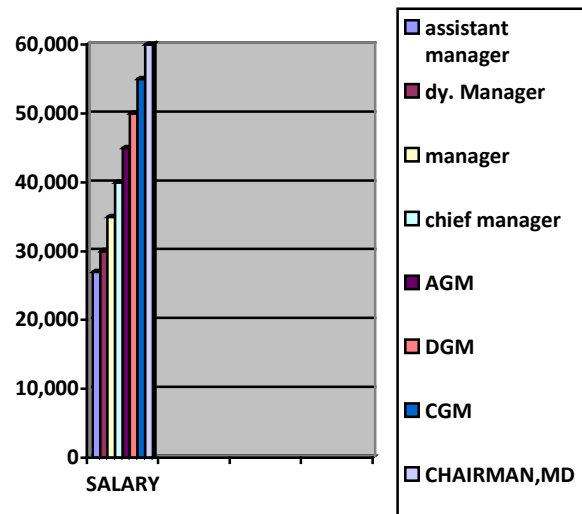
Also in comparison to private sector bank job stability in public sector bank is one of the major sources of job satisfaction.

Scale 1	Assistant Manager	10,000-18240
Scale 2	Deputy Manager	13820-19920
Scale 3	Manager	18240-22280
Scale 4	Chief Manager	20480-24140
Scale 5	Assistant General Manager	24140-26620
Scale 6	Deputy General Manager	26620-29340
Scale 7	General Manager	29340-32600
Scale 8	Chief General Manager	32600-35600

**Table 1: Scale wise comparison of designation and associated salary (per month)**

**CORRELATION AND REGRESSION**

The concept of correlation is a statistical tool which studies the relationship between two variables and correlation analysis involves various methods and techniques



## DATA ANALYSIS

Total strength of SBI employees In India and Abroad is more than 1 lakh. Out of them these 87 has been taken from scale 1 to 4. The people in General Manager Category have been barred as of now. The reason for this can be found in the objective of the study. It has to be noted that customer interface is more among employees ranging from scale 1 to 4. Hence the probability of satisfaction and dissatisfaction in terms of job is high at their level.

The 87 samples were taken from the bank's two unit's viz. **administrative wing and Training centre based at Ranchi**. Gender wise 77 are male and 10 are female. According to their ranking 48 are on scale 1 (Asth. Manager), 24 are on scale 2 (Deputy Manager), 19 are on scale 3 (Manager), 4 are on scale 4 (Chief Manager). The designation of the respondent varies according to their job profile and experiences. The age group of the respondents varies from 35 to 57 yrs. Exception can be counted 3 in numbers as they are related to females. Designations have exceptions in terms of RMPB and CRO.

Going by the concept of stratified sampling (probabilistic sampling) the classification

has been made in terms of gender, age, designation and place of posting. It has to be kept in mind that the questionnaire was not sent through mail or any electronic media for the only purpose of getting hands on experience. The respondents were given 2 to 3 days time in order to understand the questions and their implication in detail.

## Questionnaire

The questionnaire consisted of 17 questions with four options each. All the four options were ranked as follows: (a)=1, (b) = 2, (c) =3, (d) = 4. Each question was followed by other with the purpose of cross checking and reconfirming on broader perspective. Keeping in mind the objective of the study, it can be said that the questionnaire focused towards the carving out the information relating to employee stability and job security. It's a psychological modification of security which propels employees to reveal less information about their job and related issues. To be more specific one can say that the feeling and thinking factor of employees coming forward gives a picture which can be utilized to come to some conclusion.

## Analysis and Discussion

Distribution of sample (TABLE 2) can be seen numbering 13 within the age group of 26-35 amounting to 14.942 % of the total population followed by 32 within the age group of 35-46 contributing to 36.781 % of the universe. Under the age group category of 47 – 56 we have 41 respondents which amount to 47.126 %. The exceptional category is that of 56-60 group where we have only 1 person falling in the line.

Sex wise distribution of the population reveals that the only negligible amount of 3 respondents (female) is part of the sample. The tabulation shows 2 females in the age group of 26-35 and 1 female in the category of 46-56. This low representation of females may account for the following reasons:

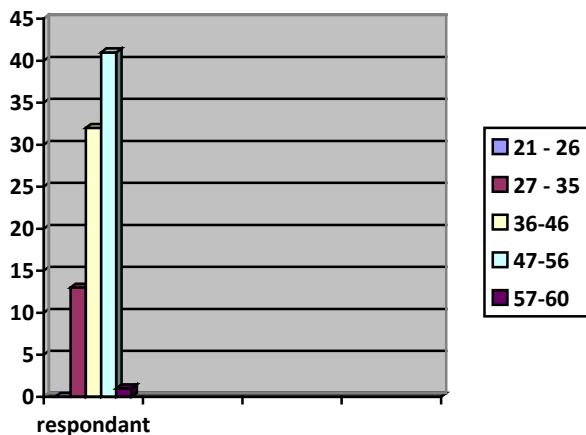
- a) Most of them join as clerks at a very early age for job security.
- b) They may be not so much highly career oriented for the simple reason of focusing more on their kid's affairs and family responsibility.

**Table 2.Age wise categorization of respondents and their percentage contribution**

<i>Age</i>	<i>No. of respondents</i>	<i>% age</i>	<i>Male</i>	<i>Female</i>
21 - 26	0	0	0	0
Above 26 - 35	13	14.942	11	2
Above 35 - 46	32	36.781	32	0
Above 46 - 56	41	47.126	40	1
Above 56 - 60	1	1.149	1	0

56 - 60				
<b>Total</b>	<b>87</b>	<b>99.99</b>	<b>84</b>	<b>3</b>
		<b>8</b>		

**Graphical representation Fig. 1**

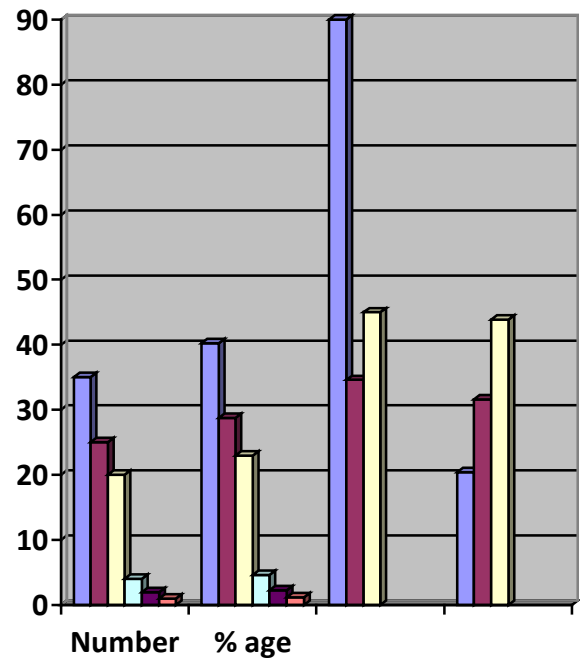


**Table 3. Designation wise categorization of respondents and their percentage contribution**

<i>Designation</i>	<i>No. of respondent</i>	<i>% age</i>
Astt. Manager	35	40.229
Deputy Manager	25	28.735
Manager	20	22.988
Chief Manager	4	4.597
RMPB ( Relationship Manager-Personal Banking)	2	2.298
CRO ( Chief Relationship	1	1.149

Officer)		
<b>Total</b>	<b>87</b>	<b>99.996</b>

A look at the table 3 inputs reveals very interesting fact about the demography of bank employees. Hierarchy wise the number of employees goes on decreasing from Assistant Manager to Chief Manager. This confirms very less openings at the senior scales in comparison to junior scales. The hierarchy at the bank is streamlined and the promotions at higher level are very competitive and very few employees can actually make it to that. From banks administrative perspective we can say that its promotion policy is really awards highly motivated and hardworking employees.



**Graphical Representation: Fig 2**

**Table 4 Age wise categorization of respondent position**

<b>Designation</b>	<b>21-26</b>	<b>27-35</b>	<b>36-46</b>	<b>47-56</b>	<b>57-60</b>
Astt. Manager	0	4	13	18	0
Dy. Manager	0	4	7	13	1
Manager	0	3	10	7	0
Chief Manager	0	0	1	3	0
RMPB	0	2	0	0	0
CRO	0	0	1	0	0

A brief look at the distribution shows nearly negligible participation in the age group 21-26. A look at the facts according to designation will make things more clear.

### **Assistant Manager**

There are four officers in Assistant Manager grade in the age group of 27-35, 13 are in age group of 36-46, and 18 are in age group of 47-56. This is primarily because most of the employees join at clerical level and get promotion after longer period. The primary cause may be a long stagnation period in banking industries from 1985 to 2000. . Those who were promoted from clerical to scale in higher age group could not get quick promotion like Probationary and training officers. This is why most of them have blamed biased appraisal for stagnation in their career.

### **Deputy Manager**

At this level we find that 4 people are in age group of 27-35, 7 are in 36-46, 13 are in 47-56 and 1 in the category of 57-60. This is because from scale 1 to scale 2 also they took lots of time. They faced stagnation in their career at later part of their service life for which they have again blamed less opportunity for growth and biased appraisal.

### **Manager**



The post of manager requires experience of 8-10 years as an officer. This is why the majority of promoted officers in scale 3 (manager) are in the age group of 36 -46 and 46-56. This is also because of pyramid structure of the organization where there is lesser post in higher grade available for promotion. From scale 3 to scale 4 transitions is designated as senior management grade scale 4. So only highly rated officers are alleviated to these posts. This is why stagnated officers have blamed biased appraisal and nepotism as dissatisfiers.

### **Chief Manager**

They are designated as senior management grade scale 4. These officers shoulder much higher responsibility in respect of running the organization. Although they are normally placed in the front line of the organization but they are delegated with higher discretionary powers. So promotion to this scale is highly selective. They are also treated as successful officer in the bank.

### **Conclusion**

Looking at the holistic picture of the bank and its pool of employees, one can conclude that State Bank of India has a sound

promotion policy due to which majority of the employees are deriving job satisfaction and high level of achievement. The policies relating to promotion at higher level is looking more for stability, job challenges handled and also ability to handle increased responsibility which gets reflected in the appraisal process at the bank. Although the entire process of getting capable employees who can be promoted to outside world lies in the holistic picture.

### **Limitations and Recommendations**

As far as limitations are considered, the first to talk about is questionnaire itself. Although the questionnaire was structured, the respondents found it difficult to answer some portions. The difficulty was there in selection of the alternatives. Secondly many employees have selected more than two options in some questions. This has created some difficulty in categorization. More focus is required in framing alternatives so that the exact and clear picture is available.

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