

Assessment of Change Management in Banking Sector and its Significant Impact on Job Satisfaction

Shreya Singh

Galgotias University Greater Noida UP, India

Abstract - In this research article we pointed out the current research issues on changing dimension of banking sector management policies and its significant impact on employees' job satisfaction. The researcher mapped out a changing model of banking management practices to identify employee job satisfaction factors such as job security, benefits, compensation, opportunities to utilize skills and abilities and feel safe in the work environment. The aim of this research study is to assess employee participation in changing banking volumes in the banking sectors, and to study job satisfaction factors and its significant impact on employees. The detailed survey research design was used to conduct a self-designed questionnaire with open and closed-end topics for 60 respondents using a non-probability feature random sample. Closed-end items are measured on a five-point Likert scale. Data were analyzed using IBM-SPSS and presented in detailed and inference statistical form. Key results indicate that employee participation in this process is limited to providing relevant information. In general, it has also been found that this change has a positive effect on employee job satisfaction. After the final change the attitude of the employees turned out to be positive. Interestingly, after the change process, the respondents disagreed with the high-level trust issue. The researcher recommended that management should encourage maximum employee participation in the process through fair representation on the changing size of banking sectors and their business practices.

Index Terms - Change Management, Job Satisfaction, Banking

INTRODUCTION

Change management has become one of the most important aspects of the financial industry. The market climate of banks and credit institutions has been subject to drastic changes over the years. The phase of low interest rates, rising regulatory requirements, ongoing digitization, as well as the dynamic development of the fintech industry are major challenges for companies in the financial sector. For employees and customers to understand and follow these dynamic times, managers need to resolve themselves to change management. With the right strategy any change can easily succeed.

The banking market is in turmoil, low interest rates are eroding revenues, customer loyalty continues to decline, and rising administrative costs, even within established firms, have gradually become noticeable. Because of this, credit institutions are modifying their business models. Many banks are responding to these developments with mergers, to further thin the entire organization and to realize the synergy effect.

Aurora, K.S. (2003) stated that for the overall strength of the banking system to reach the targets, banks need to modify the organizational structure, workable operating mechanisms, sophisticated regulatory mechanisms, and skilled human resources. By studying the management of change in the banking sector in relation to the city of Nanded in India, we have identified the impact of change management in the banking industry Chawla, A. S., (1987) concluded that although the Bank's efforts to change its culture and technology were intermittent and leader-driven, it led to the inclusion of many employees in each cadre and a change in performance.

The bank has launched its transformation efforts in response to the loss of market share due to the growth of new dynamic private sector banks. The Bank has been successful in its efforts to improve performance and become customer centric. The bank has widely embraced the digitization of services and has been successful in digitizing customer travel. Therefore, change management is an enabler for the better performance and survival of the bank.

Banks need to rethink to survive in a dynamic market environment. In many cases, the resulting mergers or reorganizations serve to capture the effects of synergy, reduce costs, and digitize existing processes. A successful change process requires effective change management. Managers need to adopt a common strategy at an early stage to improve communication with employees and integrate them into the new strategy. If management is successful in maintaining a high level of transparency and establishing a culture of open communication and feedback, the change process can be accelerated and supported to the job satisfaction level of employees.

LITERATURE REVIEW

Swati Ojha and Yogita Mandhanya (2017) stated that the banking sector plays an important role in the functioning of any economy. The banking system is facing new challenges and opportunities in a competitive environment. Banks must face not only the pressures and pressures of growth, but also the challenges arising from the rapid change in the banking landscape. Seren Dalti

(2018) examines the planning and implementation of organizational change in business organizations. Previous research and literature on change models may reflect different approaches to change in organizations.

NR Vekaria (2014) emphasizes that change management is an important discipline in today's changing business environment. Change is not always easy and managing in a large corporate environment can be even more challenging. The human resource manager needs to be aware of the methods an organization uses to bring about Singha Roy, Sourabh (2016) stated that Efficiency-profitability relationship of Indian public sector banks: Who is the superstar? Change management is the tool and technology that banks need to adapt to the developments taking place in their complex ecosystem and to meet the growing expectations of customers. Aiming to confirm the adoption of change management practices in the largest bank in India, the researcher surveyed all available material related to change management programs at State Bank of India. This practice is very useful not only for all other public sector banks in India but also for the methods adopted and the implementation process. Such research is a significant addition to creating resources for domestic research equipment and developing methods among other banks.

Gurmeet Kaur Rajpa et al., (2005). Change in organization life is inevitable. Many companies in today's business world face the challenge of building a dynamic and changing business environment. They must be replaced and exhibit or perish in a competitive environment, there is no third option. This research study focused on the specific organizational change that co-operative banks undergo in terms of technological change and their impact on employees in terms of their tolerance resistance and productivity Richa Awasthi AA, (2012).

Ravindra Sangwai (2020) focuses on understanding HDFC Bank Ltd. along with the waves of changes in technology and competitive environment as well as the status of non-performing assets as well as tenure expiration. Its promoter is Aditya Puri. Responding to those who are leading their journey. Kadumbri Krithi Ranadev, Tanuj Nandan (2016) stated that the sea change was due to the increasing social and customer demands for economic, environmental, and social responsibility. In today's business environment companies need to adopt consistent business practices to survive longer. The quality of work life affects job satisfaction and motivation, which can have a huge impact on employee retention.

Sanjeev Gupta (2018) says there has been a sharp change in consumer sentiment over the last two decades. Indian companies compete with MNCs and provide the highest quality products at the most competitive prices to the customer when required. Kohli, SS. (2001) emphasized that many companies are adopting a 'change management' approach to help their businesses compete and grow nationally and internationally. Through change management, every level of the organization can be reached and changed. Strategies involve the transformation of systems within and outside the organization - the production process, the quality.

Munir, R., Bird, K. and Pereira, S. (2013) Describe and understand changes in the performance measurement system in Emerging Economy Banks. This study uses Kasurinen's accounting transformation model, using organizational theory as a theoretical lens. Management Accounting describes change as a product of motivators, motivators, and facilitators. The model also focuses on how the role of leaders in the process of change and transformation can be prevented by confusion, frustration, and delay. Jacobs, G.I. (2003) The aim of the current monograph is to analyze the role of MNEs in relation to globalization and the digital economy and to emphasize some of the legal aspects of MNEs, cyberspace and e-commerce in parallel contexts and research. Expression of the digital economy.

Seal, W. And Kraft, L. (1997) analyzed how the new management practices in UK clearing banks were influenced by the knowledge of competing experts using a critical version of Abbott's "business system". Banks have their own profession, senior management, and outsourcing. In the early 1990s, changes in the structure of banks as well as the ongoing profit crisis prompted further changes with the introduction of new management accounting methods such as management-based spending. Finally, note that while recent business and regulatory issues offer potential opportunities for non-accounting finance businesses, they are unlikely to allow banks to pursue a more independent career in their organizations.

PROBLEM STATEMENT AND RESEARCH OBJECTIVES

In this research study the researcher will identify important research issues based on the current banking system and its operational approach "Its significant impact on change management and job satisfaction in the banking sector". The recent global economic downturn, along with other internal and external challenges, has created a platform for businesses to strategically position themselves to survive in the competitive environment in which they operate. The researcher formulated some of the significant research issues on changing dimension of banking system and jobs satisfaction of employees which are stated as :

Study the changing dimension of banking system

To identify the factors of job satisfaction and its significant impact on employees

HYPOTHESIS

The researcher stated one of the hypothetical assumptions based on current research issues in changing dimension of banking system.

H01: The changing dimension of banking system does not have a significant impact on employee's job satisfaction .

HA1: The changing dimension of banking systems have a significant impact on employee's job satisfaction .

RESEARCH DESIGN AND METHODOLOGY

This research study is based on primary and secondary data which collected through the structured questionnaire and different research articles. The researcher used the 60 data sets which are collected through the online google form mode from the different persons who are working in banking system through the nonprobability convenience sampling methods. For the data compilation and variability accuracy the researcher used the IBM – SPSS software to generate the descriptive statistics and used Cronbach's Alpha for reliability analysis.

To generate inferences and data analysis report the researcher used the 0.05 significant level to validate the hypothesis at 95% confidence interval.

RESLUTS AND DISCUSSION

Table 1.1: Descriptive Statistics						
	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Job Security	60	3.00	5.00	3.5833	.74314	.552
Benefits	60	1.00	5.00	3.5333	.94719	.897
Compensation	60	2.00	5.00	3.5667	.88999	.792
Opportunities to use skills and abilities	60	2.00	5.00	3.9167	.69603	.484
Feeling safe in the work environment	60	2.00	5.00	4.0167	.72467	.525
Valid N (listwise)	60					

Table 1.2: Reliability Statistics

Table 1.2: Reliability Statistics	
Cronbach's Alpha	N of Items
.875	5

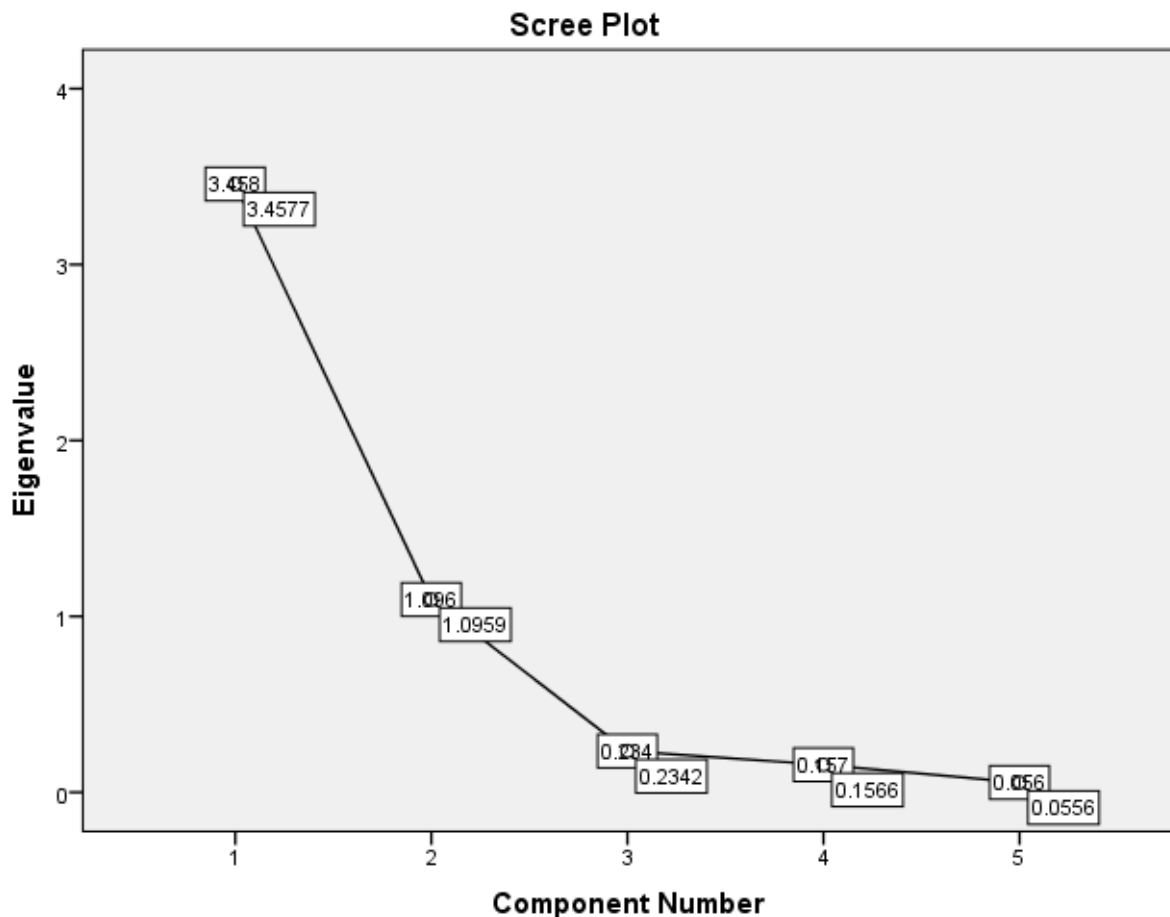
The reliability statistical analysis report shows that Cronbach's Alpha is 0.875 , Cronbach's alpha is a measure of internal consistency, i.e. how closely the set of elements in a group is related. It is a measure of the reliability of a scale. The general rule is that the Cronbach alpha. 70 and above is better, Better if 80 and above, and. 90 and above is best. Statistical analysis reports that Cronbach's alpha value is close to 0.90 and shows high internal consistency in variables and is accepted for this research study.

Table 1.3: Correlation Matrix^a						
		Job Security	Benefits	Compensation	Opportunities to use skills and abilities	Feeling safe in the work environment
Correlation	Job Security	1.000	.297	.619	.128	.076
	Benefits	.297	1.000	.842	.763	.752
	Compensation	.619	.842	1.000	.734	.721
	Opportunities to use skills and abilities	.128	.763	.734	1.000	.843
	Feeling safe in the work environment	.076	.752	.721	.843	1.000
Sig. (1-tailed)	Job Security		.011	.000	.164	.282
	Benefits	.011		.000	.000	.000
	Compensation	.000	.000		.000	.000
	Opportunities to use skills and abilities	.164	.000	.000		.000
	Feeling safe in the work environment	.282	.000	.000	.000	
a. Determinant = .008						

Table 1.4: KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.687
Bartlett's Test of Sphericity	Approx. Chi-Square	274.723
	df	10
	Sig.	.000

Table 1.5: Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% Of Variance	Cumulative %	Total	% Of Variance	Cumulative %
1	3.458	69.154	69.154	3.458	69.154	69.154
2	1.096	21.917	91.071	1.096	21.917	91.071
3	.234	4.685	95.755			
4	.157	3.132	98.887			
5	.056	1.113	100.000			

Extraction Method: Principal Component Analysis.



INFERENCE

The above data analysis report was compiled by IBM - SPSS software on "change management in the banking sector and its significant impact on employee job satisfaction" such as job security, benefits, compensation, skills, and ability to utilize opportunities. And 0.05 to feel safe in the work environment at critical levels. The data probability P-value is 0.000, which is less than the significant level of 0.05, so the null hypothesis is rejected, and the result is significant.

At this stage, the researcher concludes that job satisfaction factors such as job security, benefits, compensation, opportunities to utilize skills and abilities and a sense of security in the work environment can have a significant impact on change management size in the banking sector.

SUMMARY AND CONCLUSION

The researcher concludes that job satisfaction factors such as job security, benefits, compensation, opportunities to utilize skills and abilities, and feel safe in the work environment are very important in the "assessment of change management in the banking sector". For reliability analysis, the researcher used Cronbach's alpha value of 0.875, which is a measure of internal consistency, which is closely related to the set of objects in a group. It is a measure of the reliability of a scale. The general rule is that the Cronbach alpha .70 and above is better, Better if 80 and above, and .90 and above is best. The reliability value based on the statistical analysis report is close to 0.90, which indicates the best internal consistency between the variables for this research study. The data probability P-value is 0.000, which is less than the significant level of 0.05, so the null hypothesis is rejected, and the result is significant. Finally the researcher validated the hypothesis that factors such as job security, benefits, compensation, opportunities to utilize skills and employee capabilities, and job satisfaction, such as job satisfaction, influence the changing dimensions of management in the banking sector has a significant impact.

REFERENCES

1. Swati Ojha, and Yogita Mandhanya (2017). A Study on the Impact of Change Management in the Banking Sector, with a specific reference to the city of Nanded, International Journal on Recent Trends in Business and Tourism / International Journal on Recent Trends in Business and Tourism (IJRTBT), 1 (4), 24-40, no. 4 (2017) Retrieved from <https://ejournal.lucp.net/index.php/ijrtbt/article/view/240>.
2. Sant Dalati (2018). Change management in banking institutions: UK Commercial Bank, Seren / Journal of Logistics, Informatics and Service Science Vol. 4 (2017) no. 1 34-5, May 2018.
3. N.R. Vekaria (2014). An Analytical Study on Change Management and Organizational Development in the Banking Sector, Vol: 3 | Issue: 3 | March 2014 ISSN - 2250-1991.
4. Singha Roy, Sourabh(2016). Efficiency-profitability relationship of Indian public sector banks: Who is the superstar ?, Banking and Insurance Journal, SSRN 2881736, 2016
5. Gurmeet Kaur Rajpal, H., Law, K. S., Hackett, R. D., & Chen, Z.X. (2005) Leader-member exchange as a mediator for the relationship between transitional leadership and followers; Performance and Institutional Citizen Behavior. Journal of the Academy of Management, 48, 420-32.
6. Richa Awasthi, c. Vijayalakshmi and Rajen K. Gupta (2012). Institutional change in Bank of Baroda, Asian Case Research Journal Vol. 16, no. 01, pp. 65-92 (2012), <https://doi.org/10.1142/S0218927512500034>.
7. Yashodhara Henayake, Pushpakumari Maldenia (2021). The Impact of Transformational Leadership on Change Management: An Empirical Study on a State Commercial Bank, Gampaha Vikramarachi Swadeshi Medical University, Archive / Vol. 2 Vol. 3, 2021.
8. Ravindra Sangwai (2020). Change the management profile of HDFC Bank Limited. Creating Facility in Customer Journey, Open Word Journal Volume IX, Issue VII, July / 2020 ISSN No: 2347-3150.
9. Kadumbari Krithi Ranadeyo, Tanuj Nandan (2016). Quality of Work Life Indicators for Sustainable Development in the Indian Banking Sector, International Journal of Management and Applied Science, ISSN: 2394-7926 Volume-2, Volume-12, Special Issue-1, December-2016.
10. Sanjeev Gupta (2018). The Impact of Change Management: A Case Study of Selected Indian Manufacturing Organizations, Indian Journal of Management, DOI: 10.17010 / pijom / 2018 / v11i10 / 132510.
11. Samal, A., character, S. & Chatterjee, D. (2021). Cultural Impact on Organizational Readiness for Change: Reference to Bank M&A, Benchmarking: An International Journal, Vol. 28 no. 5, pp. 1503-1523. <https://doi.org/10.1108/BIJ-10-2019-0454>.
12. Andrew, K. (1990). Bank Marketing in a Changing World, International Journal of Bank Marketing, Vol. No. 8 5, pp. 2-56. <https://doi.org/10.1108/02652329010143084>.
13. Munir, R., Byrd, K. and Pereira, S. (2013). Change in Performance Measurement System in Emerging Economy Bank. Journal of Accounting, Auditing and Accountability, Vol. No. 26 2, pp. 196-233. <https://doi.org/10.1108/09513571311303710>.
14. Jacos, G.I. (2003). MNE, Globalization and the Digital Economy: Legal and Financial Issues, Administrative Law, Vol. No. 45 1/2, pp. 1-296. <https://doi.org/10.1108/03090550310770875>.
15. Seal, W. and Kraft, L. (1997), "Professional Competition and Changing Management Control Attitudes in UK Clearing Banks", Journal of Accounting, Auditing and Accountability, Vol. 10 no. 1, pp. 60-84. <https://doi.org/10.1108/09513579710158711>.

16. Aurora, K.S. (2003). Indian Banking: Managing change through IT. IBA Bulletin, 25 (3), pp. 134-138.
17. Chawla, A. S., (1987). Nationalization and Growth of Indian Banking, Deep and Deep Publications, New Delhi, pp. 102-110.
18. Giridhari, D.G., (1993). An Assessment Study on the Performance of Private and Public Sector Banks in N. Vinaya Kumar. (Ed.), A People in Private Sector Banks, Kanishka Publishers and Distributors, Delhi, 1993. pp. 25-35.
19. Kotor, J. (2001). Regulation and Monitoring of Banks Around the World: New Database, Policy Research Working Paper no. 2588. World Bank, Washington, DC. Pages 25-32.
20. Kohli, S.S. (2001). Indian Banking Industry: Emerging Challenge. IBA Bulletin, 23 (3), pp. 48-54..