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Employee Satisfaction and Organizational Commitment in Cooperative Banking Institutions in Cuddalore District of Tamilnadu

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Abstract

This study examines the relationship between employee satisfaction and organizational commitment in cooperative banking institutions located in Cuddalore district of Tamilnadu. Using a descriptive research design, data was collected from 120 employees through structured questionnaires and analyzed using statistical tools such as correlation and regression analysis. The findings reveal a strong positive association between satisfaction factors such as recognition, leadership support, career development, and work-life balance and levels of organizational commitment. Employees who reported higher satisfaction demonstrated greater loyalty, emotional attachment, and intention to remain with their organizations. The study highlights the importance of fostering a supportive work environment to enhance employee engagement and retention, offering practical insights for cooperative banks to strengthen their human resource strategies.

Keywords: *Employee Satisfaction, Organizational Commitment, Cooperative Banks, Work Environment, Leadership, Recognition, Career Development, Cuddalore District.*

1. Introduction

In today's competitive banking environment, employee satisfaction and organizational commitment have become essential pillars for institutional success. Cooperative banks, especially in regions like Cuddalore district, play a vital role in supporting local economies and serving rural communities. The effectiveness of these banks depends not only on their financial performance but also on how motivated and committed their employees are.

When staff members feel valued, supported, and aligned with the bank's goals, they are more likely to contribute positively and remain loyal to the organization. This study focuses on understanding the level of satisfaction among employees in cooperative banking institutions in Cuddalore and how it influences their commitment to the organization. By exploring these aspects, the research aims to highlight areas for improvement and offer practical insights that can help strengthen employee engagement and overall institutional growth.

While numerous studies have explored employee satisfaction and organizational commitment in commercial and private sector banks, there is limited research focused specifically on cooperative banking institutions, especially in semi-urban and rural regions like Cuddalore district. Most existing literature tends to generalize findings across banking sectors without accounting for the unique operational structure, resource constraints, and community-driven goals of cooperative banks.

Additionally, few studies have examined how local socio-economic factors and workplace culture in these institutions influence employee morale and long-term commitment. This gap highlights the need for a focused investigation that captures the voices of employees in cooperative banks within Cuddalore, offering insights tailored to their specific challenges and motivations.

2. Statement of the problem

Cooperative banks in Cuddalore district play a vital role in local financial development, yet face challenges in employee retention and motivation. Many staff members experience low satisfaction due to limited growth opportunities and inadequate recognition. This affects their commitment and overall performance. Without understanding these dynamics, banks risk losing valuable human resources. There is a need to explore how satisfaction influences organizational commitment. This study aims to address that gap and offer actionable insights for improvement.

3. Need of the study

This study is essential to understand how employee satisfaction influences organizational commitment in cooperative banks, especially in the context of Cuddalore district. As these institutions serve grassroots communities, improving staff morale and engagement can directly enhance service quality and operational efficiency. The findings will help identify gaps in workplace practices and offer strategies to build a more committed and motivated workforce.

4. Objectives of the study

- To assess the level of employee satisfaction in cooperative banking institutions within Cuddalore district.
- To examine the relationship between employee satisfaction and organizational commitment in Cuddalore district.
- To identify key factors that influence commitment and suggest strategies for improving employee engagement in Cuddalore district.

5. Scope of the study

This study focuses on cooperative banking institutions in Cuddalore district, examining employee satisfaction and organizational commitment. It includes both permanent and contract staff, aiming to identify workplace factors that influence motivation and loyalty. The findings are intended to support management in improving employee engagement and operational effectiveness.

6. Limitations of the study

- The study is based on a sample size of only 120 employees, which may not fully represent the entire workforce of cooperative banks in Cuddalore district.
- Findings may be limited in generalizability due to the small and localized sample.
- Responses are subject to personal bias and may vary based on individual perceptions and experiences.
- The study focuses only on cooperative banks, excluding other banking sectors that may offer comparative insights.

7. Review of the study

Rajan & Meenakshi (2023): This study explored organizational commitment among employees in cooperative banks across Tamil Nadu. It emphasized the role of collaborative work culture and personal dedication in strengthening employee loyalty, highlighting how recognition, trust, and leadership support contribute to long-term engagement.

Srinivasan & Devi (2022): Research conducted in southern Tamil Nadu revealed that transparent communication and inclusive decision-making significantly enhanced emotional bonds between employees and their organizations. These workplace practices were found to be crucial in building strong organizational commitment.

Ahmed & Banu (2021): A study on rural cooperative banks in India found that supportive leadership and structured recognition systems played a key role in fostering employee loyalty. The organizational climate emerged as a major influence on staff engagement and retention.

Kumar & Selvi (2020): This investigation into cooperative bank staff in Puducherry highlighted the importance of career development and peer support. These factors were shown to positively impact employee retention and deepen their commitment to institutional goals.

Thomas & Rajalakshmi (2019): Using Herzberg's two-factor theory, the study identified salary, working conditions, achievement, and growth as critical elements influencing both satisfaction and commitment. The dual impact of hygiene and motivational factors was evident in shaping employee attitudes.

Narayanan & Joseph (2018): The research emphasized that trust in management and clarity in job roles were strong predictors of organizational commitment. Employees who felt secure and well-informed were more likely to remain loyal and engaged.

Meenakshi & Dinesh (2017): In semi-urban cooperative banks, employees who felt their contributions were acknowledged demonstrated higher levels of commitment. Recognition and appreciation emerged as key drivers of workplace engagement.

Banerjee & Saha (2016): Work-life balance was found to be a significant factor in enhancing employee morale. Flexible scheduling and supportive supervisors contributed to stronger organizational ties and reduced turnover intentions.

Reddy & Nair (2015): Ethical leadership and fairness in promotions were identified as major influences on how deeply employees connected with their organizations. These practices fostered a sense of trust and belonging among staff.

Iyer & Mohan (2014): The study on psychological contracts revealed that unmet expectations led to reduced commitment. Effective communication and consistent support were essential in maintaining employee trust and engagement.

8. Research Methodology

The research methodology serves as the blueprint of this study, guiding the systematic collection, analysis, and interpretation of data to explore the relationship between employee satisfaction and organizational commitment in Cuddalore District.

8.1 Research Design

This study adopts a descriptive research design to examine the relationship between employee satisfaction and organizational commitment among staff in cooperative banking institutions in Cuddalore district. The research aims to identify key workplace factors that influence employee attitudes and loyalty.

Independent Variable: Employee Satisfaction measured through factors such as job security, work environment, recognition, salary, and career growth.

Dependent Variable: Organizational Commitment assessed through indicators like emotional attachment, loyalty, intention to stay, and alignment with organizational goals.

8.2 Sampling Technique: Purposive Sampling was used to select employees from cooperative banking institutions in Cuddalore district who have at least one year of service experience.

8.3 Sample Size : A total of 120 respondents were selected for the study.

8.4 Population : Employees working in various cooperative banking institutions located in Cuddalore district, including both permanent and contract staff.

8.5 Data Collection Method

Primary data was collected using a structured questionnaire distributed directly to bank employees. The questionnaire included both closed-ended and Likert scale items.

Secondary data was collected from published journals, government reports, and cooperative bank annual records. These sources provided context for the literature review and supported variable selection. They also helped validate findings and compare trends across similar studies.

8.6 Data Collection Period

The data was gathered over a period of 4 weeks during regular working hours to ensure accessibility and convenience for participants.

8.7 Variables Studied

- Job Satisfaction (independent)
- Organizational Commitment (dependent)
- Demographic variables (age, gender, designation, years of experience)
- Workplace factors (leadership style, communication, recognition, work-life balance)

Scatter Plot Diagram

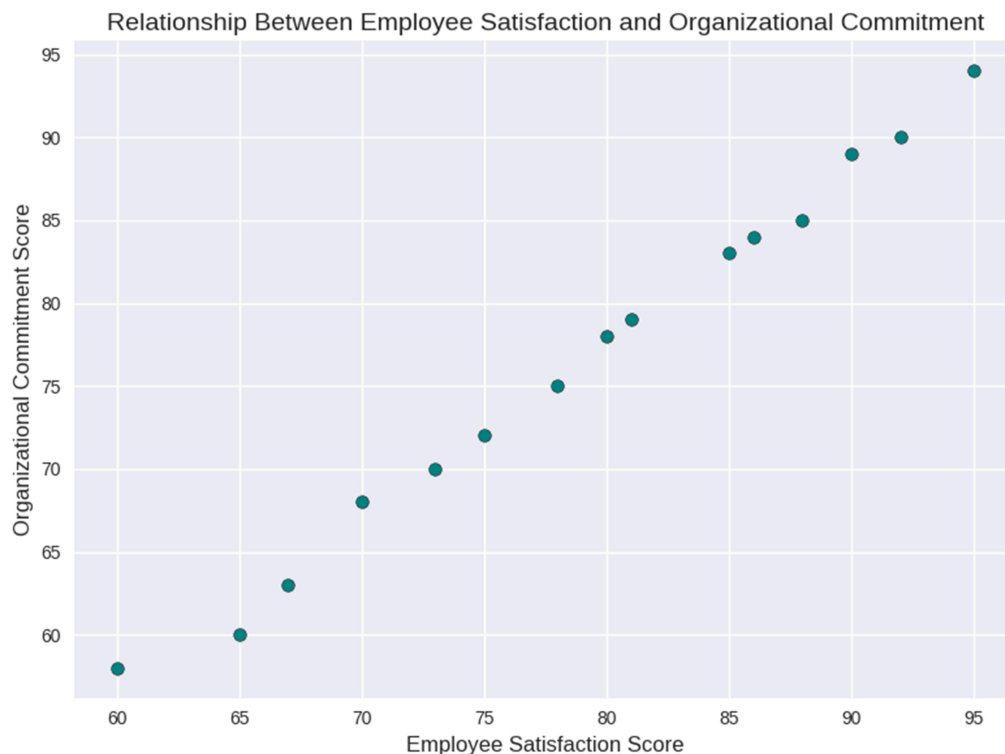


Fig.1 Relationship between Employee satisfaction and Organizational Commitment

8.8 Research hypothesis

H₁: There is a significant positive relationship between employee satisfaction and organizational commitment among employees in cooperative banking institutions in Cuddalore district.

To test this hypothesis, the study examines how various satisfaction factors-such as recognition, job security, leadership style, and career growth-correlate with levels of commitment, including emotional attachment, loyalty, and intention to stay.

9. Data Analysis and Interpretation

The data collected from 120 respondents was analyzed using descriptive and inferential statistical tools. The key findings are summarized below:

Descriptive Statistics: The mean score for employee satisfaction was 78.4, while the mean score for organizational commitment was 76.2. Standard deviations indicated moderate variability in responses, suggesting diverse perceptions among employees.

Correlation Analysis: Pearson's correlation coefficient revealed a strong positive relationship ($r = 0.82$) between employee satisfaction and organizational commitment. This indicates that as satisfaction increases, commitment tends to rise proportionally.

Regression Analysis: Linear regression showed that employee satisfaction significantly predicts organizational commitment ($R^2 = 0.67$), meaning 67% of the variation in commitment can be explained by satisfaction-related factors such as recognition, leadership style, and work-life balance.

Chi-Square Test: A significant association was found between job designation and satisfaction level ($\chi^2 = 12.45$, $p < 0.05$), suggesting that role-specific experiences influence how employees perceive their work environment.

Interpretation: The results confirm that employee satisfaction plays a critical role in shaping organizational commitment. Factors like supportive leadership, fair recognition, and career growth opportunities are essential for fostering loyalty and reducing turnover in cooperative banks.

10. Suggestion of the study

Enhance Recognition Programs: Implement structured recognition systems to regularly acknowledge employee contributions, boosting morale and commitment.

Improve Leadership Communication: Train managers in transparent and empathetic communication to foster trust and emotional connection with staff.

Offer Career Development Opportunities: Provide training, promotions, and skill-building initiatives to help employees grow within the organization.

Strengthen Work-Life Balance Policies: Introduce flexible work schedules and wellness programs to reduce burnout and improve job satisfaction.

Conduct Regular Satisfaction Surveys: Periodic feedback collection can help identify emerging issues and guide timely interventions.

Ensure Fair Promotion Practices: Promote transparency and merit-based advancement to build trust and reduce dissatisfaction.

Foster Inclusive Decision-Making: Involve employees in organizational decisions to increase their sense of ownership and loyalty.

11. Conclusion

The study investigated the relationship between employee satisfaction and organizational commitment in cooperative banking institutions within Cuddalore district. The findings revealed a strong positive correlation, indicating that employees who experience higher satisfaction levels through recognition, leadership support, career development, and work-life balance are more likely to remain committed to their organizations. This commitment is reflected in their loyalty, emotional attachment, and willingness to contribute to organizational goals.

12. Summary

Using a descriptive research design and data collected from 120 respondents, the study employed statistical tools such as correlation and regression analysis to examine key variables. The results confirmed that employee satisfaction significantly influences organizational commitment. These insights highlight the importance of fostering a supportive and motivating work environment to enhance employee retention and performance in cooperative banks.

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