

Project Report

On

**“Compensation Comparison of Private and Public Sector Bank
in Gautam Budh Nagar”**

(A Report submitted in partial fulfillment of the requirement for the
Degree of Bachelor of commerce in Galgotias University,
Greater Noida)

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Declaration

I, **Sumit Bansal** hereby declare that the Project Work titled “**Compensation Comparison of Private and Public Sector Bank in Gautam Budh Nagar.**” is the original work done by me and submitted to the Galgotias University in partial fulfillment of requirements for the award of Bachelors of Commerce. This is a record of original work done by me under the supervision of **Dr. Nitin Huria** in **School of Finance & Commerce**.

Admission No. 16GSFC101093

Acknowledgement

I would like to express my special thanks and gratitude to my Mentor “**Dr. Nitin Huria**” as well as our Dean who gave me the golden opportunity to do this wonderful project on the topic “**Compensation Comparison of private and public sector bank in Gautam Budh Nagar**” which also helped me in doing a lot of research & I came to know about so many new things. I am really thankful to them.

Secondly, I would also like to thank my parents and friends who helped me a lot in finalizing this project within the limited time frame.

Certificate of the Guide

This is to certify that the Project Work titled “compensation comparison of private and public sector bank in gautam budh nagar” is a bonafide work of Mr. Sumit Bansal admission No. 16GSFC101093 and is carried out in a partial fulfillment for the award of degree of B.com(hons.) VI sem. of Galgotias University under my guidance. This projection work is original and not submitted earlier for the award of any degree/diploma or associateship of any other University/ Institution.

Signature of the Guide

Office/Guide’s seal

Dr. Nitin Huria

Place:

Date:

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EXECUTIVE SUMMARY

There are two sorts of bank in any monetary condition .One is private bank and open bank .In a nation's planned the two plays a significant role.Private Banks essentially work for benefit ,then again benefit isn't the main thing that open bank consider.Beside benefit they think for the government assistance of the residents Public bank additionally assumes a significant job in controlling the financial arrangement of a nation.

This examination was done on the pay correlation among private and open area banks. This investigation will examine the remuneration offered by the private and open part banks.

INTRODUCTION

“Banking in India, in the cutting edge sense, began in the most recent many years of the eighteenth century. Among the main banks were the Bank of Hindostan, which was set up in 1770 and exchanged in 1829–32; and the General Bank of India, set up in 1786 yet bombed in 1791.

The biggest bank, and the most seasoned still in presence, is the State Bank of India (S.B.I). It began as the Bank of Calcutta in June 1806. In 1809, it was renamed as the Bank of Bengal. This was one of the three banks supported by an administration government, the other two were the Bank of Bombay and the Bank of Madras. The three banks were converged in 1921 to shape the Imperial Bank of India, which upon India's freedom, turned into the State Bank of India in 1955. For a long time the administration banks had gone about as semi national banks, as did their replacements, until the Reserve Bank of India was built up in 1935, under the Reserve Bank of India Act, 1934. “

“In 1960, the State Banks of India was given control of eight state-related banks under the State Bank of India (Subsidiary Banks) Act, 1959. These are currently called its partner banks. In 1969 the Indian government nationalized 14 significant private banks. In 1980, 6 progressively private banks were nationalised] These Nationalised banks are most of loan specialists in the Indian economy. They overwhelm the financial division as a result of their enormous size and far reaching systems.”

“The Indian financial part is extensively grouped into booked banks and non-planned banks. The booked banks are those included under the second Schedule of the Reserve Bank of India Act, 1934. The planned banks are additionally grouped into: nationalized banks; State Bank of India and its partners; Regional Rural Banks (RRBs); remote banks; and other Indian private division banks. The term business banks alludes to both booked and non-planned business banks controlled under the Banking Regulation Act, 1949.”

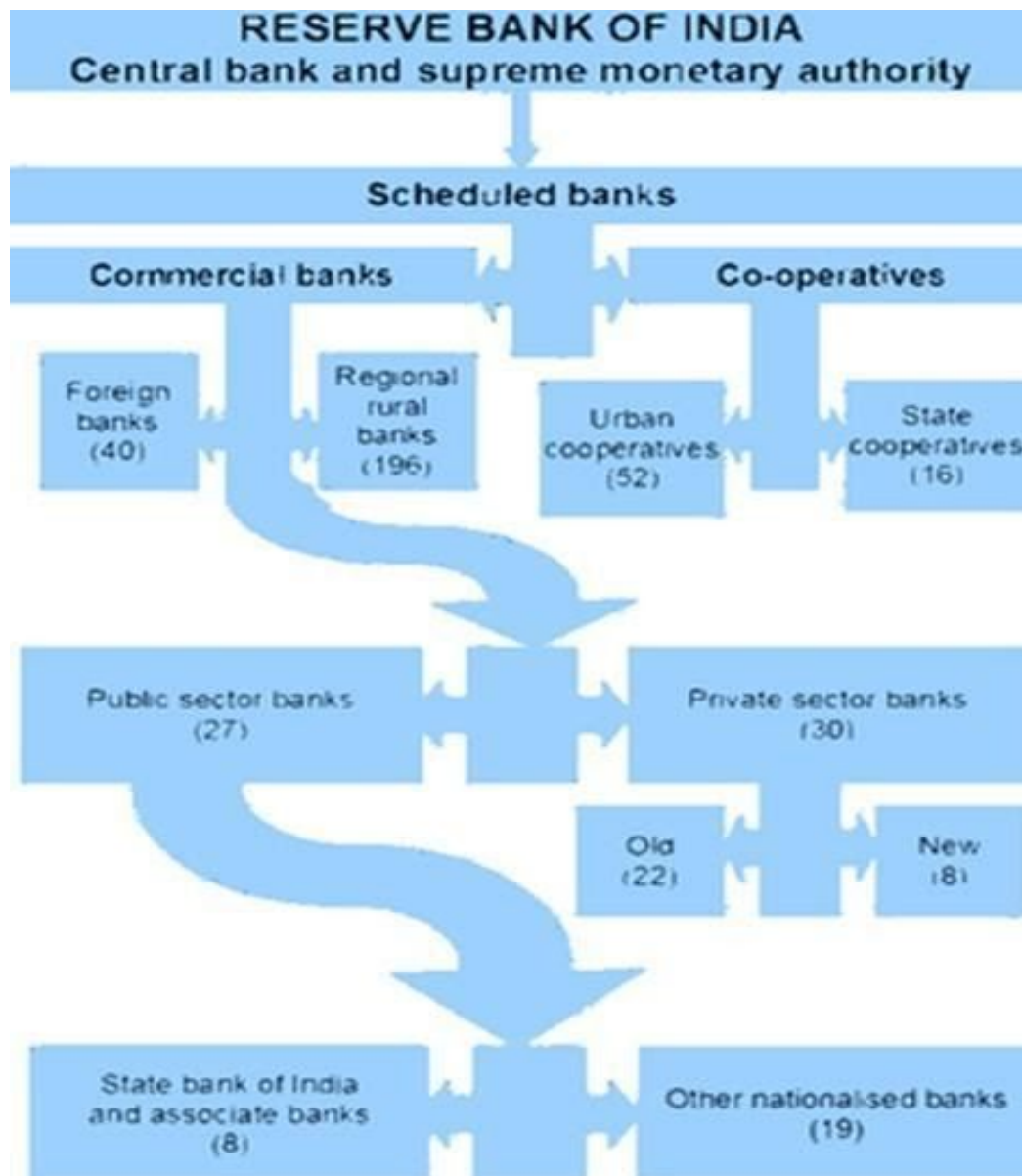
“By and large banking in India is genuinely full grown as far as flexibly, item range and reach-despite the fact that reach in rustic India and to the poor despite everything stays a test. The administration has created activities to address this through the State Bank of India growing its branch arrange and through the National Bank for Agriculture and Rural Development (NABARD) with offices like microfinance.”

DEFINITION OF BANK:

“An establishment for the custody of money, which it pays out, on a customer’s order.”

RESERVE BANK OF INDIA

“The RBI is India’s central banking institution, under which every transaction is monitored. Its foremost role is to regulate the issues of Bank Notes and ,keeping of reserves with a view to securing monetary stability in india. It is the Bank to banks. All commercial banks .i.e. Public sector and Private sector banks operate under RBI”



COMPENSATION: THE CONCEPT

Meaning of compensation: “ Compensation may be viewed as a system of reward that motivates an employee to perform better.”

“The term pay is utilized to mean representatives' gross profit as monetary rewards and advantages as a feature of business relationships. As far as human asset the executives, remuneration is alluded to as cash and different advantages got by a representative for offering types of assistance to his manager. Pay the executives, otherwise called pay and pay organization, compensation the executives, or prize administration, is worried about planning and actualizing the absolute remuneration bundle or pay structure.”

Remuneration may likewise be seen as

- An arrangement of remunerations that inspires representatives to play out the relegated task,
- An apparatus utilized by associations to cultivate the qualities, culture and the conduct they require, and
- An instrument that empowers associations to accomplish their business objectives.

DEFINITION

"Compensation means something, such as money, given or received as payment or reparation, as for a service or loss. Compensation may be defined as money received in the performance of work, plus the many kinds of benefits and services that organizations provide their employees."

"Compensation includes direct cash payments, indirect payments in the form of employee benefits and incentives to motivate employees to strive for higher levels of productivity"

- Cascio

"Compensation is the remuneration received by an employee in return of his\her contribution to the organization. It involves balancing the work employee relation by providing financial and non- financial benefits or incentives to employees."

TYPES OF COMPENSATION

DIRECT COMPENSATION

INDIRECT COMPENSATION

DIRECT COMPENSATION

“Direct compensation refers to monetary benefits offered and provided to employees in return of the services they provide to the organization. The monetary benefits include basic salary, house rent allowance, conveyance, leave travel allowance, medical reimbursements, special allowances, bonus, Pf/Gratuity, etc. They are given at a regular interval at a definite time.”

BASIC SALARY

“Salary is the amount received by the employee in lieu of the work done by him/her for ascertain period say a day, a week, a month, etc. It is the money an employee receives from his/her employer by rendering his/her services.”

HOUSE RENT ALLOWANCE

“Organizations either provide accommodations to its employees who are from different state or country or they provide house rent allowances to its employees. This is done to provide them social security and motivate them to work.”

CONVEYANCE

“Organizations provide for cab facilities to their employees. Few organizations also provide vehicles and petrol allowances to their employees to motivate them.”

LEAVE TRAVEL ALLOWANCE

“These allowances are provided to retain the best talent in the organization. The employees are given allowances to visit any place they wish with their families. The allowances are scaled as per the position of employee in the organization.”

MEDICAL REIMBURSEMENT

“Organizations also look after the health conditions of their employees. The employees are provided with medi-claims for them and their family members. These medi-claims include

health-insurances and treatment bills reimburseme”

BONUS

“Bonus is paid to the employees during festive seasons to motivate them and provide them the social security. The bonus amount usually amounts to one month’s salary of the employee.”

SPECIAL ALLOWANCE

“Special allowance such as overtime, mobile allowances, meals, commissions, travel expenses, reduced interest loans; insurance, club memberships, etc are provided to employees to provide them social security and motivate them which improve the organizational productivity”

INDIRECT COMPENSATION

“Indirect compensation refers to non-monetary benefits offered and provided to employees in services provided by them to the organization. They include Leave Policy, Overtime Policy, Car policy, Hospitalization, Insurance, Leave travel Assistance Limits, Retirement Benefits, Holiday Homes.”

LEAVE POLICY

“It is the right of employee to get adequate number of leave while working with the organization. The organizations provide for paid leaves such as, casual leaves, medical leaves (sick leave), and maternity leaves, statutory pay, etc.”

OVERTIME POLICY

“Employees should be provided with the adequate allowances and facilities during their overtime, if they happened to do so, such as transport facilities, overtime pay, etc.”

HOSPITALIZATION

“The employees should be provided allowances to get their regular check-ups, say at an interval of one year. Even their dependents should be eligible for the medi-claims that provide them emotional and social security”.

INSURANCE

“Organizations also provide for accidental insurance and life insurance for employees. This gives them the emotional security and they feel themselves valued in the organization.”

LEAVE TRAVEL

“The employees are provided with leaves and travel allowances to go for holiday with their families. Some organizations arrange for a tour for the employees of the organization. This is usually done to make the employees stress free.”

RETIREMENT BENEFITS

“Organizations provide for pension plans and other benefits for their employees which benefits them after they retire from the organization at the prescribed age.”

HOLIDAY HOMES

“Organizations provide holiday homes and guest houses for their employees at different locations. These holiday homes are usually located in hill stations and other most wanted holiday spots. The organizations make sure that the employees do not face any kind of difficulties during their stay in the guest house.”

FLEXIBLE TIMINGS

“Organizations provide for flexible timings to the employees who cannot come to work during normal shifts due to their personal problems and valid reason.”

NEED FOR COMPENSATION MANAGEMENT

“The fundamental need of pay for the executives is to address the issues of the two workers and the business. The businesses need to pay as meager as conceivable to minimize their expenses. Workers need to get as high as could be expected under the circumstances. The pay the board attempts to offset between these two with following explicit needs:”

- Pulling in and Retaining Personnel: From the association's perspective, each association needs new ability and aptitude from outside ,for this reason the board targets drawing in and holding the right work force at opportune spots in the association from time to time.
- Inspiring Personnel: Compensation the board targets rousing work force for higher efficiency. Pay the executives can be intended to inspire individuals through money related remuneration.
- Advancing Cost of Compensation: Compensation the board targets Optimizing cost of pay by setting up connection execution with remuneration.
- Consistency in Compensation: Compensation the board attempts to accomplish consistency-both inward and outside in repaying workers. Inner consistency includes installment based on criticality of occupations and workers' exhibition on employments. Outside consistency includes comparable pay for an occupation in all associations.

OBJECTIVES OF THE STUDY

This has been led in light of an assortment of significant targets. The accompanying gives us the central target that have attempted to accomplish through the examination .The degree to which these goal have been met could decided from the end and proposals which shows up in the later of this investigation;

1. To discover the financial part generally favored by the workers.
2. To discover the elements which impact the representatives to pick a bank.
3. To discover the pay helps in-
 - Drawing in and holding faculty
 - To increment or keep up spirit .
 - To decide fundamental pay and pay.
 - To compensation for their exhibition

IDBI Bank

Manager	Rs 6 lakh – Rs 10 lakh
Senior Manager	Rs 7 lakh – Rs 12 lakh
Officer	Rs 2.5 lakh – Rs 5 lakh
Management Trainee	Rs 4.5 lakh – Rs 5.5 lakh

Punjab National Bank

Officer	Rs 2.5 lakh – Rs 3.5 lakh
Manager	Rs 7 lakh – Rs 8 lakh
Marketing Officer	Rs 3 lakh – Rs 4 lakh

SALARIES OF POPULAR PRIVATE SECTOR BANKS:

ICICI Bank

Assistant Branch Manager	Rs 2.5 lakh – Rs 5.5 lakh
Branch Manager	Rs 3.5 lakh – Rs 12 lakh
Credit Analyst	Rs 2.5 lakh – Rs 13 lakh
Client Relationship Manager	Rs 2 lakh – Rs 9 lakh
Customer Service Manager	Rs 2 lakh – Rs 9 lakh

HDFC Bank

Bank Manager	Rs 3.5 lakh – Rs 15 lakh
Assistant Branch Manager	Rs 3 lakh – Rs 8 lakh
Relationship Manager	Rs 4 lakh – Rs 14 lakh
Sales Executive	Rs 1 lakh – Rs 4 lakh

HDFC Bank

Bank Manager	Rs 3.5 lakh – Rs 15 lakh
Assistant Branch Manager	Rs 3 lakh – Rs 8 lakh
Relationship Manager	Rs 4 lakh – Rs 14 lakh
Sales Executive	Rs 1 lakh – Rs 4 lakh

Personal Banker	Rs 2 lakh – Rs 5 lakh
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Yes Bank

Branch Manager	Rs 5 lakh – Rs 12.5 lakh
Assistant Branch Manager	Rs 3 lakh – Rs 5 lakh
Relationship Manager	Rs 8.5 lakh – Rs 9 lakh
Vice President	Rs 24 lakh – Rs 27 lakh

Axis Bank

Branch Manager	Rs 24 lakh – Rs 27 lakh
Assistant Branch Manager	Rs 3 lakh – Rs 5 lakh
Project Advisory	Rs 10 lakh – Rs 12 lakh
Assistant Vice President	Rs 24 lakh – Rs 26.5 lakh
Management Trainee	Rs 2.5 lakh – Rs 3.5 lakh

STRUCTURE of SALARY

:

“The basic pay for PO is same irrespective of the city of appointment. It is **INR 23700** w.e.f. from June 1 2015. There are a number of additional allowances making the Gross Annual CTC around INR 5,50,000 Per Annum on the lower side and INR 9,50,000 Lakh Per Annum on the higher end.”

“Basic Pay: The basic pay for clerk is same irrespective of the city of appointment. It is **INR 11765** w.e.f. from June 1 2015. This excludes the additional allowances which make the Gross CTCT much higher.”

Post	Scale of Pay
Office Scale III (Officer in Middle Management Grade)	42020-1310(5)-48570-1460(2)-51490.
Officer Scale II (Officer in Middle Management Grade)	31705-1145(1)-32850-1310(10)-45950.
Officer Scale I (Officer in Junior Management)	23700-980(7)-30560-1145(2)-32850-1310(7)-42020.
Office Assistant(Multipurpose)	11765-655(3)-13730-815(3)-16175-980(4)-20095-1145(7)-28110-2120(1)-30230-1310(1)-31540.

RESEARCH METHODOLOGY

Research procedure composed requests structured and completed to give data to take care of the issue. Reality search is a craft of logical examination of a specific issue. "Research is the procedure of efficiently getting precise responses to huge and appropriate inquiries by the utilization of the logical techniques of social events and deciphering data".

a. Sample size

Test size is 70 information was broken down by studying representatives from various banks.

b. Sample plan

This part is done through talking about and examining with my venture guide and alluding to the subject in regards to this theme .It was an irregular inspecting.

c. Mode of examination

This strategies used to dissect the information are as per the following;

1. Interpret and examine the information and present in an appropriate way. 2. Uses of Microsoft exceed expectations for planning of diagram

d. Methods of information assortment ; Questionnaires

e. Tools of Data Analysis; Quantitative and Qualitative instruments

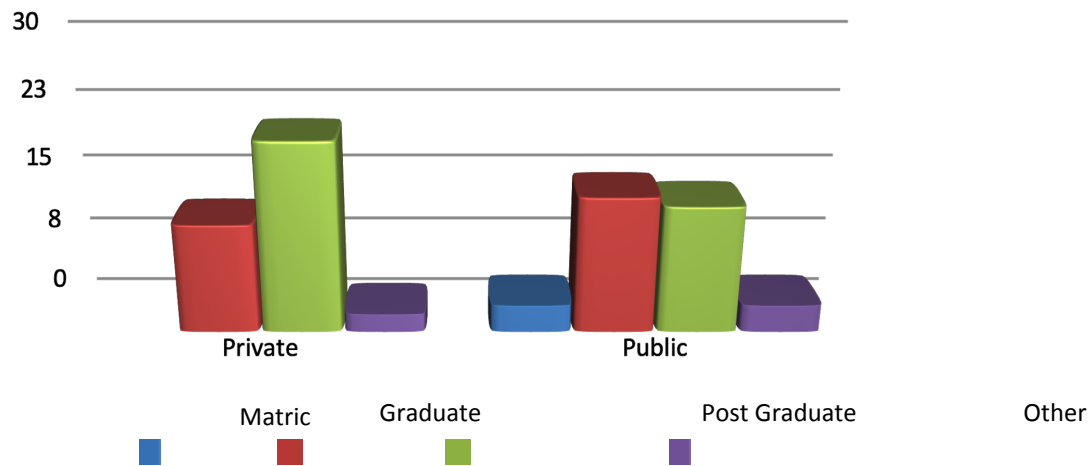
DATA ANALYSIS AND INTERPRETATION

COMPARISON OF COMPENSATION BETWEEN PRIVATE AND PUBLIC BANK

TO BE FILLED BY BANK EMPLOYEES

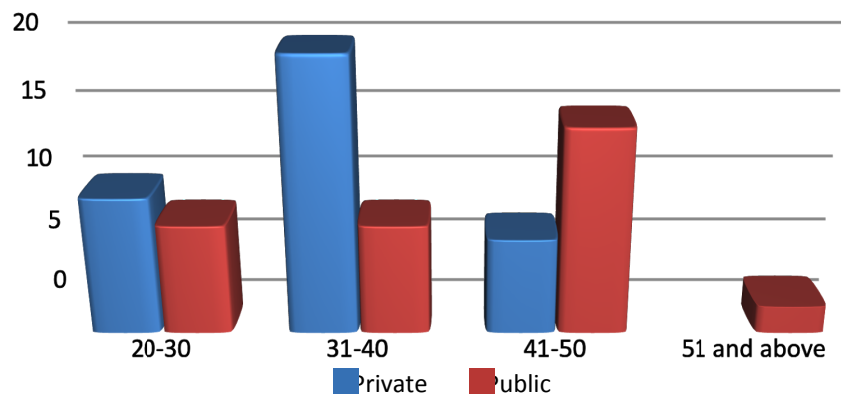
- Matric
- Graduate
- Post –graduate
- Other

Qualification



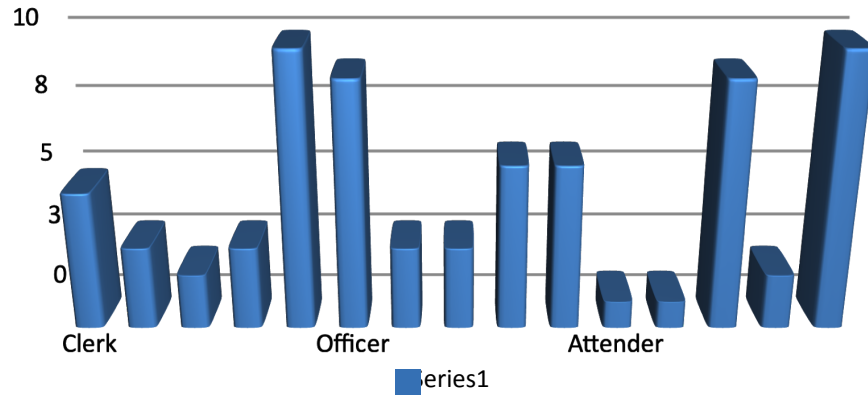
Understanding the study shows private banks search for capabilities of the competitor .so it could be on the higher side additionally they incline toward MBA grades.In open area the quantity of graduate up-and-comers is more.

Age Group



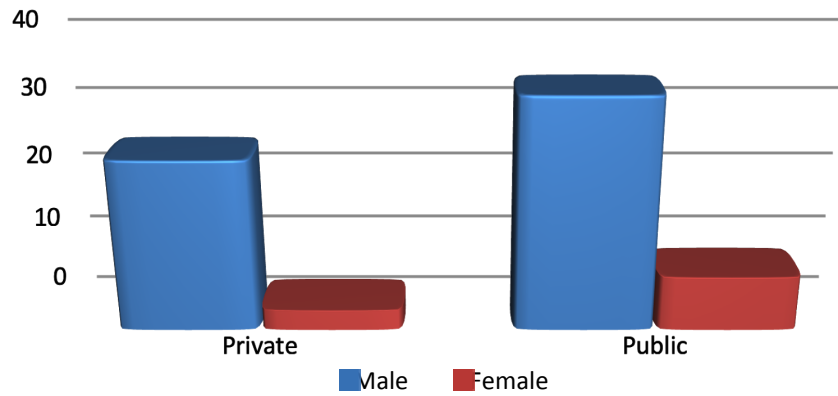
Translation from the above study is that the workers in open part banks are progressively experienced as contrast with private bank as the higher number of representatives fall in the class of 41

Post



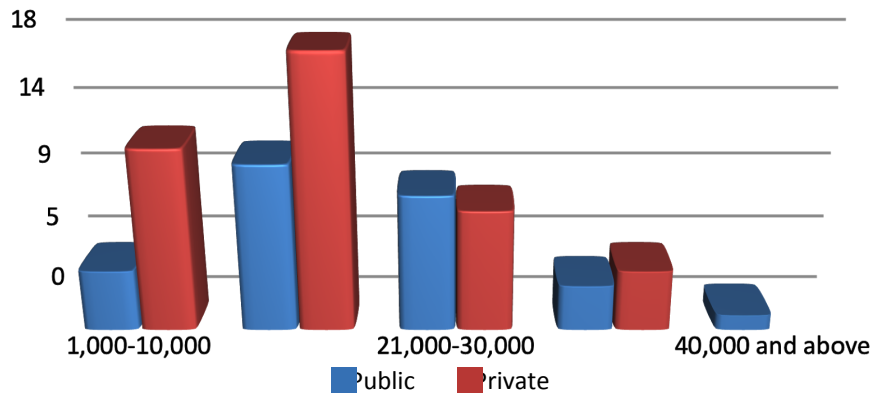
Understanding from the above review out of 70 workers the higher number of representatives fall in post level under right hand director ,officer,arm gatekeeper and individual financier.

Gender



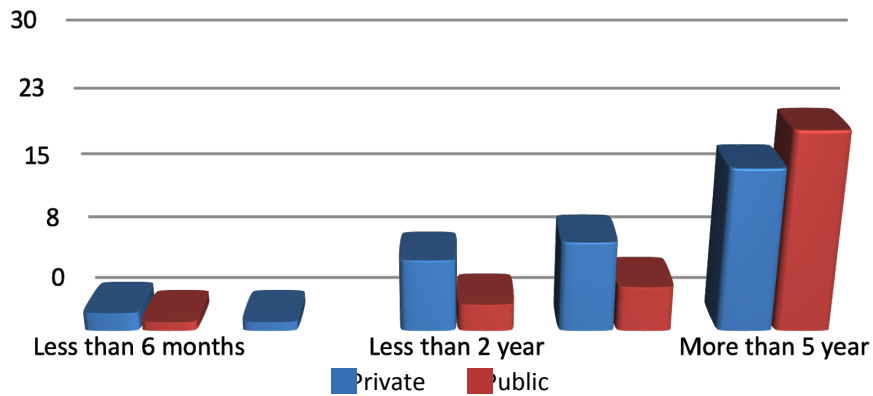
Translation from the above overview was that the female representatives were less in number when contrasted with male workers in this calling .The female representatives were more in open division bank as contrast with private area bank.

Base Pay



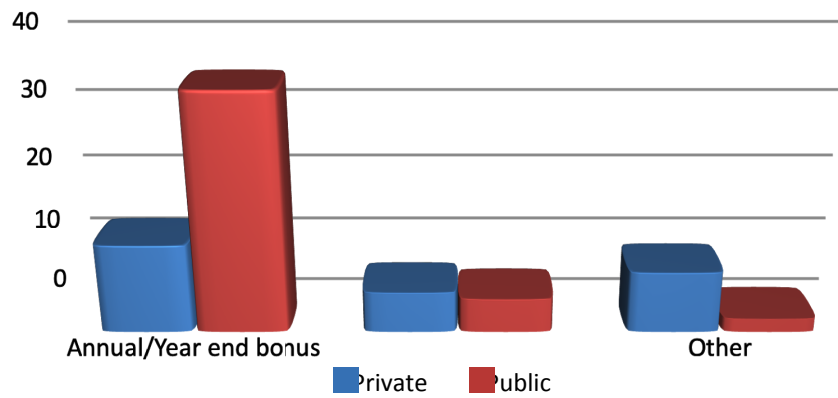
Interpretation from the above survey is that public sector banks the pay structure is fixed for different sectors and their would be increase in salary as their will be increase in the win of private sector banks over public sector banks as the base pay offered by private banks age per the age group was higher than that in public sector bank.

Work Duration



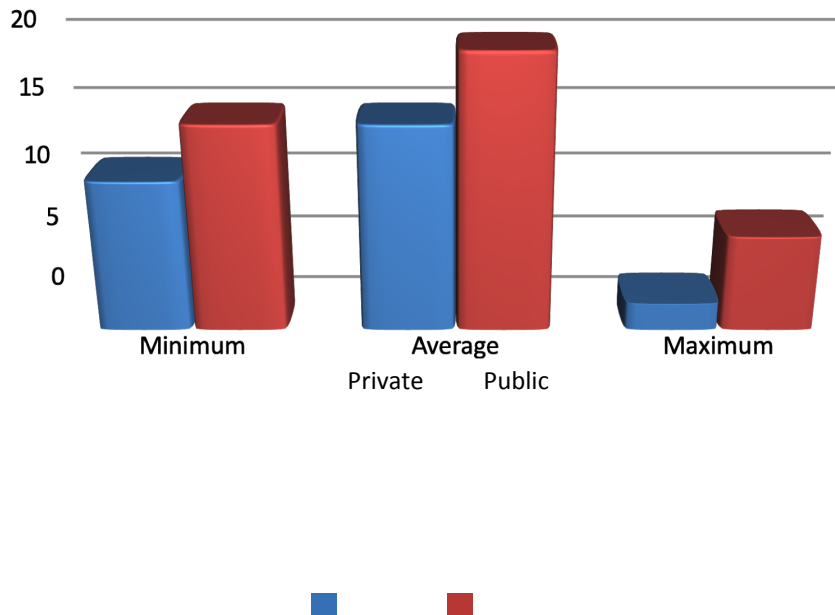
Interpretation as per the above survey is that the higher number of employees higher number of employees were fall under the category of more than 5 year of private sector bank graph it shows that the pubic sector is able to retain the employees .

Bonus



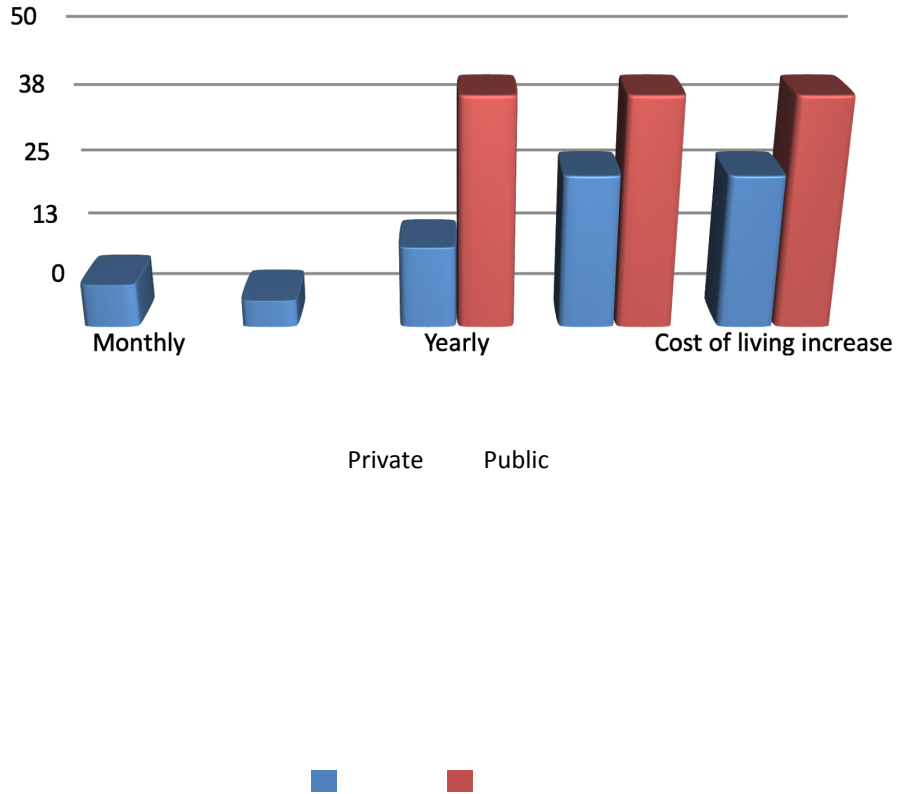
Interpretation as per the above survey public sector banks annually bonus were mostly preferred as compare to privatesector bank .Privatesector bank also prefer the annually based bonus as compared to other bonus plan.

Base Pay Structure



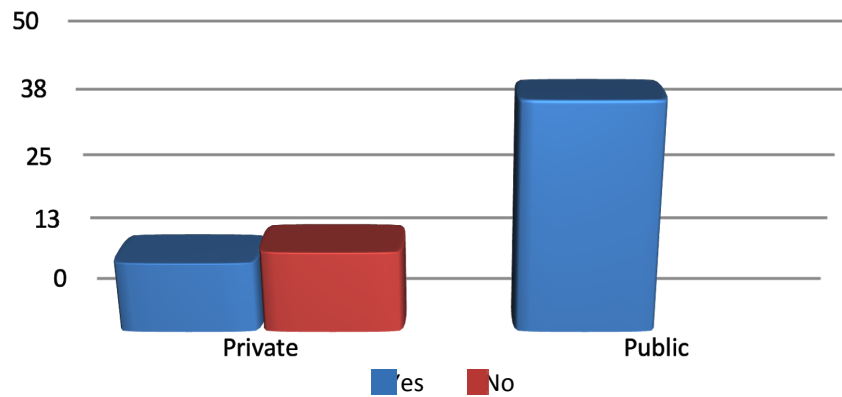
Interpretation from the above survey is that public sector feel there base pay structure was maximum pay structure include 26 employees average include 35 and maximum include 9 employees included employees were of both the sector private and public but large number of employees were fall under average pay structure.

Merit Review Process



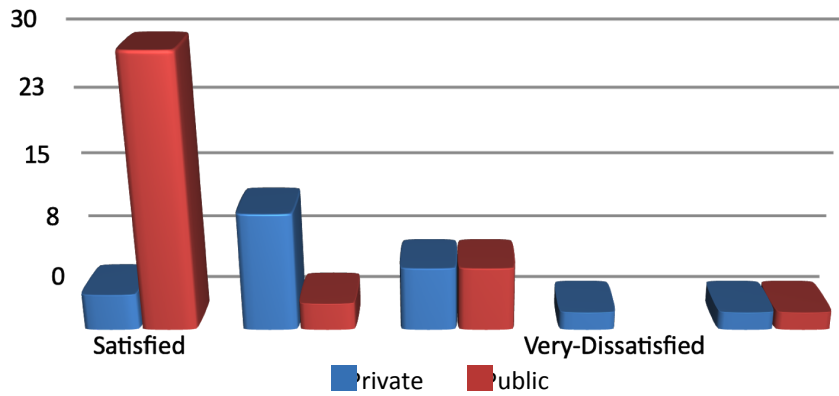
Interpretation as per the above survey is that employees reviewed yearly include more employees as compared to monthly or quarterly. Employees thought their banks provide them general increase and increase in cost of their living.

Job Security



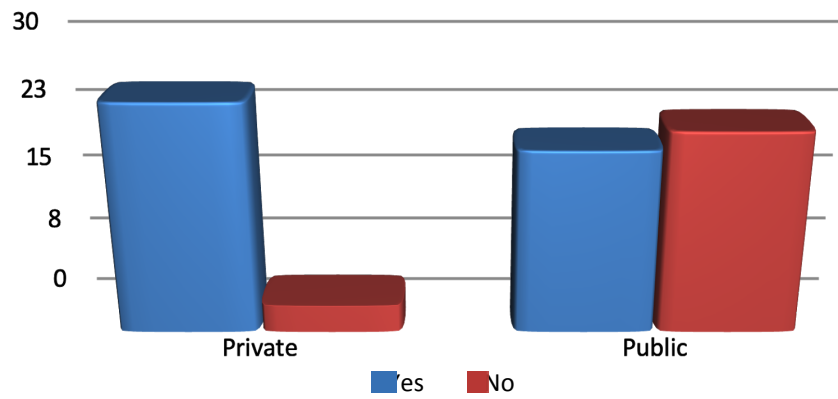
Interpretation as per the above survey is that large number of employees thought there is security of their job in their respective banks. public sector there is security of job and it is one of the reason because of which public sector is more preferred by employees against employees in private sector bank.

Salary Satisfaction



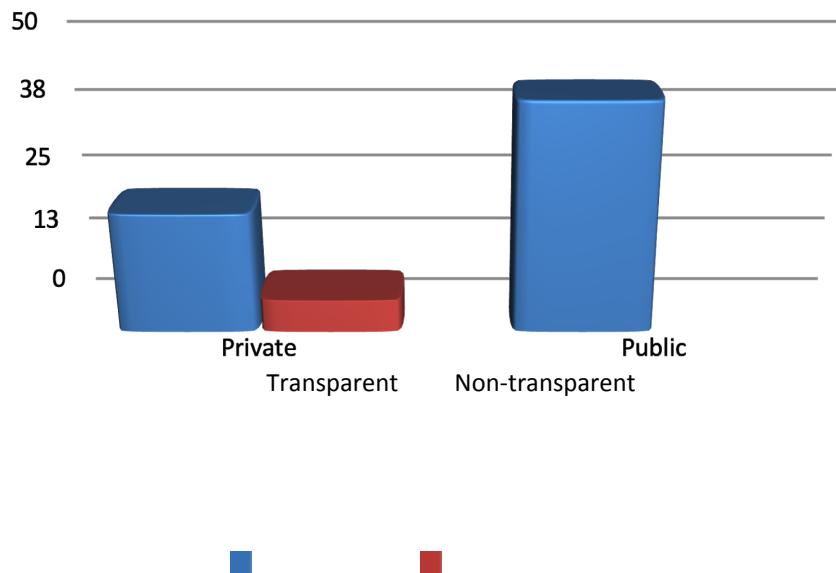
Translation according to the above review 45 representatives feel that their pay impacts there working conditions. Rest 25 workers imagine that pay doesn't affect their working conditions.

Compensation



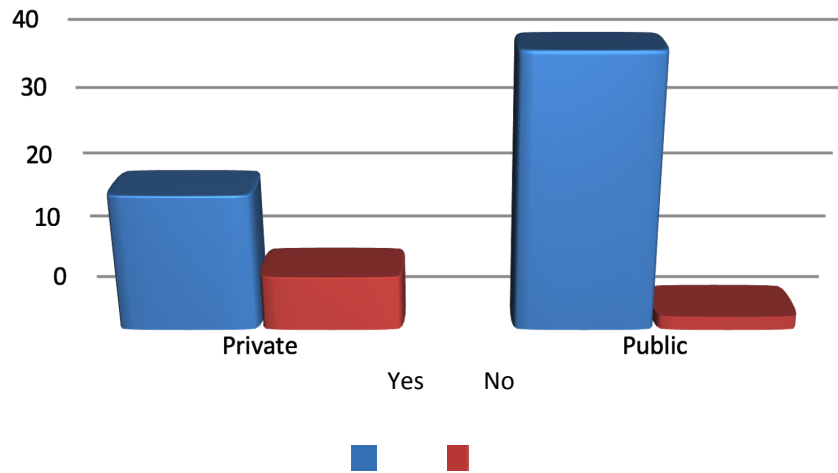
Translation according to the above review 45 representatives feel that their pay impacts there working conditions. Rest 25 workers imagine that pay doesn't affect their working conditions.

Professionalism



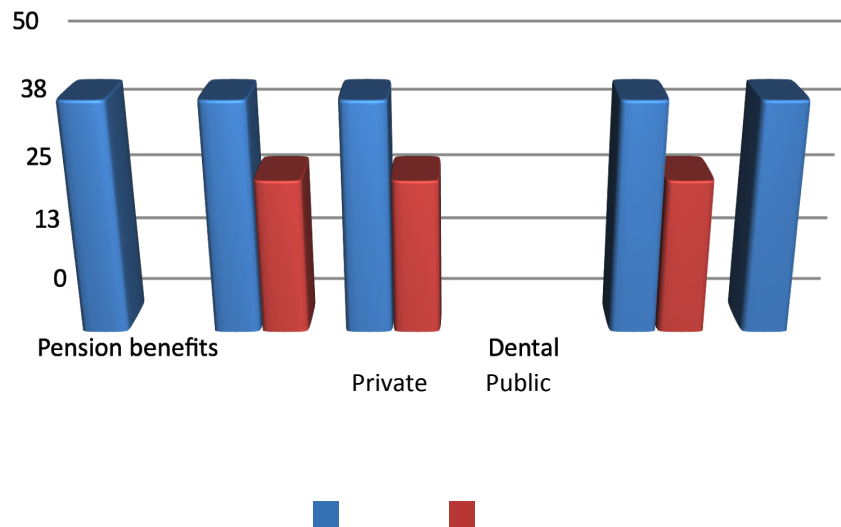
Interpretation as per the above survey is that 64 number of employees think that there relations with there colleagues were transparent and rest 6 employees think there relations are non-transparent with there colleagues .

Working Efficiency



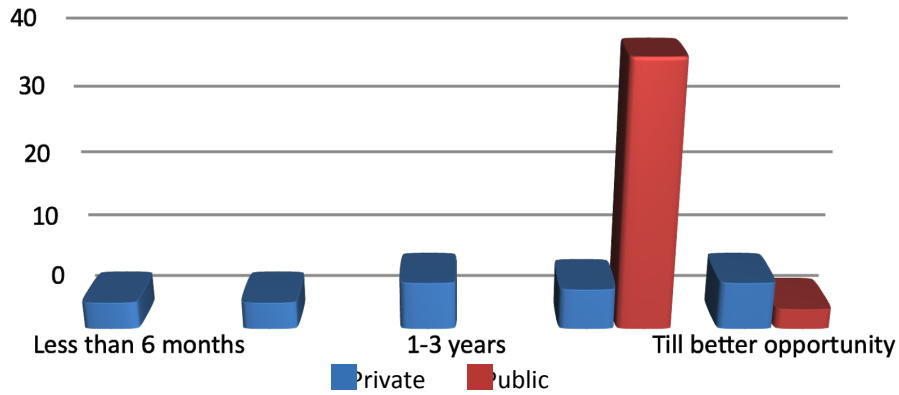
Translation from the above study is that 60 representatives believe that their working effectiveness is connected with their augmentation in compensation. And the rest 10 representatives imagine that their working proficiency is not connected with their addition in remuneration.

Employee Benefits



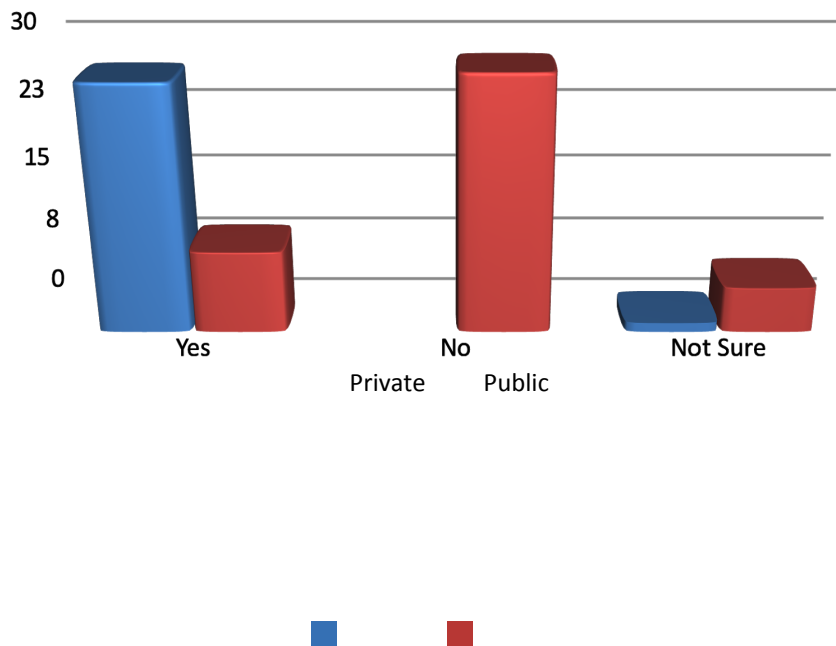
Understanding according to the above study is that the retirement benefits, medical and momentary handicap is permitted by the both private and the open area banks yet the annuity advantage and long haul incapacity is permitted by the open division bank. Pension advantage is one of the explanation because of which workers exceptionally pick open part.

Job Continuation



Translation according to the above study is that those representatives working in open area as they probably are aware open division offered less proportion of pay when contrasted with open segment banks after this additionally workers need to work in open part bank as far as might be feasible the explanation were the annuity advantages and security of employment in open segment bank.

Job Changing Options



Translation according to the above study is that representatives working in the open segment wouldn't like to pick the activity even the higher proportion of pay being offered to them this shows open segment banks ready to hold there representatives when contrasted with open area banks.

FINDINGS

- **Private banks search for capabilities, experience and information on the up-and-comer before fixing pay .So, it could be on the higher expertise besides they lean toward MBA grades.**
- **Employer stability Public bank**
- **Pay bundle Private banks**
- **Workers are increasingly happy with the Public bank in this piece of nation .The primary purpose behind their fulfillment is professional stability and annuity benefits.**
- **From the above investigation it can securely said that open part banks prevails upon private segment banks yet they additionally need to improve a ton.**

LIMITATIONS

A part of the respondents were reluctant to provide data.

The data provided by respondent may be one-sided in light of the fact that some of them probably won't be keen on giving right data.

authorities of the banks me a ton yet they didn't have adequate time to clear all the focuses extravagantly.

CONCLUSION

In India, there are numerous explanations behind which a bank work is viewed as perhaps the best business, and thus individuals from different instructive foundations and different premiums go after a bank position. reasons :

- Happy with working hrs.
- Extensive no of leaves.
- Great compensation bundles
- Simple credit availability and that too at low loan fees.
- Health advantages
- Retirement plans
- A sound and happy workplace.
- Extra remunerations on buy, travel, and training.

