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A Comparative Study on Financial Independence among Women Employees in Public Sector and Private Sector Banks.

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ABSTRACT:

This research explores the financial independence of women employees working in public and private sector banks, comparing the opportunities, challenges, and overall impact on their financial autonomy. With the growing participation of women in the banking industry, financial independence has become a crucial aspect of their empowerment and career growth. Public sector banks offer stability, job security, and structured career progression but may have slower financial growth. In contrast, private sector banks provide higher earning potential and faster promotions, yet come with higher job demands and less security. This study highlights key factors such as workplace policies, gender dynamics, career opportunities, and financial decision-making that influence women's financial independence in both sectors. By understanding these differences, the research aims to provide insights that can help in formulating policies and initiatives to enhance women's financial empowerment in banking, ultimately contributing to gender equality and economic progress.

Keywords: Financial Independence, women Employees, Private Sector Banks, Public Sector Banks, Job Security, Career Growth, Salary Disparity, Financial Literacy, Gender Equality.

Introduction:

The banking sector serves as the foundation of any economy, driving financial stability and economic growth. Over the years, it has become more inclusive, with a growing number of women joining the workforce. However, the extent of financial independence that women achieve in banking differs significantly based on whether they work in public or private sector banks. Public sector banks, backed by the government, offer a sense of stability through job security, structured career progression, and benefits like pensions. These factors provide women with financial security but often come at the cost of slower promotions and rigid work structures. In contrast, private sector banks operate in a fast-paced, performance-driven environment, offering higher salaries, quicker career growth, and merit-based incentives. While these benefits accelerate financial independence, they also come with job insecurity, higher work pressure, and intense competition. This study explores the financial independence of women employees in both sectors by examining key factors such as salary structures, career advancement, work-life balance, and leadership opportunities. Additionally, it sheds light on the challenges women face, including pay disparities, workplace pressure, and the persistent glass ceiling, all of which shape their ability to achieve true financial autonomy. Understanding these differences is crucial for designing policies that support women in banking. By addressing workplace challenges, fostering leadership opportunities, and promoting financial literacy, the industry can take meaningful steps toward gender equality and women’s economic empowerment.

Literature Review:

Financial independence plays a crucial role in women's empowerment, particularly in the banking sector, where structured career opportunities and financial stability are available. Several studies highlight the impact of financial independence on women's decision-making power, economic security, and societal status. According to research by Sharma (2023) emphasizes that financial independence among women is directly linked to job security, salary stability, and career growth. While public sector banks offer structured benefits such as pensions and maternity leave, they often have slower career progression. On the other hand, private sector banks provide higher salaries and faster promotions, but with increased job insecurity and stress.

A study by Chauhan (2023) found that job satisfaction plays a crucial role in financial independence. Women in public banks reported higher job satisfaction due to stability and work-life balance, whereas private bank employees faced challenges related to high workloads and competitive pressure
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Pandey (2023) sheds light on the importance of mentorship in achieving financial independence, revealing that mentorship programs in both public and private banks help women navigate career advancements, financial planning, and leadership development.

Bagar and Sijariya (2021) found that many working women prefer low-risk investments due to limited financial confidence, relying on family or advisors. This highlights the need for financial literacy programs to boost their investment independence.

Raj (2023) underscores how financial literacy programs, workplace policies, and gender-inclusive initiatives impact women's financial autonomy, demonstrating the need for a balanced approach to support women in their banking careers.

Research Gap:

Since a lot of study has been done on gender equality and financial independence in the banking industry, comparing the experiences of women working in public and private sector banks has received very little attention. Some research has looked at work-life balance, career advancement, and financial decision-making, but it frequently ignores the ways that workplace cultures, organizational policies, and cultural elements specifically influence women's financial independence in these two areas. The ways in which women's financial liberty is impacted differently in public vs private banks by access to financial literacy programs, advancement in jobs opportunities, and the adoption of digital banking tools have also received less attention. Reducing this gap is important for identifying possibilities and difficulties unique to the banking sector, which can help to create practices and policies that support women workers' financial independence.

Statement of Problem:

The financial independence of women employees in the banking sector is a key determinant of their economic empowerment and career progression. However, it is shaped by multiple workplace dynamics, institutional policies, and socio-economic factors. Public sector banks offer job security, structured career growth, and social benefits, yet they often present challenges such as slower promotions and rigid hierarchies. Conversely, private sector banks provide higher earning potential and faster career advancement but impose greater work pressure, performance-based retention policies, and job insecurity. Despite the growing participation of women in both sectors, persistent challenges such as wage disparities, limited access to leadership roles, and work-life balance struggles continue to hinder their full financial autonomy. This study aims to analyze and compare the key determinants of financial independence among women employees in public and private sector banks, identify the challenges they face, and suggest policy recommendations to enhance their financial empowerment and professional growth.

Objectives:

The primary Objective of this research is:

- To study the factor influencing women Employees Financial Independence in public and private sector banks.

Hypothesis:

- **Null Hypothesis (H_0):** There is no significant difference in the factors influencing financial independence among women workers in public and private sector banks.
- **Alternative Hypothesis (H_1):** There is a significant difference in the factors influencing financial independence among women workers in public and private sector banks.

Scope of the study:

This study aims to examine and compare the financial independence of women working in public and private sector banks. It explores how employment in these sectors impacts their financial stability, decision-making abilities, and overall financial control. By analyzing key factors that contribute to financial independence, the study also identifies challenges unique to each sector—such as job security, career progression, and workplace policies. The findings will provide valuable insights into how organizations can create supportive environments that enhance women's financial empowerment and foster equitable growth opportunities in the banking industry.

Research Methodology:

This study adopts a quantitative research approach to examine the factors influencing financial independence among women employees in the banking sector. Primary data was gathered through structured surveys and questionnaires administered to women working in both public and private sector banks. The responses were subjected to Factor Analysis to identify key determinants of financial independence, such as financial motivation, workplace opportunities, and financial literacy. Additionally, secondary data from scholarly articles, financial reports, and industry studies supplemented the primary data, providing a broader contextual understanding. This methodological framework ensures a data-driven analysis of financial independence, offering practical insights for policymakers, banking institutions, and researchers aiming to enhance financial empowerment among women in the banking industry.

Data analysis and Interpretation:

Table Showing Sampling Adequacy and Sphericity test

Sampling Adequacy and Sphericity test		**Value**
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.64
Bartlett's Test of Sphericity	Approx. Chi-Square	23.469
	df	10
	Sig.	.009

Table Showing Variable Communalities and extraction values

Variable Communalities and extraction values		
Variables	Initial value	Extraction value
Define financial independence	1.000	.655
Main factor motivating financial independence	1.000	.776
Factors contributing most to financial Independence	1.000	.768
Primary source of financial knowledge	1.000	.754
Workplace financial growth opportunities	1.000	.630

Table showing variance by extracted components

Explained variance by extracted components									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.403	28.060	28.060	1.403	28.060	28.060	1.240	24.804	24.804
2	1.154	23.072	51.132	1.154	23.072	51.132	1.180	23.610	48.414
3	1.026	20.514	71.646	1.026	20.514	71.646	1.162	23.232	71.646
4	.755	15.094	86.740						
5	.663	13.260	100.000						

Table Showing Unrotated Component loadings

Unrotated Component loadings			
Variable	Financial knowledge	Work place growth	Financial motivation
define financial independence	.758	-.280	.052
Main factor motivating financial independence	.394	.406	.675
Factors contributing most to financial Independence	-.510	-.056	.710
Primary source of financial knowledge	-.386	.740	-.240
Workplace financial growth opportunities	.514	.600	-.070

Table Showing Factors loading after rotation

Factors loading after rotation			
Variable	Financial knowledge and growth	Motivation and opportunities	Financial independence contributors
define financial independence	-.689	.252	-.342
Main factor motivating financial independence	-.111	.850	.206
Factors contributing most to financial Independence	.093	.104	.865
Primary source of financial knowledge	.850	.125	-.124
Workplace financial growth opportunities	.148	.607	-.489

Table Showing Component correlation and Transformation values

Component correlation and Transformation values			
Factor	**1**	**2**	**3**
1	-.617	.525	-.586
2	.746	.629	-.220
3	-.253	.573	.780

INTRERPRETATION:

The KMO value of 0.64 and a highly significant Bartlett’s Test ($p = 0.009$) confirm the dataset's suitability for factor analysis. The Communalities table shows strong representation of all variables, with the highest community (0.776) for motivation towards financial independence and the lowest (0.630) for workplace opportunities, still within the acceptable range.

Three key factors explain 71.65% of the total variance. Financial knowledge (28.06%), motivation and workplace growth (23.61%), and external financial support (23.23%) emerge as primary influences on financial independence among women employees in banks. The rotated component matrix enhances clarity, reinforcing that financial literacy, workplace incentives, and financial contributors are the major drivers.

Findings:

1. Financial Independence Factors: The study reveals that financial knowledge, motivation, and workplace growth are the three key factors influencing financial independence among women employees in banks. These factors explain 71.65% of the total variance.

2. Sector-Wise Differences: Women in public sector banks experience more job security, structured career progression, and financial stability, while private sector employees benefit from higher salaries and faster promotions but face greater job insecurity and stress.

3. Role of Financial Literacy: Financial literacy significantly impacts financial independence. Women with better financial knowledge tend to make informed financial decisions, enhancing their autonomy.

4. Workplace Opportunities: While workplace financial growth opportunities (like salary increments and incentives) contribute to independence, personal financial motivation plays a stronger role in driving autonomy.

5. Need for Digital Financial Tools: The study highlights the potential of digital finance (mobile banking and fintech apps) in supporting financial literacy and promoting financial independence, suggesting future research in this area.

Suggestions:

1. Enhance Financial Literacy Programs: Organizations and educational institutions should introduce structured financial literacy programs to improve individuals' financial decision-making abilities.

2. Encourage Self-Motivation and Goal Setting: Individuals should be encouraged to set financial goals and develop self-motivation strategies to strengthen financial independence.

3. Improve Workplace Financial Growth Opportunities: Employers should create better financial growth opportunities, such as salary increments, incentives, and investment education, to support employees' financial stability.

4. Balanced Approach to Financial Independence: A combination of workplace support and personal financial planning should be encouraged to ensure long-term financial autonomy.

5. Future Research on Digital Financial Tools: Further studies should explore how digital finance, such as mobile banking and fintech applications, can support financial independence and literacy.

Conclusion:

This study makes it clear that financial independence isn't just about the opportunities available at work it's deeply influenced by personal motivation and financial literacy. While having workplace support and growth opportunities is helpful, it's not the main factor that drives financial autonomy. Instead, the strongest influence comes from an individual's drive to achieve financial independence and their ability to manage money wisely. Financial literacy plays a huge role in this, equipping people with the knowledge they need to make informed decisions, save effectively, and secure their future. Given this, organizations should go beyond just offering financial benefits and focus on educating employees about financial management. Companies and educational institutions can introduce financial literacy programs that help individuals understand budgeting, investments, and long-term financial planning. Encouraging a culture of financial awareness can empower individuals to take control of their finances, rather than relying solely on workplace growth opportunities.

Looking ahead, technology is changing the way people manage money. Digital financial tools, such as mobile banking apps, fintech platforms, and AI-driven financial advisors, are making financial independence more accessible. Future research should explore how these tools can further support financial literacy and financial decision-making, helping individuals achieve greater stability and autonomy. In the end, financial independence is a mix of personal drive, knowledge, and external support. When people have the right mindset and the right tools, they can build a secure financial future, no matter their circumstances.

Limitation of the study:

- The study may include a limited number of participants.
- The data gathered from respondents might not be much accurate.
- The time frame for the research is restrictred to six months so a more detailed analysis might not be conducted.
- Data may be collected only from specific areas or cities, limiting generalization to other regions.

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