



## **Study On The Impact Of Human Resource Management Practices On Job Satisfaction Of Private And Public Sector Banks**

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### **ABSTRACT**

The purpose of this study is to investigate the impact of HR procedures on work satisfaction among private sector banking employees. A total of 85 respondents were gathered and examined from various private sector banks. HR procedures were discovered to have a strong link to job happiness. Other activities, such as training, performance appraisal, teamwork, and compensation, were also proven to improve job satisfaction. Employee participation, on the other hand, has no bearing on job satisfaction.

***Keywords: HRM, HR Practices, Job Satisfaction, Team Work, Appraisal***

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## 1. INTRODUCTION

Human Resources Management (HRM) has long been seen as a critical component of every organization, from its birth to its manpower planning, induction, training programme development, and promotion. In every specific field, the human resources department contributes to enhancing production and organizational goals throughout the long and short term in a changing environment, whether for the sake of survival or for long-term stability.

The importance of the human resources department to growth is enormous, and while a significant amount of work has been done in this particular area, much more has to be done.

The human resource department has the authority to manage and control personnel through the adoption and implementation of various approaches such as motivation, hiring, training, compensation schemes, and other aspects of the workforce management. The policies and practices of human resource management can have a significant impact on organizational success since work satisfaction is influenced by these policies and practices.

Job satisfaction, remuneration plans, corporate citizenship behavior, and performance appraisal are the most often discussed topics among employees inside an organization. Job satisfaction is defined as the sensation of being satisfied by the needs that each employee has in terms of physiological, psychological, and social esteem requirements. It is frequently associated with other elements such as motivation and work design since these aspects influence the level of happiness that an employee experiences at their place of employment. Satisfaction is inherent in nature and has a greater impact on a person than any other restraint in their life.

Due to the fact that job satisfaction is a significant component in achieving efficient and effective performance, it is the most monitored and evaluated restriction in the business. Because of the nature of human beings, employees are regarded as the most vulnerable component of an organization in terms of employee satisfaction levels.



Organizations place the greatest emphasis on the level of satisfaction experienced by their most important employees, who are considered to be the most valuable assets of the organization. Job satisfaction is a critical measure of how employees feel about their jobs and describes how much they are satisfied with their current position in the organization. It has also been shown that employee happiness is connected with an increase in the productivity of the organization.

The level of job satisfaction of an employee is critical to the success of a business enterprise. Human Resource Management Practices, according to numerous studies, have an impact on outcomes such as employee satisfaction, employee commitment, employee retention, employee presence, social climate between workers and management, employee involvement, employee trust, employee loyalty, and organizational fairness.

Job satisfaction, also known as employee satisfaction, is a measure of workers' contentment with their occupations, including whether they like their jobs or specific features or facets of their jobs, such as the nature of the work or the supervision they receive.

Affective (or emotional) and behavioral components of job satisfaction can be examined apart from cognitive (evaluative) components. In addition, job satisfaction assessments differ in the amount to which they reflect feelings about the job (affective job satisfaction) or thoughts about the job (cognitive job satisfaction), according to the research (cognitive job satisfaction).

## **OBJECTIVES OF THE STUDY**

The main objective of this study is to examine and analyze the impact of human resource management practices on the job satisfaction of private and public sector banking employees.

## **METHODOLOGY OF THE RESEARCH**

Aiming to evaluate and assess the impact of human resource management techniques on job satisfaction among private sector banking employees, the current study is an exploratory research project. To conduct this study, various private sector banking personnel in the Visakhapatnam metropolitan area were chosen as case studies. Executives, middle-level managers, and managers



from a variety of private banks are included in the sample units. In order to gather information about human resource management techniques for the study, 85 respondents were contacted. However, due to the hectic work schedules of bank employees and their involvement in a variety of activities, the number of respondents was limited to 70. The researcher use the interview approach to get the necessary information, which he or she then enters into an organized timetable.

### **Methodology**

For the purposes of this study, two approaches are being used. The first is the Qureshi and Ramay (2006) scale on human resource management techniques, which consists of 25 statements on topics such as training, teamwork, performance appraisal, compensation, and employee involvement. The second scale is the Singh (2001) job satisfaction scale, which consists of 20 statements. According to the findings, the reliability and validity of these instruments are within acceptable limits.

### **Specification of Model**

Multiple linear regression models have been applied to the data in order to further analyse the impact of human resource management techniques on work satisfaction. SPSS was used to conduct the analysis. The following is an illustration of the regression model:

$$JSit = \beta_0 + \beta_1 (T) + \beta_2 (P) + \beta_3 (TW) + \beta_4 (EP) + \beta_5 (C) + eit$$

While  $eit$  represents the residual error of regression in the preceding equation, in the previous equation,  $\beta_0$  represents a constant and While  $eit$  represents the residual error of regression in the preceding equation, in the previous equation,  $\beta_0$  represents a constant and  $\beta_i$  represents the regression coefficients of the explanatory variables.  $I$  represents the regression coefficients of the explanatory variables.

### **Dependent and Independent Variables**

The dependent variable in the regression model is the level of Job Satisfaction (JS) among employees of a private banking organization. The following independent variables are included in the model:



training (T), performance evaluation (P), teamwork (TW), employee participation (EP), and compensation (C).

### **Hypotheses**

The following null hypotheses have been proposed to investigate the impact of HRM practices on job satisfaction.

H01: There is no link between training and work happiness.

H02: Job happiness is unaffected by performance evaluations.

H03: Working in a team has no effect on job satisfaction.

H04: Participation by employees has no bearing on job satisfaction.

H05: There is no link between pay and job satisfaction.

### **DATA ANALYSIS AND INTERPRETATION**

All responders are satisfied to varying degrees with the training techniques, ranging from "minor extents" to "very great extents." On average, respondents are quite satisfied with the organization's training practices. All respondents are satisfied to varying degrees by the performance appraisal method, ranging from "moderately" to "very." On average, respondents are quite satisfied with the organization's performance appraisal system.

The training techniques and employee participation practices supplied by the Private Banks are only partially satisfactory to respondents. Respondents are satisfied "to a significant extent" with salary packages and other remuneration advantages, according to the most important factor compensation. Employees are generally satisfied with the HRM procedures given by Private Banks, as evidenced by the average value (3.46). Employees are satisfied to a significant extent, according to the mean value of job satisfaction.

**TABLE 1****Mean value and Standard Deviation of HRM Practices and Job Satisfaction.**

	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std.Deviation</b>
<b>Training</b>	70	2.00	5.00	4.02	0.78
<b>Performance</b>	70	3.00	5.00	4.00	0.53
<b>Team Work</b>	70	2.00	3.00	2.45	0.40
<b>Employee Participation</b>	70	1.00	5.00	2.80	1.15
<b>Compensation</b>	70	4.00	5.00	4.48	0.33
<b>Total HRM</b>	70			3.55	
<b>Job satisfaction</b>	70	3.00	5.00	4.34	0.51

To varying degrees, all respondents express pleasure with the training procedures, ranging from "minor extents" to "very significant extents." The majority of respondents are quite satisfied with the training procedures given by the organization on average. The performance rating method delivers satisfaction to all responders to varying degrees, ranging from "moderate extents" to "very high extents."

According to the responses, the performance appraisal system supplied by the business is largely satisfactory to the vast majority of respondents. Responses indicate that respondents are only somewhat pleased with the training techniques and employee participation practices provided by the Bank. The most important component in compensation revealed that respondents are "to a large extent" satisfied with their income packages and other remuneration advantages, according to the survey. The average score (3.46) indicated that the employees were extremely satisfied with the human resource management techniques provided by the bank. The mean value of job satisfaction revealed that the majority of employees are quite satisfied with their jobs.

### Regression Model Findings

For the purpose of determining whether or not there is a problem of multicollinearity, the simple correlation matrix among independent variables is examined and displayed in the table below (1).Cooper and Schindler (2003) asserted that when correlation values are 0.8 or more, there is a multicollinearity problem, according to their findings.

Table 2  
Correlation among HRM and Job Satisfaction

	<b>JS</b>	<b>T</b>	<b>P</b>	<b>T W</b>	<b>EP</b>	<b>C</b>
	<b>Job satisfa ction</b>	<b>Trai ning</b>	<b>Perform ance Apprais al</b>	<b>Te am W or k</b>	<b>Employ ee Particip ation</b>	<b>Compens ation</b>
J S	1.00					
T	0.281*	1.000				
P	0.097	- 0.046	1.000			
T W	0.764*	0.096	0.311*	1.0 00		
E P	-0.187	0.187	-0.203	- 0.2 08	1.000	
C	0.086	- 0.025	0.039	- 0.1 25	0.366*	1.000

\*Indicates correlation significant at level 5%

From the data in Table 1, it can be inferred that none of the variables related to human resource management methods have a high correlation or the existence of multicollinearity, which is greater than the typical rule of thumb of 80 percent. According to the findings of the correlation study, employee happiness is adversely connected with employee participation, although other human

resource management strategies such as training, performance appraisal, teamwork, and remuneration are positively correlated with job satisfaction.

### Results of Regression Analysis

**Table 3 Showing the Multiple Regressions.**

Explanatory Variables	Constant	T	P	TW	EP	C
Variables		Training	Performance Appraisal	Team Work	Employee Participation	Compensation
$\beta_i$	0.720 * (0.341)	0.153 * (0.012)	-0.182 (0.054)	0.890* (0.00)	-0.090* (0.048)	0.403* (0.008)
t-values	0.965	2.641	-1.994	8.259	-2.047	2.826
$R^2$	0.717					
	Adj. $R^2$ 0.677					
F-Test	18.31					
	Durbin Watson 2.168					

\*indicates significant at 5% level.

The coefficient effect ( $\beta_i$ ) is a predictor of each variable associated with human resource management methods. The results of the regression analysis indicate the following observations. The results of the regression analysis indicate the following observations.





1. According to the modified value of R<sup>2</sup>, 67.7 percent of the variability in employee job satisfaction may be explained by human resource management (HRM) practices (independent variables).
  2. The Durban Watson test result of 2.168 suggests that there is no serial correlation between the variables.
  3. An F-test value of 18.31 and p-values less than 5 percent for the data variables suggest that the regression model is extremely well fitted to the data. So, the null hypothesis (H<sub>0</sub>: There is no relationship between the explanatory variables and the dependent variables) is rejected.  
So, the null hypothesis (H<sub>0</sub>: There is no relationship between the explanatory variables and the dependent variables) is rejected.
  4. The findings of the regression show that, at the 5% level of significance, performance appraisal had no significant effect on work satisfaction.
  5. The regression coefficients of the other independent variables of human resource management techniques are statistically significant at the 5% level of significance, and they have a substantial impact on the job satisfaction of employees of private banking institutions.
- As illustrated in the preceding table, the findings of regression analysis can also be represented in the form of a regression equation based on the regression coefficients.

$$\text{Pit} = 0.720 + 0.153T - 0.182P + 0.890TW - 0.90EP + 0.403C$$

On the basis of the aforementioned equation, it can be concluded that Performance Appraisal (P) has a negative and insignificant impact on Job Satisfaction (JS), but Employee Participation (EP) has a negative and large impact on Job Satisfaction (JS), respectively (JS). The  $\beta_1$  p-value at the 5 percent level of significance is less than the t-value, which is 2.641, which is less than the p-value. As a result, H<sub>01</sub> is rejected.

As a result, H<sub>01</sub> is rejected. It follows that training has a major impact on job satisfaction in private banks. The  $\beta_2$  coefficient indicates that the Performance Appraisal (P) has a -18.2 percent influence on job satisfaction. However, at a 5% level of significance, these findings are not statistically significant in any way. t-value is -1.994, which is more than the p-value at the 5 percent threshold of



significance (t-value p-value). As a result, H02 is accepted, and it may be extrapolated that the Performance Appraisal has no major impact on job satisfaction as previously stated. Team Work (TW) is associated with higher levels of job satisfaction in human resource management methods. The  $\beta_3$  has an 89 percent influence on Job Satisfaction, the t-value is 82.59, and the p-value is less than 0.05 at the 5% significance level, hence the hypothesis H03 is rejected. Employee Participation (EP) has a negative and statistically significant impact on Job Satisfaction, according to the results of the regression analysis. In this case, the  $\beta_4$  coefficient has a 9 percent influence on Job Satisfaction, the t-value is -2.047, and the p-value is less than 0.05 at the 5 percent level of significance. As a result, H04 is rejected. Consequently, it has been discovered that employee participation has a considerable impact on job satisfaction in the instance of a private bank. In the sample employees' Job Satisfaction survey, the regression coefficient  $\beta_5$  (which measures compensation) has a 40% influence on their satisfaction. At the 5% level of significance, the t-value is 2.826 and the p-value is less than 0. As a result, H05 is ruled out.

## CONCLUSION

An attempt has been made in this study to explore and analyze the impact of human resource management methods on job satisfaction among private sector banking employees in Visakhapatnam City, and the results have been published. Job satisfaction was found to be significantly influenced by HRM practices such as training, performance appraisal, teamwork, and compensation in the current study, according to the estimated regression model, which was used to conduct the research. Employee participation, on the other hand, has no substantial impact on the level of job satisfaction among employees in the private sector in the city of Visakhapatnam. According to the findings of the study, private banks should develop new policies to increase employee participation at the middle and senior levels of the organization. In order to reach a high degree of job satisfaction, it is necessary to maintain other activities such as training, performance appraisals, teamwork, and compensation.



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