

IMPACT OF HRM PRACTICES ON EMPLOYEES' SATISFACTION IN BANKING SECTOR

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ABSTRACT

This research sheds light on the relationship HRM practices and employee satisfaction in the banking sector. It emphasizes the importance of strategic HRM practices to foster a satisfied and engaged workforce in the banking industry. Further research in this area can explore additional factors and their influence on employee satisfaction, providing further insights for the banking sector and contributing to the broader understanding of HRM practices and employee outcomes.

Key word: Employees satisfaction, HRM Practices.

Introduction

Many organizations nowadays are under pressure to increase their productivity and development. For this reason, several organizations regularly adopt new strategies and plans for growth. Most of the time, they change it quickly to provide their clients and consumers better services. This has increased the need for organizations to assess their practices, organizational aspirations and goals, performance targets, and metrics in addition to improving the way they offer their services. The efficiency and effectiveness of the organization depend on the HR department's management of the workforce. Although human resources are thought to be an organization's most significant asset, relatively few businesses can use them. Like an organization order to guarantee profit, Effective human resource development is a must for banks and other enterprises. There are several fast changes happening in the financial sector. because of technology advancement. The nature of banks' requirements for employees has evolved because of technological innovation, improving work performance. People are viewed as assets in an organization when they have the necessary knowledge, skills, and abilities. All organizations are composed of people, and people are what make them work. Organizations cannot survive without individuals. People gather, organize, and make use of the resources of men, material, and machines. The goals of an organization cannot be achieved by these resources alone.

Literature Review

Anis S Khasawneh, Yarmouk (2018) , the purpose of the study is to evaluate the efficiency of human resource management (HRM) and how it affects employee satisfaction in Jordan's banking industry. In order to evaluate study assumptions, a questionnaire was created and distributed to 540 personnel in Jordan's banking industry. Of them, 406 responses were received.

.P. Suresh, Dr.T.Narayana Reddy (2017), employee happiness is important for both the person and the company. The productivity of the company will rise as a result of increased employee happiness. The goal of the current study is to understand how HRM practices affect the banking industry.

Vikram Jeet Dr. Sayeeduzzafar2 (2014), organizations are confronting new obstacles in the acquisition and utilization of human resource in the modern era of a highly variable economic environment. Since they possess significant and in-demand skills, human resources are viewed as a source of long-term competitive advantage.

Md. Atiqur Rahman Sarker (2014), bangladesh's private commercial banking industry has recently experienced tremendous growth, drawing more prospective clients from the domestic market as a result of the country's rapid industrialization. Also, new private commercial banks are opening every five years. Nonetheless, this industry has difficulties in developing managerial effectiveness, one of which results in a high degree of competitiveness.

Yousef ALSAFADI1, Shadi ALTAHAT (2021), the purpose of this study is to examine how human resource management practices (HRMP) affect employee performance (EP). The study is completed by speculating on the effect of HRMP on EP, with the added assumption that this effect is moderated by work satisfaction. Due to the possible moderating influence, it may have on the predicted model; employee engagement is also taken into consideration.

Fatma Cherif (2020) , the goal of this study was to determine how employee job satisfaction and human resource management relate to organizational commitment in the Saudi Arabian banking industry. Job satisfaction among employees and organizational commitment were both positively connected with human resource management. On the other side, it was shown that organizational commitment and employee job satisfaction were positively associated. The two separate factors each contributed significantly. contributions to the organizational commitment forecast”.

Jayoti Vidyapeeth (2018), human resource planning is used by talent management, which is the central functional unit of a business, to improve the productive performance of personnel. There have been attempts made to retain, develop, recruit, and reward workers in order to include them in talent management and strategic workforce planning. Talent management may result in more. Instead of being a hiring procedure, measuring and reinforcing aptitude levels performance and employee happiness. .

Neethu S Gopinadh (2021), successful businesses are increasingly aware that performance is influenced by a variety of elements, but human resources are that without this crucial aspect, all other factors would be insignificant. Any organization's foundation is its human resources since without workers, it cannot function. Due to the fact that banks are founded on the performance of their workers, who in turn are correlated with the human resource practices their banks give for their expansion and development in this industry. Services are available”.

Omar Aburummana, Ahmad Salleha , Khatijah Omara and Mohammad Abadib(2019) , banks in Jordan are dealing with an employment dilemma as it has lately become evident that workers are quitting their positions in record numbers. Thus, this study investigated the effects of the HRM practices (compensation, performance appraisal, promotion, and training & development) on the likelihood of employee turnover and the mediation impact of career satisfaction. 394 workers working for 25 Jordanian banks participated in the poll.

Masoodul Hassan, Saad Hassan, Muhammad Farooq Ahmed Khan and Asghar Iqbal(2013) , one of the most significant difficulties facing the banking sector in the present competitive market is employee satisfaction and loyalty. Many studies have been done to identify factors that predict employee happiness, but they only looked at industrialized nations. Hence, the primary goal of the study is to determine the connection between three HR practices—compensation, empowerment, and assessment systems—and worker satisfaction and loyalty in Pakistan's publicly owned banks. Employee information from public banks that are owned by the government has been gathered for this reason.

Objective of the study

1. To analyse the effect of HRM practice on employee satisfaction.
2. To examine the impact of training and employee performance in banking sector.
3. To examine the impact of reward and employee performance in banking sector.

Limitations

This research study restricted in scope; this study is only limited to Karnataka only.

It was very difficult to researcher to reach personally to the bank employees and managers to collect information through personal interview.

Here the samples are less compared to another bank.

Research methodology

Type of Research: Empirical Research

Sample size: 102

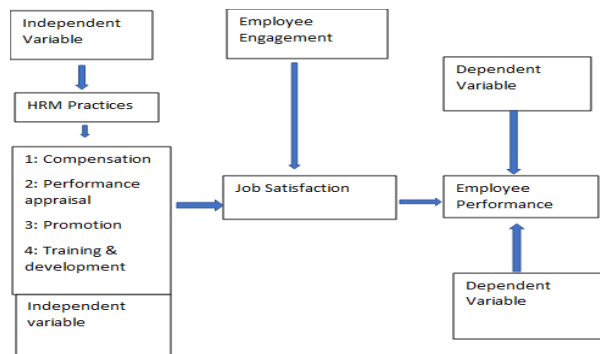
Data type: Primary data.

Tools and Techniques: Descriptive Research, Regression analysis, Correlation analysis

CONCEPTUAL FRAMEWORKS

Understanding the connection between human resource management (HRM) practices and employee satisfaction is necessary for the conceptual framework of the influence of HRM practices on employee satisfaction in the banking industry. It considers how different HRM procedures used by banks may affect workers' general job satisfaction, engagement, and well-being. HRM practices: This term refers to the variety of actions and plans performed by the human resources division of a bank to efficiently manage its staff.

Recruitment and selection, training and development, performance management, salary and benefits, work-life balance initiatives, and employee interactions are some prevalent HRM practices in the banking industry. The level of employee satisfaction in the banking industry reflects how satisfied employees are with their positions, working circumstances, and overall employment experiences. Several factors contribute to employee satisfaction factors such work atmosphere, possibilities for professional progress, employment stability, supervisor assistance, awards, and recognition.



DATA ANALYSIS AND INTERPRETATION

INFERENCE ANALYSIS

Ho: There is no significant relationship between HRM practices and employee's satisfaction in banking sector.

H1: There is a significant relationship between HRM practices and employee satisfaction in the banking sector.

Dependent variable: Employees' satisfaction Independent variable: HRM practice

Table showing the regression table of HRM practices on employee satisfaction

SUMMARY
OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.506738
R Square	0.256783
Adjusted R Square	0.210332
Standard Error	0.972087
Observations	103

ANOVA

	df	SS	MS	F	Significance F
Regression	6	31.34258399	5.223763998	5.528056536	5.91482E-05
Residual	96	90.71566844	0.94495488		
Total	102	122.0582524			

	Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Intercept	1.573977805	0.500668591	3.143751844	0.002219659	0.580158507	2.567797103	0.580158507	2.567797103
2	0.229114482	0.072632295	3.154443673	0.002147343	0.084940517	0.373288447	0.084940517	0.373288447
1	0.036823697	0.148666074	0.247694013	0.804900173	-0.258276129	0.331923522	-0.258276129	0.331923522
1	0.333071977	0.107283439	3.104598246	0.002504275	0.120116034	0.546027921	0.120116034	0.546027921
1	0.109357863	0.116000431	0.942736693	0.348182042	-0.339616899	0.120901173	-0.339616899	0.120901173
2	0.183361223	0.15634967	1.172763741	0.24379241	-0.493712865	0.126990418	-0.493712865	0.126990418
2	0.01125756	0.152829912	0.073660712	0.941433626	-0.292107418	0.314622538	-0.292107418	0.314622538

Interpretation:

From the above table it can be inferred that HRM procedures and employee satisfaction are significantly correlated with one another. since P value=0.02219 less than 0.05, H0 is rejected, and H1 is accepted at the 5% level of significance

The multiple correlation coefficient (R) for the regression model's independent variables and dependent variable is 0.5067, showing they have a somewhat positive linear connection.

R Square: The coefficient of determination (R²) is 0.2568, This demonstrates that the model's independent variables account for around 25.68% of the variation in the dependent variable. R² has been changed to 0.2103. To offer a more precise measurement of the goodness of fit, it considers both the sample size and the number of predictors. In this instance, it shows that, after accounting for the number of predictors and observations, 21.03% the independent factors can account for of the variation in the dependent variable.

Standard Error: The standard error (SE), which shows how far the dependent variable has generally deviated from the regression line, is 0.9721.

Regression: The amount of fluctuation described by the regression model is shown by the regression sum of squares (SS), which is 31.3426.

Findings:

The are more number employees are male in Thyagaraja cooperative. Several of the employees of Thyagaraja cooperative bank are aged between 30-35.Majority of the employees are qualified under graduation at Thyagaraja Cooperative bank The work experience of employees at Thyagaraja Cooperative bank 1-12 months There are in great numbers of married employees at Thyagaraja cooperative bank. Organizing is the most important management function in Thyagaraja cooperative bank. Internet media is used by bank for recruitment and selection. Several bank employees are agreed that the organization uses structured and standardized interviews. On the job training is given to employees of Thyagaraja cooperative bank. Bonus programmer offered by the banking industry has received positive feedback from the staff.

Conclusion: Employee happiness in the banking industry is significantly impacted by HRM practices. Employee satisfaction is significantly increased by effective Work-life balance initiatives, performance management, education, and development, and other HRM practices compensation and benefits. A properly completed recruiting and selection process guarantees the hiring of competent people, improving the fit between employees and their job duties. As a result, work satisfaction rises and turnover rates fall. By making investments in training and development programmers, employers provide their workers the tools they need to do their jobs well. Employee retention is boosted when workers feel encouraged in advancing their careers and are happier at work. Clear performance expectations, frequent feedback, and acknowledgment are all aspects of techniques of performance management that help employee satisfaction. In summary, efficient HRM procedures have a favourable influence on employee satisfaction in the banking industry. Organizations may establish a supportive and rewarding work environment, resulting in higher employee satisfaction and overall organizational success, by concentrating on recruiting and work-life balance, recruitment and selection, instruction and development, performance management, pay and benefits, and remuneration.

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