

HUMAN RESOURCE MANAGEMENT PRACTICES AND JOB SATISFACTION OF EMPLOYEES IN PUBLIC SECTOR BANKS IN HARYANA

RAJENDER KUMAR

Research Scholar, Department of Commerce, Desh Bhagat University, Mandi Gobindgarh, Punjab

MANPREET KAUR

Assistant Professor, Department of Business Management & Commerce,
Desh Bhagat University, Mandi Gobindgarh, Punjab

ABSTRACT

The study's purpose is to study the level of HRM practices and the degree of connection between selected HRM practices and employees' job satisfaction in the context of public sector banks in Haryana. To conduct this study and obtain the objectives of the study, 100 respondents from selected public sector banks are surveyed conveniently through a self-structure questionnaire; then responses are analysed by conducting a test of hypothesis and correlation using SPSS software. An independent samples t-test exhibits that there is no significant difference exists in selected HRM practices between selected two public sector banks in Haryana. Correlation analysis exhibits that selected HRM practices that are Recruitment and Selection, Training and Development, Performance Appraisal, and Compensation System which are independent variables are positively correlated with Job Satisfaction in selected two public sector banks in Haryana. The survey is confined to two districts out of twenty-two districts in Haryana (India) that are Gurugram and Faridabad and only two public sector banks namely Punjab National Bank (PNB) and State Bank of India (SBI) are considered for purpose of the study.

Keywords: HRM Practices, Bank employees, State bank of India (SBI), Punjab National Bank (PNB), job satisfaction and Commercial banking

1. INTRODUCTION

“Take out my buildings, take out my machines and all capital but leave my men with me, I will become Henry Ford again.” - **Henry Ford**. This statement shows that human resources is the most significant and valuable asset for the survival and growth of any organization and the banking organization is not an exception to it. Human Resource Management is defined by **Edwin Flippo** as “planning, organizing, directing, controlling of procurement, development, compensation, integration, maintenance and separation of human resources to the end that individual, organizational and social objectives are achieved.” HRM practices and processes are part (segment) of the management of human resources in any institution/organization. HRM practices consist of HR planning of manpower, recruitment and selection of manpower, employee training and development, performance appraisal of manpower, career planning, compensation, promotion and transfers of manpower etc.

It is fact that Human resources occupy a leading position in the banking organization. The success of the banking sector/organization more or less depends upon efficient and good human resources management practices as well as the job satisfaction of employees. Good HRM practices are to attract and maintain competent employees for any organization and job satisfaction among

employees leads to organizational productivity as well as employee productivity. Job satisfaction in the organization is one of the prominent factors in the context of organizational development. Highly satisfied employees in the organization will contribute extra to their organisation's goodness and effectiveness. Many studies have been conducted to cover different aspects of HRM and job satisfaction in different organizations.

Concept of banking companies: Banking companies are governed by the Indian Banking Regulation Act, 1949 across India. Section 5 (b) of the Act defines banking as “the accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise and withdrawable by cheque, draft, order or otherwise”. A company engaged in the banking business in India is called 'Banking Company'.

Structure of banks in India: The structure of (commercial scheduled) banks includes public sector banks namely Nationalised banks, State Bank of India and its subsidiaries and other public sector banks, private sector banks, foreign banks, payment banks, and regional rural banks. The detail of the structure of (Commercial scheduled) banks in India with number of branches from December 2017 to December 2021 are depicted in table-1

Table1: Structure of (Commercial Scheduled) Banks in India

Year	Scheduled Commercial Banks						
	Public Sector Banks			Private Sector Banks	Foreign Banks	Regional Rural Banks	Payments Bank
	SBI and Its Associates	Nationalised Banks	Other Public Sector Banks				
December 2021	24785	65850	-	37606	928	22302	744
December 2020	24983	68120	-	36208	929	22267	758
December 2019	23384	69253	-	34961	343	22251	849
December 2018	23587	69058	2096	30581	318	21978	836
December 2017	24070	69134	2127	28821	316	21694	137

Source: Report of RBI as on 31st December 2021

The total number of branches of SBI and its associates and Nationalised banks registered in India were 24,070 and 69,134 respectively in Dec 2017. The registration of SBI and Nationalised Banks rose to 24,785 and 65,850 respectively by the end of December 2021. While, total number of branches of private sector banks, foreign banks and regional rural banks recorded in India were 28,821, 316 and 21,694 respectively in December 2017 and this number reached to 37,606, 928 and 22,302 respectively by the end of December 2021. Payment banks being new in the sector have also shown tremendous growth. These banks were initially setup to promote financial inclusion across the country. The number of payment banks registered in India rose to 744 in December 2021 from 137 in December 2017.

2. REVIEW OF LITERATURE

The following paragraphs attempt to closely review those scattered efforts in the research field:

Ahsan et al. (2009) analysed Job Stress on Job Satisfaction in the context of University Staff in Malaysia. Keywords of the study are Job stress, Academician and Klang Valley. The results exhibit there is a statistically significant relationship between four of the constructs tested in the study area. The results also indicate that there is a statistically significant negative relationship between job stress and job satisfaction.

Noordin (2009) examined Levels of Job Satisfaction in relation to Malaysian Academic Staff. Keywords of the study are Job, Academia, Satisfaction, Education, and Public university. The results exhibit that overall the academic staff of the university in the study has a moderate level of job satisfaction.

Jehanzeb et al. (2012) assessed the impact of rewards and motivation on job satisfaction in relation to banking sector of Saudi. Results of the paper exhibit that rewards (IV) have positive significance on motivation (DV), motivation (IV) is positively related to the job satisfaction (DV) and rewards (IV) have a positive significant effect on job satisfaction (DV).

Nazim-Ud-Din (2013) examined HR practices in insurance companies in Bangladesh. The study's aim was to examine the HR practices in the insurance sector in Bangladesh. The study results revealed that the HR practices in the insurance sector in Bangladesh did not give a positive effect on the employees' satisfaction and productivity of the insurance organization.

Thavakumar & Nawaratne (2015) examined the relationship between Training and Development Practices and Work Engagement in the context of the insurance sector in Sri Lanka. The purpose of this study was to assess the impact of Training and Development (TD) practices on employee work engagement. To attain the purpose of the study, data were collected from 202 respondents. The results of the study indicated that Training and Development (TD) Practices were positively correlated with work engagement (WE) in Sri Lanka Insurance Industry.

Jeet (2014) reported that HRM practices and its impact on employees job satisfaction in respect of HDFC Bank. Results of the study exhibited that HRM practices (Training, Performance Appraisal, Team Work and Compensation) have a significant impact on job satisfaction in the study. On the other side, employee participation in HDFC Bank has no significant impact on job satisfaction.

Kafui Agbozo (2017) reported the effect of work environment on job satisfaction in respect of banking sector in Ghana. Findings of the research paper reveals that majority of the staff at the bank are satisfied in the study area with their work environment especially the physical ambience.

Khasawneh (2018) studied HRM practices and its impact on employees' satisfaction in relation to the banking industry of Jordan. The study's aim was to assess the level of effectiveness of HR practices and its impact on employees' satisfaction. A significant and positive relationship had been found between the effectiveness of HRM and employees' satisfaction in the study area.

Mohammad Milon (2019) studied the current scenario of (HRM) practices in the context of Life Insurance Companies (LIC) in Bangladesh. The study's aim was to identify the present scenario (poor/good) of HRM application in LIC in Bangladesh. The study revealed that the modern scenario of HRM applications in LIC in Bangladesh was not in a satisfactory level due to having some shortcomings such as turnover, absenteeism, lack of motivational tools, inadequate training facilities, absence of a performance rating system etc.

Ehsan & Ali (2019) examined the impact of work stress on employee productivity in relation to banking sector. The stratified random sampling technique is used to select fifty respondents for purpose of the study. The findings of this study exhibited that there is a statistically significant

relationship exists between work stress and employee's productivity in relation to the banking sector.

3. STATEMENT OF PROBLEM

After reviewing the above tentative literature it is found that few studies have been done on HRM practices and job satisfaction in the public sector banks in Haryana. Insufficient research demonstrates the requirement for more empirical research. So, the present study is trying to contribute to justifying the knowledge regarding HRM practices and job satisfaction in public sector banks in Haryana.

4. OBJECTIVES OF THE STUDY

- To study the level of selected human resource management practices in selected public sector banks.
- To study the degree of connection/association between human resource management practices and job satisfaction of employees in selected public sector banks.

5. HYPOTHESIS OF THE STUDY

- H₀₁: There is no significant difference in selected HRM practices between selected public sector banks.
- H₀₂: There is no significant relationship between selected HRM practices and the Job Satisfaction of employees in selected public sector banks.

6. RESEARCH METHODOLOGY

Research methodology is a systematic way to solve a research problem; it includes different steps (stages) that are generally adopted by a researcher for the purpose of the study.

6.1 Data Collection and Questionnaire

Data has been collected for the purpose of the study/research from both primary and secondary sources. A self-structure questionnaire is made and administered among respondents (bank employees) to get their responses.

6.2 Sample Designed

For the purpose of the study, the sample design is outlined below.

6.3 Sampling Population

There are 12 public-sector banks with 2864 branches in Haryana as per the report of RBI as on 31st March 2022. Two leading public-sector banks in the context of the highest number of branches are selected. Two districts of the Haryana region Gurgaon and Faridabad are selected for study which is part of the National Capital Region (NCR). The following table-2 shows the details of the banks included in the survey.

Table 2: Bank selected as a Sample Units

S.No.	Bank	Sector	Branches
1	Punjab National Bank	Public	813
2	State Bank of India	Public	657

Source: Report of RBI as on 31st March 2022

6.4 Sample respondents

A sample size of 100 respondents (bank employees) has been selected for the purpose of the study (50 employees from Punjab National Bank and 50 employees from State Bank of India). The following table-3 shows the details of the respondents included in the survey.

Table-3 Sample respondents (Bank Employees)

S.No.	Bank	Bank & district-wiserespondents		Total Respondents
		Gurgaon	Faridabad	
1	Punjab National Bank	25	25	50
2	State Bank of India	25	25	50
(Officer & clerical staff) Grand Total				100

Source: Field Survey

7. DATA ANALYSIS

In the present study, SPSS software has been used to conduct the test of the hypothesis and correlation analysis to achieve the purpose of the study. The results of the study are discussed below.

7.1 The first objective of the study

To study the level of selected human resource management practices in selected public sector banks.

H_{01} : There is no significant difference in selected HRM practices between selected public sector banks.

7.1.1 Bank-Wise analysis of selected Human Resource Management Practices

In order to test the equality of two population means, t-tests to achieve the study purpose are suitable techniques. In addition to the above, it assumes the dependent variable is metric (ratio or interval scale) and the independent variables are non-metric (nominal scale).

Table 4: Bank-Wise Analysis of Selected Human Resource Management Practices

DV	IV	Levene's test		t- test forequality of means								
		Mean	SD	F	Sig.	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% confidence interval of the difference	
											Lower	Upper
R&S	SBI	4.242	.489	.034	.855	1.971	98	.053	.24242	.12300	-.0032	.4880
	PNB	4.000	.516									
T&D	SBI	3.580	.771	.049	.826	-.981	98	.330	-.18042	.18387	-.5476	.1868
	PNB	3.760	.733									
PA	SBI	3.523	.654	.158	.692	.042	98	.966	.00700	.16598	-.3244	.3384
	PNB	3.516	.702									
CS	SBI	3.510	.706	.870	.354	.984	98	.329	.16628	.16905	-.1713	.5039
	PNB	3.344	.677									

Source: Primary data, Significance @ 0.05 level



As shown in Table 4, an independent samples t-test is conducted to compare the HRM practices for SBI and PNB. There is no significant difference in recruitment and selection, $t(98)=1.971, p=0.053$ with the mean score for SBI ($M=4.242, SD=0.489$) was higher than PNB ($M=4.000, SD=0.516$). Furthermore, there is no significant difference in Training and development, $t(98)= -0.981, p=0.330$ with the mean score for SBI ($M=3.580, SD=0.771$) less than PNB ($M=3.760, SD=0.733$) and also, there is no significant difference in Performance appraisal, $t(98)=0.042, p=0.966$ with the mean score for SBI ($M=3.523, SD=0.654$) is less than PNB ($M=3.516, SD=0.702$) and lastly, there is no significant difference in the compensation system, $t(98)=0.984, p=0.329$ with the mean score for SBI ($M=3.510, SD=0.706$) was higher than PNB ($M=3.344, SD=0.677$). Hence, the null hypothesis was accepted. The table also gives the mean difference, i.e., the difference between the HRM practices of SBI and PNB, the standard error of difference and the 95% confidence interval of the difference.

7.2 The second objective of the study

To study the degree of connection/association between human resource management practices and job satisfaction of employees in selected public sector banks.

H_{02} : There is no significant relationship between HRM practices and the Job Satisfaction of employees in selected public sector banks.

7.2.1 Correlation Matrix for HRM Practices and Job Satisfaction

To know the connection of selected human resource management practices with the job satisfaction of employees in selected public sector banks, relationships are computed using Pearson's Correlation method. The results are summarized in Table-3, all the correlations are statistically significant at the 0.05 level (2-tailed) and significant at the 0.01 level (2-tailed).

Table-5: Correlation matrix for HRM practices and Job Satisfaction

Components	R&S	T&D	PA	CS	JS
R&S	1				
T&D	0.284*	1			
PA	0.259*	0.710**	1		
CS	0.237*	0.605**	0.649**	1	
JS	0.281*	0.547**	0.510**	0.573**	1

Source: Primary data: * Correlation is significant at the 0.05 level (2-tailed) &

**** Correlation is significant at the 0.01 level (2-tailed)**

As shown in table-5 selected HRM practices R&S, T&D, PA, and CS are positively correlated with JS. Hence, H_{02} has not been accepted. Here, it is evident that the maximum correlation ($r =0.573$) exists between CS and JS, followed by T&D and JS ($r =0.547$), PA and JS ($r =0.510$). HRM practices are pair-wise positively correlated with one to another and statistically significant at 1%-5% level. The relationship between T&D and PA ($r =0.710$) is the highest among the Selected HRM practices.

8. RESULTS OF THE STUDY

On the basis of the finding, there is no significant difference in selected HRM practices (recruitment and selection, training and development, performance appraisal and compensation system) between SBI and PNB in Haryana. The study also discovered that selected HRM practices Recruitment and selection, training and development, Performance appraisal, and Compensation system are positively correlated with Job satisfaction in selected Banks in Haryana.

9. RECOMMENDATION

It is recommended that public sector banks should provide adequate and good HRM practices to attract and maintain competent employees for any banking organization and maximize the job satisfaction of bank employees because job satisfaction among employees leads to organizational productivity as well as employee productivity.

10. LIMITATIONS OF THE STUDY

Two public sector banks, Punjab National Bank and State Bank of India are considered for the study. The selection of two districts of Haryana state where the present study is concentrated is another limitation of the study. Therefore, the findings of the study should be generalized with care to the entire public sector banks operating across the country.

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PURVA MIMAANSA