

## IMPACT OF HRM PRACTICES ON JOB SATISFACTION OF EMPLOYEES IN PUNJAB NATIONAL BANK AND HDFC BANK LTD IN HARYANA

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### ABSTRACT

This research paper aims to assess the impact of selected HR management practices such as recruitment & selection, training and development, performance appraisal, compensation system etc on the job satisfaction of employees in selected two banks in Haryana. The employees' experience with reference to the above-mentioned HR management practices and their satisfaction level in the selected two banks i.e. Punjab National Bank (public sector) and HDFC Bank (private sector) is studied in the present paper. The study population consisted of both clerical and managerial level employees in the selected two banks. Primary data and secondary data have been used by the scholar for the present research paper. The sample size fixed for the study is 100 from the selected banks for the study. Correlation and regression measures/techniques have been applied to analyse and interpret the survey data. The results of present the study exhibit that there is a positive correlation in the study area between selected HR management practices and employee job satisfaction in selected banks. The key findings of the study also exhibit that HR management practices in the selected banks have a significant impact on bank employee job satisfaction in Haryana. The present study suggested that a healthy, good and effective relationship with human resources in the banking industry can be a powerful tool and weapon for banking development and success.

**Keywords:** HRM, HR management practices, job satisfaction of managerial and clerical employees, private sector bank and public sector bank.

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### INTRODUCTION

It is widely acknowledged that an organization's ability to expand and succeed, whether it be public or private, largely depend on its human resources. Human resource management, or HRM, was described by Beer et al. (1984) as a planned strategy for all managerial tasks that affect the relationship between the company and its workers. Good HRM practices must be implemented globally in order to keep professional and trained workers and improve organisational performance. Indeed, one of the most valuable resources and a key contributor to an organization's production is its workforce. Any organization's ability to achieve its goals is largely dependent on how well its employees perform (Danish and Usman, 2010). Thus, in order to get a competitive edge, organisations need to implement best practices and stick to a strategy for enhancing HRM (Khan, 2010). In the age of globalisation, implementing distinctive and contemporary HR practices has been seen as a feasible strategy for achieving organisational goals (Mohrman et al., 1995). In an effort to stay ahead of the competition, the majority of organisations prioritise Total Quality Management (TQM), ignoring the importance of human resources and employee performance in the expansion and

success of their businesses (Khera, 1999). Effective HRM procedures lower employee satisfaction, which in turn affects their commitment to the company. An organization's primary success is dependent on how its employees carry out the duties that have been allocated to them.

In the last few decades, academic academics have focused more on employee behaviour because it is more crucial to the performance of the organisation and to determine the degree of job satisfaction. For numerous decades, banking institutions have prioritised enhancing employee and organisational performance. Consequently, research has shown that job satisfaction is the most reliable indicator of favourable work-related outcomes, such as improved performance. Employee satisfaction with the work they do is essential for improving productivity and performance, which in turn reduces absenteeism and turnover. In banking institutions, when the employees are highly satisfied with their jobs, they show greater interest in banking and providing quality banking services to the customers. Manpower in a developing country is considered as the main analyst of its economic condition. It implies that if the employees are satisfied, it will inevitably contribute towards the growth and productivity of the nation.

## REVIEW OF LITERATURE

**Tanveer et al. (2011)** presented the way HRM practices affect employees performance: a case of the textile sector. This study contributes to our understanding of the impact that HR procedures have on workers' productivity. To achieve the objectives of the study, questionnaires and cover letters were delivered to several textile factories. The results from the research demonstrate a strong correlation between employee performance and HRM strategies.

**Khashman & Al-Ryalat (2015)** studied the impact of E-HRM practices on business performance in the Jordanian telecommunications sector. All three organisations' managerial position personnel made up the research population. In order to meet the study's goals, the researcher employed a stratified random sample of 178 male and female employees who were chosen to gather the necessary data. A questionnaire was then created and given to the sample, and data was examined using SPSS statistical software, which employed both analytical and descriptive statistics. The findings demonstrated a positive statistically significant relationship between the operational performance dimensions (time, cost, quality of service, and flexibility) and the electronic human resources management dimensions.

**Javed et al. (2019)** studied HRM practices and its impact on job satisfaction among employees in the education sector. 400 personnel (teaching and non-teaching staff) from government and privately connected higher education institutions in India were sampled using the random sampling method and a questionnaire approach. The data were analysed using descriptive and inferential statistical methods including correlational analysis and the t-test. The findings show that overall HRM procedures significantly impacted the work satisfaction of both teaching and non-teaching personnel at government and private institutions.

**Suresh & Reddy (2020)** studied the impact of HRM practices on employee satisfaction in the context of the banking sector. The study aims to investigate how HRM practices affect employee happiness in banking organisations and how that affects employee satisfaction with the organisation. This study is based on both primary and secondary data. The study's findings showed that HRM practices have a big influence on workers' satisfaction.

**Sharma & Khatri (2021)** studied the impact of green HR management practices on employees' behaviour in the IT sector. The results of the study discovered and indicated that GHR management

practices have a statistically significant direct effect on employees' behaviour. Therefore, it is reasonable to assume that Green HRM is acting as a decision-maker in updating traditional management techniques and so making conscious attempts to preserve ecosystems for future generations.

**Anjum et al. (2022)** studied the insight into green HRM practices for the sustainable workplace in the banking sector: the role of electronic HRM. With the use of electronic HRM, this study seeks to shed light on Green HRM practices in Bangladesh's banking industry and how they support sustainable workplaces. The report also examines the difficulties associated with these practices and makes some recommendations for the banking sector's effective adoption of GHRM via E-HRM. The research utilised the comprehensive one-on-one interview methodology to get information from banking experts. The researchers conducted a semi-structured in-depth interview with fifteen banking personnel. The purpose of the thematic study was to interpret the participants' responses. Because of the tiny sample size, the study's conclusions were determined by manual analysis. The findings show that most banks have already adopted Green HRM features with E-HRM's assistance. But lack of expertise, expense, technological difficulties, inadequate organisational support, and other factors are major obstacles to the banking sector's adoption of GHRM via E-HRM.

**Singh et al. (2024)** presented the association of green HRM Practices with organizational effectiveness in the banking sector. The study's goal was to find out how "green human resource management" (GHRM) practices and organisational effectiveness (OE) in the banking sector relate to one another. Data was collected from 139 employees of SBI. The factors are examined using exploratory factor analysis and SPSS and AMOS. The results demonstrated a significant correlation between OE and GHRM as well as a favourable effect of GHRM on OE.

**Sneha et al. (2024)** presented a comparative study of HR practices in public and private sector banks. Ten banks from the public and private sectors were included in the investigation. comprises, according to market capitalization, five banks in the public and five in the private sector. Selected factors have led banks to believe that their internal clientele is just as essential as their exterior clientele. As a result, banks are attempting to come up with creative HR strategies to draw in the best employees and provide them with a comfortable workplace, which helps the banks retain their top employees. The main issues facing bank HR managers are hiring the correct personnel, motivating activities, performance reviews, training, and keeping them around.

**Das & Das (2024)** studied the adoption of green HRM practices by banking institutions and its impact on organizational and environmental sustainability. Data was gathered from 450 workers of different banks in the state of Odisha using a quantitative research methodology that included a questionnaire. The study's findings demonstrate a strong correlation between environmental sustainability and the factors impacting Green HRM practices in the banking sector. Regression analysis was utilised in the study to show how Green HRM helps banks and environmental sustainability. Workers with green training and skills reduce waste, reuse materials, enhance the company's reputation, attract and retain green customers, and limit environmental effects that negatively impact economic output.

**Khuwaja et al. (2024)** examined green human resource management Practices and Firm Performance in Private Banks. The study shows a positive correlation between green HRM practices and organisational performance, indicating that a company's performance would surely increase upon implementing green HRM. Because of this, companies and organisations ought to engage heavily in environmental management, which includes recruiting, choosing, and offering chances for professional advancement to staff members.

**Abdou (2024)** presented the impact of HRM practices on employee creativity through the mediating role of employee engagement. A convenient sample strategy was used, and 331 respondents took part in the research. The findings reveal that employee happiness is highly influenced by recruiting, selection, performance evaluation, and career planning; remuneration, training, development, job security, and employee involvement only partially support this relationship. Employee performance is also strongly impacted by hiring, selection, pay, performance reviews, and career planning, with some help from other factors.

**Hijazi et al. (2024)** exploring the link between human resource management practices and financial performance: The moderating effect of organizational culture. With an emphasis on the moderating role of organisational culture, this study examines the relationship between financial performance and human resource management practices (HRMP) in the Jordanian banking sector. Using a standardised questionnaire, 353 personnel of the Jordanian banking sector were given surveys as part of a quantitative research method. The sampling technique chosen was random sampling. A partial least square structural path analysis's results show a strong correlation between financial performance and HRM policies, including as hiring, decentralisation, incentives, and job security. Additionally, the moderation analysis results show that there are significant interactions between Organisational culture and different factors that affect Financial Performance. Specifically, there is a positive relationship between financial performance and employee training, incentives, and decentralisation, indicating that a significant organisational culture increases the effects of HRM practices on financial results.

#### NEED OF THE STUDY

Human Resources have been known as the most valuable asset of any type of organization. With the modification from material management to human resource management (HRM), in all private or public organizations, much focus has been put on to the HR management practices. Though enormous amount of data or studies are available on HR management practices in the fields of industry and business, but information or data on banking institutions dealing regularly with human resources is scarce or limited. To improve the banking system, it is essential to pay much attention to HR management practices, as the major ingredient in the system is its human resources. All the facilities, services, and advanced infrastructural conveniences will be unused in the banking sector if there is no effective implementation of plans and policies for the development of human resources. Consequently, it is essential and the responsibility of top management to foster employees in banking institutions to achieve their goals efficiently and effectively.

#### OBJECTIVES OF THE STUDY

The main objectives of the study are as follows:

- 1) To study the growth of selected banks in Haryana in the context of the number of branches.
- 2) To study the relationship between HR management practices and job satisfaction of managerial & clerical level employees in selected banks in Haryana.
- 3) To study the impact of HR management practices on job satisfaction of managerial & clerical level employees in selected banks in Haryana.

#### HYPOTHESIS OF THE STUDY

- 1)  $H_{0(1)}$ : There is no significant relationship between selected HR management practices and job satisfaction of managerial & clerical employees in selected banks in Haryana.

- 2)  $H_{0(2)}$ : There is no significant impact of HR management practices on job satisfaction of managerial & clerical employees in selected two banks in Haryana.

## RESEARCH VARIABLES

The Job satisfaction of banking managerial & clerical level employees has been taken as the dependent variable in the present study, whereas selected HR management practices such as recruitment & selection of employees, training & development of employees, performance appraisal of employees, and compensation system have been taken as independent variables.

## DATA COLLECTION

For the study, data has been gathered from primary sources i.e. hundred banking employees. Fifty employees (managerial & clerical) from each selected banks are covered as the sample respondents and secondary sources also used to obtain the purpose of the present study have been gathered from Reports and publications of the Reserve Bank of India, HDFC Ltd. Bank, Punjab National Bank etc.

## SELECTION OF BANKS.

The present study is limited to two leading banks in the context of branches in Haryana as per the RBI report as on 30<sup>th</sup> June 2021 consisting of one public sector bank i.e. Punjab National Bank (PNB) and one private sector bank i.e. HDFC Bank Ltd. The following table exhibits the details of selected two leading banks in the banking sector for study.

Selected two leading banks in the banking sector

S.N.	Name of Bank	Bank Group	Branches in Haryana
1	Punjab National Bank	Public Sector	838
2	HDFC Bank Ltd.	Private Sector	355

Source: Reports of RBI

## DATA ANALYSIS

Based on the objectives and hypotheses of the study, the scholar used the growth %age method to explore the growth of selected two banks in Haryana in the context of the number of branches and the correlation technique/measureis applied to explore the relationship and association between selected HR management practices and the job satisfaction of managerial and clerical level employees in selected two banks. The regression technique is also applied to know and explore the impact of HR management practices on the job satisfaction of managerial and clerical employees in selected two banks in Haryana.

## FIRST OBJECTIVE OF THE STUDY

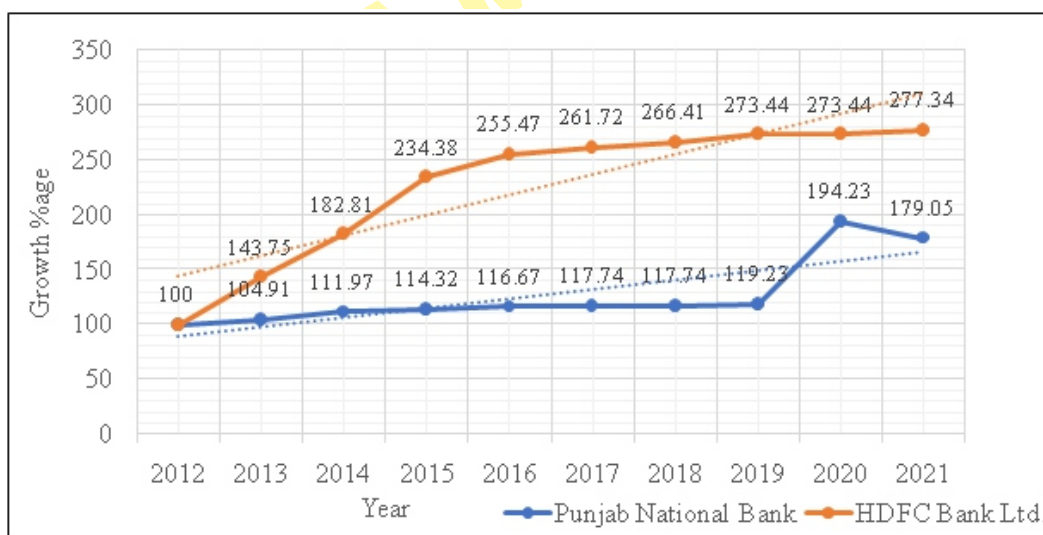
To study the growth of selected banks in Haryana in the context of the number of branches. In order to achieve the first objective of the present study, the scholar applied the growth %age measure to know and explore the growth of selected two banks in the context of the number of branches in Haryana.

**TABLE:1**

**Growth of Punjab National Bank and HDFC Bank Ltd. in terms of number of branches in Haryana**

At the end of June	Punjab National Bank (PNB)		HDFC Bank Ltd.	
	No. of Branches	Growth %age	No. of Branches	Growth %age
2012	468	100	128	100
2013	491	104.91	184	143.75
2014	524	111.97	234	182.81
2015	535	114.32	300	234.38
2016	546	116.67	327	255.47
2017	551	117.74	335	261.72
2018	551	117.74	341	266.41
2019	558	119.23	350	273.44
2020	909	194.23	350	273.44
2021	838	179.05	355	277.34
<b>Mean</b>	597.1	127.59	290.40	226.88

Source: Report of Bank branch Statistics of RBI: Base year- 2012



**Graph No. 1**

**Growth %Age trend of Punjab National Bank and HDFC Bank Ltd. in terms of number of branches in Haryana**

The above table no.1 shows the growth of selected banks i.e. Punjab National Bank (PNB) and HDFC Bank Ltd. in the context of the number of branches in Haryana and Graph no. 1 shows the growth %age trend of selected banks for the present study. The total number of branches of Punjab National Bank (PNB) recorded in Haryana was 468 in June 2012. The registration of Punjab National Bank rose to 838 by the end of June 2021 with a growth %age of 79.05 (179.05-100). On the other side, the total number of branches of HDFC Bank Ltd. registered in Haryana was 128 in June 2012 and this number reached to 355 by the end of June 2021 with a growth %age of 177.34 (277.34-100). Hence, the growth %age (177.34) and mean of growth %age (226.88) of HDFC Bank Ltd. in Haryana are higher than Punjab National Bank in the context of the number of branches in Haryana.

**SECOND OBJECTIVE OF THE STUDY**

To study the relationship between HR management practices and job satisfaction of managerial and clerical level employees in selected banks in Haryana.

**H<sub>0(1)</sub>**: There is no significant relationship between selected HR management practices and job satisfaction of managerial and clerical employees in selected banks in Haryana.

In order to obtain the second objective of the present study, the scholar used the correlation technique to know and measure the relationship/association between selected HR management practices and the job satisfaction of managerial and clerical employees in selected two banks in Haryana.

**TABLE:2**  
**Correlation Matrix for E-Hrm Practices and Job Satisfaction**

Components	RS	TD	PA	CS	JS
Recruitment & Selection	1				
Training & Development	.376	1			
Performance Appraisal	.342	.815	1		
Compensation System	.560	.616	.699	1	
Job Satisfaction of employees	.359	.466	.314	.715	1
Correlation is significant at the 0.05 level (2-tailed)					

**Source: Primary data**

From the above table no.-2, it is revealed that there is a positive correlation between selected HR management practices and job satisfaction of the managerial and clerical employees in selected two banks i.e. Punjab National Bank (PNB) and HDFC Bank Ltd. There is a highest positive (moderate degree of positive) correlation between the compensation system and job satisfaction (r=0.715), and the least positive correlation is observed between recruitment & selection and

employee satisfaction ( $r=0.359$ ). Hence, the hypothesis ( $H_{01}$ ) of the existing study has been rejected and there is a statistically positive and significant relationship between selected HRM practices and employee job satisfaction in two selected banks in Haryana.

### THIRD OBJECTIVE OF THE STUDY

To study the impact of HR management practices on job satisfaction of managerial and clerical level employees in selected banks.

$H_{0(2)}$ : There is no significant impact of HR management practices on job satisfaction of managerial and clerical employees in selected two banks.

In order to achieve the third objective of the present study, the scholar applied the regression measure/ techniqueto know the impact of selected HR management practices i.e. independent variable on the job satisfaction i.e. dependent variables of managerial and clerical employees in selected two banks in Haryana.

**TABLE-3**  
**MODAL SUMMARY**

Modal	R	R Square	Adjusted R Square	Std. Error of the Estimate
Impact of HRM practices on job satisfaction	.496	.246	.242	.51903
<i>Predictors: RS, TD, PA, CS&amp; JS</i>				

**Source: Primary Data**

Table no. 3 shows the result of the model summary that the R-square value is 24.6%, which means that independent variables cause a 24.6% change in the dependent variable.

**TABLE-4**  
**ANOVA TABLE**

Modal	Label	Sum of Squares	D.o.F.	Mean Square	F	Sig.
Impact of E-HRM practices on job satisfaction	Regression	7.461	4	1.865	6.924	0.000
	Residual	22.898	95	.269		
	Total	30.359	99			
<i>Dependent variable: JS</i>						
<i>Predictors: RS, TD, PA, CS &amp; JS</i>						

**Source: Primary data**

The above table no.4 i.e. ANOVA TABLE reveals the outcomes/results of the ANOVA measure that the p-value is less than 0.05, thus there is a statistically, significant relationship between selected variables.



**TABLE-5**  
**REGRESSION COEFFICIENTS**

Modal	Variables	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
Impact of HRM practices on job satisfaction	(Constant)	1.171	.606			
	Recruitment & Selection	.259	.130	.223	2.230	.004
	Training & Development	.671	.204	.618	3.775	.000
	Performance Appraisal	.675	.201	.599	3.615	.000
	Compensation System	.789	.215	.645	3.90	.000

**Dependent variable: JS (Source: Primary data)**

The table no. 5 shows the regression coefficients to examine and know the impact of selected HRM practices in selected two banks i.e. Punjab National Bank and HDFC Bank Ltd. On job satisfaction (managerial and clerical) of employees in Haryana. These results are significant at 5% level of significance. The standardized beta coefficients reveal that the compensation system has the highest impact on employee job satisfaction (Beta=0.789), whereas recruitment & selection have the lowest impact on employee job satisfaction (Beta=0.259). Hence, the hypothesis ( $H_{02}$ ) of the existing study has been rejected and selected HRM practices in the selected two banks have a significant impact on employee job satisfaction in Haryana.

#### CONCLUSION OF THE STUDY

The outcomes of the study revealed the growth %age i.e. 177.34 of HDFC Bank Ltd. in Haryana is higher than Punjab National Bank i.e. 79.05 in the context of the number of branches in Haryana. The results of the present study also reveal that there is a positive correlation/association between selected HR management practices and job satisfaction of managerial and clerical employees in selected two banks i.e. Punjab National Bank and HDFC Bank Ltd. in Haryana. There is a highest positive (moderate degree of positive) correlation between the compensation system and job satisfaction ( $r=0.715$ ), and the least positive correlation is observed between recruitment & selection and employee satisfaction ( $r=0.359$ ). The results of the study also exhibited that the compensation system has the highest impact on employee job satisfaction of managerial and clerical employees in selected two banks (Beta=0.789), whereas recruitment & selection have the lowest impact on employee job satisfaction of managerial and clerical employees in selected two banks (Beta=0.259).

#### SUGGESTIONS

The present study suggested that a healthy, good and effective relationship with human resources in the banking industry can be a powerful tool and weapon for banking development and success.

## LIMITATION OF STUDY

The present study covers only two banks, one public sector i.e. Panjab National Bank, and one private sector bank i.e. HDFC Bank Ltd. in Haryana. The sample size is limited to 100 managerial and clerical level employees from selected two banks.

## SCOPE FOR FURTHER STUDY

The present study covered the impact of HR management practices on the job satisfaction of managerial and clerical employees of Public and Private sector banks. Foreign sector banks can also be covered for further study.

## ACKNOWLEDGEMENT

The authors are grateful to all of the respondents (managerial and clerical employees) of Punjab National Bank and HDFC Bank Ltd. for their cooperation, suggestions and valuable time in completing this research study.

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