
**EFFECTIVENESS ON EMPLOYEE JOB SATISFACTION IN PUBLIC AND PRIVATE
SECTOR BANKS**

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Abstract:

A sound HRM system can be generated through effective HRM practices. Being valuable and scarce capabilities, human resources are considered a source of sustainable competitive advantage. The success of an organization depends upon several factors, but the most crucial factor that affects the organization's performance is its employees. Human resources play an integral role in achieving an innovative and high-quality product/ service. The study made an attempt to examine and analyze the impact of human resource management practices on job satisfaction among selected public and private sector banking employees in Hyderabad, Telangana. In the study, an estimated regression model identified that HRM practices such as training, performance appraisal, teamwork, and compensation have a significant impact on job satisfaction. On the other hand, employee engagement has no significant effect on the job satisfaction of bank employees.

Key words: Human Resource Management, Teamwork and Cooperation, Working Environment and Quality of Work, Superior Subordinate Relation, Skill Development, Job Satisfaction

Introduction:

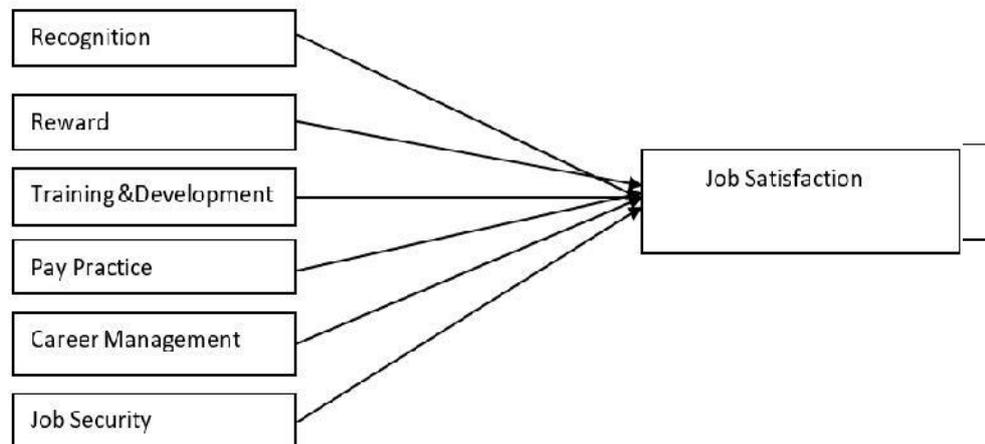
Human Resource Management (HRM) plays a vital role in shaping the success of organizations, including Public Sector Banks (PSBs). In an era of intense competition, employee satisfaction, commitment, and retention are crucial factors for the long-term sustainability and growth of these banks. HRM practices play a critical role in shaping employee satisfaction, commitment, and retention in PSBs. By focusing on recruitment and selection, training and development, performance management, work-life balance, compensation, and benefits, as well as employee engagement and communication, PSBs can create a supportive and motivating work environment. This, in turn, enhances employee satisfaction, commitment, and retention, leading to increased productivity and organizational success.

The impact of HRM practices on job satisfaction

The study's conceptual framework explains the impact of HRM practices on job satisfaction. The study examines the practices of human resource management as independent factors, such as job security and work satisfaction, as dependent variables, including recognition, rewards, training and development, pay practices, and career management.

Independent Variables

Dependent Variable



➤ **Review of literature**

Joshi (2016) analyzed the influence of HRM practices on the job satisfaction levels of employees in selected branches of State Bank of India (SBI) in Gujarat state in India. The sample size considered for the study was 100 using convenient sampling method. The results of the research indicated that HRM practices influence the job satisfaction level of the employees. The study concluded that SBI needs to make efforts to improve co-worker relations, work environment and compensation issues to achieve job satisfaction among the employees.

- Khanna and Sehgal (2016) attempted to examine and analyze the effect of HRM practices on job satisfaction of employees of private sector banks with special reference to ICICI banks in Ludhiana city. In the study, Authors took job satisfaction as dependent variable & (training, performance, appraisal, team work, employees participation & compensation) as independent variable. It was an exploratory research. The sample units include executives, middle level managers & managers who are working in the different departments of branches of ICICI bank in Ludhiana. 100 respondents were contacted out of which 92 responses were collected. Regression model was applied for analysis of data. In the study the estimated regression model identified that the HRM practices like training, performance appraisal, teamwork & compensation has significant impact on job satisfaction. On the other hand, employee's participation has no significant impact on job satisfaction.

Mittal, Gupta and Mottiani (2016)¹⁸ examined the link between HRM practices and customer satisfaction levels among Indian private banks. Data was collected from 203 employees in private banks. The results of the research concluded that various HRM practices have a significant and positive impact on customer satisfaction.

➤ **Research Gap:**

The study identified research gap through the literature presented above is a lack of research in public and private banks HR practices and its impact on banks performance. Despite the extensive research conducted on HRM practices and employee satisfaction in the banking sector, there are still several research gaps that warrant further investigation. One potential research gap lies in exploring the effectiveness of HRM practices in addressing the unique challenges faced by the banking industry. With

the increasing adoption of technology and digitalization in the banking industry, there is a need to examine the impact of these changes on HRM practices and employee satisfaction.

➤ **Objectives of the study**

1)The study has analyzed the impact of HRM practices on the job satisfaction of banking employees

Hypothesis:

1. H_0 :There is no significant effect of HRM practices on job satisfaction in public and private sector banks.

➤ **Sample Design and selection of the sample :**

The study considers the employees of the public sector banks located in Hyderabad District in Telangana state as Hyderabad is the capital and commercial zone of the state. Based on the information provided on the website, <https://hyderabad.telangana.gov.in/banks/>, the top two consisting of one each from public and private sector banks, with a greater number of branches in the district, such as, **State Bank of India** (457 branches) from public sector bank, **HDFC Bank**(107 branches) from private sector bank, may be considered for the study.

To have equal weight to the select banks, 150 respondents from each bank would be selected based on the simple random sampling method, hence, the sample size would be 300 (150 employees from the select 2 banks).

Selection of the Sample

AREA (HYDERBAD)	HDFC		SBI	
	NUMBERS OF BRNCHESES	SAMPLE SIZE	BRNCHESES	SAMPLE SIZE
ESAT ZONE	6	5	6	5
SOUTH ZONE	6	5	6	5
CENTRAL ZONE	6	5	6	5
WEST ZONE	6	5	6	5
NORTH ZONE	6	5	6	5
TOTAL	30	150	30	150

➤ **Sources of Data**

The study is based on both primary and secondary data. The secondary data has been collected from journals, magazines, newsletters, and websites. The primary data i.e., employee perceptions towards the HRM practices and their impact on satisfaction, commitment and the retention behavior of the employees would be collected by using a structured questionnaire.

Means of Factors of Human Resource Practices of Banks

Factors		Procurement & Development	Performance Appraisal	Employee benefits	Promotion & Transfer
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United International Journal of Multidisciplinary Research

ISSN: 3048-6726 (UIJMR) Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, Special Issue-1 ,2026

Bank	N	Mean	Mean	Mean	Mean
SBI	150	3.56	3.65	3.15	3.48
HDFC	150	3.87	3.62	3.64	3.29
Average	300	3.78	3.74	3.28	3.36

Source: compiled from the survey data

Table 3.2 show the average scores for different aspects of HR practices among the selected public and Private Banks under investigation. On the top end of the likert scale, all of the means of the elements related to human resource practices have been determined. Therefore, it can be said that all private banks have effectively implemented Human Resource Practices. According to the executive employees' questionnaire replies, their perceptions of these HR practices are determined to be on the higher end of the likert scale.

➤ Factors of Job Satisfaction:

Name of the Factor
Teamwork and Cooperation
Working Environment and Quality of Work-life
Superior Subordinate Relation
Skill Development

Score of the Factors of Job Satisfaction and Comparison of Job Satisfaction Levels of the Banks

		Teamwork & Working co-operation	Environment and Quality of work-life	Superior subordinate relation	Skill Development	Total
Factors	N	Mean	Mean	Mean	Mean	Mean
SBI	150	3.89	3.67	3.55	3.66	3.94
HDFC	150	3.86	3.55	3.64	3.74	3.65
Average	300	3.48	3.68	3.46	3.64	3.37

Source: Compiled from the survey data

Table 3.4 Mean Score of the Factors of Job Satisfaction and Comparison of Job Satisfaction Levels of the Banks. All of the job satisfaction indicators have mean ratings that are higher than average on a 5-point Likert scale. As a result, it has been determined that executive employees at all public and private banks enjoy satisfactory levels of job satisfaction. SBI Teamwork & co-operation (3.89), Working Environment and Quality of work-life (3.67), Superior subordinate relation (3.55), Skill Development (3.94) where as HDFC Teamwork & co-operation (3.86), Working Environment and Quality of work-life (3.55), Superior subordinate relation (3.64), Skill Development (3.74).

The job satisfaction components have mean ratings more than 3, which is on the higher end of the 5-point Likert scale. It is evident from this that the staff members of these institutions are content with their teamwork and degree of mutual assistance. Additionally, they are reported to be content with the working environments in which they are employed as well as the standard of living that they enjoy in their particular companies. The relationships between employees and their superiors are improving.

United International Journal of Multidisciplinary Research

ISSN: 3048-6726 (UIJMR) Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, Special Issue-1 ,2026

The staff believes that their managers appropriately hear about their issues and provide remedies when necessary.

Analysis of Variance (ANOVA) of factors of Job Satisfaction in selected Banks

ANOVA						
		Sum of Squares	Df	Mean Square	F	Sig.
Teamwork & Cooperation	Between Groups	26.02	2	5.36	9.40	0
	Within Groups	106.60	112	0.58		
	Total	132.62	114			
Working Environment (QWL)	Between Groups	14.057	2	4.18	5.82	0
	Within Groups	107.30	112	0.59		
	Total	121.36	114			
Superior subordinate relation	Between Groups	30.56	2	5.73	9.61	0
	Within Groups	107.67	112	0.58		
	Total	137.42	114			
Skill Development	Between Groups	18.25	2	4.10	5.23	0
	Within Groups	139.54	112	0.66		
	Total	157.72	114			

Source: Compiled from the survey data

The Analysis of Variance (ANOVA) of factors of Job Satisfaction in selected Banks, given that the probability values for each of the four job satisfaction components are zero, they are all less than 0.05. Therefore, at the 5% level of significance, it can be concluded that there is a substantial difference—and it is not coincidental—between the executive staff job satisfaction levels across all three banks. Given that the p values are less than 0.05, all four of the sub-hypotheses were accepted. To determine the association between HR practices and executive employees' job happiness across all public and private bank has shown significant association with HR practices.

Correlation between Factors of HR Practices and Job Satisfaction

Factors	PD	EB	PT	PA	TW	QWL	SSR	SD
Procurement & Development	1	.576**	.248**	.437**	.454**	.376**	.397**	.359**
Employee Benefits		1	.375**	.538**	.378**	.538**	.592**	.446**
Promotion & Transfers			1	.295**	.388**	.284**	.446**	.327**
Performance Appraisal				1	.357**	.382**	.264**	.375**
Teamwork & Cooperation					1	.545**	.325**	.536**
Working Environment QWL						1	.438**	.487**
Superior subordinate relation							1	.476**
Skill Development								1

Source: compiled from the survey data

The job satisfaction is positively impacted by well-implemented HR practices. To comprehend this association, the researcher used correlation analysis while keeping the hypothesis in mind. where r = Pearson Correlation; $H_0: r = 0$ (Null Hypothesis) $H_3: r \neq 0$ (Alternate Hypothesis) At the 0.01 level of significance, there is a strong correlation between the executive employees' perceptions of the following aspects of HR practices: teamwork and cooperation, working conditions and quality of work-life, superior subordinate relations, and skill development. Given that there is a positive association between the parameters pertaining to Human Resource Practices and Job Satisfaction, it can be concluded that executive personnel in the three Banks under consideration have higher levels of Job Satisfaction when HR Practices are executed

To find the model's conceptualized predictors of JS, a multiple regression analysis was carried out. The regression analysis employed an enter-wise variable selection strategy, and the model's ANOVA and summary measure are displayed in Tables 3 and 4.

Model Summary:

Table 3.18 Predictors of Job Satisfaction and Model Summary

Model	R	R square(R ²)	Adjusted R square(R ²)
1	0.742	0.528	0.494

Predictors:(Constant),HRP,R&S,T&D,PA,C&R,M&M

Source: *Compiled from the survey data*

Table displays a correlation coefficient value (R) of 0.742, indicating a somewhat favourable link between job satisfaction and HRP, R&S, T&D, PA, C&R, and M&M among employees. However, HRP, R&S, T&D, PA, C&R, and M&M account for just 52.8% (R- square values of 0.528) of the variation in employees' job satisfaction. The factors can significantly account for 49.4% of the variation in employees' job satisfaction, according to the adjusted (R²) of 0.494.

Confirm the Model Fitness:

Table 3.19: ANOVA

Model		Sum of Squares	d.f.	Mean Square	F	Sig.
1	Regression	38.933	6	6.489	9.517	0.000
	Residual	36.472	53	.689		
	Total	75.405	59			

Predictors:(Constant), HRP, R&S, T&D, PA, C&R, M&M Dependent Variable: JS

Source: *compiled from the survey data*

The analysis shows that multiple regression analysis is carried out to investigate the relationship between employees' job satisfaction (JS) and HR Planning (HRP), Recruitment & Selection (R&S), Training & Development (T&D), appropriate Performance Appraisal (PA), Compensation & Rewards (C&R), and Motivation and maintenance (M&M). Results are given and five hypotheses are put forth. The F value (F=9.517 and P = 0.000) indicates that this variation is very significant, ensuring model fitness for regression analysis. The model describes the greatest number of combinations of predictor variables that could influence the connection with the dependent variable, according to an analysis of the model summary and ANOVA provided by table.

Coefficients of Determination:

Table 3.20 Coefficients for Predictors of Job Satisfaction

United International Journal of Multidisciplinary Research

ISSN: 3048-6726 (UIJMR) Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, Special Issue-1 ,2026

Models-1	Unstandardized Coefficients		Standardized coefficients	t	Sig.
	β	Std. Error	Beta		
(Constants)	-.711	1.126		-.663	.578
HR Planning(HRP)	.334	.190	.352	1.912	.084
Recruitment & Selection(R&S)	.168	.363	.099	.489	.671
Training & Development(T&D)	.442	.184	.374	2.502	.027
Performance Appraisal(PA)	-.082	.343	-.076	-.258	.842
Compensation & Rewards(C&R)	-.046	.149	-.024	-.046	.998
Motivation and maintenance(M&M)	.270	.195	.214	1.398	.192

Source: compiled from the survey data

Multiple regression analysis results are available. Table 3.20 demonstrates how M&M, TND, and HRP have a good impact on JS. Research demonstrates that HR Planning (HRP) is a critical factor that greatly affects banks employees job satisfaction (JS) ($\beta_1 = 0.352$; t-value = 1.912; $p = 0.084$). Therefore, the job satisfaction (JS) of female employees in the private sector is positively and significantly impacted by HR planning (HRP). The next major factor is training and development (T&D), which has a notable impact on banks employees job satisfaction (JS) ($\beta_3 = 0.374$; t-value = 2.502; $p = 0.027$). Thus, job satisfaction (JS) among employees in banks have positively and significantly impacted by training and development (T&D). Thus, HRM procedures have an effect on Bangladeshi small- and medium-sized businesses' employees' job satisfaction.

Findings :

All of the HRM practise factors covered in this study are positively and significantly associated with employee job satisfaction, according to the results of correlation and regression analysis regarding the association and impact of HRM practices on job satisfaction of banks employees in Hyderabad. The final analysis and interpretation of the data bring this chapter to a close. This is practically the last stage in any research project. Several statistical tests were employed to examine the data in this chapter. Various statistical tests are employed, including factor analysis, regression analysis, t test to compare the means of two sample sizes, reliability test to verify the questionnaire's reliability, and demographic statistics of the respondents. The results of the research and interpretation show that employees of public sector banks are happier than those of private sector banks. Employee satisfaction in both banks is significantly impacted by job security. Additionally, the data demonstrates that rewards have no bearing on workers' job satisfaction in either bank. Regarding employment satisfaction in terms of recognition, career management, and job security, there are also notable differences between public and private sector banks. The findings on the effectiveness of Human Resource Management (HRM) practices and their influence on employee job satisfaction carry significant implications for banking institutions, policymakers, and HR professionals. Effective HRM practices—such as recruitment and selection, training and development, performance appraisal, compensation, career progression, and employee engagement—play a critical role in shaping employee attitudes and workplace behavior in both public and private sector banks.

United International Journal of Multidisciplinary Research

ISSN: 3048-6726 (UIJMR) Impact Factor: 6.934 (SJIF)

An International Peer-Reviewed and Refereed Multidisciplinary Journal

www.ujmr.in Vol-3, Special Issue-1 ,2026

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