Human Resource Practices and Employee Satisfaction in Nepalese Commercial Banks

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Abstract

This study examines the impact of human resource practices on employee satisfaction in Nepalese commercial banks. Employee satisfaction is a dependent variable. The independent variables are recruitment and selection, training and development, compensation policy, and performance appraisal. Research is conducted using primary data collecting opinions of 389 respondents from Kathmandu city. Structured questionnaires were used for the survey comprising a five-point Likert scale with cross-sectional data. The correlation and regression were used to identify the association and impact of an independent variable on employee satisfaction. The result shows that recruitment and selection, training and development, compensation policy, and performance appraisal found a positive correlation with employee satisfaction. This study and its results would be helpful for executives of commercial banking institutions while making the decision and it provides the foundation to project and mitigate the issues associated with employees. So, this study provides deeper insight into the existing scenario of human resource practices and their relations with employees’ satisfaction. Future research can be conducted comprising the further variables of human resource practices and even with the accumulation of more data to assess the further consequences and impact. Thus, the linkage of demographic variables as moderating effects can be examined in future studies.

Keywords: recruitment and selection, training and development, compensation policy, performance appraisal

Introduction

People-based organizations pursue a diverse set of skills, abilities, and attitudes that influence their profitability, quality, and productivity. Fundamentally, people in organizations manage and develop goals, produce services and products, set strategies, design work systems, assess quality, market services, and products, and arrange financial resources. As a result, people or individuals become 'human resources' by the responsibilities and duties they feel at work, in which roles of employment are considered as a way to enhance the contribution of employees towards organizational goal achievement (Bratton & Gold, 1999). In this regard, several empirical studies have demonstrated distinct dimensions of HR practices' impact on employee job satisfaction, claiming that employee participation to obtain their voices has a positive effect on job satisfaction, and employees also prefer autonomy in their jobs, happy with ongoing learning, and prefer teamwork in the organization (Petrescu, Simmons, & Bradley 2004). Human resource practices are considered a set of HR practices that are aimed to improve employee motivation,
competence, and commitment. As a result, these HR practices are more focused on delivering superior business results and gaining a competitive advantage (Elrehail et al. 2019). Lee and Lee (2007) stated that HR activities such as teamwork, HR planning, training and development, remuneration or incentive, performance appraisal, and employee security help businesses improve their productivity, flexibility, and product quality. It is also argued that HRM practice with a better system may take advantage of synergies or complementarities and provide support for the firm's competitive strategy, which is the cornerstone of long-term competitive advantage (Huselid, 1995). Thus, employee satisfaction is intimately linked to labor market behaviors such as absenteeism, productivity, and quitting, which is why employers want their human resources to be happy (Gazioglu & Tansel, 2006). Tansel and Gazioglu (2013) argued that employees in huge firms are less satisfied with their jobs due to a lack of control over the quality of employee-manager relationships. Oriordan (2017) also stated that the opportunities for training, among HR practices, foster employee commitment and, as a result, help organizations become more successful and efficient provided they are based on objective assessments of needs. (Huselid, 1995) stated that other experiences with informal and formal training, such as coaching, management development, basic skills training, and on-the-job experience, can affect employee development and performance, which is again influenced by HR practices, as well as employee motivation and skills, organizational structure, which allows employees to improve how their jobs are accomplished, and acquisition and development of organizational human capital. Further, the role of employee attitudes and behaviour in HRM and performance is gaining more attention, although issues of adequateness, in contrast to practices, have been largely disregarded (Guest & Conway, 2011). Compensation is viewed as a strong and effective communicator of corporate aims and priorities, and companies that want to succeed must make their employees participants in their success (Schuster & Zingheim, 1993). Thus, intrinsic and extrinsic motivational elements, the quality of supervision and social interactions with the workgroup, and the degree to which individuals succeed or fail in their work are all responsible for demonstrating job satisfaction (Armstrong, 2006).

Nepal is geographically placed in the middle of two different countries, China and India, both of which are landlocked and classified as one of the world's developing countries. The economy of neighbouring countries is quickly expanding. When it comes to human development metrics, Nepal is ranked 140th from the top and 38th from the bottom (Rajkarnikar et al., 2005). Looking at the few industries that produce sugar and cement, it appears that they are unable to utilize even half of their total capacity. However, due to a lack of hard data, it is difficult to conclude the reasons for their low capacity utilization in these factories, and there is a lack of human resource development (HRD) concerning performance management in most of Nepal's organizations, indicating that firms are indicating negative consequences of providing for employees (Adhikari 2010). In the sphere of human resource management practices, Nepal has unskilled manpower focusing on the literacy rate out of the total population; it stands at less than half of the total population, implying that one-third of the female population is literate. As a result, the use and adoption of highly advanced or refined technology are limited in Nepal, and low-level skills-oriented vacancies are the norm. It may be seen and concluded from the recommendations of Nepal's culture, historical, and industrial growth that responsibility development will be more difficult because HRM strategy integration will be appealing (Gautam & Davis 2007). Gautam and Poudyal (2018) argued that organizations with a big number of employees have only an average level of human resource planning, employee selection, and training.
Thus, this research aims at identifying the linkage between HR Practices and its impact on employee job satisfaction. With great advances in the field of communication and information technology and organizational management, fast-changing values of employees, growing competition throughout the global market, and the emerging knowledge economy have introduced many threats to existing organizations. In this regard, HRM is essential in the modern era to cope with competition and challenges. Similarly, in Nepal as a developing country, the capital formation requirement is being more stressful, that’s why industrial and banking sector development should be dynamic for employees’ satisfaction to assure perpetual prosperity and sustainability of the banking sectors and the economy with the application of human resource management practices. The entire accomplishment of organizational function depends upon the way how the human resource is managed in the organization. Thus, it is indispensable to each banking institution to ensure employees’ job satisfaction and motivation. This study is conducted to analyse the influence of HR practices on employee job satisfaction in the context of Nepalese commercial banks. This study enhances the contemporary research and practice of human resource management. Therefore, this study has been a valuable investigation for the different practitioners, academicians, and for banking management sectors to get an understanding of the importance of human resource management practices and employee satisfaction which helps to take corrective actions. Thus, this study aims to examine the relationship between HR practices such as recruitment and selection, training and development, compensation policy, and performance appraisal of the banking sector on employee satisfaction. Based on the above issues, the research aims at investigating the impact of HR practices on employees’ satisfaction in Nepalese commercial banks. The subsequent part of this paper is organized as follows. Section two reflects the literature review. Section three comprises the sample, data, and methodology. Section four depicts the results. Similarly, section five contains the discussion and remaining section contains conclusion, implication and direction for future research.

**Literature Review**

Ijigu (2015) found that recruitment and selection are found to have a moderate but positive correlation with employees’ job satisfaction and the remaining, training and development, performance appraisal, and compensation packages were found to have a strong positive correlation with employees’ job satisfaction. Moreover, the regression result shows that recruitment and selection, training and development, performance appraisal, and compensation package have a significant positive impact on job satisfaction. Khan (2019) found that HR Practices comprising recruitment and selection, training and development, performance appraisal, and compensation have direct and significant effects on employee job performance through job satisfaction among the university faculty members. Mudor and Tooksoon (2011) discovered that three HR Practices factors, namely supervision, job training, and pay practices, are all positively related to job satisfaction. Mohammed et al., (2010) discovered that training and development (TND) has a beneficial impact on job satisfaction in the study impact of human resources practices on job satisfaction: evidence from manufacturing firms in Bangladesh showed that job satisfaction and TND were also found to have the largest influence on job satisfaction. Nwachukwu and Chladkova (2017) conducted a study on Human Resource Management Practices and Employee Satisfaction in Microfinance Banks in Nigeria, which included a purposive sample of 60 senior employees from 10 microfinance banks in Nigeria, training, and
development are positively related to employee satisfaction. Intensively acquiring HR practices seems essential for the satisfaction of employees which depicts a positive effect on the satisfaction of employees because of that reason keeping employees delighted and satisfied with their job is most important which can be done with an adaptation of HRM ingredients or practices such as compensation of an employee, work environment, training and development, and human resource planning in the organization in which productivity improvement, minimizing turnover of employee and profitability enhancement is achieved through employee satisfaction (Nwachukwu & Chladková, 2017). Delaney and Huselid (1996) found that practices of progressive HRM, containing training, compensation, incentive, and staffing selectivity are positively associated with perceptual measures of organizational performance. The mutual association between job satisfaction and pay depicts that a reported level of well-being of employees is poorly associated with their income (Clark & Oswald, 1996). Belfield and Harris (2002) explored no evidence of such a relationship. Evidence with next fact can be observed that there is no significant association between employee job satisfaction and compensation among the respondents as the result revealed but other segments of compensation such as job security and career development were found as major contributing aspects to job satisfaction of employees (Yamoah, 2014).

Elrehail et al., (2019) found with a study on employee satisfaction, human resource management practices, and competitive advantage held in Northern Cyprus that six HR practices aspects such as job analysis and design, HR planning, recruitment, selection and placement, training, and development, employee performance appraisal, compensation and rewards with competitive advantage have no mediate role of employee satisfaction. Similarly, a study on HR practices to see their impact on employee job satisfaction was conducted in Singapore by (Lim & Ling, 2012), India (Suresh & Reddy 2020), Bangladesh (Mohammed, Absar, & Azim 2010), (Ting, 1997), and in Ethiopia (Ijigu, 2015) showed the positive association between HR practices and employee job satisfaction. But, HR practices may not be applicable in a parallel way throughout the world as some results show the inverse relation between HR practices and employee satisfaction as found by (Reiner & Zhao 1999), another study held by (Clark & Oswald 1996) in British shown inverse relation with wage rates and level of satisfaction was declined. HR Practices affect employee job satisfaction not in a unified form globally but distinguishes by their location and context or the situation. Wahjono et al., (2016) with the research on the impact of performance appraisal on job satisfaction with the quality of supervisor-employee as a moderating variable at the state-owned company including the total population for this research is 750 staff and accumulating sample from 254 respondents with purposive random sampling found the results that medium positive correlation between performance appraisal and job satisfaction.

Yukongdi and Shrestha (2020) studied the impact of affective commitment, job satisfaction, and job stress on turnover intention among Nepalese bank employees found that affective commitment and job satisfaction had a negative impact on turnover intention, whereas job stress had a favorable impact. Pandey (2019) held a study on the impact of human resource management on employee commitment in the field of Nepalese banking and found a positive relationship between HRM and employee commitment. Chapagai (2011) investigated the effects of employee engagement on job satisfaction in Nepalese commercial banks, concluding that higher employee participation improves job satisfaction among Nepalese banking personnel. Sigdel (2016) conducted a study to investigate the impact of human resource strategies on performance and job satisfaction in Nepalese commercial banks, and found a positive
association between employee performance and job satisfaction. Khadka (2013) surveyed employee satisfaction with human resource practices, finding that the majority of employees in Nepal's banking business (79.1 percent) are happy with their current remuneration. However, the research conducted in Nepal included major variables such as job assignment, employee benefit, job security, information sharing, decentralization, affective commitment, job stress, and turnover intention, and there was no examination of the impact of human resource practices on employee satisfaction, including recruitment and selection, training and development, compensation policy, and performance appraisal in an integrated form to assess employee satisfaction.

Methodology

The study was conducted to examine the impact of human resource practices on employee satisfaction. The population of the study is commercial banks in Kathmandu. This study was based on primary data which were accumulated under Likert scale items on recruitment and selection, training and development, compensation policy, performance appraisal, and employee satisfaction. The questionnaire was distributed to 700 employees of 24 commercial banks in Kathmandu city from May-2020 to November-2020 and received only 389 (56 percent) usable questionnaires from respondents. The study is based on cross-sectional data and used a simple random sampling technique. The correlation and regression statistical tools were adopted to examine the association and impact of human resource practices on employee satisfaction.

The Model

The estimated model for the study assumes that employee satisfaction depends on various aspects of human resource practices. Similarly, the influencing aspects of employee satisfaction consist of recruitment and selection, training and development, compensation policy, and performance appraisal. Thus, the model for the study is as follows:

$$ES= \alpha + \beta_1RS + \beta_2TD + \beta_3CP + \beta_4PA + e_i$$

Where,

- **ES** = Employee Satisfaction
- **RS** = Recruitment and Selection
- **TD** = Training and Development
- **CP** = Compensation Policy
- **PA** = Performance Appraisal

Employee satisfaction was measured with an 11-item scale as adopted by (Alshaikhly, 2017; Albararah, 2019). The respondents were asked to indicate their level of satisfaction on a 5-point Likert scale in the study (1= strongly disagree to 5= strongly agree). The sample items in the questionnaire under employee satisfaction include “job satisfaction depends on benefits offered by organization”, “job satisfaction is aligned with work-life balance in the organization” and so on.
Recruitment and selection were measured through a 6-item scale as adopted by (Alshaikhly, 2017; Alabarah, 2019). The respondents in the survey were asked to show their opinion on a 5-Point Likert scale comprising (1= strongly disagree to 5= strongly agree). The sample items under recruitment and selection contain “Information on both types of external or internal recruitment processes is widely disseminated.”; “a number of selection instruments such as interview, tests, etc. are used by the organization.” and so on.

Training and development were measured by using a 6-item scale as used by (Alshaikhly, 2017; Alabarah, 2019). The respondents of the study were asked to show their opinion through a 5-point Likert scale (1= strongly disagree to 5= strongly agree). The sample items integrated are the knowledge and behaviors learned in training that can be applied at my work.”, “training need in my organization is identified periodically.” and so on.

Compensation policy was measured using a 6-item scale as adopted by (Alshaikhly, 2017; Alabarah, 2019). The respondents in the research were asked to share their viewsthrough a 5-point Likert scale (1= strongly disagree to 5= strongly agree). The sample item integrated “my organization provides incentives in the form of promotion, awards, commissioned functions, bonuses”, the organization has a plan to retain employees through remuneration package” and so on.

Performance appraisal was measured using a 5-item scale as adopted by (Alshaikhly, 2017; Alabarah, 2019). The respondents in this survey were asked to express their views through a 5-point Likert scale (1 = strongly disagree to 5= strongly agree). The sample items under this integrate “the performance appraisal criterion is competency-based and outcomes of employees in the organization”, “a competency-based performance appraisal is conducted by organization periodically” and so on.

Table 1
Reliability test, Cronbach’s Alpha

<table>
<thead>
<tr>
<th>Construct/Variables</th>
<th>Number of Items</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>RS</td>
<td>6</td>
<td>0.749</td>
</tr>
<tr>
<td>TD</td>
<td>6</td>
<td>0.745</td>
</tr>
<tr>
<td>CP</td>
<td>6</td>
<td>0.717</td>
</tr>
<tr>
<td>PA</td>
<td>5</td>
<td>0.785</td>
</tr>
<tr>
<td>ES</td>
<td>11</td>
<td>0.786</td>
</tr>
<tr>
<td>Overall</td>
<td>22</td>
<td>0.797</td>
</tr>
</tbody>
</table>

The reliability of the scale was assessed using Cronbach's Alpha in table 1. The minimal acceptability range is taken into account with 0.6. The value of Cronbach's Alpha of items undercompensation policy as a minimum value is 0.717, according to the findings. Cronbach's Alpha has a maximum value of 0.786 for employee satisfaction. As a result, Cronbach's Alpha reliability spans from 0.717 to 0.786. With Cronbach's Alpha, the aggregate value for all scale items is 0.797.

The following segment describes the variables used in the study.
Recruitment and selection

Placement, selection, and recruitment are decision-making processes that are used to provide a basis for determining and selecting the optimal number of candidates for a certain job, intending to ensure job-person fit and, in some cases, person-organization fit. The most important part here is to diagnose congruency between the workers and their occupations, as well as between the workforce and their organizations; this, in turn, leads to a positive work environment (Tzafrir, 2006).

H1: There is a positive and significant impact of recruitment & selection on employee satisfaction.

Training and development

Training is a technique for equipping employees with the essential wisdom or information, as well as a set of skills that they need to carry out their obligations and duties following the organization's standards (Costen & Salazar, 2011). Training can also be considered as feelings of competence that might arise as a result of participating in training programs, which increases job satisfaction (Hartline & Ferrell, 1996).

H2: There is a positive and significant impact of training & development on employee satisfaction.

Compensation policy

Williams (2005) transparently pointed out that the entire form of reward or pay that organization provides to their workforce especially or conducting their task or jobs are considered as benefits and compensation in which most important commission, remuneration, bonus, and other non-cash benefits are important factors and the reason why employees work with any organizations.

H3: There is a positive and significant impact of compensation policy on employee satisfaction

Performance appraisal

Performance appraisal is a system that is used to make a variety of key organizational choices, primarily related to salary and promotion (Wiese & Buckley, 1998). Thus, performance appraisal or assessment is carried out to motivate employees throughout an organization's performance cycle (Heneman & Werner, 2005).

H4: There is a positive and significant impact of performance appraisal on employee satisfaction.

Employee satisfaction

Job satisfaction can also refer to a person's overall attitude toward his or her work (Robbins, 1999). Furthermore, the fundamentally major three dimensions to recognize job satisfaction can be reflected as an emotional reaction to the job, a concept that essentially aims at the level at which workers' acquisition achievements or expectations have been met, and finally, job satisfaction symbolizes interrelated distinct behaviors (Luthan, 1995). Job satisfaction is
considered as a tripartite psychological response integrated with ideas, feelings, and intentions to execute, by which individuals evaluate their work experiences cognitively and emotionally (Judge & Kammeyer-Mueller, 2012).

**Results**

**Descriptive statistics**

A total of 389 commercial bank workers took part in the survey. The participants were mostly from private banks, as seen in table 2 (70 percent). Respondents from government banks (18 percent) and respondents from joint ventures (12 percent) took part in the survey. The majority of respondents (58 percent) were between the ages of 26 and 35, with only (0.3 percent) beyond the age of 56. The study included female employees from commercial banks (55 percent) and male employees from commercial banks (45 percent) as respondents. The study included married (55 percent), single (43 percent), divorced (1 percent), and separated (1 percent) respondents. The majority of respondents (58 percent) had a master's degree or higher, as well as a plus two level of education (4 percent). Employees at the mid-level (51 percent) and higher-level (11 percent) levels took part in the study. Employees with fewer than five years of experience (55 percent) and those with 15 years or more (6 percent).

**Table 2**

*Details of respondents*

<table>
<thead>
<tr>
<th>Demographic characteristics</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Types of Organization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint Venture</td>
<td>45</td>
<td>11.6</td>
</tr>
<tr>
<td>Private</td>
<td>273</td>
<td>70.2</td>
</tr>
<tr>
<td>Government</td>
<td>71</td>
<td>18.3</td>
</tr>
<tr>
<td>Age (years)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 to 25</td>
<td>89</td>
<td>22.9</td>
</tr>
<tr>
<td>26 to 35</td>
<td>224</td>
<td>57.6</td>
</tr>
<tr>
<td>36 to 45</td>
<td>64</td>
<td>16.5</td>
</tr>
<tr>
<td>46 to 55</td>
<td>11</td>
<td>2.8</td>
</tr>
<tr>
<td>56 and above</td>
<td>1</td>
<td>0.3</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>174</td>
<td>44.7</td>
</tr>
<tr>
<td>Female</td>
<td>215</td>
<td>55.3</td>
</tr>
<tr>
<td>Marital Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>167</td>
<td>42.9</td>
</tr>
<tr>
<td>Married</td>
<td>214</td>
<td>55.0</td>
</tr>
<tr>
<td>Divorced</td>
<td>4</td>
<td>1.0</td>
</tr>
</tbody>
</table>
Correlation Analysis

The Pearson's correlation coefficients between independent and dependent variables are presented in Table 3. The independent variables are recruitment and selection (RS), training and development (TD), compensation policy (CP), and performance appraisal (PA), whereas employee satisfaction (ES) is the dependent variable.

Table 3

<table>
<thead>
<tr>
<th>Pearson's correlation</th>
<th>Variables</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>RS</th>
<th>TD</th>
<th>CP</th>
<th>PA</th>
<th>ES</th>
</tr>
</thead>
<tbody>
<tr>
<td>RS</td>
<td>3.9259</td>
<td>.46821</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TD</td>
<td>3.9357</td>
<td>.52365</td>
<td>.498**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CP</td>
<td>3.7335</td>
<td>.60351</td>
<td>.557**</td>
<td>.576**</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PA</td>
<td>8.7825</td>
<td>.52298</td>
<td>.323**</td>
<td>.420**</td>
<td>.495**</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES</td>
<td>4.0523</td>
<td>.45222</td>
<td>.475**</td>
<td>.352**</td>
<td>.422**</td>
<td>.273**</td>
<td>1.000</td>
<td></td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).
Table 3 shows Pearson’s correlation results depicting that recruitment and selection are positively related to employee satisfaction. It denotes that better recruitment and selection practice in the organization leads to higher employee satisfaction. Similarly, training and development have a positive relationship with employee satisfaction. It shows that the better the training and development program in the commercial banks, the higher would be the employee satisfaction. Likewise, compensation policy is positively correlated to employee satisfaction. It depicts that the better the compensation policy in the banking sector, the higher would be employee satisfaction. Further, performance appraisal is positively related to employee satisfaction. It shows that the better the performance appraisal in the banks, the higher would be employee satisfaction.

**Regression Analysis**

The regression analysis segment has been run to examine the impact of human resource practices on employee satisfaction comprising the study from commercial banks in Kathmandu. The outcomes of regression analysis are conducted based on 389 observations/samples by using a linear regression model. The estimated regression model for the study is $ES = \alpha + \beta_1 RS + \beta_2 TD + \beta_3 CP + \beta_4 PA + e_i$ where the dependent variable is $ES$ (employee satisfaction). Similarly, independent variables are $RS$ (recruitment and selection), $TD$ (training and development), $CP$ (compensation policy), and $PA$ (performance appraisal).

**Table 4**

<table>
<thead>
<tr>
<th>Regression</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>2.252***</td>
<td>2.857***</td>
<td>2.874***</td>
<td>1.983***</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(13.20)</td>
<td>(17.52)</td>
<td>(22.01)</td>
<td>(5.33)</td>
<td>1.556</td>
</tr>
<tr>
<td>RS</td>
<td>0.458***</td>
<td>0.304***</td>
<td>0.316***</td>
<td>0.236***</td>
<td>1.560</td>
</tr>
<tr>
<td></td>
<td>(10.62)</td>
<td>(7.40)</td>
<td>(9.14)</td>
<td>(5.58)</td>
<td>1.660</td>
</tr>
<tr>
<td>TD</td>
<td>0.304***</td>
<td>0.316***</td>
<td>1.940</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(7.40)</td>
<td>(9.14)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CP</td>
<td>0.2237</td>
<td>0.1216</td>
<td>0.1755</td>
<td>0.0720</td>
<td>0.236***</td>
</tr>
<tr>
<td></td>
<td>(5.58)</td>
<td>(3.14)</td>
<td>(5.14)</td>
<td>(3.58)</td>
<td>1.374</td>
</tr>
<tr>
<td>Adj-R²</td>
<td>0.2237</td>
<td>0.1216</td>
<td>0.1755</td>
<td>0.0720</td>
<td></td>
</tr>
<tr>
<td>SEE</td>
<td>0.39841</td>
<td>0.42377</td>
<td>0.41057</td>
<td>0.43561</td>
<td></td>
</tr>
<tr>
<td>F-Value</td>
<td>112.84</td>
<td>54.72</td>
<td>83.59</td>
<td>31.09</td>
<td></td>
</tr>
</tbody>
</table>

Notes: $t$ statistics in parentheses
* $p<0.05$, ** $p<0.01$, *** $p<0.001$
The regression result from table 4 shows that the beta coefficient is positive and significant for recruitment and selection. It depicts that recruitment and selection have a positive impact on employee satisfaction. The result indicated that beta coefficients are positive and significant for training and development. This result reveals that training and development have a positive significant impact on employee satisfaction. Likewise, the result shows that the beta coefficient is positive and significant for compensation policy. It depicts that compensation policy has a positive impact on employee satisfaction. Further, the beta coefficient is positive for performance appraisal. It shows that performance appraisal has a positive impact on employee satisfaction.

Discussion

The results generated through the use of statistical methods and statistical packages revealed that employees found a positive perception of human resource practices adopted by commercial banks in Kathmandu. The output generated through statistical tools revealed that a positive and statistically significant association was found among the variables. This shows that better human resource practices lead to higher employee satisfaction. Similarly, recruitment and selection and employee satisfaction were found positive and statistically significant. This result is consistent with (Ijigu, 2015; Onyema, 2014; & Khan et al., 2019). Further, training and development and employee satisfaction were also found positive and statistically significant. This result is consistent with Mudor & Tooksoon (2011). Compensation policy and employee satisfaction were also positive and significant. This result is consistent with (Mudor & Tooksoon, 2011; Onyema, 2014); & Altinay et al., (2008). Finally, performance appraisal and employee satisfaction were also found positive and statistically significant. The results of the above three training and development, compensation policy, and performance appraisal are consistent with (Ijigu, 2015). Thus, this can be concluded that the better the human resource practices, the higher would be employee satisfaction among the employees of commercial banks.

Conclusion

The objective of the study was to assess the impact of human resource practices on employee satisfaction among commercial bank employees in the Kathmandu valley. As there were few studies in the Nepalese context, this study was based on the literature of earlier international research. The hypotheses were examined for this purpose, and the result was obtained that recruitment and selection had a positive and significant impact on employee satisfaction among the variables tested in the study. The remaining variables, including training and development, remuneration policy, and performance appraisal had a positive and significant impact on employee satisfaction among employees of commercial banks in Kathmandu. This clearly shows that the better the organization's human resource practices, the higher would be the employee satisfaction.
Implication, and direction for future research

This research offers a novel approach to addressing a number of challenges that arise in the field of human resource management. The decision-maker can solve job-related issues and problems by retaining personnel for the long term, and maintaining a positive organizational climate conducive to job satisfaction. This study adopted merely specific variables of human resource practices comprising recruitment and selection, training and development, compensation policy, and performance appraisal and conducted the research in Nepalese commercial banks. Similarly, the sample size accumulated for this study with cross-sectional data might not be enough to generalize the study. However, future research can be held in other areas comprising other independent variables with longitudinal data. Similarly, the impact of human resource practices can investigate on employee performance, motivation, commitment and the linkage of demographic variables as moderating effects can be examined in future studies.

References


