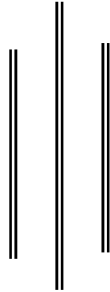


**HUMAN RESOURCE MANAGEMENT OF COMMERCIAL BANKS IN
NEPAL
(A Case Study of Himalayan Bank Limited)**



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SUBMITTED TO: -

Office of the Dean

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DECLARATION

I hereby declare that the work reported in this thesis entitled "Human Resource Management of Commercial Banks In Nepal " submitted to Office Dean, Faculty of Management, Tribhuvan University is my original work done for the partial fulfillment of the requirements for the Master of Business Studies (MBS) under the supervision of Dr. Shankar Thapa of St. Xavier College.

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ABBREVIATIONS

HRM	Human Resource Management
HBL	Himalayan Bank Limit
CRS	Corporate Social Responsibility
ATM	Automated Teller Machine
PSA	Premium Savings Account
SPSA	Super Premium Savings Account
ABBS	Any Branch Banking Service
FD	Fixed Deposit
OD	Over Draft
LC	Letter Of Credit
BPA	Best Presented Accounts
HRD	Human Resource Development
HR	Human Resource
PM	Personnel Management
THL	Tourism Hospitality and Leisure Industry
SHRM	Strategic Human Resource Management
BARS	Behavioral Anchored Rating Scale
MBO	Management by Objectives
AMO	Ability Motivation and Opportunity
PSC	Public Service Commission

CHAPTER 1

Introduction

With the onset of the Industrial Revolution, the importance of employee has been recognized. They are no longer considered as a mere 'pair of hands', instead they have now become one of the most important resources that an organization needs to achieve its goals and objectives. Thus, every organization has moved towards implementing the concept of Human Resources Management (HRM).

1.1 Background

In current era of highly volatile business environment organizations are facing emerging challenges in form of acquisition and optimization of human resource. Being valuable and scarce capabilities, human resources are considered as a source of sustainable competitive advantage. The success of an organization depends upon several factors but the most crucial factor that affects the organization performance is its employee. Human resources play an integral role in achieving an innovative and high-quality product/ service. If the employees of an organization are satisfied with their jobs, the organization can achieve its goals very straightforwardly. In any organization HRM practices focuses on optimal utilization and management of their human resource effectively in order to achieve maximum output. Managing people is concerned with deciding approaches and strategies to find alternatives of how to achieve organization goals.

Human Resource Management (HRM) is a planned approach to managing people effectively for performance. It aims to establish a more open, flexible and caring management style so that staff will be motivated, developed and managed in a way that they can give of their best to support the organization's mission. Good HRM practices are instrumental in helping achieve organizational objectives and enhance productivity. In taking HRM forward, the organization needs a strategic and integrated approach in managing people effectively for performance.

HRM is also a strategic and comprehensive approach to managing people and the workplace culture and environment. Effective HRM enables employees to contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals and objectives. HRM is gradually moving away from traditional personnel, administration, and transactional roles, which are increasingly outsourced. HRM is now expected to add value to the strategic utilization of employees and that employee programs impact the business in measurable ways.

The essence of the concept of human resource management (HRM) is that the people working in organizations are viewed as a valuable resource. It properly managed and treated, people help to increase productivity through their full commitment and capability and enable the firm to compete in local and global markets. The management of human resource, therefore, one of the elements in the management and co-ordination of work and people in organization.

Understanding of the development of the human resource management is essential to examine how it evolved overtime. A number of academics and practitioners in the past have contributed a great deal to the development of HRM. The history of its development goes back to the days of the early management pioneer, Robert Owen (177-1858). Similarly, other development such as the Industrial Revaluation, the principles of scientific management ,the classical organization theory and more recently the behavior scientific movement and the organization development movement have influenced the development of the personal management and HRM.

Personnel management or human resource management is concerned with people in an organization and the management of human energy. Prior to 1970s, the term Human Resource Management (HRM) was hardly used to describe mainstream people management. The terminology - personnel management and personnel administration - were used in theory and organizational practices in the UK and the USA domain respectively. Since these terms are seldom used today, one might draw the logical interference that 'old style' personnel managers are replaced by new-style HRM managers.

In the early 1980's, a debate was initiated in the USA whether HRM was a new term for the supposedly old concept of personnel or whether it embodied something substantially different. In the beginning, many scholars were of the opinion that HRM was no more than new wine in

the old personnel bottle. Subsequently, it was accepted that the concept of HRM reflected a paradigm shift, which has influenced over the last two and a half decades, both the way people were expected to act in organizations and the employer-employee relationships. This is not to say that the paradigm shift happened overnight; Shaun Tyson in 1995 pointed out that we have not moved from one steady, state called personnel to another steady, state called 'HRM'. In 1989, Korean Legge in her article argued that as organizations, most noticeably in the USA and the UK, attempted to cope with new competitive pressures and environmental forces, the vocabulary for managing their work forces tended to change. As a consequence, Personnel Management was slowly to be replaced by the Human Resource Management as the new terminology for the professionals.

Human resource management should be derived from the vision, mission, statement and strategy of the organization. Human Resource Management is based on ideas and techniques developed to enhance worker motivation, productivity and performance. Human resource management at many different levels is needed to maximize the performance of both staff and organization. In general, HRM activities can be both operational and strategic. Operational HRM concentrates on short-term efforts to meet current, immediate needs of the Organization.

In strategic HRM, all projects, activities etc. are related to the formulation and implementation of overall strategic plans. The organizational strategy, overall goals and this mission of the organization provides the basis for the HRM strategy, which in turn gives rise to the HRM operational activities. Most organizations tend to concentrate on operational HRM, because operational tasks are easier to justify (current need) and because many people involved in HRM processes do not know what action is appropriate from the strategic point of view because they were not involved in the strategic planning. Often, strategic plans are not available, in which case HRM cannot function strategically. In this case, it will not be able to prepare the organization for any future development, because it will have no basis for preparing its employees for the future, or for hiring personnel in time. This easily results in a qualitative and/or quantities human resource shortage.

Human Resource Management is the management of an organization's employees. While human resource management is sometimes referred to as a "soft" management skill, effective practice within an organization requires a strategic focus to ensure that people resources can facilitate the achievement of organizational goals. Effective human resource management

also contains an element of risk management for an organization which, as a minimum, ensures legislative compliance. Fundamentally, human resource management is based on the assumption that employees are individuals with varying goals and needs. Human resources should not be categorized with basic business resources (trucks, filing cabinets, etc.)

Practicing good human resource management (HRM) enables managers of an enterprise to express their goals with specificity, increasing worker comprehension of goals, and provide the necessary resources to promote successfully accomplishment of said goals. When HRM is properly implemented, members of the workforce are expressive of the goals and operating practices of the firm. HRM is seen by practitioners in the field as a more innovative view of workplace management than the traditional approach. Its techniques force the managers of an enterprise to express their goals with specificity so that they can be understood and undertaken by the workforce and to provide the resources needed for them to successfully accomplish their assignments. As such, HRM techniques, when properly practiced, are expressive of the goals and operating practices of the enterprise overall. HRM is also seen by many to have a key role in risk reduction within organizations.

HRM practices try to develop and allocate human capital in the best possible ways in order to achieve long-term goals; they provide them with many benefits and good environments that would boost employee's motivation, job satisfaction, and increase their performance. Job satisfaction is an attitude which is an outcome of harmonizing and summation of numerous precise likes and dislikes experiences with the job. Job satisfaction for an employee is the level of satisfaction according to job. Job satisfaction is a crucial indicator of how employees feel about their job and describes how much they are contented with his or her job. The satisfaction level of employees also associated with increase output of the organization. Job satisfaction of an employee is essential to the success of an organization. In an organization a high rate of employee contentedness is directly related to a lower turnover rate. Thus, keeping employees' satisfaction in their jobs with their careers should be a foremost priority for every organization.

HRM comprise practices and activities of acquiring, retaining, empowering, and motivating employees. In this study, HRM practices are investigated from the perspective of job satisfaction. Recruitment and selection enables business firms to acquire the appropriate human resources in line with its aims and objectives. Effective hiring also allows firms to

respond to market opportunities and threats in a proactive manner in the dynamic markets. Interviews are extensively used. Prior studies have shown that training is critical to organizational success. Training programs help employees to obtain the necessary knowledge, skills, and abilities to work effectively in sustaining and improving current work activities. Well trained employees, in general, not only require less supervision but also tend to have higher morale and lower levels of attrition. Training is believed to nullify the influence of factors which cause dissatisfaction of employees at work.

Thus, employees may be provided with extensive training programs in multiple functions and training on job skills. In addition to training, employees need to be rewarded and provided with appropriate incentives so as to produce the required levels of performance. Incentives also influence the level of employee satisfaction. When incentives are used properly, they may prove to make important contributions to the survival and growth of an organization.

The HR departments in the Egyptian petroleum sector tend to view training and development efforts as one of their most important tasks. Performance evaluation guides employees work related attitudes and behavior. Performance evaluation as a process demonstrates the effectiveness of human resources policies in an organization. Feedback on performance improves communication between supervisors and employees. Sharing information on the individual performance of employees contributes to organizational openness and increases the loyalty and trust employees have towards their organizations. This in turn is believed to increase motivation and co-operation. In Egypt, the rate of providing performance feedback is low. Many organizations are not keen in providing open feedback on the performance of employees. In many situations, when feedback is given, it is mostly negative feedback. Hence, performance management activities focus mainly on documentation rather than providing feedback and enabling development. Extensive research has proved a positive relationship between the human resource management practices and firm, unit, department, and team performance. Human resource management in an organization is very important. These activities include recruitment, selection, training, career development, compensation, and performance appraisal. They are the basic functions of an organization. Human resource management practices are able to provide an organization with a competitive advantage in local, international, and global environment. They can assist job satisfaction and may increase the organizational success while reducing the intention to quit and negative word of mouth of employees. If human resource management practices are not effective, efficient, and fair, an employee will lack commitment and loyalty toward the organization. Lack of

trust in business causes the demoralization of employee's demonstrated positive correlation between the feedback working environment including human resource management practices such as the performance appraisal and organizational citizenship behavior.

Hence, in order to sustain in the market all employees should be managed efficiently and effectively by implementing such Human Resources Management Practices which will increase the employee job satisfaction.

1.2 Definition of the Bank

Himalayan Bank was established in 1993 in joint venture with Habib Bank Limited of Pakistan. Despite the cut-throat competition in the Nepalese Banking sector, Himalayan Bank has been able to maintain a lead in the primary banking activities- Loans and Deposits.

Legacy of Himalayan lives on in an institution that's known throughout Nepal for its innovative approaches to merchandising and customer service. Products such as Premium Savings Account, HBL Proprietary Card and Millionaire Deposit Scheme besides services such as ATMs and Tele-banking were first introduced by HBL. Other financial institutions in the country have been following our lead by introducing similar products and services. Therefore, we stand for the innovations that we bring about in this country to help our Customers besides modernizing the banking sector. With the highest deposit base and loan portfolio amongst private sector banks and extending guarantees to correspondent banks covering exposure of other local banks under our credit standing with foreign correspondent banks, we believe we obviously lead the banking sector of Nepal.

All Branches of HBL are integrated into T24, the single Banking software where the Bank has made substantial investments. This has helped the Bank provide services like 'Any Branch Banking Facility', Internet Banking and SMS Banking. Living up to the expectations and aspirations of the Customers and other stakeholders of being innovative, HBL introduced several new products and services. Millionaire Deposit Scheme, Small and Medium Enterprises Loan, Pre-paid Visa Card, International Travel Quota Credit Card, Consumer Finance through Credit Card and online TOEFL, SAT, IELTS, etc. fee payment facility are some of the products and services. HBL also has a dedicated offsite 'Disaster Recovery Management System'. Looking at the number of Nepalese workers abroad and their need for formal money transfer channel; HBL has developed exclusive and proprietary online money transfer software- HimalRemitTM. By deputing our own staff with technical tie-ups with local exchange houses and banks, in the Middle East and Gulf region, HBL is the biggest inward remittance handling Bank in Nepal. All this only reflects that HBL has an outside-in rather than inside-out approach where Customers' needs and wants stand first.

1.2.1 HBL as a Committed Corporate Citizen

Corporate Social Responsibility (CSR) holds one of the very important aspects of HBL. Being one of the corporate citizens of the country, HBL has always promoted social activities. Many activities that do a common good to the society have been undertaken by HBL in the past and this happens as HBL on an ongoing basis. Significant portion of the sponsorship budget of the Bank is committed towards activities that assist the society as large.

1.2.2 The Bank's Vision

Himalayan Bank Limited holds of a vision to become a “Leading Bank of the Country” by providing premium products and services to the customers, thus ensuring attractive and substantial returns to the stakeholders of the Bank.

1.2.3 The Bank's Mission

The Bank's mission is to become preferred provider of quality financial services in the country. There are two components in the mission of the Bank “Preferred Provider and Quality Financial Services” therefore we at HBL believe that the mission will be accomplished only by satisfying these two important components with the Customer at focus. The Bank always strives positioning itself in the hearts and minds of the customers.

1.2.4 The Bank's Objective

To become the Bank of first choice is the main objective of the Bank. For fulfilling this explicit objective, other implied objectives must be fulfilled. These implicit objectives of HBL are as follows:

Beat the competition through various competitive strategies.

Understand the customer needs and expectations.

Fulfill the customer expectation and hence initiate customer satisfaction.

Retain existing customer through increased customer satisfaction.

Attract new customers through innovative new products and services.

Grab new opportunities and be safe against market imperfections and threats.

Use the strengths of the bank to its advantage.

1.2.5 Products and services

Himalayan Bank offers a wide range of deposit products that caters to requirement. HBL brings us the convenience of networked branches/ATMs and facility of E-channels like Internet and SMS Banking. In simple words, HBL brings banking at customer's doorstep.

Deposit Products

Fixed Deposits: It can be made for a period ranging from 3 Months to One Year or over. The interest rate is tied up to the tenure of the deposit. Customers can borrow from the Bank against their Fixed Deposit Certificates.

Savings Deposit Account: It can be opened in any Branch Offices. Customers are provided with free personal accidental death insurance. Customers can get a free Cheque Book. The Bank offers Any Branch Banking Facility.

Current Account: Mainly intended for business/corporate houses, this account can be opened from any Branches and can be operated from any of Himalayan Bank Branch.

Premium Saving Account (PSA): PSA is a privileged Savings Account with a host of convenient features and banking channels to transact through. So now you can bank at your convenience, without the stress of waiting in queues. PSA Customers enjoy a separate privileged counter and an interest rate calculated on daily balance. PSA is first Premium Deposit Product in the Banking sector of Nepal.

Super Premium Savings Account (SPSA): It is a special deposit account designed for the premium category of depositors. Special attractions of this account are:

-) Yearly interest rate of 4.25% p.a.
-) Minimum balance of Rs. 100,000.00
-) Unlimited deposit and withdrawal facility
-) 50%** discount on all the banking services
-) Accidental death insurance of up to Rs. 500,000.00
-) Free SMS Banking Service
-) Free Any Branch Banking Service (ABBS)

Bishesh Savings Account: It is a deposit product targeted to special section of society which includes minors, senior citizens completing the age of 50 years, physically challenged and illiterate individuals. Special attraction of this account is reduced minimum balance of Rs. 2,000.00, increased interest rate 2.5% p.a. (with premium of 0.25% over the applicable interest rate on Normal Savings Account), free debit card and accidental death insurance coverage for maximum Rs. 0.5 million.

Recurring Savings Account: It is 3 years fixed tenure savings account targeted to individuals who would like to save funds in installments for future use. The special attractions of this account are monthly deposit installments of Rs. 1,000.00 or multiple thereof, most attractive interest rate of 5.00% p.a. which is capitalized on monthly basis, accidental death insurance coverage for maximum Rs. 0.5 million and availability of loan facility for value of 90% of the balance in the account whenever required.

Loan Products

Himalayan Bank offers a wide range of tailor-made funded and non-funded loan. The bank provides different loan facilities to different household as well as business customers. HBL offers a wide range of tailor-made funded and non-funded credit facilities that include Corporate Lending (including project financing and consortium financing), Fixed Term Loan, Working Capital Financing, Trade Financing and loan against First-Class bank guarantee. Similarly, Retail/Consumer lending includes Hire Purchase loan, Mortgage loan, Credit Card Loan, Subidha loan (a hassle free loan) and FD and OD facility. Retail lending also includes Card Merchant Loan, Educational Institution Financing, and Loan against Fixed Deposit Receipt, Loan against Government Bonds/Securities and Loan against Shares. Specialized Lending provided by the bank is directed towards providing credit facilities for SMEs, while Trade services include LC (Advising, Confirmation, Negotiation, and Reimbursement) and Guarantee (BID bond, Performance bond, advance Payment and Counter-Guarantee).

International Banking

To assist its trading Customers, HBL offers Letter of Credit (LC) facilities. Customers can place their LC application in any of HBL Branches. The fees/charges are one of the lowest amongst the commercial banks of Nepal. The Customers enjoy wide correspondent network of Himalayan Bank in addition to the attractive rates.

Card Services

HBL is the first banking institution introducing the Credit Card services in the domestic market-HBL Card. it was one of the most popular card in the country at one time. They are now offering Visa and MasterCard facilities directed towards the customers in further reflection of their commitment to provide products tailored that suit their customer's interest and requirements. Various card services include HBL SCT/VISA/Master Debit Card, HBL Visa Card, HBL Master Credit Card HBL Prepaid Visa Card and Himalayan Bank American Express Card.

Himal Remit

HBL is the pioneer in the field of retail money transfer business. They conduct their business through Himal Remit that is a web-based online state-of-the art money transfer technology that is easily accessible through the web domain www.himalayanbank.com. It can be directly accessed through all their branches and network, ensuring prompt execution of remittance payment. The product has the largest payment network covering all cities, towns and villages of the country and over one thousand locations across Nepal.

Ancillary Services

HBL offers a variety of ancillary services that provides convenience, security and comfort to their customers. They are:

-) Safe Deposit Lockers: This facility provides Lockers of various sizes to their customers as per their preference and convenience of locations.
-) SMS Banking: This facility allows the customers to check their balance, status of cheque (encased or not), HBL's foreign exchange rate and contact number of branches.

-) Internet Banking: Through this facility banking can be done safely and securely from wherever there is a connection at all times of the day.
-) 24/7 Automated Teller Machines (ATMs) in more than 50 locations.
-) Everyday easy banking services.
-) Any branch banking services.
-) Fund transfer within and outside the country.
-) Fee collection/payment services for usually educational institutions

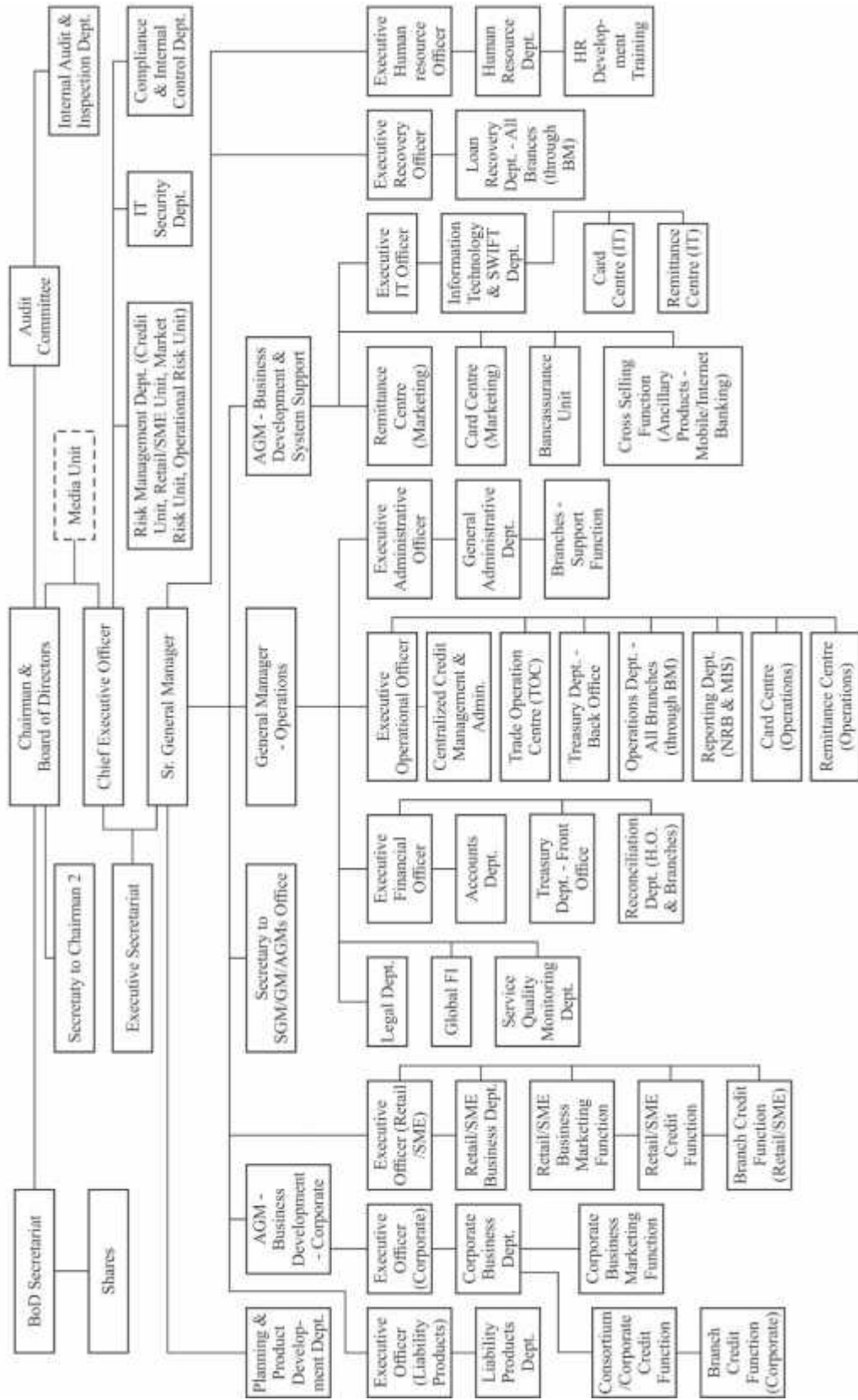
1.2.6 Pioneering Achievement

HBL is the first bank to provide remittance service in Nepal. Considering the number of workers abroad and their need for transferring money legally, HBL introduced online money transfer service named Himal Remit. HBL is at present the biggest remittance handling bank in Nepal. Taking into account all these factors, we can say that for HBL needs and wants of customers stands first. For the first time in the Nepalese commercial banking history, HBL launched HBL Bond-2066. This is a subordinated debt instrument designed in accordance with the provisions contained in the directives of Nepal Rastra Bank. Company Registrar Office has approved issuance of HBL Bond- 2066 on 29th May 2002.

1.2.7 Awards and Recognition

-) FNCCI- National Excellence Award 2003
-) The Banker's Almanac World Ranking 2003, 2006 (Nepal's no. 1 Bank)
-) Best Presented Accounts (BPA) and Corporate Governance disclosure Award 2008

1.2.8. HIMALAYAN BANK LIMITED - Corporate Structure



1.2.9 Job Profile of HR Department (Himalayan Bank Ltd.)

1. Human Resource Planning

- Organization Chart
- Manning Guide
- Job Description and Specification

2. Organizational Development

- Organization Restructuring
- Organizational environment and Culture

3. Developing and Revising Human Resource Policies and Procedures in line with the corporate strategies

4. Performance Management

- Performance Management Process

5. Compensation and Benefits

- Periodic Review of Salary, Allowances and Benefits
- Insurance- Life, Medical, Accidental
- Provident Fund/Gratuity
- Leave- Annual, Casual, Sick
- Leave without Pay
- Statutory Bonus
- Staff loans

5. Training and Development

- Training Need Analysis
- Training Planning- In-house/Outhouse/Offsite
- Training Evaluation
- Maintaining Training Database
- Employee Career Management
 - Creation of Talent Pool
 - Succession Planning
 - Career Counseling

6. Employee Relation

- Staff Welfare Activities
- Disciplinary Procedures
- Grievance Handling
- Regulatory Compliance
- Employee Recognition Schemes
- Employee Safety, Health and Occupational Hazards

7. HR Services Delivery

- Monthly Salary
- Insurance Claim Process
- Loan Processing
- Training Support
- Process Appointments in Interns/Management Trainees
- Grievance Processing
- Employee Assistance Program
- Providing HR Tools and Support to Line Managers

8. Personnel Administration

- Leave/Attendance Management
- Managing Human Resources Database
- Payroll Advice
- Maintaining Personnel Files

1.3 Statement of Problem

Several studies have examined human resource management (HRM) problems or activities related to the organizational life cycle. Any organization, Non-profit making or Profit making need a competitive and high quality human resource to run and survive in long –term. It is the need and demand of the age of modern business .The success and failure of every organization specially depends upon the facts that how they developed, trained and use human resources.

Thus, without proper human resource management, organization cannot run smoothly. So every modern organization should have policy and their practice to develop and manage their human resource systematically and in a planned way. It is very difficult of get a high performance of any organization without modern technology, like hardware software, program data and more. In order to understand and operate those technologies, trained and capable human resource is must.

The banks and service sector are the focus of the study for a number of reasons. There is no empirical research in banking sector that examines particular factor of job satisfaction. Yet these organizations are at the epicenter of the economy.

Also, understanding the factors of Job satisfaction may help to reduce costs associated with employee turnover, recruitment and training along with this it will help to enhance the productivity of the organization. The present study is basically directed towards examining the research issue related to Job satisfaction of employees. Commercial banks are giving importance to human resource these days. They have realized that human is an important resource of an organization. Employee need to be satisfied so they can give better service to their customer and ultimately earn profit Banks are introducing various new technologies and schemes to lure the limited customers. The facilities include internet banking, SMS banking, debit cards, credit cards and many more. Without support of employee they cannot implement them well. The study of job satisfaction of an employee is very essential since they play vital role in increasing productivity. Job satisfaction of an employee must be analyzed by every organization for long run profitability.

This research will attempt to find out the answer of the following research questions?

-) How does HBL perform the HRM policies and practices?
-) How do employees enhance their performance when organization has HRD policies?
-) Can organization achieve its goal after developing and managing their employees?
-) What are the factors that makes employee satisfied or dissatisfied?
-) What are the consequences of satisfied and dissatisfied employee in relation to human resource management?
-) How job satisfaction relates to employee productivity?

1.4 Objectives of the Study

Objectives are pre-determined goals to which individual or group activity in an organization is directed. The objectives of the economic institutions are mostly to earn profits, and of the educational institutions are mostly to impart education and / or conduct research so on and so forth. However, the fundamental objective of any organization is survival. Organizations are not just satisfied with this goal. Further the goal of most of the organizations is growth and / or profits. Institutions procure and manage various resources including human to attain the specified objectives. Thus, human resources are managed to divert and utilize their resources towards and for the accomplishment of organizational objectives.

The general objective of the study is to assess the factors affecting job satisfaction among employees working at Himalayan Bank Ltd. Other Objectives are:

-) To address the association between HR practices and job satisfaction
-) To help the organization reach its goals.
-) To ensure effective utilization and maximum development of human resources.
-) To ensure respect for human beings. To identify and satisfy the needs of individuals.
-) To increase the employee's job satisfaction and self actualization to the fullest.
-) To ensure reconciliation of individual goals with those of the organization.
-) To achieve and maintain high morale among employees.
-) To provide the organization with well trained and well- motivated employees.
-) To develop and maintain a quality of work life.

1.5 Significance of the Study

One of the most significant developments in the field of organization in recent times is the increasing importance given to human resources. More and more attention is being paid to motivational aspects of human personality, particularly the need for self-esteem, group belonging, and self-actualization. This new awakening of humanism and humanization all over the world has proper planning and management of human resources within extension organizations is essential to increase the capabilities, motivation, and overall effectiveness of extension personnel. The present pay scenario of economic environment is very competitive and hence large corporations need a massive work force to keep its cash register ticking. In this global economy; a company can raise physical resource and financial resources very easily .Even a human capital, the key factor for any organization can be easily availed. Realization the potential of human capital many organizations have initiated this to succeed, now an employee is viewed as a key which unlocks the organization's potential. Significance of the study are:

-) Job satisfaction in organization has been receiving increasing attention because it reduces employee turnover, absenteeism, tardiness and health setbacks due to stress.
-) Workers who are satisfied at their workplaces show positive attitudes in their personal life as well.
-) Greater knowledge, awareness and understanding of the factors associated with satisfaction assists in reducing burnout and turnover.
-) Understanding more about the interrelationships between factors such as job security, good facility, career development, work load, stress and satisfaction can help top level managers to develop and institute practices designed to reduce stress, increase job satisfaction and thus retain staff.
-) This study provides information that is important to administration, practice, and education.
-) Administrators could use this information to build solid and supportive units. This is important because the satisfaction level of an employee is directly associated with the service they will give to customers.

-) This study can be used as a building block to assist in developing and researching strategies to attract and also retain employee for a long time.
-) A growing recognition of job dissatisfaction among employee in bank has contributed to current problems with recruitment and retention.
-) If management identify factors influencing job satisfaction in bank and implement strategies to address these factors then employee turnover rates will decrease and recruiting and retention rates will increase.
-) The study on factors affecting job satisfaction is required and helps to understand the relative importance of the many factors to job satisfaction.
-) This study will provide information to managers. Employee and general people about job satisfaction and leave employment of employee at Himalayan Bank Limited.

1.6 Limitation of study

Research is continuous process of upgrading the knowledge with present scenario. It is a never ending process. A single research work is never sufficient and complete. Some of the limitations of study are as follows:

-) Time limit of the researcher is one major limitation.
-) The survey is subjected to the bias and prejudices of the respondents. Hence 100% accuracy can't be assured.
-) As the study is conducted on Commercial Bank, so the same result may not hold true for other areas.
-) This study has undertaken within a single bank. Thus the result of the same cannot be generalized to all the population.
-) Opinion collected in the survey and findings of this research may vary with other financial and non-financial organizations since there are large number of banks and financial institution.
-) Findings of the study may vary over time because of change in the behavior of the people.
-) Findings may vary within a period of time as employee behavior may change

1.7 Organization of the study

The study will be organized into five chapters followed by bibliography and appendix.

Chapter one

Introduction: (Background of the study, Himalayan Banal Limited, Statement of the problems, objectives of the study, significance of the study, limitation of the study and organization of the study.

Chapter Two

This chapter describe towards the review of literature of the related studies. It contains conceptual review, findings, recommendation, other major related studies and research gap from review of book, project, journal and magazine.

Chapter Three

This chapter describes the methodology in conducting the proposed study. It will deal with research design, population and sample, source of the data for the study, data collection techniques, and finally data presentation and analysis tools.

Chapter Four

This chapter will be the presentation of data analysis. It will be accompanied by presentation of secondary data and also primary data. It includes data processing procedure from tabulation and figures .From data analysis major findings and reporting will be done.

Chapter Five

The final chapter will present the summary, conclusion and recommendations from the study. The summary related to all chapters will also be reported in this chapter. Conclusion and recommendation will be included in this chapter.

Finally bibliography and appendices will be included at the end of the thesis.

CHAPTER TWO

REVIEW OF LITERATURE

Literature review is basically a 'stock taking' work of available literature. To make the research more realistic, review of literature is required. It provides significant knowledge in the field of research. This chapter, thus, presents the conceptual framework and research review and relevant theories for the analysis of the study.

2.1 Conceptual Review

In research literature plays an important role. Literature review concerns with review of related literature to gain deeper insight into the problem and contents. It could be from the journals, articles, reports, document (published and unpublished) books, abstract from the internet, programmed computer search etc. The researcher reviewed the existing literature related to problem area which helped in gaining an understanding of the problems nature, developing the instruments for the data collection and finding out certain data that could be applicable in interpretation and conclusion of the study.

2.1.1 History of Human Resource Management

Organizations have many operational functions. HRD is one of the functions that is engaging with the tasks of an organization. In early 70 s there was no division called as Human Resource Department or Division. By that time there was only a division called "Personnel" engaged with the labor related in the organization.

Personnel Management was introduced by the end of 19th century. At that time, this was focused on the welfare of labors in the organizations. According to the tasks they have done, the officers at Personnel Department were called as "Welfare Officers". The special thing was the employee welfare tasks were done by women at that time. During the period of 1914-1939, many organizations has showed a quick growth and quick changes in needs and wants

of the operations. Therefore the tasks done by women shifted to the men's, because of the complexity of tasks. These officers were called as “Labor Management” at that time.

After Second World War, during the period 1945 - 1979, this has grown up and changed to "Personnel Management", and Personnel Management was focus basically on employee administration and the legislation. At late 70's the economics of the world changed gradually and organizations started to consider labors work as an important resource. At the decade of 80 the concept of "Human Resource Management" was started and then it has shown growth gradually in decade of 1990. Finally the tasks and operations of personnel management were shifted to the Human Resource Management and it is functioning now in broad way in the organizations than Personnel Management.

Human resources management is not a new term. It was being used – mainly in the United States as a synonym for personnel management – as far back as the 1950s. Personnel management has a much longer history, going back to the Industrial Revolution and beyond. But people have been making personnel decisions since the earliest times, when tribal leaders had to be selected, and young people had to be trained to hunt prey, cook food, tend crops, farm animals, and so on. Ancient history has many examples of personnel management in action. As far back as 1750BC, the code of laws proclaimed by Hammurabi, King of Babylon, set wages for people hired as agricultural laborers, ox-drivers and shepherds. Craftsmen could be prosecuted if they failed to pass their skills on to apprentices, builders were held liable for the standard of their work, and owners were required to pay for the health care of their slaves.

Many of the early examples are concerned with workers' health. In the 1st century AD, a Roman scholar, Pliny the Elder, warned about the hazards of handling zinc and sulphur and described a protective mask, made from an animal's bladder, which protected laborers from dust and lead fumes. In 1473, Ulrich Ellenbog wrote a pamphlet on occupational diseases and injuries to gold miners. The field of occupational health was further advanced in 1556, when the German scholar, Agricola, described diseases which affected miners and prescribed preventative measures. The first comprehensive book on occupational medicine – Diseases of Workmen – was published in Italy in 1760 by Bernadino Ramazzini, who became known as the 'father of industrial medicine'.

The history of HRM is said to have started in England in the early 1800s during the craftsmen and apprenticeship era and further developed with the arrival of the industrial revolution in the late 1800s. In the 19th century, Frederick W. Taylor suggested that a combination of scientific management and industrial psychology of workers should be introduced. In this case, it was proposed that workers should be managed not only from the job and its efficiencies but the psychology and maximum wellbeing of the workers. Moreover, with the drastic changes in technology, the growth of organizations, the rise of unions and government concern and interventions resulted in the development of personnel departments in the 1920s. At this point, personnel administrators were called ‘welfare secretaries’ (Ivancevich, 2007).

Some scholars argued that HRM is said to have started from the term ‘Personnel Management’ (PM). The term ‘PM’ emerges after the World War in 1945 as an approach by personnel practitioners to separate and distinguish themselves from other managerial functions and making the personnel function into a professional managerial function.

Traditionally, the function of PM is claimed to ‘hire and fire’ personnel in organizations other than salary payments and training. But there were many criticisms and concerns of ambiguity expressed about the purpose and role of PM to HRM (Tyson, 1985) in that management planned HRM activities, and did not just respond reactively to different circumstances and situations, but in some cases, to demands of trade unions. In part to reflect these, none outline approaches to the management of employees in the mid 1980s. Therefore, the term HRM gradually tended to replace the term PM (Lloyd and Rawlinson, 1992). However, writers argued that the term HRM has no appreciable difference from PM as they are both concerned with the function of obtaining, organizing, and motivating human resources required by organizations. At the same time, writers are defining the terms HRM and PM in many different ways (Beer and Spector, 1985).

2.1.2 Meaning of Human Resource Management

Human Resource Management (HRM) is the function within an organization that focuses on recruitment of, management of, and providing direction for the people who work in the organization. HRM is the organizational function that deals with issues related to people such as compensation, hiring, performance management, organization development, safety, wellness, benefits, employee motivation, communication, administration, and training.

Human resources are an organization's greatest assets because without them, everyday business functions such as managing cash flow, making business transactions, communicating through all forms of media, and dealing with customers could not be completed. In order to maximize organizational effectiveness, human potentials, individuals' capabilities, time, and talents must be managed and developed. Hence, the practice of human resource management (HRM) and human resource development (HRD) works to ensure that employees are able to meet the organization's goals. Globally, the term HRM and HRD has been used by scholars, academics and practitioners. However, confusion arises on the terms or labels for HRM and HRD and its position in management function. The term for HRM has been understood as the only word to represent and explain the management and development of human resources from the point of recruitment to compensation and rewards through to career management and development to the point of retirement. Hence, it is pertinent to examine the terms that evolved around the management and development of human resources in organizations. In order to achieve this objective, it is important to examine the difference in terms for HRM and HRD, the history or starting point for HRM and HRD, their relationships and the up-coming terms used to refer human resource management and development.

Human resource management is a management function that helps managers plan, recruit, select, train develop, remunerate and maintain members for an organization. HRM is the latest nomenclature used to denoted personnel management. (PM). The fact is, it is only in the recent past that an organized body of thoughts and principals which holds the developments of human ability as an investment and not cist, has been formulated and propagated. Manpower is indisputably the basic resource. It is an indispensable means of converting other resources for achievement of organizational goals.

Human resource management is an integrated strategy and planned development process for effective utilization of human resource and organization. It is rather a total matching process between Hard S's (structure, system and strategy) and soft S's (staff, skill, style and super ordinate goals).

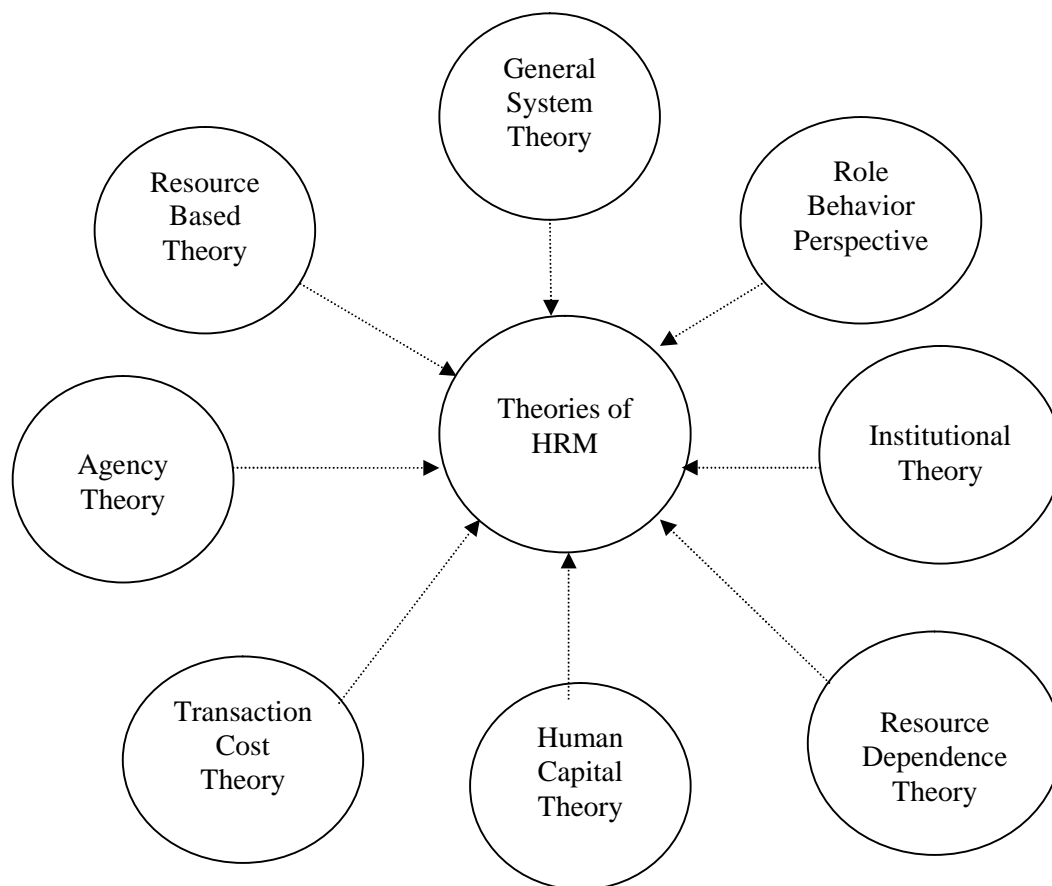
An increasing number of organizations place heavy emphasis on manager's process skills in working closely with people of varied background, and in motivating employees, maintaining morale, building trust, gaining commitment, fostering teamwork, leading innovation and facilitating organizational change.

On the other hand managers are expected to engage in a wide variety of HRM activities include hiring the right person for the right job, inducting and training new employees, appraising and managing the performance of super ordinates, controlling labor costs, managing organizational change and creating a corporate culture, understanding international dimension of organizational behavior and developing skills in cross-cultural negotiation.

2.1.4 Theories of HRM

The concept and practice of human resource management are drawn heavily form sociology, economics, management and psychology. These theories are important to understand HRM in different contexts. A brief summary of these theories is presented and discussed below:

Figure 2: Theories of HRM



Source: HRM course book, Dev Raj Adhikari(Third Edition

1. General System Theory:

This theory presumes organization as a system of interdependent elements having both closed and open parts. The closed system assumes that an organization will not have interactions with its environment and does not consider outside influences and forces on the organization. Whereas the open system assumes that an organization interacts with the larger environmental forces. It consists of inputs that come in from the environment, the process system, where inputs are transformed into the output. HRM is treated as a part of whole organizational system. Where skills and abilities are treated as inputs from the environment; employee behaviors are treated as throughput; and employee satisfaction and performance are treated as outputs.

2. Role behavior perspective:

Roles are interdependent components that make an organizational system. Role behaviors are recurring actions of other so as to yield to predictable outcome. HRM is the means to send role information through organization, supporting desired behavior with incentives and evaluating performance to confirm that it is congruent with behavioral requirements. Behavioral perspective also assumes that different business strategies will demand role behavior differently. Thus, HR practices and the associated role behavior are expected to be as per the business strategy and the nature of industry. Based on this perspective, a HR department can design HR practices to support the company strategy.

3. Institutional Theory:

This perspective provides a deterministic theoretical framework that gives considerable importance to the ability of institutions to influence organizations to adopt practices consistent with institutional preferences. Every organization has certain rules and regulations, procedures and structure to operate as a condition of giving legitimacy and support. Thus, according to this theory, organizations facing similar institutional environment will have similar rules and regulations, procedures and structures. Moreover, according to institutional theory internal and external pressures arise from government systems and other organizations in the same industry. Organizations are striving hard to cope with or to maintain the status quo by mounting resistance to change. To take an example,

many argue that HR practices are easily and quickly changing to fit in a given business strategy. However, it is not always true. Institutional and political forces inside organizations may hinder such fit. Anyway, whether or not to adopt HR practices by an organization is an institutional perspective.

4. Resource dependence theory:

This theory states that groups and organizations gain power over each other by controlling valued resources. HRM activities are assumed to reflect the distribution of the power in the system. All managers have to manage resources with a lot of constraints although they can create an organizational structure to manage the dependency. This perspective also makes it clear that groups and organizations gain power over each other by controlling valued resources. In HRM, the same perspective can be applied to see the relations between HR department and other departments. The HR department can have power over the other departments as long as it makes the others dependent upon it by controlling the flow of human resources into and through the organization.

5. Human Capital theory:

This theory is concerned with how people in an organization contribute their knowledge, skills and abilities to enhancing organizational capability and the significance of that contribution. People in organizations are human capital because they enable the organizations to be productive and adaptable. Human capital included both the present and potential capability of people working in an organization. Thus, unlike other assets, the potential capability of people can be fully realized only with their cooperation. Therefore, costs related to the production of such behavior constitute human capital investment. They can attract them from the market by offering better salary and pay or develop them internally by providing intensive training. Contextual factors such as market conditions, business strategy, trade unions will all have an effect on the use of human capital.

6. Transaction costs theory:

This theory assumes that organizations choose governing structures that economize the costs of monitoring and evaluation, enforcing rules and regulations and to enforce other exchanges. The theory assumes two characteristics of decision makers-opportunism or self-interested seeking behavior and bounded rationality or limited human capacity to solve complex problems. Whereas opportunistic behavior may take several forms such as adverse selection and moral hazards, bounded rationality limits the personal capability of a decision maker to explain the situation with more simplification without capturing all of its complexity. So far as the implication of this theory in HRM is concerned, if an organization is looking for a specific person with special skills it is bound to create an internal labor market to fulfill its self-interest and to get a boundedly rational person. On the other hand, if an organization does not need such skills it can gain efficiencies by competing for self interest and boundedly rational talents in an external market.

7. Agency theory:

It mainly addresses relations between an organization and its employees. The main concern of this theory is matching goals and interest of each others. There is always conflict of interests between these two parties and it is difficult for the organization to monitor the performance of the employees. To avoid such difficulties contracts are made to govern such relations. It is normally assumed that efficient contracts between organizations and employees will align the goals of both parties at the lowest possible costs. There is a wide use of agency theory model in fixing the salary of managers by the executives. However, for HR implication there are always challenges for such an alignment.

8. Resource-based theory:

This theory is a blend of organizational economics and strategic management. It emphasizes the processes by which firms develop a sustainable competitive advantage. The fundamental assumption of the theory is that organizations can be successful if they can gain and maintain a competitive advantage. In order to get such a competitive advantage it is necessary that the resource available to the competing firms must be variable among competitors and these resources must not be easily obtained by all. Based on this theoretical perspective HRM can increase organizational effectiveness by influencing human and other organizational resources in order to gain a competitive advantage

2.1.5 HRM Approaches: Hard vs. Soft HRM

Human resource as defined by Dessler (2004) is the strategy for acquiring, using, improving and preserving the organizations human resource. It could be well argued that in most cases the human aspect is forgotten in relation to how they manage people, leaving most staff unsatisfied creating a high staff turnover which affects organizational performance. It is therefore an utmost importance that people as opposed to just employees-need to be managed in a way that consistent with broad organizational requirement such as quality or efficiency. As in most cases organizational effectiveness depends on there being a tight 'fit' between human resource and business strategies.

Human resource as could be said is all about making business strategies work. It is therefore important that emphasis is placed on how to best match and develop "appropriate human resource management (HRM) approach/system of managing people in the tourism hospitality and leisure industry (THL). Thus, we would therefore be looking at some of the HRM approaches used **such** as the Harvard model; hard and soft approach in conjunction with the real world of the THL industry and to determine whether the hard approach is more appropriate.

The hard approach to HRM emphasizes a closer integration of HR policies, systems and activities with the business strategy. The HR model provided by Fombrun et al. is a hard model of HRM. Storey argues that the hard approach emphasizes the quantitative, calculative and business strategic aspects of managing the headcount resource. This indicates that the model has a clear definition and an agreed method for working it out and it will have a definite solution of the HR problems. The hard version assumes control over individual activities with a view to securing the competitive advantage of the organization.

On the contrary, the soft approach emphasizes the integration of HR policy with HR strategy, treats employees as valued assets, a source of competitive advantage through commitment, adaptability and high quality. The model is associated with the human relations movement, the utilization of individual talents and McGregor's Theory Y perspective on individuals (developmental-humanism). It assumes that employees will be committed to their work if they are trusted, trained and developed and if they are allowed to work autonomously and if they have control over their work. The Harvard HRM model of Beer et al. (1984) is an

example of the soft approach. This model analyses the HR behavior at work from human relation perspective. It focuses on the development of work from human relation perspective. It focuses on the development of people and on making them capable, trust-worthy and collaborative at work through participation, communication, motivation and leadership.

The Harvard model on the other hand as indicated by Lado and Wilson (1994) sees employees as resource, but human where the managers are responsible to make decisions about the organization and employee relation. The employment relation is seen as a blending of business and societal expectations and because it recognizes the role societal outcomes play, it could be argued that the Harvard model provides a useful basis for comparative analysis. The Harvard model also cover the four HRM policy areas which are human resource flows, reward system, employee influence, work system, which leads to the four Cs; competence of employees, commitment of employees, congruence of organization/employees goals and cost effectiveness of HRM. As could be argued striving to enhance all four Cs could lead favorable consequences for individual well- being, societal well-being and organizational effectiveness either as long- term consequences.

From the point of view of HR implications of these approaches, it is important to note that the hard approach of HRM is less subject to the influence of cultural and environmental variations and can be immediately with little or no adaptation whereas the soft approach is more culture-bound and context-specific, requires more adaptation during the transfer. However, many authors believe that the hard and soft versions of HRM are not necessarily incompatible and no singly organization adopted either a pure soft or hard approach to manage the human resource.

2.1.6 The Scope of HRM

In the last 20 years, the scope of the study of HRM has undergone several important changes. Personnel administration, or personnel management has increasingly given way to 'human resources management' or, the recently, to 'strategic human resource management' (SHRM). The scope of the discipline has been substantially widened in the following ways:

1. All corporate decisions affect the nature of the relationship between the organization and its employees, that is, its human resources. Thus, there is a need to see the impact of management decisions. HR management to understand the HRM concept.

2. HRM provides a new perspective for understanding employment relations and the contribution of people.
3. The central focus of HRM is on performance, which is influenced by the firm's **HR** functions – selection, appraisal, rewards development activities to achieve the corporate strategy.
4. It covers the area that promotes mutuality – mutual goals, mutual influence, mutual respect, mutual rewards and mutual responsibility.
5. It focuses on the goals of integration, of employee commitment, flexibility/adaptability and of quality.
6. As distinct from traditional personnel management, it emphasizes development of management teams, integrating HR activities under the responsibility of the line managers and greater 'bottom line approach.
7. It supports employee relations at the firm level-team working, flexible working practices, direct communication, and quality programmes.
8. Human responses are an integral part of business strategies and issues.
9. HRM offers the mechanism for integration, such, a) the use of planning b) a coherent approach to the design and management of personnel systems based on an employment policy and manpower strategy, and often underpinned by a 'philosophy' matching HRM activities and policies to some explicit business strategy, and d) seeing the people of the organization as a 'strategic resource' for achieving a competitive advantage'.

The current scope of HRM presents a broad basis for studying the subject at the national and international levels. Besides traditional personnel activities, it covers a different set of activities that emerged during the 1980s and 1990s, located in the organization.

2.1.7 The Rising Interest in Human Resource Management

The rising interest in human resource management in the 1980s may be seen as a consequence of several changes, experiences and developments.

Figure 3: The rising interest in HRM



Source: HRM course book, Dev Raj Adhikari (Third Edition)

2.1.8 The Difference between HRM and Personnel Management

Some experts assert that there is no difference between human resources and personnel management. They state that the two terms can be used interchangeably, with no difference in meaning. In fact, the terms are often used interchangeably in help-wanted ads and job descriptions.

For those who recognize a difference between personnel management and human resources, the difference can be described as philosophical. Personnel management is more administrative in nature, dealing with payroll, complying with employment law, and handling

related tasks. Human resources, on the other hand, are responsible for managing a workforce as one of the primary resources that contributes to the success of an organization.

When a difference between personnel management and human resources is recognized, human resources are described as much broader in scope than personnel management. Human resources is said to incorporate and develop personnel management tasks, while seeking to create and develop teams of workers for the benefit of the organization. A primary goal of human resources is to enable employees to work to a maximum level of efficiency.

Personnel management can include administrative tasks that are both traditional and routine. It can be described as reactive, providing a response to demands and concerns as they are presented. By contrast, human resources involve ongoing strategies to manage and develop an organization's workforce. It is proactive, as it involves the continuous development of functions and policies for the purposes of improving a company's workforce.

Personnel management is often considered an independent function of an organization. Human resource management, on the other hand, tends to be an integral part of overall company function. Personnel management is typically the sole responsibility of an organization's personnel department. With human resources, all of an organization's managers are often involved in some manner, and a chief goal may be to have managers of various departments develop the skills necessary to handle personnel-related tasks.

As far as motivators are concerned, personnel management typically seeks to motivate employees with such things as compensation, bonuses, rewards, and the simplification of work responsibilities. From the personnel management point of view, employee satisfaction provides the motivation necessary to improve job performance. The opposite is true of human resources. Human resource management holds that improved performance leads to employee satisfaction. With human resources, work groups, effective strategies for meeting challenges, and job creativity are seen as the primary motivators.

When looking for a job in personnel management or human resources, it is important to realize that many companies use the terms interchangeably. If you are offered a job as a personnel manager, you may be required to perform the same duties as a human resource manager, and vice versa. In some companies, a distinction is made, but the difference is very subtle.

2.1.9 From Personnel to Human Resource Management

Human resource management-type themes, including ‘human capital theory’ and ‘human asset accounting’ can be found in literature dating as far back as the 1970s. But the modern view of HRM first gained prominence in 1981 with its introduction on the prestigious MBA course at Harvard Business School. The Harvard MBA provided a blueprint for many other courses throughout North America and the rest of the world, making its interpretation of HRM particularly influential (Beer, Walton and Spector, 1984; Guest, 1987; Poole, 1990). Simultaneously, other interpretations were being developed in Michigan and New York.

These ideas spread to other countries in the 1980s and 1990s, particularly Australia, New Zealand, parts of northern Europe – especially the UK, Ireland and Scandinavia – and also South and Southeast Asia and South Africa. Today, the HRM approach is influential in many parts of the world. Typically, in this period HRM was presented in four distinct ways:

Firstly, it was as a radically new approach to managing people, demarcated sharply from traditional personnel management (Storey, 1989: 4). Personnel management was commonly viewed as having an operational focus, emphasizing technical skills and day-to-day functions such as recruitment and selection, training, salary administration and employee relations. ‘Personnel’ was a detached and neutral approach to staff. By contrast, HRM was often portrayed

as being proactive – looking at people in economic terms as either assets or costs to be actively managed. HRM was seen to be strategic, tying people management to business objectives. It was an attempt to manage people – not necessarily employees – in the long-term interests of the business.

Secondly, HRM was seen as an integrated approach which provided a coherent program, linking all aspects of people management. Whereas personnel managers employed a piecemeal range of sophisticated techniques for assessment or selection, HRM integrated these within a meaningful and organized framework. Each element needed to fit into a pattern that ultimately met business needs. Additionally, HRM was seen to be holistic; in other words, it was concerned with the overall people requirements of an organization. It implied a significant shift towards more conceptual, higher-level concerns such as the structure and culture of the organization and the provision of necessary competences.

Thirdly, HRM represented a consistent view of people management in which employees were treated as valuable assets. An organization’s reward systems, performance measures, promotion and learning opportunities were to be used to maximize the utilization of its

human resources. In particular, they were focused on the attitudes, beliefs and commitment of employees to achieve behavioral consistency and a culture of commitment.

Finally, HRM was presented as a general management function. Personnel management was often viewed as the work of specialists, whereas HRM was the responsibility of all managers. In some organizations human resource experts provided an internal consultancy service to line managers. There was a particular stress on the role of top management and an overall increase in the status of people management. Traditional personnel managers had little power or prestige.

Why should HRM have attracted such attention, particularly from senior managers?

From a strategic viewpoint, Lengnick-Hall (1988) identify a clear rationale for adopting the HRM approach:

-) HRM offers a broader range of solutions for complex organizational problems.
-) It ensures that an organization's people are considered as well as its financial and technological resources when objectives are set or capabilities assessed.
-) It forces the explicit consideration of the individuals who implement and comprise the strategy.
-) Two-way links are encouraged between the formulation of strategy and its human resource implications, avoiding problems which might arise from: (a) subordinating strategic considerations to HR preferences; and (b) neglecting an organization's people as a potential source of organizational competence and competitive advantage.

The renewed emphasis on the importance of human resources drew attention to the practice of people management. Conventionally, this had been divided between line and personnel managers, now frequently called human resource managers. For some, HRM was simply a matter of relabeling 'personnel' to redress the criticisms made about traditional personnel management and skeptics have argued that familiar personnel functions were repackaged and given a more up market image – 'old wine in new bottles' (Armstrong, 1987). Indeed, until the early 1990s, 'human resource management' textbooks tended to be slightly revised.

2.2 Components of Human Resource Management

Components of HRM are:

A. Acquisition: This component consists of human resource planning, job analysis, recruitment, selection, and socialization of employees. It ensures entry of right number of people at right place at right time.

) **Human Resource Planning:** It is the process of determining future human resource requirement.

) **Job Analysis:** It specifies job requirements and determines qualification and skills for various jobs.

) **Recruitment:** It consists of choosing qualified and right person from among the prospective candidates.

) **Socialization:** It is the process of adaptation of new employees to organizational culture. Orientation is a part of socialization.

B. Development: This component consists of development needs assessment, employee training, management development programs and career planning and development. It ensures proper competencies of employees to handle current and future jobs.

) **Analyzing developmental needs:** It involves human resource development planning to predetermine future HRD needs.

) **Employee Training:** It involves skills development of employees to cope with the job. It can be On-the-Job and Off-the-Job.

) **Management Development:** It involves programs to enhance abilities of executives to develop their future potential.

) **Career Development:** It involves tracking career paths of employees to match long term needs of the individual and the organization.

C. Utilization: This component consists of employee motivation, performance appraisal, and compensation management. It is concerned with improving productivity. It ensures

willingness of employees for doing jobs effectively. It consists of employing people productivity through:

) **Motivation:** Higher output through employee needs satisfaction. Motivation is employee willingness to put high levels of effort to achieve goals.

) **Performance Appraisal:** Assessment of employee effectiveness in achieving goals through performance in the job.

) **Compensation Management:** Management of compensation to motivate employees. It ensures design of the lowest cost pay structure that is perceived as fair by employees. It includes money, promotion, fringe benefits and services.

D. Maintenance: This component consists of discipline, grievance handling and employee welfare programs. It ensures retention of competent employees in the organization. It consists of:

) **Employee Discipline:** It includes adherence of employees to rules and standards of acceptable behavior. Disciplinary problems arise when some employee do not conform to proper norms of organization behavior.

) **Labor Relations:** It deals with the employer-employee relations, grievance handling and employees' discontent with job and conditions of employment resulting from perception of unfair treatment. It also includes unionization and collective bargaining.

) **Employee Welfare:** It consists of various activities and programs that promote welfare such as safety, health, sports, recreation, canteen facilities, etc.

2.2.1 Acquisition Aspect

1. Recruitment

Introduction

Recruitment is a process of finding right people for right position at right time. It is concerned with identifying and attracting a pool of qualified candidates to fulfill the human

resource needs of an organization. The quality of acquired human resources very much depends on the quality of recruitment.

The following factors affect the recruitment in an organization:

-) Size of organization
-) Employee turnover
-) Organizational growth
-) Image of organization
-) Attractiveness of the job
-) Government and employee influence
-) Nature of job
-) Organizational policies and HRP

Developing Recruitment Policies

Policies are guidelines for decision making to achieve goals. Recruitment policies are guidelines for making recruitment decisions. Organizations have the following policy options for recruitment.

-) Non discrimination policies
-) Merit policy
-) Preferential policy
-) Quota policy
-) Promotion from within policy

The important considerations in developing recruitment policies are:

-) Labor market issues

-) Legal considerations
-) Nature of job
-) Organizational policies
-) Environmental forces

Recruitment process

Recruitment process mainly consists of two step locating sources of recruitment and attracting qualified candidates to apply for jobs. Sources may be external and internal. Internal candidates can be attracted by posting, employee referrals and human resource inventory methods. Similarly external candidates may be attracted by advertising, employee referrals, educational institute placements, employment exchanges etc.

2. Selection

Organizational effectiveness ultimately depends on the quality of human resources selected. Selection is a process of choosing the most suitable candidate for a particular position from among the prospective applicants. It is concerned with hiring as well as rejecting the applicant.

Poor selection leads to:

-) Increased employee turnover
-) Absenteeism
-) Accidents
-) Job dissatisfaction
-) High cost of training
-) Productivity loss

The selection process consists of series of steps through which an applicant must pass. In selection process some organization use only interview where as others use both written tests and interview. A systematic selection process consists of the following steps:

-) Application of evaluation
-) Preliminary interview
-) Selection tests
-) Reference checks
-) Selection interview
-) Physical examination
-) Hiring decision

3. Placement

Placement involves assigning a specific rank and responsibilities to the selected candidate. It implies matching of job requirements with the qualification of the candidate.

According to Michael Jucius, "Placement is the determination of the job to which an accepted candidate is to be assigned and his assignment to the job."

During the placement it should be noted that misplaced employees perform below expectation. The placement should comply with legal provisions. It should minimize disruptions to the employee and to the organization.

4. Orientation and Socialization

Orientation is a tool for socialization process. It introduces new employee to the organization and its work environment. Its purpose is to communicate human resource policies and review job duties and responsibilities to the new employee.

According to Decenzo and Robbins, "Orientation covers the activities involved in introducing new employees to the organization and their work units."

Socialization is a process of adaptation to make a fit between the employee and the job in the organization's culture and context. It is learning the Dos and Don'ts in the organization.

According to Werther and Davis, "Socialization is the ongoing process through which an employee begins to understand and accept the values, norms and beliefs held by others in the organization."

Purpose of socialization is to improve performance, increase organizational stability, reduce employee anxiety, screen out deviant employees etc.

2.2.2 Development Aspect

1. Training

Introduction

Training is the organized process by which people learn knowledge and/or skills for a definite purpose. The purpose of training is to achieve a change in the behavior of those who are trained. By training, the trainees will acquire new manipulative skills, technical knowledge and problem solving abilities or attitudes.

A well planned and well executed training program may provide following tangible benefits.

-) Reduced learning time to reach acceptable performances
-) Improved performance in the present job
-) Aid in solving operational problems
-) Fill manpower needs
-) Benefits to employee themselves
-) Improvement in quality of the products
-) Improvement in production rate etc.

Training need assessment

Training need assessment can be done in three levels: organizational level, task level and individual level. Some of the methods of determining the training needs suggested by IGNOU are:

-) Analysis of an activity
-) Analysis of problems
-) Analysis of behavior
-) Analysis of an organization
-) Appraisal of performance, etc.

Training Objectives

There are certain objectives to conduct a training program. Major objectives may be listed as follows.

-) To prepare employees for the job performance while on first appointment, on transfer or on promotion and impart them the required knowledge and skills.
-) To assist the employees to function more effectively in their present positions by exposing them to the latest concepts, information and techniques and developing the skills that would be required in their particular field.
-) To build a second line of competent officers and prepare them assume more responsibilities.

Training Methods

On-the-Job training

This training involves "learning while working". Training takes place on the job. It places the employee in the context of real work situation. It is learning by doing under the supervision of an experienced employee. The methods available for on-the-job trainings are;

-) Apprenticeship training – employees learn by working with those already skilled job.
-) Internship Training – It is given to skilled and technical personnel to combine practical experience with theoretical knowledge.
-) Job instruction training

Off-the-Job Training

This training takes place outside the work situation. It is mostly classroom based. The trainees are freed from stress and work load of their job. The methods used for off-the-job training are:

-) Lecture/conference method
-) Simulation exercise method
-) Programmed instruction
-) Experiential exercises

2. Management Development

Management development is a systematic process of improving managerial performance by imparting knowledge, increasing skills, changing attitudes and developing experiences. According to DeCenzo and Robbins, "Management Development is future oriented training focused on personnel growth of the employee".

-) The goals of management development are:
-) To increase managerial capabilities
-) Enhance managerial potential
-) Foster team work
-) Facilitate environmental adaptation
-) Improve managerial decision making

-) Facilitate managerial succession etc.

Methods of Management Development

On-the-Job methods

-) Coaching
-) Job Rotation
-) Planned work assignment
-) Internship

Off-the-Job methods

-) Lecture/seminar
-) Simulation exercises
-) Behavior modeling
-) Sensitivity analysis

3. Career Planning and Development

Career planning

Career is a sequence of jobs held during the course of a person's life. Career planning means helping employees to plan their career. According to Werther and Davis, "Career planning is a process by which one selects career goals and the path to those goals." Objectives of career planning are:

-) To meet staffing requirements
-) Lower employee turnover
-) Develop employee potential
-) Assist work force diversity

-) Motivate employees

Career Development

Career development is required to implement career plans. It comprises personal improvements undertaken by an employee to achieve career plan as well as organizational efforts designed to assist employees in developing careers. According to Byars and Rue, "Career development is ongoing formalized efforts that focus on developing and enriching human resources in light of both the employee's and the organization's needs." Objectives of career development are

-) Integrate human resource development plan of organization with career development needs of employee
-) Meet human resource needs of the organization on a timely basis
-) Reduce employee frustration
-) Inform employees about potential career path

Utilization Aspect

1. Motivation

Introduction

Motivation is an individual's willingness to exert effort to achieve the organization's goals, conditioned by this effort's ability to satisfy individual needs. The indicators of motivation are willingness for work, greater effort, sense of belongingness in organization, higher productivity, etc. Motivation is an important tool to harness goals of individuals and organizations.

Techniques of employee motivation

Motivation is the key to effective work performance. It is the act of energizing people to achieve goals through higher productivity. Following techniques of motivation can be used to motivate employees.

-) Participation
-) Money
-) Quality of work life
-) Modified work schedule
-) Management by objectives, etc.

2. Job Design

Introduction

Jobs are closely related tasks, which are to be performed by an individual or group. So, job design is the process of structuring work and designing the specific work activities of an individual or group of individuals to achieve certain organizational objectives.

Job design mainly involves three steps. First step is the specification of individual tasks. Second step is the combination of tasks into jobs that can be assigned to an individual or a group and last step is the specification of methods of performing each task.

Approaches to Job Design

There are various approaches to job design

1. Classical approach: It emphasis on work simplification, job rotation, job enlargement, etc.
2. Socio-technical approach: Both social as well as technical aspects of job are included.
3. Behavioral approach: This is modern approach to job design. It emphasis on job enrichment, autonomous teams, modified work schedule, etc.

Job design clearly defines a job from different angles providing the appropriate methods to perform it. A well designed job greatly affect in productivity, cost, quality and effectiveness of the organization.

3. Performance Appraisal

Introduction

Performance refers to accomplishment of assigned tasks by an employee. It is the result of efforts plus abilities. It implies productivity measured in terms of effectiveness and efficiency. Performance appraisal reviews job relevant strengths and weaknesses of an employee. It provides feedback to that employee know where they stand, where they ought to be going, and how they are going to get there. It assesses the relative worth of each employee to the organization.

Purpose of performance appraisal

In general, purposes of performance appraisal are as follows

-) Performance feedback
-) Reward management
-) Training and development decisions
-) Supervisory understanding
-) Career and succession planning, etc.

Methods of performance appraisal

Job standard method

Under this method there are several methods of performance appraisal. They are

-) Easy method
-) Checklist method

-) Rating scale method
-) Behavioral anchored rating scale (BARS)

Comparison oriented methods

Some of the comparison oriented methods are

-) Individual ranking
-) Group order ranking
-) Paired comparison, etc.

Objective oriented methods

In this method, performance appraisal is based on how well the time bound objectives have been accomplished. This approach is known as management by objectives (MBO).

Maintenance Aspect

1. Compensation

Introduction

Compensation refers to all forms of financial rewards received by employees. It includes base wage or salary, any incentives or bonuses and any benefits. Compensation is mainly of two types: direct or indirect. Direct compensation consists of pay and incentives and direct compensation consists of benefits and services.

Compensation Management

Compensation management consists of designing a cost effective pay structure and will attract, retain and motivate the competent employees. Compensation system should balance organization's ability to pay with employee satisfaction.

Compensation management is essentially about designing, implementing and maintaining pay system, which helps to improve organizational performance.

The main objectives of compensation management are

-) Establish fair and equitable pay system
-) Attract and retain competent human resources
-) Improve motivation and morale of employees
-) Control cost by designing lowest cost pay structure
-) Improve labor relations
-) Improve image of the organization

2. Employee Welfare

Introduction

Welfare implies physical, mental, moral and emotional well being of an individual. Employee welfare refers to taking care of the well being of the employees and employers, trade unions, government and voluntary agencies. Labor welfare includes such services, facilities and amenities as may be established in or in the vicinity of undertakings to enable the persons employed in them to perform their work in healthy, congenial surroundings and to provide them with amenities conducive to good health and high morale.

Objectives of employee welfare

Some of the objectives of employee welfare are

-) From the humanitarian point of view, to enable the worker to enjoy a fuller and richer life
-) From the economic point of view, to improve the employee's efficiency
-) From the civic point of view, to develop among the employees a sense of responsibility and dignity as noble citizens of the nation

-) From the organizational point of view, to attract and retain better life.
-) To make the employees free from worries of taking care of basics of living.

Types of welfare programs

Welfare program inside work place

It includes conditions of work environment like housekeeping, sanitation and cleanliness, safety measures, prevention of violence at work against employees, etc. Welfare activities also include conveniences like bathrooms, toilets, provisions of safe drinking water, library, reading room, health services, workers recreation facilities, women and child welfare etc. Welfare program also include economic services like co-operative stores, loans and saving plans, transport services, health insurance etc.

Welfare programs outside work place

These programs and facilities are provided outside the organization. The welfare activities included outside the work place are

-) Housing, utilities, holiday homes
-) Parks, playgrounds, recreational facilities, clubs, amusements, cultural centers, community halls, marriage halls
-) Educational facilities for the children of employees
-) Transport facilities, travel concessions
-) Health Services, hospitals, etc.

3. Discipline

No organization can be effective without promotion and maintenance of discipline at all levels of employees. Discipline is a condition in the organization when employees conduct themselves in accordance with the organization's rules and standards of acceptable behavior.

Not all employees practice self discipline. Discipline problems can be various. The frequently encountered problems can be classified as follows.

-) Attendance related problems such as absenteeism, late for work etc.
-) On-the-Job behavior-related problems such as defective work, drug use on job, gambling, etc.
-) Dishonesty related problems such as theft, concealing defective work, etc.
-) Outside activities-related problems such as unauthorized strike, criminal activities, etc.

Indiscipline requires disciplinary actions. Disciplinary action is punishment associated with violation of rules. It should aim to correct undesirable behavior. It should not be punitive. Disciplinary action generally follows progressive sequence of six steps: oral warning, written warning, suspension, pay cuts, demotion and dismissal.

4. Grievances

Grievances are employee's perception of unfair treatment on the job manifested in feelings of discontent or dissatisfaction. When employee's complaint is brought to the notice of management, it becomes a grievance. According to Dale S. Bitch, "grievance is any dissatisfaction or feeling of injustice in conjunction with one's employment situation that is brought to the attention of management." Grievances may be caused due to interpretation difference, management practices, labor union practices, organization culture, etc.

Some of the consequences of grievances are:

-) Decrease in productivity
-) Absenteeism
-) Deterioration in quality of work
-) Indiscipline
-) Worry, tension in employees
-) Lack of co-ordination among employees, etc.

There are many approaches of grievances handling such as informal approach, labor contract approach, grievance procedure, etc. In open door policy, employees are invited to walk in any time and express their grievances to higher level of management.

Changing Roles of the Human Resources

Today, organizations cannot afford to have an HR department that fails to contribute to lead modern thinking and contribute to enhanced company profitability. In this environment, much of the HR role is transforming. The role of the HR manager, director, or executive must parallel the needs of his or her changing organization. Successful organizations are becoming more adaptive, resilient, quick to change direction and customer-centered. Three New HR Roles: Strategic Partner, Employee Advocate & Change Champion.

Within this environment, the HR professional, who is considered necessary by managers and executives, is a strategic partner, an employee sponsor or advocate and a change mentor. These roles were recommended and discussed in *Human Resource Champions*, by Dr. Dave Ulrich, one of the best thinkers and writers in the HR field today, and a professor at the University of Michigan.

Strategic Partner

In today's organizations, to guarantee their viability and ability to contribute, HR managers need to think of themselves as strategic partners. In this role, the HR person contributes to the development of and the accomplishment of the organization-wide business plan and objectives. The HR business objectives are established to support the attainment of the overall strategic business plan and objectives. The tactical HR representative is deeply knowledgeable about the design of work systems in which people succeed and contribute.

This strategic partnership impacts HR services such as the design of work positions; hiring; reward, recognition and strategic pay; performance development and appraisal systems; career and succession planning; and employee development. When HR professionals are aligned with the business, the personnel component of the organization is thought about as a strategic contributor to business success. To be successful business partners, the HR staff members have to think like business people, know finance and accounting, and be

accountable and responsible for cost reductions and the measurement of all HR programs and processes.

Employee Advocate

As an employee advocate, the HR manager plays an integral role in organizational success via his knowledge about and advocacy of people. This advocacy includes expertise in how to create a work environment in which people will choose to be motivated, contributing, and happy. Fostering effective methods of goal setting, communication and empowerment through responsibility, builds employee ownership of the organization. The HR professional helps establish the organizational culture and climate in which people have the competency, concern and commitment to serve customers well.

In this role, the HR manager provides overall talent management strategies, employee development opportunities, employee assistance programs, gain sharing and profit-sharing strategies, organization development interventions, due process approaches to employee complaints and problem solving, and regularly scheduled communication opportunities.

Change Champion

The constant evaluation of the effectiveness of the organization results in the need for the HR professional to frequently champion change. Both knowledge about and the ability to execute successful change strategies make the HR professional exceptionally valued. Knowing how to link change to the strategic needs of the organization will minimize employee dissatisfaction and resistance to change.

Organization development, the overarching discipline for change management strategies, gives the HR professional additional challenges. Consciously helping to create the right organization culture, monitoring employee satisfaction, and measuring the results of organization initiatives fall here as well as in the role of employee advocacy.

The HR professional contributes to the organization by constantly assessing the effectiveness of the HR function by bringing about change in other departments and in work practices. To promote the overall success of the organization, the HR professional champions the identification of the organizational mission, vision, values, goals and action plans. Subsequently, implementation measures are determined to ensure the HR practices are implemented.

HRM practices in the Banking Sector

HR are more important in the service organizations than in goods producing industry, as their cost of labor is relatively a high proportion of the total cost of production. Moreover, employees on the front line in the service sector are in contact with the customer, and the customer satisfaction depends upon employee performance.

Banking, in the service industry, delivers its service across the counter to the ultimate customer. The activities of banking industry are all about “relationship”. Hence, banking industry has to provide better services with a smile to the customers in order to cultivate and maintain long lasting relationship with their customers. Notwithstanding the level of technology, banking is primarily a labor intensive service sector. Hence it will not be possible for the banks to sustain effectiveness unless human resource management is given prime importance because the technology is only an aid to human effort and not a substitution thereof. If the technology is the equalizer, then the human capital shall be the differential in future.

The Human Resources are the most important element for the progress of banking. Though technology can replace manual intervention, the thinking process is the exclusive preserve of human beings. With changing times and technology, banks would require employees with special skills in the areas of risk management, treasury, product development, customer relationship management and IT services. The technology can improve speed and quality of performance, but at the same time it can also unleash the risk factor. It is rightly said: “We are trying to apply third generation ideas on second generation organizations which are unfortunately run by first generation managers”.

It is a recognized fact that HR occupies a unique and sensitive position in the banking sector; no meaningful change is possible without the involvement of their employees. Therefore, if banks have to undertake any significant changes to adapt themselves to new competitive environment, one of the most crucial initiatives lie in organizing and preparing its HR to the requirement of competitive banking. Human asset being an intellectual asset, the new source of competitive advantage can be defined as the sum total of knowledge, skills and competencies that an organization possesses. The fundamental principle of human resource management is to treat people as a valuable asset. Good HRM is to attract the best talent, retain and motivate them.

The performance of the banks (as any other service sector organization) highly depends on their HR. Hence, efficient and effective HR practices of selecting the right people, who would maximize value and minimize cost within the organization remains a challenging task. The core function of HRD in the banking industry is to facilitate performance improvement, measured not only in terms of financial indicators of operational efficiency but also in terms of the quality of financial services provided. Factors like skills, attitudes and knowledge of the human capital play a crucial role in determining the competitiveness of the financial sector. The quality of HR indicates the ability of banks to deliver value to customers. Capital and technology are replicable but not the human capital, which needs to be valued as a highly valuable resource for achieving that competitive edge. The primary emphasis needs to be on integrating human resource management strategies with the business strategy. HRM strategies include managing change, creating commitment, achieving flexibility and improving teamwork. The other processes representing the overt aspects of HRM, viz. recruitment, placement, performance management, are complementary.

Only one asset holds the power to differentiate banks in the competitive environment i.e. a dedicated, productive and innovative workforce. No longer can an organization afford to underestimate and demoralize their workforce to succeed at the expense of those who help and make success possible. Respect human dignity and have faith in every employee as resource and potential asset while achieving organizational objectives efficiently. In short, banks have to invest in their work force.

2.3 Review of Thesis

In order to examine the relationship between HRM practices and job satisfaction, the researchers, academicians and policy makers have investigated several studies in different time periods. Many researchers have demonstrated that HRM practices and job satisfaction are the key factors for employee performance. In this paper an attempt has been made to assess the relationship between HRM practices and job satisfaction of Himalayan Bank employees.

2.4 Findings from Literature Review

After reviewing the literature, the researcher has found that there are many factors associated with job satisfaction and dissatisfaction. Perceived reward, pay, promotion, interaction with coworkers, an opportunity to influence decisions, and control over their work, organizational policies, decision-making practices, the perception of the quality of supervision, recognition. And the factors associated with job dissatisfaction are lack of autonomy, poor participation in decision making, so, organization should pay attention to what their employees need from the organization and do everything within their power to meet those needs. They should develop policies that could lead to an improvement in employee job satisfaction and therefore helps for better customer satisfaction, a decrease in the turnover of employee and increased profits for the organization. Employee satisfaction towards compensation is one of the important discourses for any company, because it is directly related to performance that can be achieved by employees. The more an employee is satisfied and happy, the better they perform. In turn this will influence the company performance as well. Some employees might have a higher value for monetary rewards, whereas for a few others, a responsible and challenging position or the learning involved in the job may have very high positive values.

Employee satisfaction is important for both employee and organization as it helps to enhance employee retention, increases productivity, increases customer satisfaction, Work will be more productive and of good quality. Different researcher has their own views and findings of job satisfaction. Most of the researchers conclude that job satisfaction is a state of mind encompassing all those feelings determined by the extent to which the individual perceives his/her job-related needs to be being met. Wages and salaries are important factors for job satisfaction Researchers have found significant relationship between pay and rank of employees and their level of job satisfaction.

A number of researchers are of the opinion that job satisfaction is strongly related to opportunities for promotion. If people think that they will not have much promotion possibilities, they may be affected adversely. Most research indicates that individuals are likely to have high levels of job satisfaction if supervisors provide them with support and co-operation in completing their tasks. The worker would rather desire working conditions that will result in greater physical comfort and convenience. The absence of such working conditions, amongst other things, can impact poorly on the worker's mental and physical well-being.

Researchers have focused on individual factor as well on job satisfaction. Researchers have shown relationship between individual factors like age, gender, education in relation to job satisfaction. If individuals are satisfied with their job, they remain in their profession longer. Some individuals want to stay in the organization due to their normative commitment, referring to an employee's desire to stay with the organization based on a sense of duty, loyalty or more obligations.

Human Resource Management becomes the most important for the organizations around the world and the relationship between organizational performance and HRM is interrelated; in another way positive relationship. A research was conducted in Greece to measure the impact of HRM on organizational performance in the context of Greece. Data were collected from 178 organizations using a questionnaire survey in the Greek manufacturing sector, and analyzed using the „structural equation modeling“ methodology. Researcher found out that organizational performance is not only related with the variables of HRM but also some other factors that has not been yet identified clearly and that's why they consider it as “Black Box”. To find out this relationship more specifically some researchers develop theoretical framework which dominated the field were the “Contingent Framework”. The contingent factors include business strategies, resources (human, capital and social) organization have and AMO theory (Ability, Motivation and Opportunity). The operational model in this study advocates that HRM policies directly influence HRM outcomes such as collective skills, attitudes, and behaviors, and thus, indirectly through HRM outcomes improve organizational performance. (A.A. Katou, 2008) Furthermore, it argues that HRM policies are significantly, positively and directly related to organizational performance. In addition, it assumes that HRM policies are influenced by business strategies. Thus, the findings of this study support that the relationship between HRM policies and organizational performance is partially mediated through HRM outcomes, and HRM policies are moderated by business strategies.

Hussain and Rehman (2013) examined the relationship between the HRM practices implemented by the organization on employee's intention to stay and work effectively for the organization. The result of the study explored that HRM practices viz-a-viz: person-organization fit, employment security, communication and training and development are contributing strongly in developing the employees' intentions to stay with organization

Lamba and Choudhary (2013) revealed that how HRM practices provide an edge to employee's commitment towards an organization goal in the global competitive market. The

study concluded that HRM practices such as training & development, compensation and welfare activities has significant effect on organizational commitment and are associated with superior organizational performance, which help in retention of knowledgeable and skilled employees.

A similar study on bank employees was conducted by Majumder (2012) to gain an insight into the current HRM practices (recruitment and selection systems, compensation package, job security, career growth, training and development, management style, job design and responsibilities, reward and motivation and working environment) and its impact on employee's satisfaction on the private banking sector in Bangladesh. The study revealed that most of the employees are dissatisfied with compensation package followed by reward and motivation.

Olusegun (2013) conducted a study among universities employees in South West Nigeria to examine the influence of job satisfaction on turnover intentions. The result of the study found that the linear combination effect of job satisfaction and turnover intentions was significant. There were significant relationships between job satisfaction and turnover intention. The study also revealed that there was no significant difference in the turnover intention of library personnel by their place of work.

Human resource management emphasizes on three important factors namely supervision, job training and turnover (Hamida et.al 2011). Job satisfaction is defined as a combination of cognitive and affective reactions. This is the comparison between what an employee wants and what he actually receives. HRM practices are the mediator between HRM strategy and outcomes. Training and development, teamwork, compensation, HR planning, performance productivity, firms flexibility are the HRM practices. Supervision means the managerial activity that have managerial role in organization activity. Supervisors are known as manager in an organization. Supervision has a correlation between job satisfactions. Supervisors guide the new employees, if the supervisor can guide the employees proper way they remain satisfied but poor supervision lead the dissatisfaction of the employee, which results high turnover. On the other hand wage or salary is negatively related to the turnover and recruitment cost.

If the employees have higher wage the firm or organization should have lower levels of voluntary turnover. Job satisfaction also reduces employee's turnover. Effective supervision, training, makes the employee satisfied with their job. Three practices of HRM supervision,

job training, and pay practice have a negative impact on employee turnover and reduction of recruitment cost (**Hamida et.al 2011, Griffeth, et. al, 2000; Amah, 2009**).

Job satisfaction is defined as employees overall affective state resulting from an approval of all aspects of his job. An employee's level of satisfaction toward his job varies with specific aspect of job. These are the nature of the work, pay, promotion, co-workers and organizational context. Many studies have demonstrated that job satisfaction is one of the key factors of individual and organizational performance. In human resource strategy individuals should have higher level of communication with co-workers, employees and outsiders of the organization, greater involvement of decision making process. it can be said that individuals give high value to these new opportunities, as result their overall job satisfaction might increase when an employee participates in decision making , he can trust his supervisors, perceive his job as challenging and intrinsically rewarding. (S. Gürbüz 2009).

Trust and intrinsic rewards are in turn positively related to high organizational commitment and positive attitude toward the job. The proposed practices, which were participation, empowerment, job rotation, self-directed work teams, and contingent compensation, were positively correlated with employee's job satisfaction. (S. Gürbüz 2009). Hierarchical regression analysis reveals that except contingent compensation the all other practices (participation, empowerment, job rotation, and self directed work teams) account for unique variances in job satisfaction of the surveyed firm's employees. (**S. Gürbüz 2009**).

There is significant relation of employee productivity with human resource practices including selection, employee benefits, compensation, training and staffing practices. (Shikha 2010). A study was conducted among 184 employees of three commercial banks of India, one private sector, one foreign sector and one public bank. The use of strategy-based HR policies and practices, banks create a more competent and committed workforce, which in turn provides a source of sustainable competitive advantage. Overall, the results indicate that HR policies and practices help to sustain the level of competence that is created by banks. This implies that bank cannot simply improve the quality of its human resource by spending money only in training or recruiting employees at the last time when industry conditions shift or market demand changes. The managers must focus on building a firm's Human resources in a long-term commitment. (**Shikha 2010**)

On the basis of recent empirical data on the effectiveness of human resource management in Netherlands using Control versus Commitment HR theory in combination with new Institutionalism. Here are included three different Dutch sectors/branches of industry Health care, Local Government and tourism. Empirical results suggest that the effect of HRM is lower in highly institutionalized sectors than in a less institutionalized sector like hotels.(Paul et.al 2002) Firstly the result shows that single dimension of control versus commitment in reality consists of two dimensions. Apparently work systems aimed at strengthening commitment and empowerment, need at the same time to be embedded in I control systems. Secondly, there is evidence for significant effects of control HR systems on two out of three HR outcomes in this study and at last evidence for significant effects of Institutionalization in this context. The effects of control HR systems on absence due to illness and average duration of absence due to illness are weaker in a high institutionalized context like hospitals and local government then in less institutionalized context hotels.(Paul et.al 2002)

The relationship between HRM and firm performance has been a hotly debated topic over the last decade, especially in the United States. But the question is whether the USA oriented models however appropriate. On the basis of recent empirical data on the effectiveness of human resource management in Netherlands using Control versus Commitment HR theory in combination with new Institutionalism. Here are included three different Dutch sectors/branches of industry Health care, Local Government and tourism. Empirical results suggest that the effect of HRM is lower in highly institutionalized sectors than in a less institutionalized sector like hotels (Paul et.al 2002).

Most of the previous studies in the banking industry indicate the importance of getting inside the black box. Based on these, this analysis has done through detailed analysis at the plant level (branch level). Most of the studies that have done before on HRM and organizational performance those use the value added or production approach which views bank as “producing” demand deposits, time and saving deposits, commercial loans, real estate loans and installments loan using capital, labor and materials. Now this service sector got much more importance than the previous concept because services differ from goods from three aspects- intangibility, involvement consumers in production and delivery directly and services are produced and consumed simultaneously. Research found that high involvement of employees with the service helps to develop knowledge regarding the service itself and products of company which has significant effects on consumers. (P. Bartel 2004).

Agrawal's(1983) study based on empirical analysis found that the quality of employees was the key variable in the success of business. The management regarded the employees as partners in progress and gave proper attention to the improvement of their quality of life as well as job satisfaction. The development of employees was done through on-the-job training.

Timsina's(1986) study found out that there was no regular and systematic recording of employees performance. Due to the lack of uniform policy the appraisal practice was not reliable. Promotions were based on point system namely seniority, academic qualification, performance appraisal and experience. In reality the promotion was looked upon as a favor granted to the employees rather than a reward for their competence and better performance. Wages and salaries were based on minimum wage legislation. Due to higher cost of living, majority of the employees (56.36 percent) said that their pay scale was insufficient for the maintenance of reasonable standard of living.

Pradhan (1999) conducted his research with main objectives of studying organization climate, employee's job satisfaction, and the relationship between these two elements in the public and private enterprises in Nepal. He concluded that the climate factors (such as structures, responsibilities, reward, warmth, support, standard, conflict, security, participation) were comparatively better in the public sector enterprises. Though the standard for performance was personal loyalty stronger, the risks were more prone in the private enterprises irrespective of incentives, rewards and jobs security. Better condition for rewards, job satisfaction irrespective of the nature and structure of organization and the level of employees. On the whole climate factors such as security, participation, warmth and support could thus be regarded as predictors of job satisfaction, which are the dominant factors for achieving better performance efficiency and effectiveness.

2.5 Research Gap

A literature review of Human Resource Management and Job satisfaction suggests that there can be different factors which affect Job Satisfaction. Although there have been several studies reported in western countries on Job satisfaction, the research on Human Resources Management and its impact on job satisfaction with reference to Himalayan Bank is yet not done in Nepal. Thus this research aims to analyse the factors affecting job satisfaction. Human resource management were limited to personnel management like record keeping,

payroll of an employee in past but every sector in Nepal has realized the value of human resource management in past few years. There may have research done in job satisfaction in some sector in Nepal but there has been no research done yet about job satisfaction at Himalayan Bank so it is an entirely new and untouched topic. Therefore, present research work is expected to fill up this gap.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Introduction

Research simply means a search for facts. It gives answers to questions and solutions to problems. It is a purposive investigation. It is an organized inquiry. It seeks to find explanation to unexplained phenomenon to clarify the doubtful facts and to correct the misconceived facts. Essential feature of a good research is its pursuit for reality. It is difficult to reach on reliable and convincing results without good research methodology, as it aspires for the essential knowledge. Mystics, saints and philosophers, like Imam Ghazali, define this knowledge as the “taste” i.e., the lingering affect of knowing. According to him, “he who has tasted, knows”. Research process explains in proceeding further for conducting research in a better way. According to Easterby-smith (1991) before the decisions on research design choices are made, it is wiser to understand “philosophical issues” around the research process. They have outlined three benefits of understanding research process before making any decisions.

First, the study helps researchers understanding the overviews of research design components and procedures. Second, it helps researchers in making the right choices that work well with specific research problems. Third, learning can improve confidence and competencies of researchers in the area where they do not have past experience. This chapter discusses about research methodology as clear from the title. It includes a detailed discussion on research process including, research philosophy, approach, strategy, time horizons and data collection methods with some choice decision for selection of certain methods for conducting this study. The whole research process is explained in light of relevant literature in the subsequent sections.

The main objective of this study is to see the factors effecting Job Satisfaction of employees working at Himalayan Bank Ltd.

3.2 Research Design

An architect prepares a blueprint before he/she approves a construction. Army prepares a strategy before launching an attack. An artist makes a design before he/she executes his/her ideas. So also the researcher makes a plan of his /her study before undertaking the research work. This will enable to save time and resources. Such a plan of study or blueprint for study is called a research design.

As per the objective of the proposed research, it is an exploratory, quantitative, qualitative as well as descriptive type of research. It is an exploratory research because it is study of unfamiliar problem which has little knowledge. The purpose of this research is to generate new ideas. It is both quantitative and qualitative because it not only deals with numbers and data but also with qualitative aspect like mood, psychology. It is descriptive because it is a fact finding investigation with adequate interpretation. It highlights important methodological aspects of data collection and interpretation. The impact of Human Resources Managements on Job Satisfaction has been a concern issue to the researchers. Literatures on Human Resources Managements on Job Satisfaction are vast and diverse in nature. Satisfaction is indicated by Job related factor and individual factor. It is hypothesized that the organization commitment, flexible working hour, high salary, benefits and perks highly affect the Job satisfaction. This study mainly follows the quantitative study utilizing survey methodology with analytical research design.

In this study, possible factors affecting Job satisfaction will be examined. Questionnaire is broadly divided into two parts.

PART 1: Socio demographic information of the respondents.

PART 2: Factors affecting the job satisfaction.

Therefore, different factors that may affect employee satisfaction will be considered as socio demographic information. Demographic factors include age, marital Status, education and job tenure which can effect job satisfaction of an individual. Secondly organizational factors like dignity on job, available facilities, effect on workload, management related questions were designed. A Five point Likert scale questionnaire (with 5= Strongly Agree to 1= strongly disagree) has been used for each of the statement.

3.2.1 Population and Sample

In this study Employee of Himalayan bank are regarded as the population of the research and different level Employees, Outsourced, Assistant, Officer and Manager are defined as the sample population selected from Corporate Office (Kamaladi), Patan, Newroad, Thamel and Baneshwore branch will be taken as sample followed by random and convenience sampling procedure to select the sample. There are 43 branches operating in the country out of which four branches along with Corporate Office were taken as sample for the proposed study. Total numbers of employees are above 800 out of which 70 respondents has been taken through the questionnaire. Those employee who agreed to participate in the study were only included as respondent. Employees who do not want to participate were excluded because it is unethical to include participants in any study without voluntary consent.

3.2.2 Sources of Data

Both Primary and secondary data are used in this study. Primary data are used rigorously in this study. Since the study requires information about individual state of mind focus will be given on respondent (employee) to collect information. The primary data were collected by distributing questionnaire personally visiting the sample organizations .A fully structured questionnaire which included five points Likert Scale questionnaire were developed. The main objective of this study is to examine the effect of different factors on Job Satisfaction .Secondary data were taken from available information of report, website and reference books.

3.2.3 Data analysis technique

Data collection was done by distributing questionnaire for collecting data. Questionnaires were distributed to the employee of different branches. Data collection was done through the written test by using self-administered English version questionnaire. Questionnaire was distributed in each branch and collected at the end of the day by researcher herself. Data was checked for the completion during collection of answer. Structured and semi structured self-administered questionnaires was used to collect the data. The questionnaire was divided into:

-) Socio-demographic data of Employees working at Himalayan Bank

) Research objective related question

3.2.4 Data Processing Procedure

All the collected data and information was analyzed and presented in the statistical form with accurate interpretation. Basically, table, graph was used for presentation. Then data was interpreted appropriately by descriptive method such as percentage, frequency. Diagrammatical representation, tabulation, and various statistical techniques were used.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Data processing procedure

This chapter deals with the data analysis and interpretation of data. The study assessed the factors affecting job satisfaction among the employees working at Himalayan Bank Limited. Total of 75 questionnaires were distributed out of which 70 questionnaires were collected. A total of 70 respondents were included in this study. Data was collected using self-administered structured and semi structured questionnaire. Questionnaire were prepared by consulting with project guide, colleagues and by reviewing the literature related to the topic. Data was analyzed through excel from which frequency, tabulation and percentage were expressed. The findings of the study are interpreted in the form of table, pie-charts and diagram. The major objective of the study was to assess the factors affecting job satisfaction. Thus with the help of different literature, past studies 26 item questionnaire were developed. The responses of the employees of Himalayan bank Limited was collected through the questionnaire. In total 75 surveys questionnaire were distributed but only 70 questionnaires were returned that rated 93.33% response.

The survey ratings of respondent's opinion about factors affecting the job satisfaction were taken. The survey questionnaires were generated with a view to obtain self-reported attitude of respondents, '5' denotes extremely agree and '1' denotes extremely disagree. The data of the study are presented in the following parts:

- PART 1: Socio demographic information of the respondents.
- PART 2: Factors affecting the job satisfaction

The respondent answers were weighed as:

Table 1 Weightage to questionnaire

Strongly Agree	5
Agree	4
Undecided	3
Disagree	2
Strongly Disagree	1

The survey questionnaire were generated with a view to obtain self-reported attitude of respondents, '5' denotes strongly agree, '4' denotes agree, '3' denotes undecided, '2' denotes disagree and '1' denotes strongly disagree.

4.1.1 Part 1: Socio demographic information of the respondents

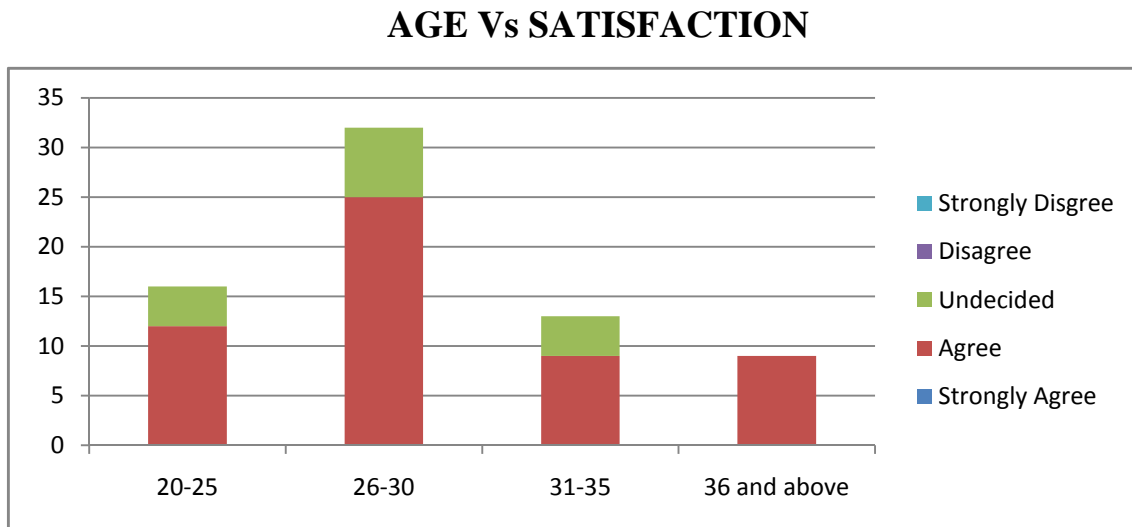
Table 2 Distribution of Respondents According to Socio-Demographic Variable

(Age)

Age	Strongly Agree	Agree	Unknown	Disagree	Strongly Disagree	Total
20-25	-	12	4	-	-	16
26-30	-	25	7	-	-	32
31-35	-	9	4	-	-	13
36 and above	-	9	-	-	-	9

Source: Own Calculation

Figure 4 Distributions of Respondents According to Socio-Demographic Variable (Age)



Source: Own Calculation

This study was done on factors affecting the job satisfaction among the employees working at Himalayan Bank Ltd using non probability convenient sampling technique and research design was descriptive, cross sectional in 75 samples out of them only 70 were collected. There were 70 employees included in the study who were selected from Patan Branch , Newroad Branch ,Thamel Branch, Baneshwore Branch and Corporate Office) . Respondent age group was broadly categorize into four groups.

First age group of 20-25, second age group of 26-30, third age group of 31-35 and fourth age group of 36 and above. In the age group of 20-25, majority finds their job satisfying but some are unknown about their job satisfaction. In this group 75% are satisfied with their job, 25% are still unaware whether they are satisfied or not and none of them in this group are dissatisfied with their job. Similarly, in the age group of 26-30, 78% are satisfied with their job, 22% are unknown about their satisfaction and none of them are dissatisfied.

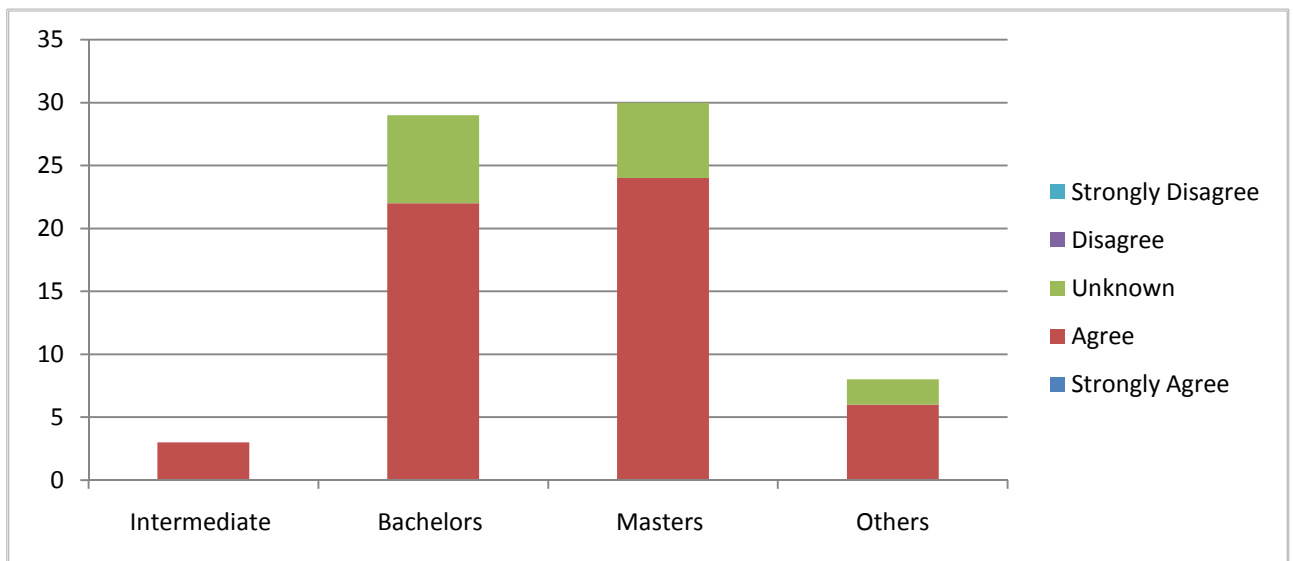
Likewise, in the age group of 31-35, 69% are satisfied with their job, 30% are unknown about their satisfaction and none of them are dissatisfied with their job. In the age group 36 and above 100% are satisfied with their job. Likewise 80% of the married employee is satisfied and 78% of those having nuclear family are satisfied with their job.

Table 3 Distribution of Respondents According to Socio-Demographic Variable (Education)

Education	Strongly Agree	Agree	Unknown	Disagree	Strongly Disagree	Total
Intermediate	-	3	-	-	-	3
Bachelors	-	22	7	-	-	29
Masters	-	24	6	-	-	30
Others	-	6	2	-	-	8

Source: Own Calculation

Figure 5 Distributions of Respondents According to Socio-Demographic Variable (Education)



Source: Own Calculation

Respondent's academic qualifications were divided into Intermediate, Bachelors, Masters and Others. Majority of respondent (42.26 %) have the qualification of Masters degree, 41.43% have Bachelors degree, 4.29% have intermediate degree and 11.43% have other degrees. Employees who have passed intermediate level are 100% satisfied with their job. 76 % of those who have Bachelor degree are satisfied with their job and 24% are unknown about their job satisfaction. Among Master's degree group, 80% are satisfied with their job and 20% are unknown about their satisfaction. Likewise, 75% of those who have other degree are satisfied with their job but 25% are still unknown about their job satisfaction.

4.1.2 PART 2: Factors affecting job satisfaction

Table 4 Distribution of the Respondent According to the Effect of Dignity on Job satisfaction

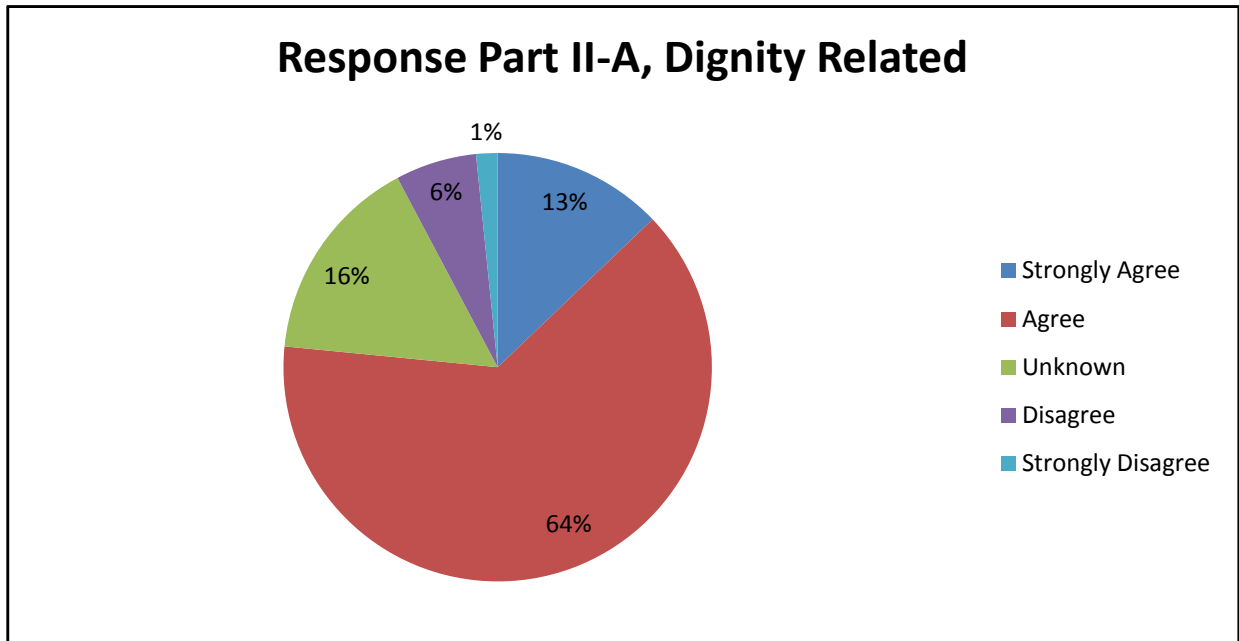
Question	Strongly Agree	Agree	Unknown	Disagree	Strongly Disagree
Appreciated job and socially awarded	10	51	3	2	4
Recognized as an individual	7	52	8	3	-
Opportunity to apply skill while doing procedures	18	42	5	5	-
Views and participation are valued and appreciated	9	52	8	1	-
Views its employee as assets	9	43	13	4	1
Hardworking are praised and rewarded	7	33	21	8	1
Satisfied with the adopted employee policy	3	39	19	7	2
Overall	12.86%	63.67%	15.7%	6.12%	1.63%

Source: Own Calculation

In part II- A, job dignity related questions were asked. The questions were whether they are appreciated and socially rewarded, whether they are recognized as an individual or not, whether they got enough opportunity to apply their skills while performing work, whether their views and participation are valued and appreciated or not. They were also asked if the

management views their employee as an assets, whether hardworking employees are praised and rewarded, whether they are satisfied with employee policy of an organization or not.

Figure 6 Distribution of the Respondent According to the Effect of Dignity on Job dignity



Source: Own Calculation

In Part II-A when job dignity related questions were asked, majority i.e. 64% agreed that their job is appreciated and socially rewarded; they are recognized as an individual. 13% strongly agreed that they got opportunity to apply skill while doing procedures .Their views and participation are valued and appreciated, organization views its employee as assets. Their hardworking are praised and rewarded .They are satisfied with the adopted employee policy but 16% of the employee are yet unknown about their job satisfaction. Likewise 6% of the employees are dissatisfied and only 1% of the employees are strongly dissatisfied with their job.

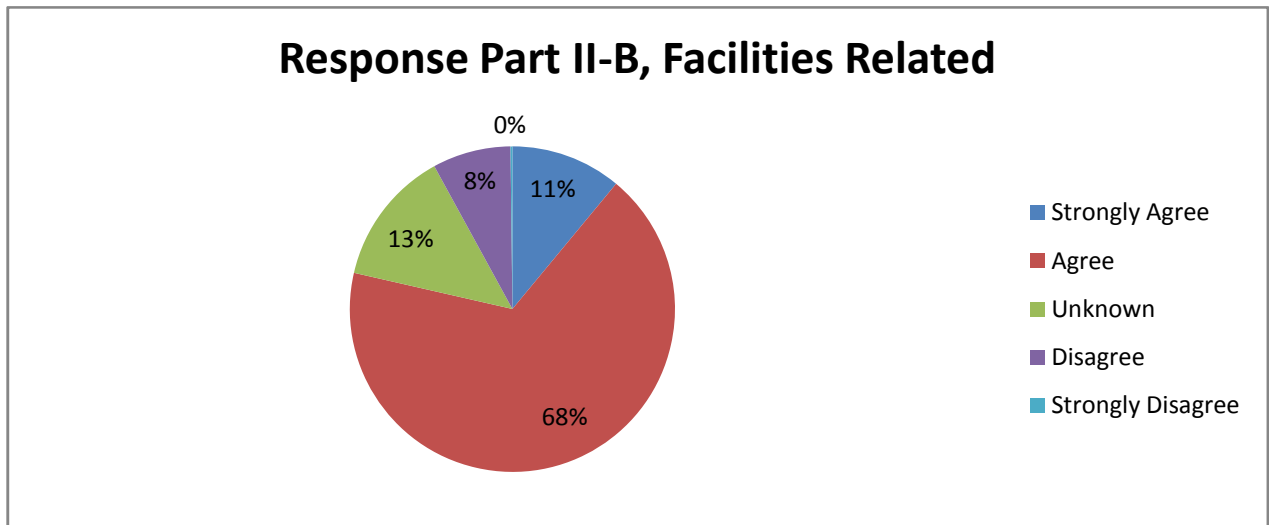
Table 5 Distribution of the respondent according to the effect of facilities

Question	Strongly Agree	Agree	Unknow n	Disagree	Strongly Disagree
Sufficient Income	5	51	4	9	1
Effective internal communication	18	47	3	2	-
Adequate paid leave	6	46	12	6	-
Other facilities	8	43	12	7	-
Opportunity for Career Development	2	38	21	9	-
Facility of Uniform	4	52	10	4	-
Health and Insurance Policy	11	54	4	1	-
Overall	11.02%	67.55%	13.47%	7.76%	0.20%

Source: Own Calculation

In part II –B facilities related questions were asked. The main objectives of these questions were to know whether employees are satisfied with the facilities provided by the bank or not. Questions were about whether salary given by the bank is sufficient or not, whether there is effective internal communication or not, whether they can get enough leave and other facilities. They were asked whether they have opportunity for career development or not. They were also asked if facility of uniform provided by the bank is satisfying or not and also whether insurance policy cover their health related expenses or not.

Figure 7 Distribution of the Respondent According to the Effect of facilities on job satisfaction



Source: Own Calculation

Above table and chart shows that majority i.e. 68% respondents are satisfied with the facilities provided by the bank. They are satisfied with the salary given to them. They agree that there is effective internal communication and they get enough leave and other facilities. They think that they have opportunity for career development. The facility of uniform provided by the bank is satisfying for them and they are also satisfied with insurance policy of the bank.

Table 6 Distribution of the respondent according to the effect on workload

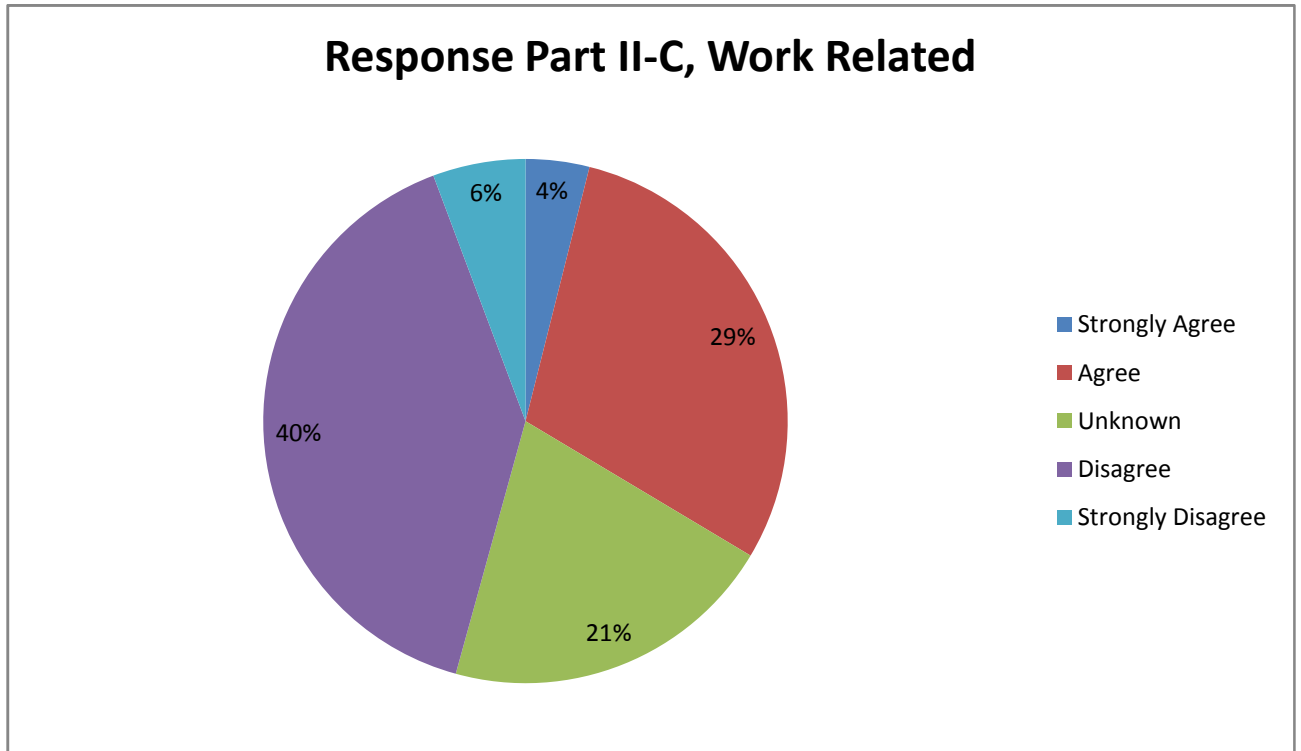
Question	Strongly Agree	Agree	Unknown	Disagree	Strongly Disagree
Excess workload	9	30	16	15	-
Too much work variation	5	40	11	14	-
Inter-personal conflict	2	17	10	32	9
Health problem	-	25	21	22	2
Overall	5.71%	40%	20.71%	29.64%	3.93%

Source: Own Calculation

In Part II – C work related questions were asked. They were asked whether they have excess workload or not, whether they have too much of work variety or not, whether they have inter

personal conflict in working environment or not and whether they have health problem like back pain, palpitation, headache or not.

Figure 8 Distribution of the respondent according to the effect of workload on job satisfaction



Source: Own Calculation

Above table shows that most of the employees i.e. 40% are dissatisfied with the work pressure. They think that they have excessive workload in their department. They face inter-personal conflict during the work and due to excessive workload they have health problem like back pain, palpitation and headache.

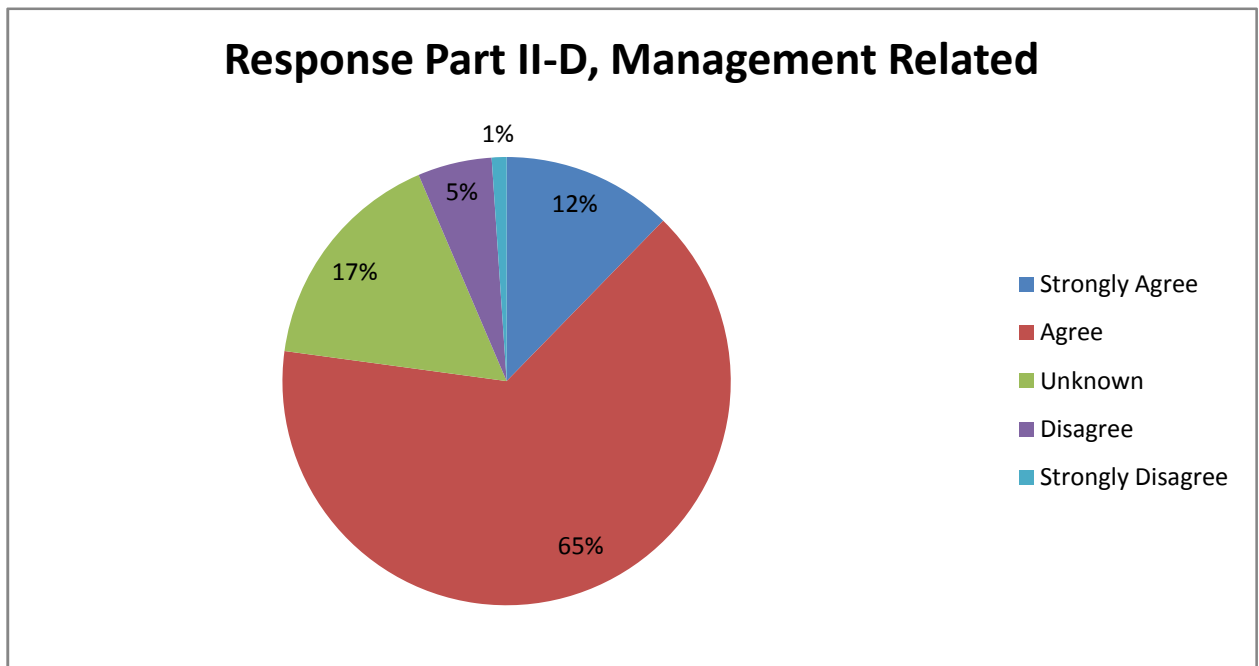
Table 7 Distribution of the respondent according to the Effect of management

Question	Strongly Agree	Agree	Unknown	Disagree	Strongly Disagree
Security on job	10	41	16	3	-
Real work enjoy	12	49	8	1	-
Senior support	3	42	20	5	-
Perform work according to Job Description	17	52	1	-	-
Understanding of job description	18	48	3	1	-
Time for family	4	47	9	8	2
Flexibility of management	1	42	19	5	3
Support from admin	4	42	16	7	1
Overall	12.32%	64.82%	16.43%	5.36%	1.07%

Source: Own Calculation

In Part II D, management related questions were asked to know whether employee like the management of an organization or not. Whether they are satisfied with job security or not, whether they enjoy work or not, whether they got support from their seniors or not. They were asked whether they perform their work according to job description or not, whether they can give time to family or not, whether they think they have flexible management or not, whether they got support from administration or not.

Figure 9 Distribution of the respondent according to the effect of management



Source: Own Calculation

Above table and chart shows that majority i.e. 65% respondents were satisfied with the management of the bank. They feel secure about their job. Most of them enjoy doing their work. They also got support from their seniors. They perform their work according to their job description. They can give time to their family. They think that they have flexible management and they got support from the administration.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary

The study of human resource management practices has been an important and critical area in management and organizational performance from last several years especially in the banking industry. Influence of human resource management practices on organizational performance has been an important area of research in past 25 years indicating positive relationship between Human Resource Management and job satisfaction. Human Resource Management becomes the most important for the organizations around the world and the relationship between organizational performance and HRM is interrelated; in another way positive relationship.

Job Satisfaction is an important indicator of how employees feel about their jobs. Thus, job satisfaction has emerged as an important construct in organization research owing to its relationship with work-related constructs such as absenteeism, turnover, job involvement and leader-subordinate relations and many more have observed strong positive relationships between organizational commitment and job satisfaction. Therefore, this study has attempted to explore level of job satisfaction in Himalayan Bank Limited. The main objective undertaken during the research is to know the impact of Human Resource Management Practices on the employee's job satisfaction of Himalayan Bank Ltd.

Basically it was a descriptive and analytical type of research pursuing survey design. It included survey of employees at different level working at Himalayan Bank Limited as the respondents of this study. Primary data were used to fulfill the objectives of the study. Opinion survey technique was adopted for collecting primary data. Suitable tools and techniques were employed for the study. Numbers of literature were reviewed to identify the job satisfaction and organization commitment. Survey data were collected from the multiple employees of respondent by using Questionnaire, which were structured with the Likert scale to know the opinion on the employees' job satisfaction.

Himalayan Banks and its different branches were chosen as the sample for the study. The branches were selected on judgmental and convenience sampling basis.

First Chapter presents the general introduction of the study. It was designed to highlight the major issues of the study. In this chapter introduction of company, its vision, mission and goal, statement problem of the study, significance of the study and limitation were explained.

In the second chapter of this study the previous literatures were reviewed which have presented conceptual perspective of the Job satisfaction and organizational issues. In this section, the researcher presented the theoretical background of Job satisfaction. On the basis of literature review researcher framed the theoretical framework, hypothesis and questionnaire and helped to associate this study with previous studies. Research methods, design that is followed in this research were stated in the chapter.

Three entitled Research Methodology. Basically it was a descriptive and analytical type of research pursuing survey design. Primary data were used to fulfill the objectives of the study. Questionnaire technique was adopted for collecting primary data. Himalayan Bank and its 15 different branches and units were chosen as the sample for the study. Branches were selected on convenience sampling basis.

Chapter four concerned with the data and findings of study about the level of satisfaction and their interrelationship along with the demographic factor study. The research shows that respondents of survey are mostly satisfied with job dignity, facilities provided and banking and employee management whereas they are dissatisfied with excess workload, job variety, internal conflict.

Chapter five is designed to summarize the overall works performed by the researcher at a glance. Finally this chapter shows the results of the research work in summary related to various domains and variables of the research. The results for level of Satisfaction showed the overall status moderately agrees.

5.2 Conclusion

In the competitive environment, employees of any business organizations are the key factor for deciding the success of the firm. When firm do not concentrate on their employees, it is the firm who has to suffer the loss. All over the world ATM booth, net banking, mobile banking is getting popular but here in our country, people still feel safe to visit the branch. This is clear that employee should have good long term relationship with the customer. But to insure that, bank must keep their employees satisfied in terms of HR practices. Only a happy employee can make the customer happy.

While considering job satisfaction, demographic variables were considered to thoroughly understand the possible factors that lead to job satisfaction and dissatisfaction. It is generally believed that job satisfaction increases linearly with age. However, there are persuasive arguments, and some empirical evidence, that the relationship is U-shaped, declining from a moderate level in the early years of employment and then increasing steadily up to retirement. The result showed that younger employees were less satisfied overall with their jobs. This study indicated that job satisfaction is low when people first start their job. Satisfaction decreases during the next few years but slightly increases in their late twenties or early thirties. This level begins to decline at their early thirties then continue to rise throughout the employees' career. From this we can conclude that age is one of the factors which affect the satisfaction level of the employees. It shows the positive relationship between them.

The possibilities to achieve a desirable and full-filling job often increase with the level of education and highly educated individuals are less likely to be "locked into" a job which they do not wish for. They may seek various possibilities; have high expectations when not fulfilled lead to dissatisfaction in the job. This study showed that workers having low education qualification were fully satisfied. The level of satisfaction decreases with decrease in their education level.

For identifying the other factors affecting job satisfaction, 5 point Likert scales were used that include strongly satisfied, satisfied, undecided, dissatisfied and strongly dissatisfied. Based on dignity 64% of the employees are satisfied, 16% unknown and 6% are dissatisfied with their jobs. Based on facilities, 68% of employee feels they have enough facilities provided by the bank, 13% unknown and 8% dissatisfied. Based on workload, 40% are dissatisfied with the workload, 21% unknown and 29% satisfied. It was concluded that employee with excess

workload is dissatisfied with their job than employee who feels that they don't have excessive workload so there is association between workload and job satisfaction. Based on banking management and employee management, 65% of the respondents were satisfied with their job due to proper banking management and employee management, 17% unknown and 5% of respondent were dissatisfied with their job. They feel that banking management and employee management is not satisfactory. It was concluded that there is association between Banking and employee management and job satisfaction as well.

This study shows that the most of the employees were satisfied with the factors such as job appreciation, recognition, opportunity to apply skills, appreciation of individuals views and participations by colleagues and other staffs, communication facility like telephone, career development opportunity (training, promotion, in service education, continuing education), facility like staff vehicles, quarter, discount in health care facility, encouragement for high achievement by seniors, can perform functions described under job description, job description, support from administration. The major factors of dissatisfaction are related to work pressure, too much work variety, facing inter personal conflict with co-workers, supervisor and other staff due to excessive work load, have physical symptoms like headache, palpitation, back pain, fatigue due to work load.

After this study, we can conclude that the employee of Himalayan Bank is mostly satisfied with the Human Resource Management practices but are quite unhappy with the excessive workload, too much work variety in department, and to face inter-personal conflict with co-workers, supervisor and other staff due to work load. Too much of workload creates headache, palpitation, back pain and fatigue due to work load which leads to dissatisfaction in job.

This research shows that satisfied employee are happy with their work as they feel they are socially awarded, opportunity to develop skills, they have sufficient income level and facilities. Satisfied employee can perform better and increase productivity of an organization. As job satisfaction is directly related to performance knowing satisfaction of an employee is very important for human resource management. Most of the respondents are satisfied with job dignity, facilities provided and banking and employee management.

Based on the study finding, it was concluded that management should focus toward work load. There should be proper distribution of work in the departments. As most of the employees have showed dissatisfaction with too much of work variety on departments, management should look after those matters which are creating such dissatisfaction.

Ineffective and unfair practices and incidents occurring in such human resource practices as selection, promotion, training, career development opportunities, shifting, compensating, rewarding, and performance appraisal are expected to reduce the level of job satisfaction, organizational commitment, and performance; in addition to talk negatively about the organization and to intend to quit it.

5.3 Recommendation

On the basis of the results some recommendations are suggested to further researches and banking management.

For further study

-) This study could be replicated in large number by including all employees of Himalayan Bank Limited.
-) A comparative study can be carried out between two different banks.
-) This type of study can be done on the large scale in different commercial banks.
-) Further study can be done to determine other factors of satisfaction besides job dignity, work pressure, facilities and management.

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APPENDIX I

RESEARCH QUESTIONNAIRE

ST. XAVIER'S COLLEGE

HIMALAYAN BANK LIMITED

TOPIC: A STUDY ON HUMAN RESOURCE MANAGEMENT AND ITS IMPACT ON EMPLOYEE JOB SATISFACTION WITH REFERNCE TO HIMALAYAN BANK LIMITED

Objective: To describe the factors affecting job satisfaction among the Employees working at Himalayan Bank Limited.

Direction: The respondent is required to tick the best answer from the following questions.

Note: The information obtained will be used only for the study purpose and confidentiality will be maintained.

PART I: Questionnaire related to Demographic Data

1. Age

2. Educational Qualification.

i. Intermediate level

iii. Master in Management

ii. Bachelor in Management

iv. Others

3. Working experience in this organization.

i. Less than 2 year

ii. 2years and above

4. Marital status

i. Married

ii. Unmarried

5. Family Structure

i. Joint family

ii. Nuclear family

6. Present working Department

PART II: QUESTIONNAIRES RELATED TO SATISFACTION

Using Likert Scale, on the basis of agreement, job satisfaction is measured where strongly agree indicates strongly satisfied and strongly disagree indicates strongly dissatisfied.

KEY

Strongly disagree – 1

Disagree – 2

Undecided – 3

Agree – 4

Strongly agree – 5

Instruction: Please respond to the level of satisfaction according to you on the following statement related to:

A. Questionnaire related to effect of dignity on the job satisfaction

1. My job is appreciated and socially awarded.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

2. I am recognized as an individual in my working area.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

3. There is an opportunity for developing skills.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

4. My views and participation are valued and appreciated by my colleagues, seniors, juniors and administration.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

5. This organization views its employees as assets

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

6. People who are hardworking and result oriented are praised and rewarded in this organization.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

7. I am satisfied with the employee policy adopted by the organization.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

B. Questionnaire related to effect of facilities on job satisfaction.

8. My income is sufficient to support my family.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

9. Effective internal and outer departmental communication like telephone, intranet makes me easy to communicate in different departments and place.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

10. This organization gives adequate paid leave.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

11. Facilities like loan facilities, bonuses are sufficient for me.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

12. I can get the opportunity of career development like on the job training, in-service education,

promotion, training, continuing education, participating in workshops from this organization.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

13. I am happy with the facility of uniform provided by my organization.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

14. Health and insurance policy of my organization is sufficient to cover almost all normal health related issues.

- | | | | | | |
|-------------------|--------------------------|----------------------|--------------------------|----------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> | iii. Undecided | <input type="checkbox"/> |
| iv. Disagree | <input type="checkbox"/> | v. Strongly disagree | <input type="checkbox"/> | | |

C. Questionnaire related to effect of work load on job satisfaction

15. I have excessive workload in office.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

16. I have too much of work variety in department.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

17. I usually face inter-personal conflict with co-workers, supervisor and other staff due to excessive workload.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

18. I often have physical symptoms like headache, palpitation, fatigue, back pain due to workload.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

D. Question related to effect of banking management and employee management on job satisfaction

19. I feel secure about my job.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

20. I enjoy doing my job.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

21. My senior encourages high achievement by reducing the fear of failure.

- | | | | |
|-------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |

v. Strongly disagree

22. I can perform all functions described under the job description

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

23. I am familiar with the details of my job descriptions.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

24. My job doesn't interfere my family life.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

25. Management is flexible and understands the importance of balancing my work and personal life.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

26. There is good support from Human Resource Department.

- | | | | |
|----------------------|--------------------------|--------------|--------------------------|
| i. Strongly agree | <input type="checkbox"/> | ii. Agree | <input type="checkbox"/> |
| iii. Undecided | <input type="checkbox"/> | iv. Disagree | <input type="checkbox"/> |
| v. Strongly disagree | <input type="checkbox"/> | | |

APPENDIX II
GANTT CHART
WORK-PLAN

The research process proceeded according to plans as shown below:

Tasks	Weeks											
	1	2	3	4	5	6	7	8	9	10	11	12
Literature Review	■	■	■	■								
Develop Project Proposal		■										
Prepare Questionnaires			■	■								
Data Collection - Personal interview , Questionnaire					■	■	■	■				
Data Analysis									■	■		
Reporting	■	■	■	■	■	■	■	■	■	■	■	
Report Submission												■