

Effect of HRM Practices on Job Satisfaction: A Comparative Analysis between State-owned and Private Commercial Banks of Bangladesh

Serena Aktar*

Abstract

*The term job satisfaction has been conceptualized in many ways. Job satisfaction focuses on positive feelings towards the job. It is assumed that individuals who have high satisfaction in their jobs are likely to be more productive. Human Resource Management (HRM) is also a key function of any organization. And banks are the backbone of any country. The Main purpose of this study is to investigate the effect of human resource management practices on employees' job satisfaction in commercial banks of Bangladesh. To fulfill the requirement of the purposes, both primary and secondary data have been required and collected and then analyzed objectively. A total of 300 structured questionnaires were distributed to the different level of employees of commercial banks of Bangladesh. **The major results obtained** that both categories of banks are properly practicing performance appraisal system and it has a positive significant effect on the employees' job satisfaction.*

Keywords: HRM Practices, Effect, Employees' Job Satisfaction, State-owned Commercial Banks and Private Commercial Banks

Introduction

A bank is a financial intermediary which is also called money creator. Banks are creating money by lending money to the borrower and collecting deposit from investors. Human resource management (HRM) is primarily concerned with the management of people within organizations, focusing on policies and systems. HR department naturally undertakes a number of activities, including employee recruitment & selection, training & development, performance appraisal and compensation & pay. Human resource management (HRM) refers to the policies and practices including human resource planning, job analysis, recruitment, selection, orientation, compensation, performance appraisal, training and development, and labor relations (Dessler, 2007). The concept of job satisfaction has been defined as a pleasurable or positive emotional state resulting from the perception by the individual of his/her job as implementing or giving the opportunity to realize significant values available in the work (Brief, A., P., Weiss, H., M. 2001). In this global competitive world, it is necessary to retain skilled workers in the organization by efficient HRM practices. Every organization operates its activities with the support of human resource which includes top level managers, executives, supervisors and other employees. The overall performance of any organization depends upon the extent to which human resources are effectively and efficiently utilized. Mondy and Noe (2005) considered that HRM is the utilization of individuals to attain organizational objectives. Denishi and Griffin (2009) recommended that

*Assistant Professor of Management, Department of Business Administration, Northern University Bangladesh

HRM is the widespread set of supervisory activities and tasks concerned with developing and maintaining a qualified workforce. Human resource is a way that contributes to organizational effectiveness.

The best Human Resource practices areas are recruitment and selection, socialization, job design, training, communication/participation, career development, performance management, employee reward and job security (Huselid, 1995). It is plausible that when employees judge the organization to be fair and supportive in their treatment particularly with regards to the availability and frequency of promotional opportunities, adequacy of pay and good supervision, positive feelings of well being will be created, which is likely to stimulate that to reciprocate by increasing their satisfaction and lead of reducing turnover (Nasurdin et. al., 2001).

Literature Review

Md. Tofael Hossain Majumder 2012, revealed that all HRM dimensions exercised in the private banking sector of Bangladesh do not satisfy the employees equally. Among all dimensions most of the employees are dissatisfied with compensation package followed by reward and motivation, career growth, training and development, management style, and job design and responsibilities. Beardwell et al., (2004) regarded HRM as the philosophy, policies, procedures, and practices related to the management of people within an organization. Senyucel's (2009) found HRM as a combination of people-centered management practices that recognizes employees as assets and geared to creating and maintaining skilful and committed workforce for achieving organizational goals.

Human resource measurement has a contribution to the success of an organization by doing human skills and knowledge to the production of goods and services (Becker, 1993). From these definitions, it is clear that efficient HRM practices are inevitable factor in determining the growth and prospects of any organization. Human resource is the most precious asset and delicate factor of production. Highlighting the importance of people in organization, Khera (1999) mentioned that nowadays when most of the businesses are obsessed with Total Quality Management (TQM) in order to stay ahead of competition, a very few organizations realize that their most valuable assets are their employees. Lack of HRM practices reduces employees' satisfaction towards their organization. Dessler (1978) defined that job satisfaction refers to the degree of needs satisfaction that is derived from and or experienced on the job. He also mentioned that it is ability of employees in organization aspirations, feeling happy of doing their job with the expectations of achieving their personal needs. Job satisfaction is a positive emotional state resulting from the evaluation of a person's job. Smith, Kendall, & Hulin (1969) considered five components of job satisfaction; pay, promotions, coworkers, supervision, and the work itself.

Objectives of the Report

In the literature, a good number of researches have been done in this regard, but results of those studies vary from sectors to sectors which creates gap to lead the study of this area. The hopeful research issues and gaps lead the researchers in formulating the objectives. The objectives are:

- To study HRM practices of state-owned commercial banks and private commercial banks of Bangladesh.
- To identify the most responsible and appropriate factors of HRM practices and employees' job satisfaction of state-owned commercial banks and private commercial banks of Bangladesh.
- To construct a model to explore the relationship among HRM practices, employees' job satisfaction of state-owned commercial banks and private commercial banks of Bangladesh.

Statement of Hypotheses

H₁ : HRM practices (recruitment and selection, training and development, performance appraisal, compensation & pay and participation) have positive effect on the employees' job satisfaction of private commercial banks of Bangladesh.

H_{1a}: Recruitment & selection has positive effect on employees' job satisfaction.

H_{1b}: Training & development has positive effect on employees' job satisfaction.

H_{1c}: Performance appraisal has positive effect on employees' job satisfaction.

H_{1d}: Compensation & pay has positive effect on employees' job satisfaction.

H_{1e}: Participation has positive effect on employees' job satisfaction.

H₂ : HRM practices (recruitment and selection, training and development, performance appraisal, compensation & pay and participation) have positive effect on the employees' job satisfaction of state-owned commercial banks of Bangladesh.

H_{2a}: Recruitment & selection has positive effect on employees' job satisfaction.

H_{2b}: Training & development has positive effect on employees' job satisfaction.

H_{2c}: Performance appraisal has positive effect on employees' job satisfaction.

H_{2d}: Compensation & pay has positive effect on employees' job satisfaction.

H_{2e}: Participation has positive effect on employees' job satisfaction.

Theoretical Framework of the Study

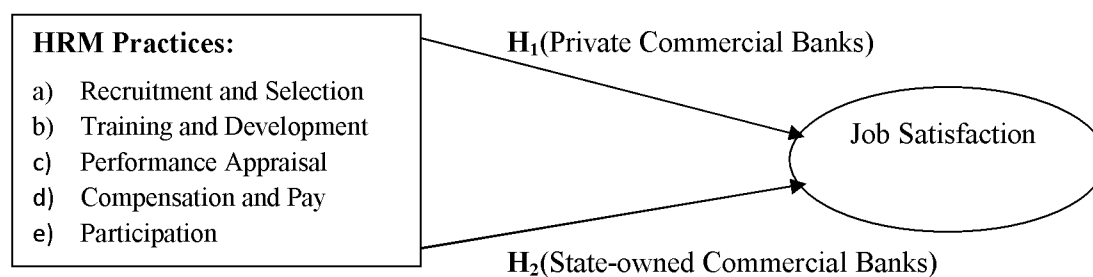


Figure -1: The Effect of HRM Practices on Job Satisfaction

Methodology

This study has carried out through a survey method, questionnaires as the main instrument which have been designed on the basis of objectives and hypotheses. The questionnaire consists of two parts. Part I consists of the demographic information and Part II consists of the responsible factors of influence on job satisfaction by HRM practices among employees of the commercial banks. A five point scale from strongly disagree (1) to strongly agree (5) has been adopted to identify the influential factors of job satisfaction.

Sampling Technique: There are 5 state-owned commercial banks and 48 private commercial banks working in Bangladesh. Cluster Random Sampling method is used to select 4 state-owned commercial banks of Bangladesh (such as Sonali bank limited, Janata bank limited, Agrani bank limited and Rupali bank limited) and 10 private commercial banks (i.e. Dhaka Bank Limited, Dutch Bangla Bank Limited, Jamuna Bank Limited, Mercantile Bank Limited, National Bank Limited, NCC Bank Limited, Prime Bank Limited, Pubali Bank Limited, City Bank Limited, IFIC Bank Limited) of Bangladesh. After that a total 300 questionnaires were distributed to the employees by using a simple random sampling method. Among 300 questionnaires, 200 questionnaires were distributed to the employees of fifteen selected private commercial banks and 100 were distributed to the employees of four selected state-owned commercial banks of Bangladesh purposively.

Data Analysis: In order to fulfill the objectives of this study, the statistical package SPSS version -20(IBM) as well as the following statistical tools has been applied to analyze the data:

1. Reliability analysis
2. Descriptive statistics (Frequency Distribution)
3. Hypothesis Testing
4. Correlation analysis

Results and Discussion

Reliability Analysis: Reliability is the overall consistency of a measure. One of the most popular reliability statistics in use today is Cronbach's alpha (Cronbach, 1951). Cronbach's (alpha) is used as a estimate of the reliability . It can be viewed as the expected correlation of two tests that measure the same construct. Cronbach (1951) mentioned that Alpha coefficient ranges in value from 0 to 1 and may be used to describe the reliability of factors extracted from dichotomous (that is, questions with two possible answers) and/or multi-point formatted questionnaires or scales (i.e., rating scale: 1 = strongly dissatisfied, 5 = strongly satisfied). Nunnaly (1978) indicated 0.70 to be an acceptable reliability coefficient but lower thresholds are sometimes used in the literature.

Table - I: Reliability Statistics

	Cronbach's Alpha
State-owned commercial banks	0.734
Private commercial banks	0.711

Table-I shows the internal reliability of the instrument. It's checked by using Cronbach's alpha. The results of Cronbach alpha are 0.734 (State-owned commercial banks) and 0.711 (Private commercial banks) and both are above from the standard value (0.70). Therefore, this is proved that the instrument used in this study has a strong internal reliability and it can be used with confidence for the application for further statistical analysis and interpretation.

Descriptive Statistics (Mean and Standard Deviation)

Table-II (a): Demographic Profile of the employees' of the Private Commercial Banks

Variables	Frequency	Percent	Mean	Standard Deviation
Gender			1.20	0.397
Male	161	80.5		
Female	39	19.5		
Total	200	100.0		
Age			2.58	0.605
18-25	3	1.5		
25-35	87	43.5		
36-45	101	50.5		
46-above	9	4.5		
Total	200	100.0		
Educational ability			3.54	0.499
Graduate	91	45.5		
Post graduate	109	54.5		
Total	200	100.0		
Marital Status			1.79	0.408
Married	42	21.0		
Unmarried	158	79.0		
Total	200	100.0		
Experience			2.64	1.117
1-3	30	15.0		
4-6	61	30.5		
7-9	78	39.0		
10-12	20	10.0		
13-15	5	2.5		
16-above	6	3.0		
Total	200	100.0		

Source: Compiled by field survey June-October '2014'

Table-II (a) shows that, out of 200 respondents; most of them (161) are male and rest 39 are female. The mean score of the respondents' gender is 1.20 and standard deviation is 0.397. Table presents the age distribution of the respondents. Among 200 respondents; 101 respondents' age range is between 36 years to 45 years, next highest 87 respondents are in the range of age 25 years to 35 years and age range from 18 years to 25 years, number of respondents is 3. So majority of the respondents belongs to young age group. The mean score of the respondents' age is 2.58 and standard deviation is 0.605.

The table visibly presents the educational ability of the respondents which implies among 200 respondents; 91 respondents are Graduate and 109 are post graduate degree holder. The mean score of the respondents' educational qualification is 3.54 and standard deviation is 0.499. Table shows the marital status of the respondents. Among all of the respondents; most of the respondents (158) of this study are unmarried and the rest 42 are married. The mean score of the respondents' marital status is 1.79 and standard deviation is 0.408. A total number of 78 respondents 7 years to 9 years experiences, 61 respondents having 4-6 years experience, 1 years to 3 years experience have by 30 respondents, 20 respondents having 10 years to 12 years experience and 6 respondents having above 16 years experience. The mean score of the respondents' experience is 2.64 and standard deviation is 1.117.

Table-II (b): Demographic Profile of the employees' of the state-owned Commercial Banks

Variables	Frequency	Percent	Mean	Standard Deviation
Gender			1.34	0.476
Male	66	66.0		
Female	34	34.0		
Total	100	100.0		
Age			3.42	4.774
18-25	3	3.0		
25-35	57	57.0		
36-45	40	40.0		
Total	100	100.0		
Educational ability			3.04	0.374
H.S.C	5	5.0		
Graduate	86	86.0		
Post graduate	9	9.0		
Total	100	100.0		
Marital Status			1.84	0.368
Married	16	16.0		
unmarried	84	84.0		
Total	100	100.0		
Experience			2.19	0.662
1-3	14	14.0		
4-6	53	53.0		
7-9	33	33.0		
Total	100	100.0		

Source: Compiled by field survey June-October '2014'

Table-II (b) shows that, out of 100 respondents; most of them (66) are male and the rest 34 are female. The mean score of the respondents' gender is 1.34 and standard deviation is 0.476. Table presents the age distribution of the respondents. Among 100 respondents; 40 respondents' age range is between 36 years to 45 years, 57 respondents are in the range of age 25 years to 35 years and age range from 18 years to 25 years, number of respondents is 3. So majority of the respondents belong to young age group. The mean score of the respondents' age is 3.42 and standard deviation is 4.774.

The table visibly presents the educational ability of the respondents which implies among 100 respondents; 86 respondents are graduate and only 9 are post graduate degree holder. The mean score of the respondents' educational qualification is 3.04 and standard deviation is 0.374. Table shows the marital status of the respondents. Among all of the respondents, most of the respondents (84) of this study are unmarried and the rest 16 are married. The mean score of the respondents' marital status is 1.84 and standard deviation is 0.368. Out of 100 respondents; a total number of 33 respondents have 7 years to 9 years experiences, 53 respondents having 4-6 years experience, 1 year to 3 years experience by 14 respondents and 33 respondents having 7 years to 9 years experience. The mean score of the respondents' experience is 2.19 and standard deviation is 0.662.

Hypothesis Testing

Table - III (a): One -Way-ANOVA (Private Commercial Banks)

Variables		Sum of Squares	df	Mean Square	F	Sig.
Recruitment and Selection	Between Groups	57246.573	33	1734.745	3.994	.000
	Within Groups	72094.437	166	434.304		
	Total	129341.010	199			
Training and Development	Between Groups	39643.496	33	1201.318	8.178	.000
	Within Groups	24384.659	166	146.896		
	Total	64028.155	199			
Performance Appraisal	Between Groups	68454.768	33	2074.387	5.700	.000
	Within Groups	60408.387	166	363.906		
	Total	128863.155	199			
Compensation and Pay	Between Groups	73378.339	33	2223.586	5.075	.000
	Within Groups	72733.836	166	438.156		
	Total	146112.175	199			
Participation	Between Groups	173952.045	33	5271.274	8.727	.000
	Within Groups	100263.110	166	603.995		
	Total	274215.155	199			

ANOVA (private commercial banks and state-owned commercial banks) splits the total variance into explained variance (between groups) and unexplained variance (within groups). The F-value, which is the critical test value, is needed for the ANOVA.

The above table III (a) shows that in the case of recruitment & selection, the value of between groups is 57246.573, the value of within groups is 72094.437 and value of F- test is 3.994. The P value of recruitment & selection is 0.000 ($p < 0.001$) which implies that the null hypothesis is rejected and alternative hypothesis is accepted. In the case of training & development, the value of between groups is 39643.496, the value of within groups is 24384.659 and value of F- test is 8.178. The P value of training & development is 0.000 ($P < 0.001$) which implies that the null hypothesis is rejected and alternative hypothesis is accepted. In the case of Performance Appraisal, the value of between groups is 68454.768, the value of within groups is 60408.387 and value of F- test is 5.700. The P value of Performance Appraisal is 0.000 ($P < 0.001$) which implies

that the null hypothesis is rejected and alternative hypothesis is accepted. In the case of Compensation and Pay, the value of between groups is 73378.339, the value of within groups is 72733.836 and value of F- test is 5.075. The P value of Compensation and Pay is 0.000($P < 0.001$) which implies that the null hypothesis is rejected and alternative hypothesis is accepted. In the case of Participation, the value of between groups is 173952.045, the value of within groups is 100263.110 and value of F- test is 8.727. The P value of Participation is 0.000($P < 0.001$) which implies that the null hypothesis is rejected and alternative hypothesis is accepted.

Table - III (b) : ANOVA(State-owned Commercial Banks)

		Sum of Squares	df	Mean Square	F	Sig.
Recruitment and Selection	Between Groups	53201.880	17	3129.522	16.663	.000
	Within Groups	15400.870	82	187.815		
	Total	68602.750	99			
Training and Development	Between Groups	33376.922	17	1963.348	7.720	.000
	Within Groups	20854.638	82	254.325		
	Total	54231.560	99			
Performance Appraisal	Between Groups	166086.403	17	9769.788	21.141	.000
	Within Groups	37894.957	82	462.134		
	Total	203981.360	99			
Compensation and Pay	Between Groups	41066.199	17	2415.659	21.704	.000
	Within Groups	9126.551	82	111.299		
	Total	50192.750	99			
Participation	Between Groups	30664.839	17	1803.814	23.664	.000
	Within Groups	6250.551	82	76.226		
	Total	36915.390	99			

The above table III(b) shows that in the case of recruitment & selection, the value of between groups is 53201.880, the value of within groups is 15400.870 and value of F- test is 16.663. The P value of recruitment & selection is 0.000($p < 0.001$) which implies that the null hypothesis is rejected and alternative hypothesis is accepted. In the case of training & development, the value of between groups is 33376.922, the value of within groups is 20854.638 and value of F- test is 7.720. The P value of training & development is 0.000 ($P < 0.001$) which implies that the null hypothesis is rejected and alternative hypothesis is accepted; In the case of Performance Appraisal, the value of between groups is 166086.403, the value of within groups is 37894.957 and value of F- test is 21.141. The P value of Performance Appraisal is 0.000($P < 0.001$) which implies that the null hypothesis is rejected and alternative hypothesis is accepted. In the case of Compensation and Pay, the value of between groups is 41066.199, the value of within groups is 9126.551 and value of F- test is 21.704. The P value of Compensation and Pay is 0.000($P < 0.001$) which implies that the null hypothesis is rejected and alternative hypothesis is accepted. In the case of Participation, the value of between groups is 30664.839, the value of within groups is 6250.551 and value of F- test is 23.664. The P value of Participation is 0.000($P < 0.001$) which implies that the null hypothesis is rejected and alternative hypothesis is accepted.

Table - IV: Summary of the Results of the Hypotheses:

Hypotheses	Description	Results
H₁:	HRM practices (recruitment & selection, training & development, performance appraisal, compensation & pay and participation) have positive effect on the employees' job satisfaction of private commercial banks of Bangladesh.	Strongly Accepted
H _{1a}	Recruitment & selection has positive effect on employees' job satisfaction.	Strongly Accepted
H _{1b}	Training & development has positive effect on employees' job satisfaction.	Strongly Accepted
H _{1c}	Performance appraisal has positive effect on employees' job satisfaction.	Strongly Accepted
H _{1d}	Compensation & pay has positive effect on employees' job satisfaction.	Strongly Accepted
H _{1e}	Participation has positive effect on employees' job satisfaction.	Strongly Accepted
H₂:	HRM practices (recruitment & selection, training & development, performance appraisal, compensation & pay and participation) have positive effect on the employees' job satisfaction of state-owned commercial banks of Bangladesh.	Strongly Accepted
H _{2a}	Recruitment & selection has positive effect on employees' job satisfaction.	Strongly Accepted
H _{2b}	Training & development has positive effect on employees' job satisfaction.	Strongly Accepted
H _{2c}	Performance appraisal has positive effect on employees' job satisfaction.	Strongly Accepted
H _{2d}	Compensation & pay has positive effect on employees' job satisfaction.	Strongly Accepted
H _{2e}	Participation has positive effect on employees' job satisfaction.	Strongly Accepted

Correlation

Table - V: Correlation of Private Commercial Banks & State-owned Commercial Banks

Independent Variables (Basic functions of HRM)	Private Commercial Banks (Job Satisfaction)		State-owned Commercial Banks (Job Satisfaction)	
	Correlation (r)	P-value	Correlation (r)	P-value
Recruitment & Selection	.220**	.002	.184	.067
Training & Development	.336**	.000	-.003	.979
Performance Appraisal	.264**	.000	.460**	.000
Compensation & Pay	.135	.056	.100	.323
Participation	.292**	.000	-.324**	.001

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

* . Correlation is significant at the 0.05 level (2-tailed).

The analysis of the results shows the relationship (correlation) between HRM practices and job satisfaction. In the case of private commercial banks, there is a positive significant correlation between recruitment & selection and job satisfaction ($r = 0.220^{**}$, $p = 0.002$); there exists a positive significant correlation between training & development and job satisfaction ($r = 0.336^{**}$, $p = 0.000$); there is a significant positive correlation between performance appraisal and job satisfaction ($r = 0.264^{**}$, $p = 0.000$); there is positive correlation between compensation and pay and job satisfaction ($r = 0.135$, $p = 0.056$); there is strong significant positive correlation between participation and job satisfaction ($r = 0.292^{**}$, $p = 0.000$).

In the case of state-owned commercial banks, there is insignificant positive correlation between recruitment & selection and job satisfaction ($r = 0.184$, $p = 0.067$); there is insignificant negative correlation between training & development and job satisfaction ($r = (-0.003)$, $p = 0.979$); there is strong significant positive correlation between performance appraisal and job satisfaction ($r = 0.460^{**}$, $p = 0.000$); there is insignificant positive correlation between compensation & pay and job satisfaction ($r = 0.100$, $p = 0.323$); there is strong significant negative correlation between participation and job satisfaction ($r = (-0.324^{**})$, $p = 0.000$).

Comparative Analysis

In the Case of Private Commercial Banks; from the Hypothesis (H₁), it is found that there is positive relationship between HRM practices (such as H_{1a}: recruitment & selection; H_{1b}: training & development; H_{1c}: performance appraisal; H_{1d}: compensation & pay; H_{1e}: participation) and employees' job satisfaction. From one-way ANOVA test, it is proved that HRM practices (such as H_{1a}: recruitment & selection; H_{1b}: training & development; H_{1c}: performance appraisal; H_{1d}: compensation & pay; H_{1e}: participation) have a positive effect on receiving employees' job satisfaction. From the correlation analysis, it is revealed that among five factors of HRM practices, four factors e.g. H_{1a}: recruitment & selection; H_{1b}: training & development; H_{1d}: compensation & pay; H_{1e}: participation have strong significant positive impact on employees' job satisfaction.

In the Case of State-owned Commercial Banks; from the Hypothesis (H₂), it is found that there is a positive relationship between HRM practices (such as H_{2a}: recruitment & selection; H_{2b}: training & development; H_{2c}: performance appraisal; H_{2d}: compensation & pay; H_{2e}: participation) and employees' job satisfaction. From one-way ANOVA test, it is proved that HRM practices (such as H_{1a}: recruitment & selection; H_{1b}: training & development; H_{1c}: performance appraisal; H_{1d}: compensation & pay; H_{1e}: participation) have significant positive effect on employees' job satisfaction. From the correlation analysis, it is revealed that among five factors of HRM practices, only one factor e.g. performance appraisal has a positive significant impact on employees' job satisfaction and other two factors i.e. training & development and participation have negative impact on employees' job satisfaction.

Conclusion and Recommendations

The study discussed the relationship between employees' satisfaction and various dimensions of HRM practices. This study considered five major factors which represented most of the human resources management practices. The study reveals that all HRM dimensions do not satisfy to the banks employees equally in Bangladesh. Most of the employees are dissatisfied with compensation & pay package in case of both categories of banks (**Private Commercial Banks and State-owned Commercial Banks**) and it is insignificantly correlated with job satisfaction. Previous researches gave adverse results about Pay & compensation. Steijn (2004) found that HRM practices had positive effect on job satisfaction of the employees of Dutch public sector. Compensation & pay is an effective set of choices about compensation systems and plays a vital role in determining firm performance (Dreher and Dougherty 2005). Pay refers to the amount of financial compensation that an individual receives as well as the extent to which such compensation is perceived to be equitable. Previous researches (Sajuyigbe, Olaoye and Adeyemi, 2013) discovered that pay is one of the most significant variables in explaining job performance and satisfaction. A pay-for competence program enhances productivity and product quality, and reduces absenteeism, turnover, and accident rates (Jyothi and Venkatesh 2006). According to Luthans (1998), salaries not only assist people to attain their basic needs, but are also instrumental in satisfying the higher level needs of people.

From the correlation analysis, r value indicates that in case of Private Commercial Banks, Training & development has strong effect on job satisfaction whereas in the State-owned Commercial Banks Training & development is negatively affected of job satisfaction. Training is as an important investment for future success (Zeithmal and Bitner 2004). Companies need to provide comprehensive training to minimize the gap between clients and agents (Law, Wong, and Theresa 2005). Long-term basis training has a systematic influence on the improvement of job satisfaction. After that it is also revealed that in case of Private Commercial Banks, participation has strong positive effect on job satisfaction whereas it is poorly practised in State-owned Commercial Banks and negatively affect job satisfaction. Aswathappa (2008) pointed out that an organization should have better HR plans to motivate its employees. Sound HR planning can enhance job satisfaction of the employees by providing opportunities for the employees to participate in planning their own careers (Weeratunga, 2003).

Recruitment and selection is the most powerful HR practice in achieving sustainable competitive advantage based on human capital (Shipton et al. 2005). Recruitment is a process of attracting a pool of high quality applicants so as to select the best among them. Employee selection is also associated with perceived market performance (Delaney & Huselid 1996). In this study, the r value indicates that the practices of recruitment & selection of Private Commercial Banks are comparatively better than the State-owned Commercial Banks. It is noticeable that only one factor performance appraisal system is practiced properly in both the categories of commercial banks of Bangladesh and it has positive effect on job satisfaction.

Finally, this study suggests that both categories banks should reconsider their existing HRM policy and practices so that they can offer fair recruitment & selection and compensation & pay as well as adequate participation and training & development along with individual perception difference which will bring more job satisfaction which will lead to increase the organizations' effectiveness.

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