



**HRM PRACTICES AND ORGANISATIONAL COMMITMENT: “A
COMPARATIVE ANALYSIS OF PUBLIC AND PRIVATE SECTOR BANKS”**

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Abstract

This study focuses on organizational commitment in the context of employee loyalty and devotion to an organization. It explores the different dimensions of organizational commitment, including emotional, normative, and continuance aspects. The study aims to evaluate work satisfaction and HRM practices in public and private sector commercial banks, with a focus on the impact of leadership, “organizational culture, and employee involvement on commitment”. The research methodology involves surveys, interviews, and data analysis techniques. The study finds that private sector banks have higher levels of overall job satisfaction and better HRM practices compared to public sector banks. The study concludes by providing practical suggestions for improving employee happiness through effective HRM practices.

Keywords: organizational commitment, emotional commitment, job satisfaction, HRM practices, performance management

INTRODUCTION

Organizational commitment is a key factor in employee loyalty and devotion to an organization. It comprises three main elements: emotional, normative, and continuation aspects. Emotional commitment is a psychological bond, a sense of belonging, and active participation. Continuance commitment is linked to the expenses associated with quitting the company, while normative commitment is a sense of duty. Meyer and Allen (2007) categorize organizational commitment into emotional, continuity, and normative dimensions.

Organisational commitment refers to the degree of an employee's sense of duty and obligation towards the purpose of the organisation. Salancik (1997) defines commitment as a condition



in which a person is obligated by their acts, and it is these actions that maintain their activities and engagement. “According to Allen and Meyer (1996)”, organisational Determination of engagement as a "psychological connection between the employee and their organisation that reduces the likelihood of the employee leaving the organisation on their own accord." “According to North, Craft, and Neale (1996)”, commitment is defined as an employee's attitude of loyalty towards an organisation. It is a continuous process where individuals of the organisation demonstrate their care for the organization's “success and well-being”. “According to Porter et al. (1974)”, Organizational dedication is defined as having an unwavering dedication to the organization, accepting its goals, and being willing to work hard for it, all while expressing a desire to stay a member. The study aims to evaluate work satisfaction and HRM practices in “public and private sector commercial banks”, focusing on the impact of leadership, “organizational culture”, and employee involvement on commitment. Affective commitment leads to improved performance, while normative and continuous commitment follow. The study also discusses the findings on organizational commitment and its influence on employee retention, performance, and organizational effectiveness.

Objectives

1. To identify the key factors contributing to job satisfaction in public and private sector banks.
2. To determine the differences in HRM practices between public and private sector banks.

REVIEW OF LITERATURE

Organisational commitment is a strong sense of identity and active participation in an organization (Lumley, 2010), characterized by a deep belief in its aims and values (Mowday et al., 1982). It includes three elements: a strong inclination to stay, a readiness to work for the organization, and a belief in the organization's aims and values. It is influenced by emotional, norm-based, and ongoing aspects. Recent research has found a favourable association



between organisational commitment and physical and psychological well-being, motivation, work satisfaction, and commitment (Meyer & Allen, 1997). However, there is no significant difference between gender, age, or empowerment. The link between empowerment and Organizational commitment is independent of external variables such as education level or length of service.

“Lamba and Choudhary (2013)” found that the implementation of HRM practices significantly impacts organisational commitment, giving organizations a competitive edge in the global market. Bhardwaj, Chouhan, and Meena (2014) found significant disparities in work contentment and dedication to the organization between engineers in the public and commercial sectors. Haq et al. (2014) found a strong positive association between support factors and commitment levels among bank executives in Pakistan. Denise et al. (2015) highlighted the importance of recruitment and selection in promoting commitment, suggesting that understanding relevant features can mitigate turnover and recruiting costs. Yousef (2016) found that individuals expressed significant contentment with their supervisors and colleagues, but reported a lack of happiness with compensation and opportunities for advancement. Their commitment was motivated by a strong desire to remain rather than a sense of duty. “Meyer et al. (2023) and Solinger, van Olffen, and Roe (2019)” highlighted the interconnectedness of commitment dimensions in different organizational settings, influencing employee retention, performance, and organizational effectiveness. Jain and Ansari (2022) and Lee and Chen (2021) highlighted the significance of leadership, organisational culture, and employee involvement in promoting various forms of commitment.

RESEARCH GAP

Existing studies on organisational commitment in India reveal a research gap in understanding specific HRM practices influencing commitment across different industries. Further investigation is needed to understand work satisfaction disparities among engineers, the level of dedication shown by bank executives, and the importance of recruitment and selection in promoting commitment, mitigating turnover, and recruiting costs.



RESEARCH METHODOLOGY

The study compares work satisfaction and HRM practices in public and private sector commercial banks using a cross-sectional research approach. The sample includes 200 from both sectors, with stratified random sampling. Data collection methods include surveys, interviews, and literature analysis. Secondary data includes internal reports and HR records. Data analysis techniques include descriptive, inferential, and correlation analysis. Multiple regression analysis will determine HRM practices impacting work satisfaction. A qualitative analysis will uncover recurrent patterns and insights. Ethical considerations include informed consent, privacy, confidentiality, and compliance with protocols. The study aims to provide practical suggestions for improving employee happiness through effective HRM practices.

DISCUSSION AND ANALYSIS

Table 1: Job Satisfaction Levels and HRM Practices in “Public and Private Sector Banks”

Category	“Public Sector Banks”	“Private Sector Banks”	Total Respondents
Total Respondents	100	100	200
Overall Job Satisfaction			
Highly Satisfied	25	45	70
Satisfied	40	35	75
Neutral	20	15	35
Dissatisfied	10	5	15
Highly Dissatisfied	5	0	5
Key Factors Contributing to Job Satisfaction			
Competitive Salaries	15	60	75
Performance-Based Bonuses	10	55	65
Career Development	20	50	70
Job Security	70	30	100



Work-Life Balance	65	40	105
Employee Benefits	75	25	100
Modern Work Environment	20	50	70
HRM Practices			
Recruitment and Selection			
Rigorous/Dynamic	10	70	80
Standardized/Traditional	90	30	120
Training and Development			
Regular/Frequent	30	65	95
Less Frequent	70	35	105
Performance Management			
Robust/Appraisals	20	75	95
Traditional	80	25	105
Employee Engagement			
High	25	70	95
Low	75	30	105

The study analysed employee job satisfaction in both banks in the “public and private sectors”. It was shown that generally satisfaction with work ratings of lenders in the private sector were higher, with 45% of respondents reporting satisfaction. Public sector banks had lower job satisfaction, with 25% expressing great satisfaction and 40% expressing satisfaction. The success of private and public sector banks can be attributed to their superior human resource management methods and contemporary work environment. Factors influencing job satisfaction include competitive remuneration, performance-based incentives, job security, work-life balance, and financial incentives. Private sector banks excel in offering financial incentives and career advancement prospects, while public sector banks provide stability and a balanced work-life. Private sector banks also had more regular training and development programs, while public sector banks had less frequent updates. Performance



management systems in private sector banks were more effective, with 75% having an objective system for evaluation and compensation. Employee engagement was high in private sector banks, but public sector banks had a lack of engagement initiatives.

CONCLUSION

To enhance HRM practices and work satisfaction, public sector banks should focus on hiring and choosing, advancement and learning, managing sales, fostering workplace and benefit packages and salaries, organizational culture, and HRM practice evaluation. By targeting specific areas for improvement, both industries can achieve elevated levels of employee contentment, resulting in increased organizational dedication and overall effectiveness.

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