Analysing Human Resource Practices at Esaf Microfinance Bank

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Peer Review Information	Abstract
	The Human Resource (HR) procedures and key features of ESAF Microfinance Bank, including hiring and selection, training and development, performance evaluation, pay administration, employee motivation, and retention policies, will be covered in this study. The impact of ESAF's HR policies on worker happiness, organizational commitment, and overall productivity is examined in this study using a quantitative method. Primary data was collected through a structured questionnaire, and regression analysis was used to identify the relationship between different HR characteristics and job satisfaction, which was the dependent variable. This study confirms that effective HR policies, specifically training programs, open performance grading systems, and fair compensation systems, significantly increase employee motivation and organizational efficiency. However, career advancement and employee reward plans are areas to be improved. This study suggests that HR policies must be reviewed continuously and upgraded to increase employee involvement, turnover rates must be reduced, and long-term organizational stability must be guaranteed.

Introduction

Human resources are those people or organizations driving an organization toward its achievement of goals. It is often termed as human capital; it is the employees who in the present-day business scenario are considered the most invaluable asset that provides an organization with a difference from others. Appropriate human resource management would strengthen an organization's employee engagement, productivity, and job satisfaction since these factors contribute to the ultimate success of an organization. Strong practices of HR are also important for the banking industry in attracting, retaining, and developing talent.

ESAF Small Finance Bank is a great example of how strategic HRM can foster financial inclusion and community development. An NGO by inception in 1992, ESAF has transformed into one of the major financial institutions in the country, up-scaling services to underserved areas. The transformation from microenterprise development to scheduled bank status is a testament to a deep desire to empower underprivileged communities. In ESAF's case, its new HR practices deal with the creation of

financial opportunities for the bottom-of-the-pyramid people.

Human Resource Practices in ESAF Small Finance Bank: The research paper gives an account of the human resource practices in ESAF Small Finance Bank. In order to achieve this, investigations of how human resource practices affect organizational performance and employee satisfaction have been conducted. A regression analysis will be utilized in the study to prove the relationship between ESAF's HR strategies with the practice of increased productivity and sustainable growth in an organization.

Literature Review

Mrs. D. Joyce, Dr. C. Vijai. (2020). A theoretical investigation into Green HRM: A Novel Approach to Organizational Sustainability. Despite the fact that various investigations have been performed to analyse how HR policies affect the perception of job satisfaction among workers in industrialized countries' public sectors, relatively few studies have been carried out in the private sector, specifically in the Indian banking industry. The amount of research on HRM in the private sector is still quite little, so a thorough analysis is necessary, particularly given that organizations are now increasingly planning mergers and acquisitions. This research narrows the gap by considering HRM practices in Indian banks and their effect on employee job satisfaction.

"J. Shifa Fathima Human Resource Management In Banking Sector (2015)" using empirical and secondary evidence analyses the purpose of HRM in banking. It has been developed that the quality of human capital, skills, behaviors, and experience, are seriously connected to the capability of banks in reaching competitiveness and delivering customer value. The improvement of the performance primarily lies in this area, through financial efficiency and service quality.

Md Nahin Hossain Md. Yahin Hossain Md Farid Talukder (2014) has studied the HRM practices of the 5 commercial banks in Bangladesh and noticed that they follow a well-established recruitment process. Even though the bank had adequate qualified personnel, it faced a critical shortage of ICT professionals, and the employee job satisfaction level was assessed as not satisfactory.

"Human Resource Management Practices and Employee Performance in Bangladesh's Banking Sector, Abdus Salam Sarker, 2017".He employed a methodical questionnaire. Employee relations, institutional commitment, motivation, the physical workspace, pay, training and development, advancement, and job satisfaction were the primary areas of analysis. With the exception of pay and training and development, the majority of HR procedures have a major impact on employee performance in the banking industry of Bangladesh.

"Ms. Priyanka Gupta, Dr. Praveen Chaudhry (2024) India's Theoretical Analysis of Human Resources Practices In the Indian Banking System" banking industry is confronted with intense competition and talent shortage, compelling banks to adopt innovative HRM practices. Chakrabarty (2012) highlights human capital as a source of competitive advantage. A study identified 49 HR strategies, including digital integration, flexible work practices, training programs, and employee benefits. Private banks prioritize people management, AI-driven efficiency, and employee engagement to enhance performance. To compete, future HR initiatives will have to be centered on technology, well-being, and continuous improvement.

"Mr Pravin A. Kale, Dr Shailesh Kediya the Resonance of HR Practices in the Banking Sector of India (2023)" Human resource management in Indian banking plays a vital role in talent recruitment, retention, employee motivation, and productivity. Private banks provide better salaries, professional development, and social status, while state banks provide job security. Recruitment, training, compensation, and performance management are all major HR practices, and digital technology and AI support efficiency enhancement. Job satisfaction and work-life were the two most important HR factors, while development programs were less common. As the banking industry evolves, business goals aligned with HRM strategies will be the driving force for long-term success, with a competitive and motivated workforce.

Abdus Salam Sarker (2017): Employee Performance and HR Management Practices in Bangladesh's Banking Industry.A structured questionnaire was employed by him. Institutional commitment, motivation, training and development, job satisfaction, pay, physical work environment, and employee relations were the primary areas of analysis. With the exception of compensation and training and development, most HR practices have a significant effect on employee performance in Bangladesh's banking sector.

"Hiralal Raut Influence Of HRM Practices On Employee Job Satisfaction: Evidence From Commercial Banks In Nepal (2018)" HRM variables account for almost 57.3% of Nepalese banking satisfaction, according to the research, which also demonstrates a strong positive correlation

between HRM practices and staff work happiness. The main factors driving it are training and development, recruiting and selection, pay and benefits, and work-life balance. Global study has confirmed that strategic HR policy increases engagement, motivation, and retention, which supports the findings.

"Tofael Hossain Majumder, M.D. Practices of Human Resource Management and Employee Contentment with the Private Banking Sector in Bangladesh (2012)" According to research on HRM procedures in Bangladeshi private banking, job satisfaction differs depending on the HR department. High levels of unhappiness persist in the areas of training, career development, compensation, and rewards despite the implementation of HRM practices. Professional help is necessary for increased efficiency because the sector has not yet developed human resource planning. As research suggests, providing competitive remuneration, encouraging management-employee interaction, and creating formal career paths are all found to increase job satisfaction. Further, incorporating new technology and foreign experience in training can make HRM more effective. Subsequent studies can investigate the long-term effects of better HR practices on the health of employees and organizational performance.

Hypothesis Formulation

Null Hypothesis (H_0): The null hypothesis will therefore point to the fact that "There is no relationship between the dependent variable (O) and independent variables (H, E, U, J, K, M, S, L, C)". Alternative Hypothesis (H_1): The alternative hypothesis will therefore point to the fact that at least one of the independent variables is statistically associated with the dependent variable.

Dependent Variable

O: Job satisfaction

Independent Variable

H: Performance appraisal
E: Training program relevance
U: Teamwork and collaboration
J: Compensation and benefits package
K: Compensation compared to industry standards
M: Current workload management

S: Conflict resolution effectiveness
L: Fairness in the distribution of compensation and benefits
C: Onboarding and orientation process helpfulness

Research Methodology

Research is the planned investigation of issues to provide solutions to problems, discoveries, retrieval, analysis, and interpretation of data. Methodology is the process aimed at ensuring that research is well-structured, reliable, and nonredundant; it organizes the study to address well-defined research questions or hypotheses. The goal of this research study is to dissect ESAF Microfinance Bank's HR procedures. Among the most important subjects are hiring and selection, training and development, performance management, pay and benefits, employee engagement, and retention tactics.

Sample Size

Population: Employees of ESAF Microfinance Bank.
Sample Size: 204 employees.
This number provides a sufficient representation of the diverse employee groups within the bank, ensuring robust and reliable survey data.

Sampling Frame

The sampling frame will include all employees of ESAF Microfinance Bank across various departments and locations.

Sampling Method

Convenience Sampling.: Respondents were chosen for the study based on their availability and interest in taking part.

Data Collection Method

Primary Data
Surveys: Population: Employees of ESAF Microfinance Bank across various departments and locations.
Sample Size: 204 employees, using stratified random sampling to ensure representation from different levels and departments.
Questionnaire: A structured questionnaire with Likert-scale questions will be used to gather data on HR practices and employee perceptions.

Analysis And Outcome

Table 1: Regression

"Variables Entered/Removed			
Model	Variables Entered	Variables Removed	Method

1	h, e, u, j, k, m, s, l, c	.	enter
a. dependent variable: o			
b. all requested variables entered."			

Analysis and Interpretation

All independent variables requested are included in this model (H, E, U, J, K, M, S, L, C), to examine their influence on the dependent variable "O". The input of variables in this manner aims to provide insight into how different variables explain the variations in "O". In the "enter" method, all variables selected can be input simultaneously into the regression to provide an idea of the sum effect that the variables may have. This approach would identify the most significant predictors and their associations with "O", which would further facilitate the attempt to explain possible interactions or multicollinearity of variables. Overall, this model configuration should provide a fine basis for understanding influences on "O" and form the foundation for further statistical analysis uncovering meaningful insights.

Table 2

"Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.700[a]	.491	.467	.644
a. Predictors: (Constant), H, E, U, J, K, M, S, L, C"				

Analysis and Interpretation

The model summary's R-value of 0.700 indicates that all of the independent variables—H, E, U, J, K, M, S, L, and C—have a high positive correlation with the dependent variable, "O." With a R Square of 0.491, all of these independent factors account for roughly 49.1% of the variation in "O." After adjusting for the number of variables, the model was able to explain 46.7% of the "O" variation, according to the Adjusted R Square (0.467), which accounts for the number of predictors. An approximation's standard error is 0.644, which averages the noted values' separation from regression line and so offers a reliable assessment of the model's correctness.

Table 3: ANOVA

ANOVA^a						
Model		**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	regression on	77.921	9	8.658	20.682	<.001^b
	residual	80.928	195	0.415		
	total	158.849	204			
a. dependent variable: o						
b. predivtors: (constant), h, e, u, j, k, m, s, l, c						

Analysis and Interpretation

Anova Findings The p-value <.001, and the F-statistic value is 20.862. The relationship between the independent variables H, E, U, J, K, M, S, L, and C and the dependent variable O was examined using the regression model. This would suggest that the variance of dependent variable is substantially explained by the set of independent factors. With a regression total of squares of 77.921 and a residual sum of squares of 80.928, we are able to reject the null hypothesis at 0.05 level, demonstrating the model's powerful impact. After coming to the conclusion that at least one of the predictors affects the result, we examine each variable's contributions in greater detail.

Hypothesis Testing

Table 4

"H0	There is no relationship between the dependent variable (O) and independent variables (H, E, U, J, K, M, S, L, C).	Rejected

H1	There is a significant relationship between the dependent variable and independent variables.	Accepted"

Findings

Regression analysis shows that "the model predicts the dependent variable 'O' with a p-value < 0.001 and an F-value of 20.862, which is statistically significant. This would indicate that the variance in 'O' is explained by the combined influence of the independent variables H, E, U, J, K, M, S, L, and C, which is statistically significant. The R-value of 0.700 indicates a positive correlation between the independent and dependent variables. The independent variables explain 49.1% of the variation in 'O,' with an R Square value of 0.491. The adjusted R Square, which takes into consideration the number of predictors, is 0.467". The model's relatively low standard error of 0.644 indicates that it is making predictions that are fairly accurate. The research as a whole demonstrates that independent factors work together to significantly and strongly influence the outcome variable "O."

Conclusion

In summary, the independent variables (H, E, U, J, K, M, S, L, and C) account for 49.1% "of the variation in the dependent variable 'O,' which is adequately explained by the regression model. The F-value and a p-value < 0.001 show that the model is statistically significant, indicating that the predictors taken together significantly affect "O." There is some unexplained variance even though the model does a good job" of describing almost half of the variation, indicating that other factors that are not included by this model might have an impact on "O." Although the research shows that the independent factors played a significant role in forecasting the outcome overall, the predictive ability of the model might be increased with additional variables or further modification.

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