

# Human Resource Management Practices and Employee Satisfaction in the Banking Industry of Nepal

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<p>Received 21 Oct. 2025 Revised 14 Nov. 2025 Accepted 21 Nov. 2025</p> <p><b>Keywords:</b> <i>Human resource management, job satisfaction, grievance handling</i></p> <p><b>*Author's Info</b> Chudamani Khatri MPhil. Scholar Graduate School of Management Mid-West University, Nepal Lecture at Yerawati Aadarsha Multiple Campus, Dang Email: chudamanik245@gmail.com</p> <p>DOI : 10.3126/jnmr.v7i1.88983</p>	<p style="text-align: center;"><b>ABSTRACT</b></p> <p><i>This research aims to investigate the role of major Human Resource Management (HRM) practices: compensation, employee participation, grievance handling, training and development, and health and safety on job satisfaction among employees in the commercial banking industry of Nepal. The Banking industry is a crucial part of the Nepalese economy, and employee satisfaction is critical to the provision of quality services, productivity and organizational success. Determining the HRM practices that best affect job satisfaction can be of much help to managers who want to increase the commitment and performance of the workforce. There are various bodies of literature regarding the use of HRM practices in developed nations, but there is little empirical work on the HRM practices in the Nepalese socio-economic setting. To fill this gap in the research, the current study specifically targets the under-researched commercial banking industry. The survey was cross-sectional, and the sample comprised 440 employees in 14 commercial banks in Lumbini Province of Nepal. The hypothesized relationships between variables were tested using Smart PLS-SEM. The findings indicated that grievance handling was the only factor that had a significant and positive correlation with job satisfaction (<math>p = 0.000</math>), but no significant effects were found on compensation, employee participation, training and development, and health and safety. The results demonstrate that efficient grievance management plays an important role in promoting staff morale, and therefore, banks need to focus on good grievance-solving procedures as a strategy for improving employee morale and organizational peace.</i></p>
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## 1. INTRODUCTION

Human resources are the most valuable active assets of any organization (Carlbäck et al., 2024), often referred to as the soft resources that require careful management to achieve sustainable success. Human resources drives to financial and physical assets with creativity, innovation, and problem solving abilities for

productivity and organizational growth (Srihita et al., 2025; Matei et al., 2024). The effectiveness of any organization largely depends on how well it manages its people, as they transform other resources into productive outcomes. Successful organizations are those that invest in their employees and focus on retaining competent personnel (Carlbäck et al., 2024). Human Resource Management Practices (HRMPs) refer to the manpower planning, recruitment and selection, training and development, performance appraisal, compensation management, motivation, and grievance handling (Mathews, 2025), which are crucial mechanisms through organizational attract, development, and retention of skilled individuals. Properly implemented HRMPs not only align individual and organizational goals but also enhance job satisfaction and performance.

Within the past few years, the role of HRMPs has become more important in every sector, with particular reference to the banking sector (Muduli et al., 2024), which is one of the most dynamic and people-oriented sectors in Nepal. The Nepalese banking industry is the backbone of the national economy, and it helps in the stability of finances, the development of investments, and the creation of jobs. According to the report of Nepal Rastra Bank (NRB) mid-January 2025, the banking system in Nepal includes 20 commercial banks, 17 development banks, and 17 finance companies with thousands of qualified employees working all over the country. In a competitive industry with service as the primary factor, employees represent the primary interface between the banks and the customers, and the level of their satisfaction directly influences the quality of the provided services (Denantes & Donoso, 2021), the overall customer retention, and the overall performance of the company (Khan et al., 2022). Therefore, high employee satisfaction with the help of successful HRMPs is a strategic issue of high importance to Nepalese banks.

Employee satisfaction is the level of satisfaction that employees experience in their job-related activities (Kalia et al., 2024). It is also affected by a number of factors, including compensation, supervision, work environment, job security, growth opportunities and the organizational culture (Kandasamy et al., 2025). Research has always indicated that satisfied employees tend to be more productive, motivated, and loyal compared to being dissatisfied, which may result in absenteeism, poor performance, and increased rates of turnover. In the service-based industry, such as banking, where human interaction is the main factor of customer experience, employee satisfaction is the key to customer and organizational success.

With economic liberalization, technological advancement, and the growth of digital banking, the banking industry in Nepal has been experiencing a rapid transformation. Such trends have increased competition and have resulted in a need to have highly skilled, adaptable and motivated human resources. HRMPs are now a key to the management of human capital in this dynamic environment (Wang G. et al., 2024). Nonetheless, even with the increased awareness of the significance of HRM, Nepalese banks still struggle with issues of excessive staff turnover, work dissatisfaction, work pressure, and lack of career growth. Such problems are attributed to poor HR systems, no employee development programs and poor recognition, which eventually reduces morale and organizational productivity.

In general, across the world, multiple studies have shown that there is a high correlation between HRMPs and employee satisfaction (Faeni et al., 2025; Kaur et al., 2025; Kalia et al., 2024; Ercantan & Eyupoglu, 2022). Good HRMPs enhance equity, transparency, and employee engagement which consequently enhance satisfaction and minimize attrition (Kalia et al., 2024). Sismiati et al. (2025) discovered that employees become more committed and loyal when HR policies are implemented fairly. Likewise, Bendera et al. (2025) found that HRMPs have a profound effect on the attitudes of employees and the performance of the

organization in general. Nonetheless, the majority of this research has been done in developed or emerging economies, and there is little research in developing countries such as Nepal. The socio-economic and cultural environment of Nepal is significantly different (Dhakal et al., 2025). It is important to examine the impact of HRMPs on employee satisfaction in local companies.

Whereas research in Nepal has been done on HR practices in the education, manufacturing and healthcare sectors, the banking sector is far under-researched. Besides, the discrepancy in the results of different industries implies that the HRM satisfaction correlation can be mediated by contextual and demographic variables like age, gender, experience, and job level (Rahman et al., 2025). An example is a younger employee loving to learn and develop a career in a company, whereas an older employee may love job security and recognition (Kalia et al., 2024). Thus, examining HRMPs and employee satisfaction of Nepalese banks is necessary to comprehend such contextual differences and enhance HR practices in this way.

Moreover, HR management has been subjected to new dimensions by digital transformation in banking (António Porfirio et al., 2024). As online banking, mobile applications, and artificial intelligence become more and more popular (Demirel & Topcu, 2024), it means that employees are forced to constantly sharpen their skills and keep up with the technologies. According to Cavicchioli et al. (2025) digitalization brings about work pressure and stress, and this may decrease satisfaction unless supported by favorable HR policies. Therefore, digital skill training, employee wellness programs, and stress management programs should be integrated into the modern HRMPs in Nepalese banks to maintain the levels of satisfaction and engagement.

Considering these factors, this study aims to examine the relationship between Human Resource Management Practices and Employee Satisfaction in the Nepalese banking industry. It seeks to identify HR practices like compensation, employee participation, grievance handling, training and development and health and safety, which strongly influence job satisfaction. The study is expected to contribute to the limited empirical research on HRM in Nepal and provide practical insights for bank managers to design effective HR strategies that enhance employee well-being and organizational performance.

### **Literature Review and Hypothesis Development**

Human Resource Management (HRM) practices have gained significant attention in public and organizational management research due to their crucial role in enhancing employee performance and satisfaction (AlKetbi & Rice, 2024). HRM practices are those planned activities that are aimed at the management and development of the human capital of the organization (Matei et al., 2024), to ensure that it is in line with the strategic goals. Such practices are compensation, employee participation, grievance handling, training and development and health and safety, which all affect motivation and job satisfaction (Kalia et al., 2024). The HRM practices that are important in the context of the Nepalese banking industry include the retention of skilled employees, enhancement of service quality and commitment. It is emphasized in literature that properly organized HRM practices not only enhance employee satisfaction, but also lead to increased productivity, company loyalty and the general competitiveness in the financial market.

It is based on Human Capital Theory, which is developed by Gary Becker and Theodore Schultz in the 1950s and early 1960s. According to Abbas et al. (2024), employees are precious resources, and their knowledge, skills, and abilities play a great role in the success of the organization. It implies that productivity, innovation and job satisfaction are increased through investment in human resources through education, training and development (Kalia et al., 2024). The HRM practices are good in the Nepalese banking industry, and they

include continuous training, performance appraisal, and career development, which enhance the competencies and morale of employees. Wang et al. (2024) explored that the employees are motivated when they are given an opportunity to develop, and hence there is increased satisfaction, low turnover and better organizational performance. Therefore, sustainable growth highly depends on human capital development.

**Compensation:** Compensation is the most effective HRM practice that has a direct impact on employee motivation and job satisfaction (Kalia et al., 2024). It includes salaries, bonuses, incentives and benefits which are given in return for the efforts and performance of the employees. According to the Ampong (2024) Competitive remuneration systems promote value and equity among the employees in the organization. In the Nepalese banking sector, with high workloads and responsibilities, proper and timely payment is crucial in maintaining talent within the organization and in curbing discontent. Chaanine (2025) found that the employees feel their efforts are compensated, and thus their morale, loyalty and general job satisfaction get boosted, which creates organizational effectiveness and stability.

H<sub>1</sub>: Compensation and job satisfaction have a positive relationship.

**Employee Participation:** Employee participation is the engagement of employees in the decision-making processes, problem-solving and planning of the organization (Mpuangnan et al., 2024). It is one of the most important HRM practices that allows the sense of ownership, trust, and belonging to employees. When the banking staff in Nepal is motivated to exchange ideas, give opinions, and make contributions towards the organizational objectives, they develop a sense of being respected and appreciated. This involvement increases motivation, commitment and job satisfaction (Kalia et al., 2024). It has been found that participative management produces more effective communication, less conflict, and greater morale. Thus, employee involvement is an important HRM practice that has a direct impact on job satisfaction and organizational performance in the banking industry.

H<sub>2</sub>: Employee participation and job satisfaction have a positive relationship.

**Grievance Handling:** Grievance handling is a very important HRM practice which has a direct impact on employee satisfaction (Kalia et al., 2024). It can be defined as a systematic procedure of handling complaints, issues, or discontent of the employees regarding workplace policies, management, or circumstances (Wesonga & Westhuizen, 2024). A well-structured grievance handling mechanism is a way of instilling trust and equity in the banking industry of Nepal, where employees are subjected to high pressure and customer-related issues. Employees will have their morale boosted, conflict minimized, and a good working environment encouraged when they feel that their voices are heard and solutions are given to issues in time (Belgasm et al., 2025). Therefore, an open and accountable grievance process plays an important role in increasing job satisfaction and organizational harmony in the Nepalese banks.

H<sub>3</sub>: Grievance handling and job satisfaction have a positive relationship.

**Training and Development:** Training and development are the key HRM practices that have a direct impact on the satisfaction of employees and their performance (Kalia et al., 2024). With the help of systematic training programs, employees will be able to improve their knowledge, skills, and abilities and become more efficient and confident in their work (Kebede et al., 2024). Technological and regulatory changes in the Nepalese banking industry are common; hence, continuous training keeps the employees competent and motivated. Career growth and skills improvement workshops are development opportunities that create a growth and success sense (Kayyali, 2024). Employees who experience that their organization invests in them

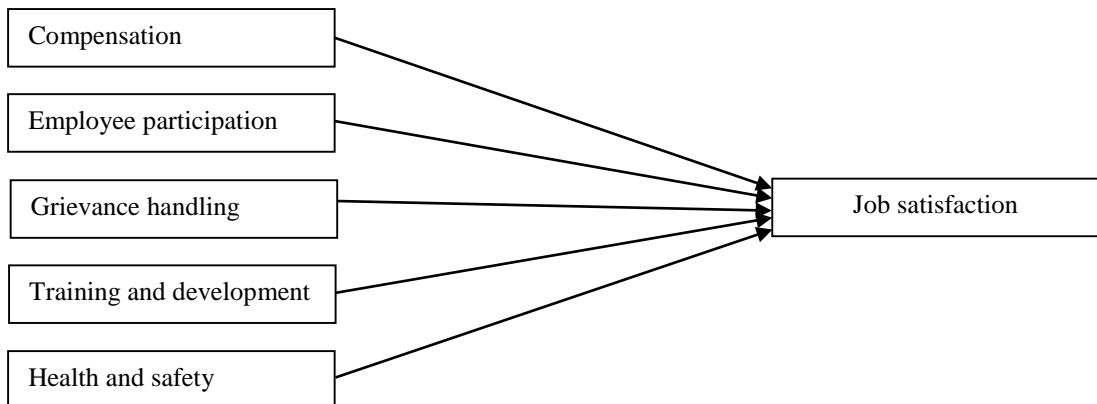
professionally increase job satisfaction, loyalty, and commitment, which boost organizational productivity and service delivery.

H<sub>4</sub>: Training and development have a positive relationship with job satisfaction.

**Health and Safety :** Chatzoglou et al. (2025) explored that health and safety are the basic elements of the Human Resource Management practices that have a direct impact on employee satisfaction. A healthy, stress-free and safe working environment improves the physical and psychological well-being of employees, hence motivating and commitment (Kalia et al., 2024). In the Nepalese banking sector, where employees usually experience long working hours, high pressure; in such condition proper ergonomic working places, frequent health checkups, mental wellness programs are essential (Yadav, 2024). When banks adopt a culture of safety and health of employees, it will create a feeling of security and care, which will result in increased job satisfaction and loyalty. Therefore, good health and safety practices mean a lot to the morale of the employees and the success of the organization.

H<sub>5</sub>: Positive correlation exists between health and safety, and job satisfaction.

**Figure 1: Conceptual Framework**



Source: Kalia (2022)

## 2. METHODS

Research methodology refers to the systematic processes, techniques, and instruments of designing, performing, analyzing and interpreting a research study (Abutabenjeh & Jaradat, 2018). In this section, the methodological framework is employed to investigate the influence of HR practices like compensation, employee participation, grievance handling, training and development and health and safety on job satisfaction. It provides research design, population and sampling, methods of data collection, measurement and evaluation instruments, and analytical techniques to test the proposed hypothesis.

**Methodological Paradigm:** The paradigm of the research is positivist that focuses on objectivity, quantification, and empirical measurement of variables. According to this paradigm, the study is based on observable data, the structured tools and statistical analysis to test the relationship between the human resource management practices and employee satisfaction. The survey method and statistical analysis with

the help of SPSS and Smart PLS are consistent with the positivist preoccupation with hypothesis testing and the determination of causal links.

**Research Approach:** This paper assumes a quantitative research design; the numerical data are used to quantify the HRM practices and employee satisfaction. Quantitative indicators that are obtained using a structured questionnaire, which is tested statistically using Structural Equation Modeling (SEM). The method aids in comparison, generalization and objective evaluation of the relationships between variables.

**Research Design:** The research design used in the study is causal comparative and descriptive research in cross-sectional data. The descriptive design assists in profiling the HRM practices and level of satisfaction among employees in commercial banks. The causal comparative research design is applicable in the study of the effect of differences in HRM practices on employee satisfaction in various banks. A structured questionnaire has been used to collect data at one point within the period of June-July 2025.

**Scope of the Study:** It is limited to fourteen commercial banks in the Lumbini Province in Nepal. The banks are a combination of city and semi-urban banking and are more than five years old. The research has been narrowed down to the HRM practices and employee satisfaction among full-time workers.

**Population of the Study:** The sample was composed of full-time workers of the chosen fourteen commercial banks in the Lumbini Province. These workers have employees of different levels of hierarchy, such as top management (60), middle management (143), and lower management (237). To guarantee that the HRM practices in their respective banks were familiar, employees who had at least five years of working experience were eligible to be included in this study.

**Sampling Techniques and Sample Size:** Quota sampling under the non-probability sampling method is used to have a proportional representation of the employees who were at various levels of management. This technique assisted in equalizing the responses of the top (60), middle (143), and lower groups of management (237). The end sample has 440 full-time employees in fourteen commercial banks. The participants were contacted on a personal level, via official emails, telephone calls, and social media reminders to ensure maximum response rates, and these data were collected through

**Data Collection Methods:** The data is collected using a five-point Likert scale structured questionnaire. The survey was conducted both in person (133) and using email (68) and social media (239). The HR managers were also helpful in reminding the employees to participate. The cross-sectional research involved administering and retrieving the questionnaires in June and July 2025.

**Data Analysis Methods:** The responses are coded and analyzed with SPSS version 20 after collection to do preliminary analysis, including descriptive statistics and reliability analysis. To perform Structural Equation Modeling (SEM) analysis was done using Smart PLS 4.1.1.0. SEM allowed scrutinizing causal links among HRM practices and satisfaction among employees, such as model fitness, path analysis, and hypothesis testing.

### 3. RESULTS

The results of the study revealed that both the measurement and structural models demonstrated satisfactory reliability and validity. In the measurement model, all factor loadings exceeded the acceptable threshold, and composite reliability and average variance extracted (AVE) values confirmed convergent validity. The structural equation model (SEM) exposed the relationships among the proposed variables.

**Measurement Model:** In the measurement model, the researcher tests the reliability, validity and model fit of the final data.

**Reliability and validity statistics:** Cross-loading, Cronbach alpha ( $\alpha$ ), composite reliability (CR), and average variance extracted (AVE) have been used to test the reliability and validity of all constructs. Values are within the recommended range, and this proved internal consistency, convergent validity, and construct reliability of the measurement model.

**Table 1: Reliability and validity statistics**

Constructs	Items	Loading	$\alpha$	CR	AVE
Compensation	CP1	0.679	0.671	0.818	0.603
	CP2	0.767			
	CP5	0.871			
Employee participation	EP1	0.752	0.772	0.846	0.526
	EP2	0.72			
	EP3	0.609			
	EP4	0.738			
	EP5	0.794			
Grievance handling	GH1	0.865	0.808	0.876	0.641
	GH2	0.828			
	GH3	0.854			
	GH5	0.635			
Health and security	HS1	0.746	0.779	0.851	0.535
	HS2	0.712			
	HS3	0.6			
	HS4	0.77			
	HS5	0.81			
Job satisfaction	JS1	0.867	0.813	0.879	0.647
	JS2	0.842			
	JS3	0.859			
	JS5	0.626			
Training and development	TD1	0.676	0.673	0.819	0.604
	TD2	0.767			
	TD5	0.875			

Sources: Field survey, 2025

The criterion metrics have been used to assess the reliability and validity of the variables. The Cronbach's alpha ( $\alpha$ ) values are 0.671 to 0.813, which is above the acceptable minimum value of 0.60 (Gottems et al., 2018). In the same way, the Composite Reliability (CR) values of all the constructs were greater than 0.70 (Jamshidimanesh & Mohammadkhani, 2024), (0.818 to 0.879), which indicated internal consistency. The values of the Average Variance Extracted (AVE) should not be less than 0.50 (Carter, 2016), which has between 0.526 and 0.647, which validated the convergent validity. All the factor loadings should be above 0.60 (Imran Ho et al., 2024), which means that each item was a good indicator of its corresponding construct in the measurement model. It has existed in the results.

**Model Fit Test:** The Standardized Root Mean Square Residual (SRMR) has been used to evaluate the model fit test of the measurement model. The SRMR value in this model is acceptable in this research, indicating that the model was good in general.



**Table 2: Model fit test**

	Saturated model	Estimated model
SRMR	0.118	0.118

Sources: Field survey, 2025

According to Hair et al. (2019), a moderate model fit is represented by an SRMR of less than 0.12, and a good model fit is represented by the values of 0.08 or lower. Table 2 shows that the SRMR of the saturated and estimated models in the study are 0.118 and 0.118, respectively, and these values fall within the acceptable range, therefore indicating the suitability of the model.

**Structural Model:** Multicollinearity, hypothesis testing and path analysis are used to evaluate the structural model. The values of the Variance Inflation Factor (VIF) were less than 3.3 (Suhartini et al., 2024), which proved that there was no issue of multicollinearity. Hypothesis testing was backed by path coefficients and t-values, whereas path analysis revealed important relationships among constructs that supported the proposed research framework in terms of causal relationships.

### Multicollinearity test

**Table 3: Multicollinearity test**

Item	VIF	Item	VIF
CP1	1.251	HS1	1.582
CP2	1.318	HS2	1.531
CP5	1.491	HS3	1.261
EP1	1.587	HS4	1.637
EP2	1.559	HS5	1.723
EP3	1.281	JS1	2.272
EP4	1.523	JS2	1.952
EP5	1.618	JS3	2.165
GH1	2.231	JS5	1.245
GH2	1.840	TD1	1.251
GH3	2.114	TD2	1.326
GH5	1.252	TD5	1.500

Sources: Field survey, 2025

The multicollinearity test is shown in Table 3. The criteria for multicollinearity tests are that the value of VIF is less than 3.3. The VIF value of each item on the above table has been less than the criteria. This indicates there is no multicollinearity issue.

**Hypothesis Testing:** The test of hypothesis was done with the help of beta coefficients, standard deviation, t-values, and p-values. Relationships of less than 0.05 with p-values has taken as significant (Boscardin et al., 2024). According to these criteria, hypotheses were either rejected or accepted, as is summarized in the following table.

**Table 4: Hypothesis Testing**

Hypothesis	Beta	S.D	T values	P values	2.50%	97.50%	Decision
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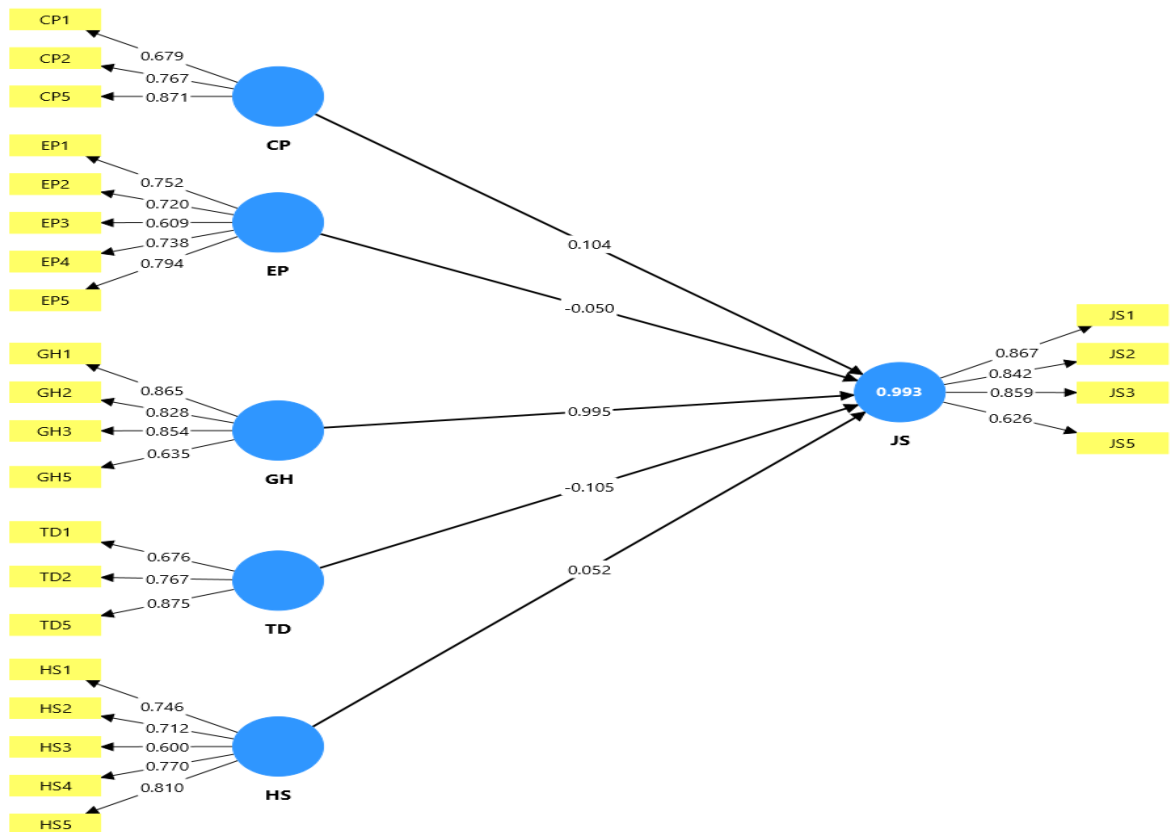
CP -> JS (H <sub>1</sub> )	0.104	0.073	1.421	0.155	-0.002	0.299	Rejected
EP -> JS (H <sub>2</sub> )	-0.050	0.062	0.810	0.418	-0.17	0.058	Rejected
GH -> JS (H <sub>3</sub> )	0.995	0.002	4.147	0.000	0.99	0.999	Accepted
TD -> JS (H <sub>4</sub> )	-0.105	0.073	1.435	0.151	-0.302	0.000	Rejected
HS -> JS (H <sub>5</sub> )	0.052	0.062	0.839	0.402	-0.056	0.173	Rejected

Sources: Field survey, 2025

The results of hypothesis testing are demonstrated in Table 4. A bootstrapping process of 5,000 re-samples at 5 percent level of significance was implemented to test the correlations of the independent and dependent variables. According to the results of the PLS-SEM in Table 4, the hypothesized relationship is insignificant except for the one between grievance handling (GH) and job satisfaction (JS). In particular, the impact of grievance handling (GH) has a positive and significant impact on job satisfaction (JS) ( $=0.995$ ,  $p = 0.000$ ).

**Path Analysis:** Path analysis is used to identify the relationships between variables, both direct and indirect in the structural model (Pratama et al., 2024).

**Figure 2: Path Analysis**



Sources: Field survey, 2025

In Figure 2 represents the path analysis, which shows the structural relationship between variables in which Career Prospects (CP), Employee Participation (EP), Grievance Handling (GH), Training and Development (TD) and Health and Safety (HS) are independent variables that predict Job Satisfaction (JS). The model demonstrates path coefficients that are standardized to reflect the strength and direction of relationships. The beta values of EP (0.104), HS (0.052) are weak and positive, whereas GH (0.995), TD (-0.105), and CP (-0.050) are negative and insignificant in terms of their impacts at the end of the exercise on the JS. The R-squared value of 0.993 shows that the model could explain 99.3 percent of the variance in job satisfaction, which means that it is overall a strong explanatory model of the variable.

**R square:** R-Square is the measure of the explanatory power of the model, which shows the proportion of the variation in the dependent variable that is attributed to the independent variables (Raykov & DiStefano, 2025). The higher R-squared values indicate a better fit of the model (Gao, 2024).

**Table 5: R-squared**

	R-square	R-square adjusted
JS	0.993	0.993

Sources: Field survey, 2025

The value of R-Square is presented in Table 5. The value of R-Square is 0.993, which implies that 99.3 percent of the variance of Job Satisfaction (JS) is attributed to the independent variables: Career Prospects (CP), Employee Participation (EP), Growth and Hierarchy (GH), Training and Development (TD) and Health and Safety (HS). The value of adjusted R-squared of 0.993 is an additional indication of the strength of the model as there is not much variation in the two squared values. This implies a high explanatory strength of the model, that is, the combination of the chosen HRM practices gives highly dependable prediction of job satisfaction of employees in the banking industry.

## 4. DISCUSSION

This paper has analyzed five specific hypotheses about human resource management (HRM) practices, such as career prospects (CP), employee participation (EP), grievance handling (GH), health and safety (HS), and training and development (TD), on job satisfaction (JS) in the Nepalese banking sector. The researcher found that the first hypothesis ( $H_1$ ) compensation is significantly associated with employee job satisfaction, but the result is not supported because the p-value is 0.155. The findings are against previous research, Kalia et al.(2024); Lasisi et al. (2020);Waheed et al. (2018), which showed that the fairness of compensation and performance appraisal systems positively enhances the job satisfaction level of employees. The result also does not support the second hypothesis of the study ( $H_2$ ): Employee participation and job satisfaction have a positive relationship, where p value is 0.418. This result has not aligned with the past study, where past studies state that employee participation in decision making leads to increased productivity, satisfaction, retention, belongingness and organizational success (Islam et al., 2024; Manzoor et al., 2019).

The third hypothesis ( $H_3$ ) states that grievance handling and job satisfaction have a positive relationship, which is supported by the empirical result ( $p = 0.000$ ). This study showed that good employee grievance mechanisms are crucial towards improving the level of satisfaction among employees in the banking sector. The study is similar to Joseph et al.( 2022), where indicated that grievance handling significantly impact on employee job satisfaction.

The fourth hypothesis ( $H_4$ ) training and development have a positive relationship with job satisfaction. But the result showed that the p-value is 0.151. This result indicates that training and development did not have a significant impact on Job satisfaction in this study. This result aligns with Kalia et al. (2024). Finally, the fifth hypothesis ( $H_5$ ), showed that there is a positive correlation between health and safety and job satisfaction. But the result is not supported by  $H_5$ , where the p-value is 0.402. This study differ to past studies' results, which proved that better health and safety provisions in an organization lead to job satisfaction (Liu et al., 2019; Sheikh et al., 2018).

The explanatory power of the model was great ( $R\text{-squared} = 0.993$ ), indicating that these HRM variables all explained 99.3 percent of the variation in job satisfaction. In general, the study concludes that effective and equitable grievance management systems are the key drivers for fostering employee satisfaction and organizational harmony in Nepalese banks. Therefore, banks should prioritize transparent communication, fair conflict resolution, and responsive management systems to enhance job satisfaction as well as employee morale and organizational performance.

There are several limitations associated with this study. To begin with, it only studies the banking sector of Nepal, which restricts the generalization of the results to other sectors like manufacturing, hotel or hospitality. Second, the data were gathered using self-reported questionnaires that can be prone to response bias, such as the social desirability or error of personal perception. Third, the cross-sectional research design merely provides a picture of a situation at a single point in time (Pérez-Guerrero et al., 2024), and therefore, it is hard to assume causality or to trace the dynamics of employee satisfaction throughout the long term. Finally, time and resources have limiting factors that limit the sample size, which might have influenced the representativeness of the results.

## 5. CONCLUSIONS

This paper has useful implications for policy makers, banking managers in Nepal and HR practitioners. Knowing that HRM practices have a great role in employee satisfaction, organizations will be able to formulate specific strategies to improve the way grievances are managed, staff training, and involvement in employee activities. These practices may enhance job satisfaction, decrease turnover and increase overall productivity. The findings also inform the management of the interventions with human resources that will lead to the generation of a motivated, committed and satisfied workforce that will ultimately enhance performance and competitiveness within the organization. Similarly, to enhance employee satisfaction by grievance handling, an organization must have grievance reporting systems that are anonymous so that the employee can express grievance without fear. Managers are to be provided with training in conflict resolution and empathetic listening to approach the issues competently and sensitively. Also, establishing and effectively conveying rigid timelines to address complaints would provide transparency and show that the organization provides its solutions as timely and fair as possible to win the trust and increase overall job satisfaction.

The paper has been based on the relationship between HRM practices and employee satisfaction in the Nepalese banking sector and offers a lot of insight into the main categories of variables, which are career prospects (CP), employee participation (EP), grievance handling (GH), health and safety (HS), and training and development (TD). The future studies may broaden this area to cover other industries, including insurance, finance or hospitality and manufacturing, to compare the impact of the HRM practices in other

sectors. Also, it would be possible to conduct longitudinal research to find out the long-term impact of HRM practices on staff performance and organizational performance, as well as job satisfaction among the employees. Future researchers can also consider the moderating variables of organizational culture, the leadership style, or the adoption of technological advancements to have a better picture of the variables that determine job satisfaction.

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