

A STUDY ON ROLE OF HRM PRACTICES ON ORGANIZATIONAL AND EMPLOYEE PERFORMANCE IN PRIVATE SECTOR BANKS IN CHENNAI

Submitted in partial fulfillment of the requirements for the award of

Master of Business Administration

by

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SCHOOL OF BUSINESS ADMINISTRATION

SATHYABAMA

**INSTITUTE OF SCIENCE AND TECHNOLOGY
(DEEMED TO BE UNIVERSITY)**

**Accredited with Grade "A" by NAAC | 12B Status by UGC | Approved by AICTE
Jeppiaar Nagar, RAJIV GANDHI SALAI, CHENNAI - 600 119**

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BONAFIDE CERTIFICATE

This is to certify that this Project Report is the bonafide work of **RAGHUL D (39410166)** who have done the Project work entitled **A STUDY ON ROLE OF HRM PRACTICES ON ORGANIZATIONAL AND EMPLOYEE PERFORMANCE IN PRIVATE SECTOR BANKS IN CHENNAI** under my supervision from January 2021 to February 2021.

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D.RAGHUL

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ABSTRACT

The purpose of this study was to explore the role of different Human resource practices on perceived organizational performance and perceived Employee performance. Another purpose was Exploring the mediating role Human resource practice outcome between Human resource practices and perceived organizational performance and perceived employee performance.

This research study is based on the Universalistic perspective showing that a fixed set of best practices can create additional value in various business frameworks. The Harvard model developed by Beer et al. (1984) guided initial process of domain identification. The most relevant HRM domain Recruitment and Selection, Training and Development, Performance appraisal, Career planning system, employee participation and Compensation system followed by Universalistic perspective has been selected for the study. Therefore, it helps the Human Resource Managers to devise a strategy to extract the maximum output by accelerating the process.

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LIST OF ABBREVIATIONS

AGFI	-	Adjusted Goodness of Fit Index
AMOS	-	Analysis of moment Structure
AVE	-	Average Variance Extracted
CFA	-	Conformity Factor Analysis
CFI	-	Comparative Fit Index
CR	-	Construct/Composite Reliability
CR	-	Critical Ratio
CPS	-	Career Planning System
CS	-	Compensation System
COMM	-	Commitment
DF	-	Degrees of Freedom
EP	-	Employee Participation
HRM	-	Human Resource Management
HR	-	Human Resource
PEP	-	Perceived Employee Performance
POP	-	Perceived Organizational Performance
PA	-	Performance Appraisal
RS	-	Recruitment & Selection
SAT	-	Satisfaction
SPSS	-	Statistical Package for Social Science
TD	-	Training and Development
TI	-	Turnover Intention

CHAPTER 1

INTRODUCTION TO THE STUDY

1.1 INTRODUCTION

The concept of Human resource management Evolved as inevitable part of every management and business practices. Human beings are social beings and hardly ever live and work in isolation. We always plan, develop and manage our relations both consciously and unconsciously. The relations are the outcome of our actions and depend to a great extent upon our ability to manage our actions. From childhood each and every individual acquire knowledge and experience on understanding others and how to behave in each and every situation in life. Later we carry forward this learning and understanding in carrying and managing relations at our workplace.

The whole context of Human Resource Management revolves around this core matter of managing relations at work place. Since mid1980's Human Resource Management (HRM) has gained acceptance in both academic and commercial circle. HRM is a multidisciplinary organizational function that draws theories and ideas from various fields such as management, psychology, sociology and economics. There is no best way to manage people and no manager has formulated how people can be managed effectively, because people are complex beings with complex needs. Effective HRM depends very much on the causes and conditions that an organizational setting would provide.

Any Organization has three basic components, People, Purpose, and Structure. In 1994, a noted leader in the human resources (HR) field made the following observation: Yesterday, the company with the access most to the capital or the latest technology had the best competitive advantage; Today, companies that offer products with the highest quality are the ones with a leg up on the competition; But the only thing that will uphold a company's advantage tomorrow is the calibre of people in the organization. That predicted future is today's reality. Most managers in public- and

private sector firms of all sizes would agree that people truly are the organization's most important asset.

Having competent staff on the payroll does not guarantee that a firm's human resources will be a source of competitive advantage. However, in order to remain competitive, to grow, and diversify an organization must ensure that its employees are qualified, placed in appropriate positions, properly trained, managed effectively, and committed to the firm's success. The goal of HRM is to maximize employees' contributions in order to achieve optimal productivity and effectiveness, while simultaneously attaining individual objectives (such as having a challenging job and obtaining recognition), and societal objectives (such as legal compliance and demonstrating social responsibility).

1.2 Nature of HRM

HRM is a management function that helps managers to recruit, select, train and develop members for an organization. HRM is concerned with people's dimension in organizations. The following aspects constitute the core of HRM:

1.HRM Involves the Application of Management Functions and Principles. The functions and principles are applied for acquiring, developing, maintaining and providing remuneration to employees in organization.

2.Decision Relating to Employees must be integrated. Decisions on different aspects of employees must be consistent with other human resource (HR) decisions.

3.Decisions Made Influence the Effectiveness of an Organization. Effectiveness of an organization will result in betterment of services to customers in the form of high quality products supplied at reasonable costs.

4.HRM Functions are not confined to Business Establishments Only but applicable to non-business organizations such as education, health care, recreation and like. HRM refers to a set of programmes, functions and activities designed and carried out in order to maximize both employee as well as organizational effectiveness.

1.3 HRM MODELS AND FRAMEWORK

Human Resource Management (HRM) according to Armstrong (2014, p2), “is a strategic and coherent approach to the management of an organization’s most valued assets, the people working there who individually and collectively contribute to the achievement of its objectives”. HRM constitutes a system that brings together human resource philosophies, strategies, policies, processes, practices, and programs.

Fombrun’s human resource cycle model (1984)

The Michigan model by Fombrun (1984) explains strategic HRM that focused on management, professional groups, and the new labour force. The main motive of the model was to align the formal structure of the organization, their new strategies, and policies with the human resource system. This helps to drive the strategic objectives of the organization in a better way.

They saw the employees of the firm as a strategic resource to have a competitive advantage. Its elements include selection, appraisal, development, and rewards. The model interlinks remuneration, assessment, development, and selection implying that there must be a horizontal alignment. The drawback of this model is that it ignores situational factors such as the interest of the stakeholders and the notion of strategic choice. It emphasizes on market performance and organization growth (Mbongaya, 2006).

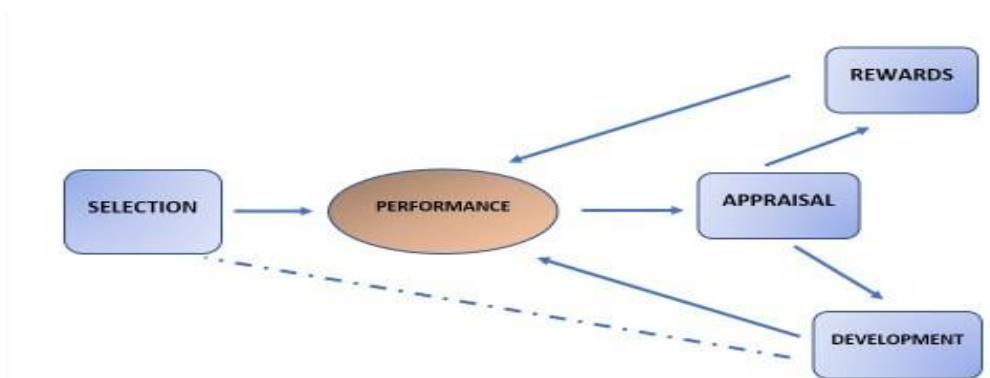


Figure 1.1 Fombrun’s human resource cycle model (Hendry & Pettigrew, 1990)

The Harvard framework for human resource management (1992)

Boxall and Beer from Harvard proposed the Harvard Framework of Human Resource Management in 1992 (Beer, Boselie, & Brewster, 2015). They believed in the combination of systems as bureaucrats, markets and clan approach. This can remove the limitations of a single model and hence increase efficiency, innovativeness, and reliability towards the organization's strategies (O'Riordan, 2017). This model includes the global development of businesses, the power of different stakeholders like government, labour union, management, and link corporates with human resource strategies (Poole, 2015). Hence in the globalized world, where economies are fluctuating, technologies are advancing, and customer demands are changing, organizations are forced to adopt the Harvard model on a practical basis.

This model comprises of several situational factors, interests of the stakeholders, a long-term approach and feedback process. There are various modifications done in the Harvard model from time to time to adapt to the changing environment. Their main objective is to resolve the problem of historical personnel management of traditional and routine functions (Campbell, 2003). Harvard model uses modern techniques and strategic functions. But the limitation of the model is that it ignores the hard HRM approach which shows that there is a high chance of business failures (Brunetto, Farr-Wharton, & Shacklock, 2011).

HRM Functions are not confined to Business Establishments Only but applicable to non-business organizations such as education, health care, recreation and like. HRM refers to a set of programmes, functions and activities designed and carried out in order to maximize both employee as well as organizational effectiveness.

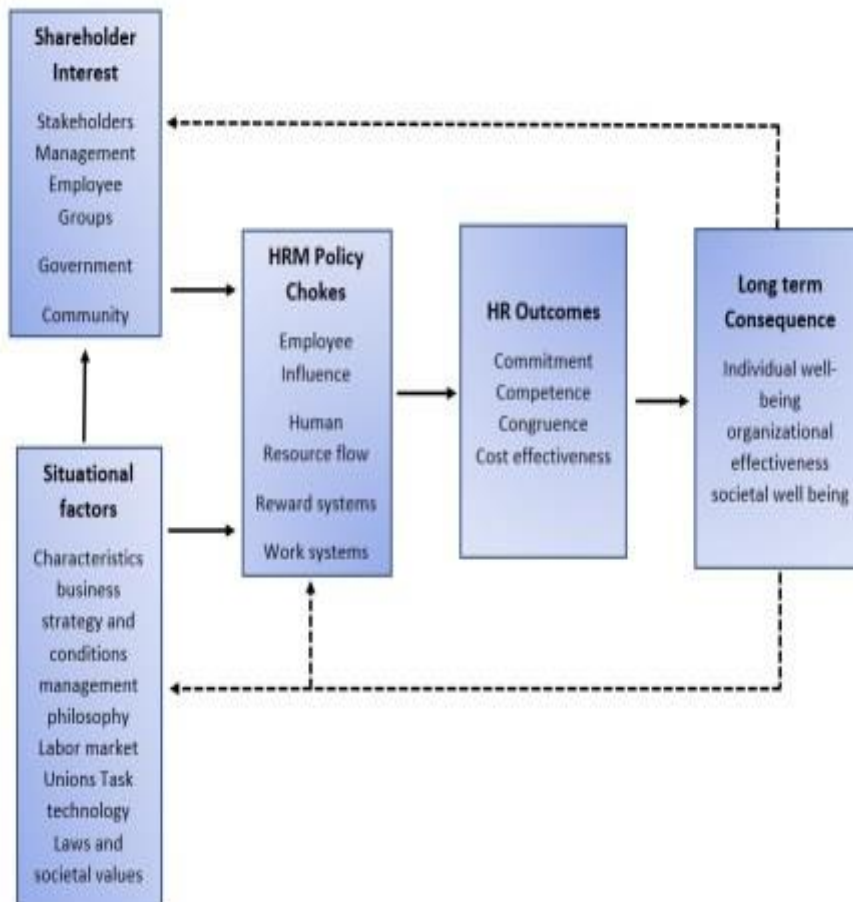


Figure 1.2 Harvard's framework for HRM practices

Guest's model of HRM

This model was developed by David Guest in 1997. It explains how HRM is different from personnel management (Morrow, 2000). It works on the assumption that the human resource manager begins with certain strategies, which will result in outcomes. The model integrates HRM practices leading to superior individual and organizational performance (Mbongaya, 2006). It has six dimensions of analysis:

1. Strategy,
2. Practices,
3. Outcomes,

4. Behaviour outcomes,
5. Performance outcomes and,
6. Financial outcomes.

The essential elements of HRM such as that in the Harvard map have a direct relationship with valued business consequences (Price, 2017). It adds a different level of analysis in previous versions of the models. Performance is both a multi-level as well as a cross-level phenomenon. It is useful in finding a relationship between HRM practices and performance. The main limitation of this model is that it fails to consider that HRM practices differ and may complicate cross-level processes in the chain.

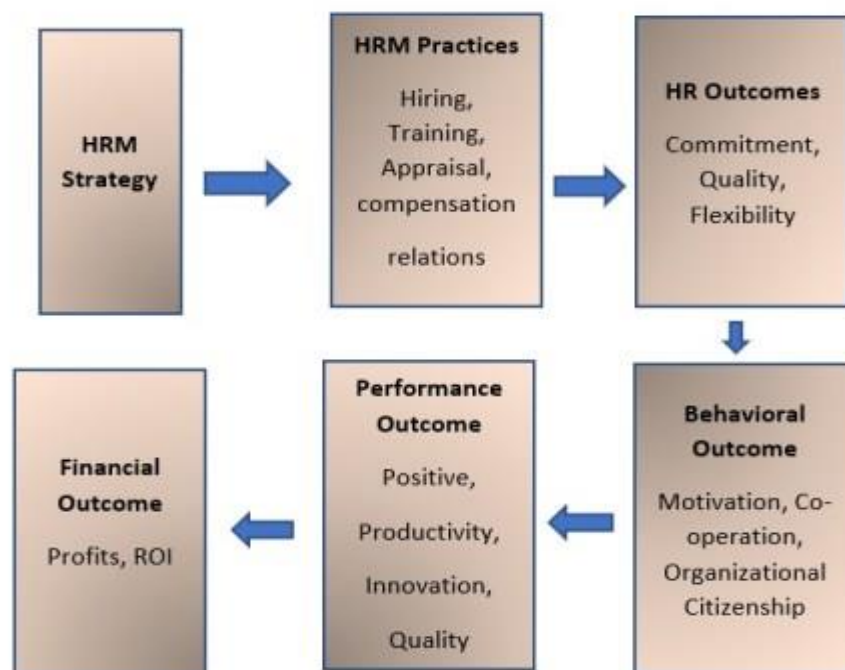


Figure 1.3 Guest's model of HRM practices

Best HRM practices model

The best practice model is one that can be applied universally (Johnson, 2000). For the best fit, human resource policies must be aligned with business strategy and objectives. This can be done by checking regularly on the needs of the organization as well as employees. The best practice leads to superior business employees. These processes help the organization to have a comparative advantage. There are various practices that are universal in nature and adopting them leads to the superior performance of the organization.

These are:

- employment security,
- selective hiring,
- high compensation based on performance,
- self-managed teams,
- training to have skilled workers,
- equality among workers,
- sharing essential information with the employees of the firm.

Critiques have shown various industries where a different set of policies are used (M. Armstrong, n.d.; Cappelli & Crocker-Hefter, 2003). So, there needs to be an interaction between the organization and the environment so that the policies are executed in favour of the organization. One strategy if fitted in one organization does not necessarily mean that it will fit in another. This can be due to different external environment, availability of resources, technology, management style, and working practice. Hence it is best to think of good practices rather than the best practices.

1.4 BANKING SECTOR-An overview

1.4.1 Introduction

A bank is a financial institution and a financial intermediary that accepts deposits and channels those deposits into lending activities, either directly or through capital markets. A bank connects customers that have capital deficits to customers with capital surpluses.

Due to their critical status within the financial system and the economy generally, banks are highly regulated in most countries. They are generally subject to minimum capital requirements which are based on an international set of capital standards, known as the Basel Accords. Banking in India originated in the last decades of the 18th century. The first banks were The General Bank of India, which started in 1786, and Bank of Hindustan, which started in 1790; both are now defunct. The oldest bank in existence in India is the State Bank of India, which originated in the Bank of Calcutta in June 1806, which almost immediately became the Bank of Bengal. This was one of the three presidency banks, the other two being the Bank of Bombay and the Bank of Madras, all three of which were established under charters from the British East India Company.

For many years the Presidency banks acted as quasi-central banks, as did their successors. The three banks merged in 1921 to form the Imperial Bank of India, which, upon India's independence, became the State Bank of India in 1955.

1.5 PRIVATE SECTOR BANKS

In this type of banks, the majority of share capital is held by private individuals and corporate. The "private-sector banks" are banks where greater parts of stake or equity are held by the private shareholders and not by government. The private sector banks are split into two groups, old and new. The old private sector banks existed prior to the nationalization in 1969 and kept their independence. The new private sector banks are those that have gained their banking license since the liberalization in the 1990s. In India private banks are available in plenty and known for offering expeditious service to their customers. Indian Banking has been dominated by public sector banks since the 1969 when all major banks were nationalized by the Indian government. However, since liberalization in government banking policy in the 1990s, old and new private sector banks have re-emerged.

They have grown faster & bigger over the two decades since liberalization using the latest technology, providing contemporary innovations and monetary tools and techniques.

In 1994, the Reserve Bank of India opened the door for private banks and handed out the policy to control the private banks. The policy also included the liberation for Private Banks in terms of their free and independent operation. The first private bank is Trust Bank later known as Oriental Bank of Commerce, then other private Banks like HDFC Bank, International Bank, ING Vysya Bank, Kotak Mahindra Bank, SBI Commercial Bank, Karnataka Bank, Kashmir Bank, ICICI Bank and more came. Private banks in India achieved a milestone for serving people and showed its great commitment. Private banks in India have earned great response for its service and also known for bringing revolution for serving millions of customers. It offers best option for saving and also offers various schemes with maximum return. It offers its service 24 hours and made the job of fund transfer easier by offering new banking service. Besides, there are lots of ATM machines have been set up by such private banks and made the task of withdrawing liquid money easier. The private banks are accountable for a share of 18.2 percent of the Indian banking industry.

The importance of private sector in Indian economy over the last 15 years has been tremendous. The opening up of Indian economy has led to free inflow of Foreign Direct Investment (FDI) along with modern cutting edge technology, which increased the importance of private sector in Indian economy considerably. Banks play a major role in this. Private sector Indian banks have exhibited profitability improvements, better asset quality trends, lower credit costs and healthy capital levels over the years.

Private sector banks have managed to record better growth than their public sector counterparts in the past few years, as the latter remain burdened with asset quality woes. Year 2015 has seen private sector banks wrest more market share from public lenders. "Presently, the PSBs with a predominantly high share in infrastructure financing are observed to be facing the highest amount of stress in their asset quality and profitability," noted the Financial Stability Report released by the Reserve Bank of India. In 2015, PSBs seemed to lag private banks on asset quality, profitability, and credit growth, among others. For instance, the PSBs recorded the highest level of stressed assets at 14.1 per cent, followed by private banks at 4.6 per cent, and foreign

banks at 3.4 per cent. Because of the pressure on asset quality, the PSBs have also been lending more cautiously, resulting in muted credit growth for them. Going ahead, the picture doesn't seem too rosy for public sector banks as well. A research report by Brickwork Ratings has estimated PSBs would have lost market share by two per cent in FY15, which has been gained by the private sector banks. "If the current growth trend continues for another three years, by FY18, our estimate is that PSBs' share would have come down to 71 per cent (from 75 per cent in FY15) and the entire gain will be of private banks."

1.6 HR PRACTICES IN PRIVATE BANKS

Human Resource holds strategic position in the present era. The experience, knowledge and skills possessed by the employees are the real capital, especially for the knowledge based industry indeed banking industry. It is the main determinant for the productivity, profitability and sustainability, and forms basis for decision making to the investors all over the world. Disclosure of such an important element of the organization is important for information asymmetry. Considering the importance of Banking Industry in Indian economy and the importance of HR and HR Disclosure in this sector, the research paper aims to study present position of HR Disclosure Practices prevailing in Indian Banking Sector, and comparison of HR Disclosure Practices of Public, Private and Foreign Commercial Banks in India. It comprises study of 11 prominent commercial banks of India.

Since liberalization the Indian economy is experiencing rapid changes in the business environment. Open economy and the growing capital market has given opportunities to global investors. Demand for financial reporting and disclosure arises from information asymmetry and agency conflicts between managers, outside investors, and intermediaries (Kothari, Xi & Short 2009). Reports or Disclosures act as medium of communication between the investors and the managers. Reports contain a set of quantified financial information about the performance, profitability and sustainability of the enterprise. The process of such communication with the outside world to facilitate investment decision is called Disclosure.

The growing cut throat competition in every phase of business has shifted the valuation base from tangible to intangible assets of the companies. Intangible asset of

the company is skill, expertise and technology it possesses. Human resource is the prominent element of the Intellectual Capital. People which are, or which potentially can be applied to the production of goods or rendering useful services (Syed, 2009). It is fixed input which enables a firm to perform a particular task (Rubin 1973). In the new economic setup intellectual and human capital are identified as major determinant of organizational value over other physical capital.

The knowledge, skill and experience possessed by a person are defined as human capital. Investments in firm-specific HR practices such as training in firm-specific skills, on-the-job experience, coaching and mentoring can qualitatively differentiate a firm's employees from those of other firms and can make Human Capital less imitable (Huselid, 1995). Human Resource being considered as strategic capital, its accounting and reporting aspects are becoming crucial for the organizational success (Imtiaz & Suman 2010). Specially, for service industries like banks, insurance companies, software, call centres, consultancies, etc, these intangible are its real capital.

Banks play an important role in the nation building process. Banking industries are also commercial entities engaged in financial intermediation by pooling the surplus and channelizing the savings to the deficit sector (Kainth & Agnihotri). The disclosure practices in the Indian Banking Sector are governed by the Banking Regulation Act, 1949 and RBI. Though there are complete set of provisions for the financial disclosures, non-financial disclosures are still voluntary. Realizing the importance of the non-financial disclosures, RBI is encouraging the banks to adopt non-financial disclosures apart from their financial disclosures (Chakrabarty, 2011).

In the changing time, management of risk and human resource has emerged as two key challenges faced by the banking sector. Management of risk is possible only with an efficient and skilled manpower. Banking industry being a service industry, human resources are its most profitable asset. Thus Human Resource Disclosures is essential for a better insight in the profitability, sustainability and performance of the concerned bank and the economy as a whole.

A key focus of the human resource management is highlighted in the role of staffing, performance management, training and development, and compensation that plays in different types of business strategies. With the acquisition and preparation of human resources, including planning, Recruitment, Selection, and training can affect the whole organizational performance.

- The HR planning, the start of the strategy, illustrates the process of developing a human resource plan. The strengths and weakness of staffing options such as outsourcing, use of contingent workers, and downsizing are involved in planning.
- The recruitment process is done strategically to determine the talented employee fit for the position.
- The selection process emphasizes the ways in minimizing errors in employee selection and placement to improve the company's competitive position. The selection method standards such as validity and reliability are utilized.

An effective training system of the manager's role in determining employee's readiness for training, creating a positive learning environment, and ensuring the training is used on the job. Beyond the human resource strategies are the rewarding and compensating that can strengthen or weaken the employee effectiveness. In order to give recognition and increase motivational levels amongst the employees, some Banks linked the individual performance in an incentive scheme – or for some rewards that may come into any form.

1.7 CHALLENGES FACED BY PRIVATE BANKING INDUSTRY IN TERMS OF HUMAN RESOURCE MANAGEMENT

Effective Work Force:

A time-consuming and hectic job is to hunt the right talent. It's just sitting by the river and waiting for the right fish to catch. Higher the professional value of the vacancy, Workforce refers to the number of employees working in an organization. A well-trained, self-motivated and skilled workforce is much more important than end products or services, and goal-setting.

Workforce consists of the organization's employees from entry level workers to higher level executives. It is essential to devise good many useful measures to

nurture the employees who man a business or organization. An effective workforce helps business thrive financially and socially.

Effective workforce means a workforce which is flexible, adaptable, self-driven, well trained, and skilled. Strong workforce is the pillar of an organization, in fact, the lifeline of every business. How can an organization function without effective human resources? Therefore, recruiting befitting employees is a cardinal step that every business requires. Sustaining or retaining workforce is the typical task for every organization. It helps in evolving prudence in budget as it checks losses or underutilization of both man-hours and other resources of the organization. Workforce management involves placing the right people in the proper place at just the right time.

Accomplishing this effectively is what separates the excellent companies from their competition. Everyone must work together as a team to make the process work effectively. You must anticipate and react to changes, while at the same time maintaining a clear and concise employee management plan and vision. In today's competitive and constantly changing environment, you must be flexible and willing to adapt, while at the same time keeping your people motivated, trained and effective. Review your feedback programs and encourage comments from all of your associates. Implement your tracking and measurement system.

Right People:

The most difficult agenda of HRM across the banking sector is to retain the right people. Sudden growth of retail banking and other services has put pressure on HR managers in banks to engage more professionals within a shorter span of time thereby attracting manpower in other banks on attractive packages has made the job market very competing. A bank in a normal course invests time and money to hire and train the appropriate workforce for its own operations. This ready-made force is often identified and subsequently picked-up on better terms by other.

Compensation:

How much to pay for the right employee and how much for the outstanding performer. Banks have traditionally followed pay scales with predetermined increments, Salary slabs, bonuses and time-based fringe benefits like car and house advance, gratuity, pension, etc.

A promise of future growth, learning culture and corporate loyalty is out of the dictionary and does not mean anything to this energetic and competent performer today. A waiting period 3-4 each cadre haunts the incumbents who strongly believe in immediate compensation. There is example of this, Thanks to the car financing modalities car is no more a fantasy item any more. A freshly hired professional requires a brand new car or car loan on resuming office quite contrary to his previous breed of bankers who would wait for the job seniority to qualify for a car loan.

Job Satisfaction:

Everybody in the bank wants to work in the preferential department, preferential location, the city of his own choice and boss of his liking. An administrative deviation from any of these results in lower job satisfaction. Although hiring is normally based on regional requirement matching the area of the activity with that of the employee nativity yet other elements like appointment in the department of choice and preference makes the job of HR manager quite challenging. What the HR manager can't afford is the dissatisfied employee who not only disrupts the smooth working himself but also spreads the negativity to others by his de-motivated attitude.

Morale Boosting:

What has long been overlooked is the morale boosting of the employees by the organizations. Human beings even if satisfied of material wellbeing needed to be appraised and encouraged constantly. Smart banks have realized this need and have taken steps to keep their workforce motivated through proper encouragement like man of the month awards, repeat get-togethers, Conferences, Sports Events, Dinners, Company sponsored travel, Reunions, Etc. This is the Way employee create a feeling of belongingness.

In summary, all of the HRM strategies and function should be aligns to help the company meets its objectives – as well as focusing their customers. The best practice

approach asserts that certain HR practices are found to consistently lead to higher organizational performance, independent of an organization's stated strategy.

The high performance HR practices foster innovation through the development of innovation values, encouraging of information sharing, goal setting and appropriate training and development. The major innovations in HR practices occurred when senior line managers take the lead and their adoption depends on the attitude of top management and their relationship with the HR department.

1.8 STATEMENT OF PROBLEM

In past research has shown relationship effect of HRM practices on organizational performance, only a few detailed statistical work has been done to the study the relationship between HRM practices and organizational and Employee performance based on the employee perception.

Secondly, the literature does not divulge much information about the treatment of meditation of HRM outcome with organizational and employee performance.

Thirdly, the role of HRM practices on organizational and employee performances across different sectors needs to be studied. Finally, countries in the growing phase like India, need to now the contribution of different factors and intensity of their impact on organizational performance that leads towards economic development and prosperity.

1.9 IMPORTANCE OF THE STUDY

Identification of high performance generating factors is difficult task, but many organizations in different geographical areas are climbing that their HR is the most valuable asset, and HR satisfaction is top priority for them. This research study addresses this assumption directly and therefore focus on whether or not the Human Resource Management practices actually make a difference in the performance of both, The individuals as well as organizations. If it is true, then which practices

appears more performance oriented? In literature, HRM practices are linked with different performance measures and.

It is justified that HRM practices are significant activities for an organization. Keeping in view the importance of these practices of the organizations, the following objectives were developed for the study.

1.10 OBJECTIVES OF THE STUDY

Primary:

- To study the relationship between Human Resource practices with the performance of Employees in private Banks in Chennai.
- To study the relationship between Human Resource practices and Organizational performance in private Banks in Chennai.

Secondary:

- To analyze the major interaction effect of HR practices of banks on the degree of employee performance.
- To examine the difference in the performance outcome of the banks on the basis of type of sector, level of responsibility and intervention strategies.
- To offer suggestions with suitable mechanisms to improve the performance of Private Banks through formal HR practices.

1.11 SCOPE OF THE STUDY

The present study has been an in depth research confined into private banks in Chennai. The study would confine to the perceived performance of organization and employees in private banks. The effective Human Resource management practices would always result in the high level of job satisfaction, Commitment and low level of turnover intention whereby the employees could be retained.

As the employees would constitute the majority in total work force of the private banks, Deal with a heterogeneous population daily in their work schedule

and pursue a risky and crucial job, there would be a greater focus on them in this study. Thus the present study would focus on the role of the Human Resources practices in enhancing the performance of organization and employees in commercial banking sector particularly in Chennai.

1.12 LIMITATIONS OF THE STUDY

Though the study has been carried out on essential and scientific principles, it is not free from limitations. As it is essential to present a clear picture about the scope of the study, a few of the limitations of the study are listed below:

- The study applies to only to the places of Chennai and not anywhere else.
- Most of the respondents were reluctant due to their sensitive nature, it was a little bit difficult for the research to get answers to sensitive queries; hence responses may not be unbiased.
- The information provided by the employees was purely based on their perception only. The quality and reliability of the data collected were the actual expression of respondents.
- The total number of respondents was limited to 150.
- The selection of the banks was on cluster sampling whereas the employees were on the basis of random sampling.
- Secondary data were also used in the study and so the limitations of the secondary data apply to this research also.
- The weight and scores used for calculating the employee and organization performance are based on the relative importance of the variable as assessed by the researcher.
- In the absence of universally accepted measures of employee and organization performance, the categorization of banks as high performing as low performing is based on their relative position within the group.

The availability of time at the disposal of the researcher has also acted as a limitation in making an in depth and an exhaustive study.

CHAPTER-2

REVIEW OF LITERATURE

2.1 THEORETICAL BACKGROUND

Many Scholars and research centres have conducted massive research to find out the relationship between HRM Practices, and perceived organizational performance and Employee performance.

The results varied and indicated that, Majority of the studies in different countries of the world identified positive relationship between HRM practices and organizational performance, but a few studies identified negative relationships. In this chapter the contribution of different researches have been highlighted as Literature Review and guidelines for the study.

2.2 MODE OF THEORIZING

This research study is based on the Universalistic perspective showing that a fixed set of best practices i.e. recruitment & selection, training & development, performance appraisal, career planning system, employee participation and compensation system can create surplus value in various business frameworks. Delery & Doty (1996) justify the choice for Universalistic perspective.

The Harvard model developed by Beer et al. (1984) guided initial process of domain identification. The most relevant HRM domain, recruitment & selection, training & development, performance appraisal, career planning system, employee participation and compensation system followed by Universalistic perspective has been selected for the study.

Huselid (1995) Thirteen practices measured as two bundles-(a) employee skills and organizational structures (quality management circles, teams) and (b) employee motivation performance Appraisals). Firm level data collected on survey sent to the senior level human resource professional in each firm. Turnover Productivity. Corporate financial Performance. Turnover-question regarding annual rate on

survey. Productivity logarithm of sales per employee. Corporate financial performance.

Nishii, Lepak, & Schneider (2008) Five HR attribution items listed for each of five HR practices: staffing, training, benefits pay, and scheduling. Department level. Survey data collected from employees within each department, managers, And customers of Each Department Customer satisfaction with people. Customer satisfaction with people.

Gong, Law, Chang & Xin, (2009) Eight practices classified into the maintenance-oriented HR subsystem and performance- oriented HR subsystem. Firm-level data collected from two sources (cities). First on a survey sent to The president/vice presidents, HR managers and middle level managers from each firm. Second on survey sent to The president. Firm-level data collected from two sources (cities). First on a survey sent to The president/vice presidents, HR managers and middle level managers from each firm. Second on survey sent to The president. President/vice President reporting ratings of firm performance in terms of Profit; Total Sales growth; Market share; Total asset growth; After-tax return on.

Combs, Liu, Hall, & Ketchen (2006) Thirteen practices classified as HPWP: incentive compensation, training, compensation level participation, selectivity, internal promotion, HR planning, Flexible work, performance appraisal, grievance procedures, teams, information sharing. The 'study' is the unit of analysis in meta-analysis (Hunter & Schmidt, 1990), within- study correlations were averaged to derive the overall relationships for each study. Operational performance, accounting returns, growth, market returns, financial performance. Operational performance, accounting returns, growth, market returns, financial performance.

Takeuchi, Chen, & Lepak, (2009) Thirteen practices measured as two bundles- (a) employee skills and organizational structures (quality management circle, teams) and (b) employee motivation (performance appraisals). Establishment –level survey of manager. HR practices in each establishment Employee job satisfaction and Employee affective commitment. Collected subordinate employee Assessment of job satisfaction, and affective commitment.

Kehoe Wright (2010) Fifteen items compiled from SHRM literature (HR practices) aimed at improving employees' KSAs and motivation and opportunity to perform selective staffing (formal selection test, structured employment interviews); employee participation (formal participation processes, fair. HR Directors administered surveys to a randomly selected group of 20% or more of the employees in their unit in a large food service organization. Organizational Citizenship Behaviour (OCB), Intent to remain with the organization, Absenteeism. Employees reported estimates of OCBs, Intent to remain in the organization, and Absenteeism.

Chuang & Liao (2010) Thirty-five items including six HR practices: staffing, training, involvement/ participation, performance appraisal, compensation/rewards, and caring. Business-unit level data collected on survey sent to managers and employees of multiple service stores over two time periods. Market performance: marketing, Sales growth, Profitability, Market share. Managers reported ratings of annual market Performance on four items: marketing, sales growth, profitability, market share.

Snape & Redman (2010) Ten multiple HR practices that address the recruitment, development, motivation, and involvement of employees. Workplace- level data collected on survey sent to HR managers. HR managers provide separate ratings for managers and professionals as one group and for all other employees. Compliance, Altruism, In-role behaviour. Obtained data from employee self-reports of employee behaviour. Sun, Aryee, & Law (2007) HR practices: selective staffing, extensive training, internal mobility, employment security, clear job description, result- oriented appraisal, incentive reward, participation. Multilevel survey of (a) human resource managers, (b) supervisors of frontline subordinates, and (c)customer Contact employees from hotels located in eastern coastal province of China. Turnover. Productivity. Turnover- question regarding annual rate on HR manager surveys. Productivity- logarithm of sales per employee.

Liao, Toya, Lepak, & Hong (2009) HR practices for service quality: extensive service training, Information sharing, self- management service teams and participation, compensation contingent on service quality, job design for quality work, service- quality based performance appraisal, internal service, selective

hiring, employment security, and reduced status differentiation. Multilevel survey of (a) bank branch senior managers, (b) employee supervisors, (c) customer- contact employees, (d) branch customers, and (e) headquarters from a national bank in Japan. Employee Overall service performance. Customer satisfaction. Employee Direct supervisors rated Employee general service performance. Employee knowledge intensive Service performance. Branch customers rated Customer satisfaction.

Stephen P. Robbins and Timothy A. Judge (2009) says that Employee commitment is an individual's psychological attachment towards the organization. In words of defines that organizational commitment is the 22 degree to which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization.

Meyer, J. P., & Allen, N. J. (1991) developed and published three component model of commitment based on the psychological state which reflects a desire (affective commitment), a need (continuance commitment), or an obligation (normative commitment) to maintain membership in the organization and they also said that commitment must not only view as a mechanism to reduce labour turnover but also increase the commitment for the personal well - being of the employee which leads to willingness to work towards attainment of organizational goals.

Dr. S.Yuvaraj & Ms. Sheila Eveline. N (2018) talks about the strong relationship between emotional intelligence and employee commitment. It was say that the factor of emotional intelligence such as self-awareness, social awareness and relationship management influences the employee commitment. Thus, this study helps in identifying the effectiveness of emotional intelligence for both organization and employees.

Gunu, U., & Oladepo, R. O. (2014) also examined that increase in emotional intelligence of the employees will ultimately increase the employee performance and also their commitment level of the employee. Wiens, K. (2017, December 21). Says that stress and distraction can be broken with the help of emotional intelligence it was also found that emotional intelligence factors such as self-awareness and self-management helps employees to manage their stress effectively.

Ford (2010) in a study of frontline staff at a large healthcare organization found that the correlation between emotional intelligence and job satisfaction was partially supported in that there was a statistical significance between emotional intelligence and People on your Present Job (JDIPP).

Psilopanagioti et al (2012) in their study among healthcare professionals, identified that emotionally intelligent physicians seem to be more satisfied with their job and this positive relation is moderated and partially mediated by surface acting component of Emotional Intelligence. Significant positive correlation was identified between emotional quotient and dimensions of job satisfaction such as public mood, interpersonal relations, intrapersonal relations, and agreeableness (Najafi and Mousavi, 2012).

Raja Abdul Ghafoor Khan, Furgan Ahmed Khan, Dr. Muhammed Aslam Khan (2011) determined that “The Study of Impact of training and development on Organizational Performance” Training and Development, On the Job Training, Training Design and Delivery style are four of the most important aspects in organizational studies. The focus of current study is to understand the effect of Training and Development, On the Job Training, Training Design and Delivery style on Organizational performance. The back bone of this study is the secondary data comprised of comprehensive literature review. Four Hypotheses are developed to see the Impact of all the independent variables on the overall Organizational Performance. The Hypotheses show that all these have significant effect on Organizational Performance.

Kelley Walters & Joel Rodriguez (2017) postulated the study on “The Importance of Training and Development in Employee Performance and Evaluation” The quantitative data was collected through questionnaire from 415 employees from almost 85 organizations in Pakistan and through semi- structured interviews. The results of the data stated statistically that there was a significant correlation between organizational climate and employees’ commitment. The recommendations given by this study states that critical difficulties and issues faced by employees during the employee development at the workplace to help the organization improve their productivity.

Herbert and Doverspike (1990:268) raised issues around using appraisal data as part of training needs analysis and conclude that the use of this data may not achieve the intended goals. In a paper examining the weaknesses in conventional approaches to training needs analysis Leat and Lovell (1997) consider the weaknesses inherent in using performance appraisal data as a determinant of training needs. A drawback in using this data is noted in that the performance appraisal process is often linked to reward and promotion so that identifying development needs does not sit very well with this purpose. The paper goes into some depth about the biases which potentially exist in using performance appraisal for training needs analysis. An alternative approach is put forward which would have significant cultural and change implications which are not mentioned at all.

Rachel Igella (2014), the Study “Factors Influencing Employee Commitment: A Case of Kenya Civil Aviation Authority” was conducted at the Kenya Civil Aviation Authority and the data was collected through questionnaires from the sample of 168 employees selected using the stratified random sampling technique. The data collected was analysed through descriptive statistics using Statistical Package for Social Science (SPSS). The findings from the study stated that organizational factors like strong work ethic, demand for perfection, organization’s capability to promote social interaction, etc... have a strong influence on employee commitment.

Tung Nguyen, Khuong N. Mai, and Phuong V. Nguyen (2014) proposed the study “Factors Affecting Employees’ Performance—A Study of Banking Staff in Ho Chi Minh City, Vietnam” which was to explore the factors affecting employees’ organizational commitment in banks in Ho Chi Minh City, a city in Vietnam. A quantitative survey of 201 banking staff from 11 banks in that city was selected using convenience sampling technique. The study also indicated that job satisfaction is a required to bridge and enhance human resource practices with organization commitment.

Zam Zuriyati Mohamad, (2014) “Attributes of Employee Characteristic and Workplace Characteristics on Employees Commitment and Performance in Banking Industry”. The study aims to determine the effect of workplace characteristic and employee characteristic on employee commitment in the banking sector in Malaysia. Data was collected through questionnaires from 350 bank employees in Kuala

Lumpur, Selangor, Penang, Johor and Perak. The findings concluded that genders have insignificant effects on employee commitment while education level, tenure period and age have influenced the employee commitment. In terms of workplace characteristics, all the four variables such as compensation practice, employee relationship, training and development and participation in decision making have significant effect on employee commitment. Among the four variables, participation in decision making has a greater impact on employee commitments.

Reid and Barrington (1999) suggest that generally training interventions will be within the existing learning system framework that operates in an organisation unless a major strategic plan is involved and note that “training and development is an important facilitator of organisational change” (Reid and Barrington 1999:148). Reid and Barrington (1999) point out that how needs are analysed will depend on many factors not least of which are the culture of the organisation and its stage of development. Gray et al., (1997) in discussing the selection of data collection methods makes the point that it is important to secure management and employee acceptance for the method chosen.

CHAPTER-3

RESEARCH METHODOLOGY

3.1 UNIVERSE OF THE STUDY

The study of the universe consists of all employees working in private banks in Chennai. The banks were scrutinized and selected for the study on the basis of financial data availability and existence of branches.

The purpose of the study is to find how HR Practices are playing a significant role in the organizational and employee performance in private banks in Chennai. To find an answer to this question, a sample of employees working in selected private banks across Chennai are selected for the study is described below with universe for the study, Sampling method, Data collection and tools for analysis.

3.2 SAMPLING METHOD

Multi stage sampling Kothari.C. R (2004) was used to select the respondents for this study. A research design is a framework for guiding a research project. It describes the procedures essential for obtaining the information required to structure and/or solve the research problems. It enumerates the information needed, the design of the research, the specified measurement and scaling procedures, the construction and pretest of questionnaire, the sampling process, the sample size and the plan of data analysis.

In the present study, the applied research design is descriptive. The study satisfies all aspects related to the characteristics of a descriptive research design as it has its own confined objectives and predetermined methodology.

3.3 SOURCES OF DATA

The study made use of both secondary data and primary data. Secondary data were collected from database like Indian bank association and Tamil Nadu state bankers' association. It included information on the type of bank, Financial performance of the banks and number of branches in Chennai.

3.4 SAMPLE SIZE

The study has its objective, the role of HR practices on the performance of private banks in Chennai. It was a micro level study and required primary data to be collected from a sample of bank employees. The sample of 150 employees was selected they were surveyed by structured questionnaire.

3.5 STRUCTURE OF QUESTIONNAIRE

Both primary and secondary types of data have been used in this study. Primary data has been collected through a questionnaire, designed on five points Likert scale with options from strongly agree to strongly disagree. Each option was assigned a scale. 5 = strongly agree, 4 = agree, 3 = neutral, 2 = disagree and 1 = strongly disagree. To measure the HRM practices, the questionnaire used by Snell & Dean (1992), Boselie et al. (2001), Singh (2004), Laka (2004), and Qureshi et al. (2007). Scale items have been modified for this study to better reflect Employees perspective in Banking context. These modified items have been validated by conducting pre-test procedures.

In Accordance with Nunnally (1978), Churchill (1979), Peter (1979), Han (1991), multi-items for each construct were selected to provide a comprehensive evaluation and help the researcher to overcome the shortcoming of a single item measure. Multi-item scales are considered necessary to achieve valid measurement of factorial complex constructs (peter, 1979), while single-item scales have been criticized by Churchill (1979) lacking sufficient correlation with the attribute being measured, closely related to each other attributes, restricted variance of scale and unreliable responses.

Similar to most researches in social sciences, in the study, the questionnaire was used for primary data collection. The survey is considered as the best data collection method because the dream of “data collection from large population” becomes a reality. The reliable and valid information collected from the sample can be generalized over the entire population (Kerlinger & Lee,2000). To study the relationship amongst variables or to describe variables, standardized information is required which can be collected by surveys for quantitative study. Surveys can be relational and descriptive types (Rungtusanatham, et al. 2003). Relational surveys are developed to collect data that can empirically test relationships between two or

more variables in confirmatory or exploratory style, and the descriptive surveys identify current state of affairs. This study is relational survey intended to identify relationship between different HRM practices and perceived organizational and employee performances.

The questionnaire was divided into two sections (A) and (B), (A) consisted of, Questions relating to Human Resource Management Practices, employee performance and perceived organizational performance, based on five point Likert scale while section (B) contained personal and company information based on nominal and ordinal scaling. A cover letter describing the objectives and scope assured respondents about strict Secrecy.

The questionnaire was distributed amongst employees of 150 different private bank branches in Chennai. This whole data collection process took 60 days.

3.6 STATISTICAL TOOLS FOR DATA ANALYSIS

To analyse the data, statistical techniques were adopted. The Statistical Package for the Social Sciences (SPSS) IBM SPSS Statistics Version 23 was used to analyse the preliminary data and provide descriptive analyses about the study sample such as means, standard deviation, frequencies and relationship with the help of chi-square test, ANOVA.

3.6.1 *Chi square Test*

The Chi-square test has been employed to identify the relationship between variables. Inferential statistics chi square was used to find an association between two attributes.

3.6.2 *Correlation Test*

Correlation coefficients are used to measure how strong a relationship is between two variables. There are several types of correlation coefficient, but the most popular is Pearson's. Pearson's correlation (also called Pearson's R) is a correlation coefficient commonly used in linear regression. If you're starting out in statistics, you'll probably learn about Pearson's R first. In fact, when anyone refers to the correlation coefficient, they are usually talking about Pearson's.

3.7 PILOT STUDY

A pilot study was conducted to pre-test the questionnaire, with a sample of respondents before finalization. Pre-test was done to test whether the instrument would elicit the response required to achieve the research objectives, to test whether the content of the instrument was relevant and adequate, to test whether the wording of the questionnaire was clear and understandable to the respondents, to test the structure and sequence of the statement for their suitability for eliciting unambiguous and unbiased responses, to test the reliability of the scales included.

For pre-testing, the questionnaire was administered to 60 respondents from the samples of employees from banks functioning in the Chennai.

3.8 CONCEPTUAL FRAMEWORK

Based on the review of literature a research model has been developed and presented in Figure 3.1. In fact, many of the approaches and concepts presented in the literature and discussed above are integrated in the present study into a composite model.

The literature review, generally verifies the idea that HRM practices have a positive impact on firm performance. But there has been less agreement in this literature which HRM practices and outcome variables should be tested. Therefore, choosing independent variables for conceptual framework was very complex and it was done based on two criteria, they must have been used in previous studies and they must be relevant for banking industry. Making employee dynamic to contribute desired performance, needs HRM practices to be exercised properly which leads towards substantial organizational and employee performance.

Thus seven HRM practises variables have been included in the conceptual frame work as independent variables namely recruitment & selection, training and development, performance appraisal system, career planning system, employee participation, compensation system and job analysis and Design were selected for the study. HR outcomes of employees such as employee satisfaction, Employee commitment, and turnover intention are influenced by the HRM practices of the firm and that the HR outcomes will mediate the relationship between HRM practices and performance. Hence HR outcome are used as intervening variables.

With the help of previous studies, the dependent variable performance is measured in two dimensions i.e., In organizational performance and perceived Employee performance.

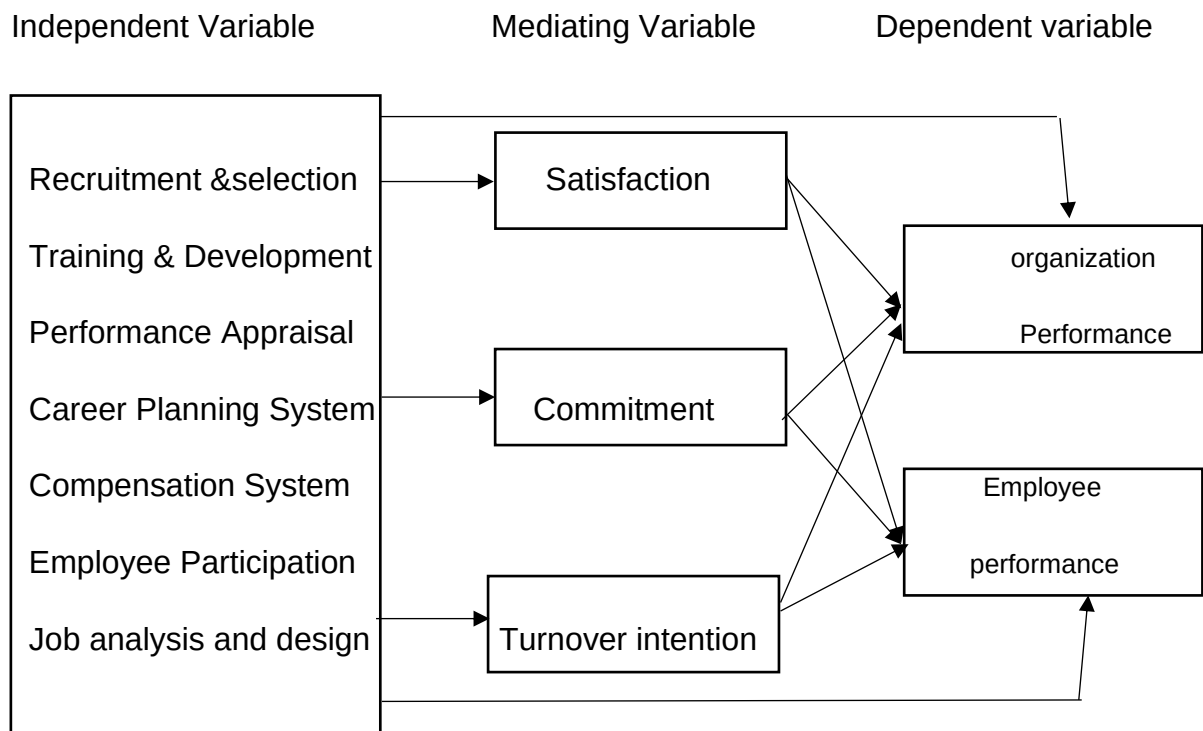


Figure 3.1 CONCEPTUAL FRAMEWORK

3.9 HYPOTHESIS OF THE STUDY

3.9.1 TABLE REPRESENTS THE HYPOTHESIS OF THE STUDY

S.NO	HYPOTHESIS
1	Recruitment & Selection has direct influence over perceived organizational performance
2	Training & Development has direct influence over perceived organizational performance
3	Performance Appraisal has direct influence over perceived organizational performance
4	Career planning system has direct influence over perceived organizational performance
5	Employee participation has direct influence over perceived organizational performance

S.NO	HYPOTHESIS
6	Compensation system has direct influence over perceived organizational performance
7	Job Analysis & Design has direct influence over perceived organizational performance
8	Recruitment & Selection has direct influence over perceived Employee performance
9	Training & Development has direct influence over perceived Employee performance
10	Performance Appraisal has direct influence over perceived Employee performance
11	Career planning system has direct influence over perceived Employee performance
12	Employee participation has direct influence over perceived Employee performance
13	Compensation system has direct influence over perceived Employee performance

14	Job Analysis & Design has direct influence over perceived Employee performance
15	Satisfaction has influence over perceived Organizational Performance
16	Commitment has influence over perceived Organizational Performance
17	Turnover has influence over perceived Organizational Performance
18	Satisfaction has influence over perceived Employee Performance
19	Commitment has influence over perceived Employee Performance
20	Turnover has influence over perceived Employee Performance

CHAPTER-4

ANALYSIS AND INTERPRETATION OF DATA

4.1 DESCRIPTIVE STATISTICS

This section deals with the descriptive and statistical analysis of the primary data collected from the employees working private banks in Chennai. The hypotheses framed by the researcher are tested with help of statistical tools and results are interpreted.

4.2 Graphical Representation of Demographic Factors:

TABLE 4.2.1 Tabular representation of Respondent's age

Factors	Dimensions	No. of .Respondents	Percentage
AGE	21-30	85	57%
	31-40	65	43%
Total		150	100%

4.2.1 Age wise classification

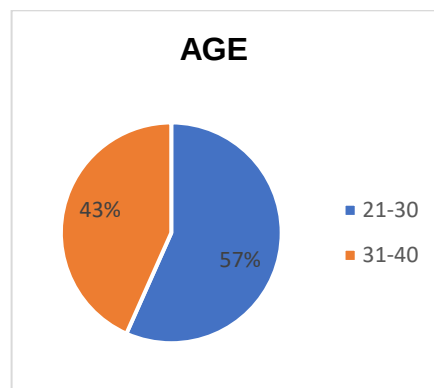


CHART 4.2.1 Chart representing Age of Respondents

Interpretation:

From the above data, 57% of the respondents are aged 21-30 years and 31-40 years.

Inference:

Majority (57%) of the respondents have age between 21-30.

4.2.2 Gender wise classification:

TABLE 4.2.2 Tabular representation of Respondent's Gender

Factors	Dimensions	No. of. Respondents	Percentage
GENDER	FEMALE	29	19%
	MALE	121	81%
Total		150	100%

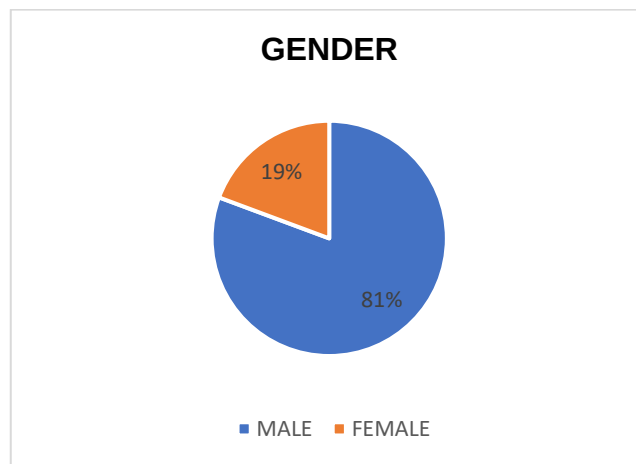


CHART 4.2.2 Chart representing Gender of Respondents

Interpretation:

From the above data, 19% of the respondents are Female and 81% Male.

Inference:

As per the Above data the majority of the respondents are Male 81%.

4.2.3 Educational qualification classification:

TABLE 4.2.3 Tabular representation of Respondent's Education Qualification

Factors	Dimensions	No. of Respondents	Percentage
EDUCATIONAL QUALIFICATION	POST GRADUATE	30	20%
	UNDER GRADUATE	120	80%
Total		150	100%

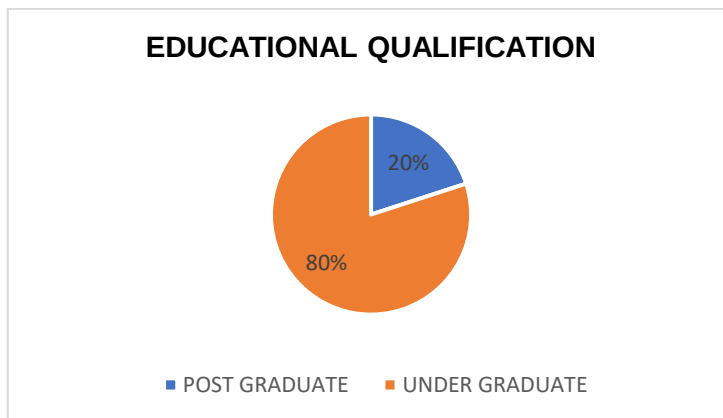


CHART 4.2.3 Chart representing Education Qualification of Respondents

Interpretation:

From the above data, 20% of the respondents are POST GRADUATE and 80% are UNDER GRADUATE.

Inference:

Majority (80%) of the respondents have completed UNDER GRADUATE.

4.2.4 Designation wise classification:

TABLE 4.2.4 Tabular representation of Respondent's Designation

Factors	Dimensions	No. of Respondents	Percentage
DESIGNATION	Bank Marketing Representative	38	25.30%
	Bank Teller	10	6.66%
	Branch Manager	8	5.33%
	Data Processing Officer	28	18.66%
	Financial Analyst	19	12.66%
	Internal Auditor	22	14.66%
	Loan officer	15	10.00%
	Operations Manager	10	6.66%
Total		150	100.00%

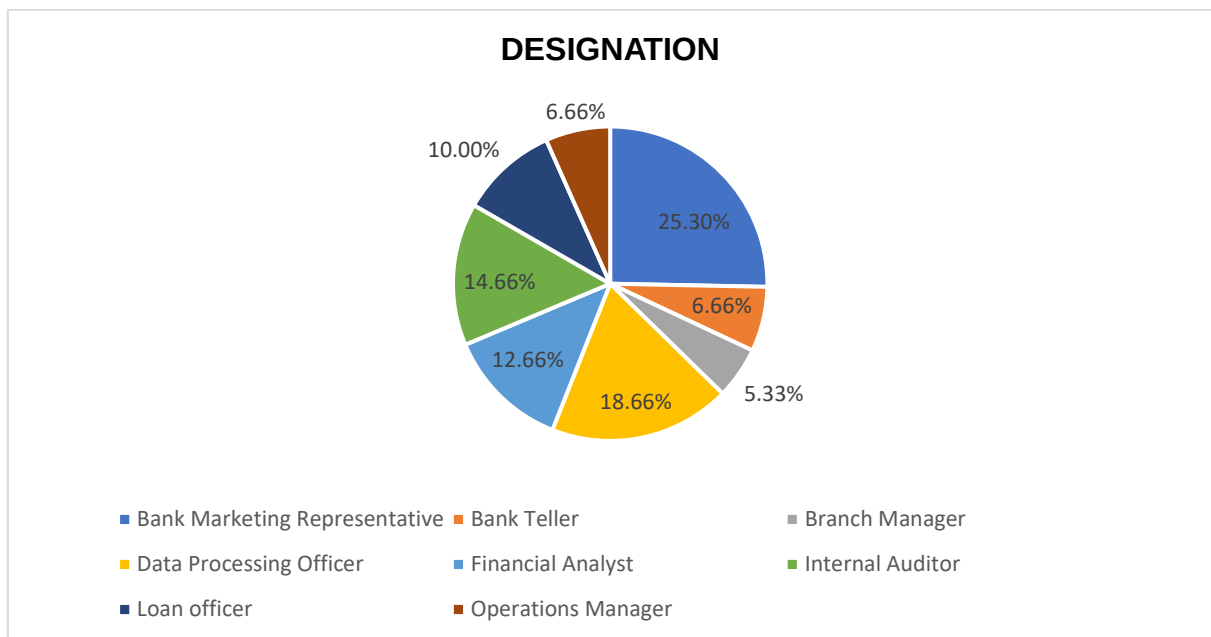


CHART 4.2.4 Chart representing Designation of Respondents

Interpretation:

From the above data, 25.30% of the respondents are Bank Marketing Representative, Bank Teller are 6.66%, Branch Manager are 5.33%, Data Processing Officer are 18.66%, Financial Analyst are 12.66%, Internal Auditor are 14.66%, Loan officer are 10.00%, Operations Manager are 6.66%.

Inference:

Majority (25.30%) of the respondents are Bank Marketing Representative.

4.2.5 Experience wise classification:

TABLE 4.2.5 Tabular representation of Respondent's Experience

Factors	Dimensions	No. of. Respondents	Percentage
EXPERIENCE	<1year	41	27.33%
	>10	1	0.66%
	1 to 5	103	68.66%
	6 to 10	5	3.33%
Total		150	100.00%

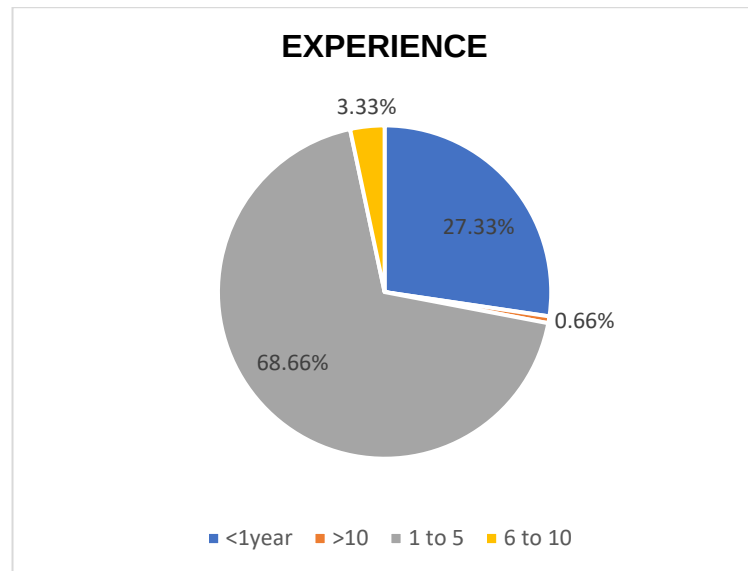


CHART 4.2.5 Chart representing Experience of Respondents

Interpretation:

From the above data, 27.33% of the respondents are <1 year, 0.66% are >10 years, 68.66% are 1 to 5 years, 3.33% are 6 to 10 years.

Inference:

Majority (68.66%) of the respondents are 1 to 5 years of experience.

The above tables and graphical representation gives a clear explanation of demographic variable included in this study. It contains descriptive statistics of Gender, Education, Age, Experience. The gender variable is shared by male segmentation and the education category highly contributed by undergraduates. The age segment reveals most of the respondents belong to 21-30 age category it is because of Private bank sectors. Most of the respondents have 1-5 years of experience in the existing organization. The overall experience of employees ranges between 6-10 years supports the demographic category age.

4.3 GRAPHICAL REPRESENTATION OF QUESTIONNAIRES:

TABLE 4.3.1 Tabular representation of Coming Up with New ideas is appreciated in our bank

OPTIONS	RESPONDENTS	PERCENTAGE
Agree	53	35.33%
Disagree	9	6.00%
Neutral	8	5.33%
Strongly Agree	69	46.00%
Strongly Disagree	11	7.33%
Grand Total	150	100%

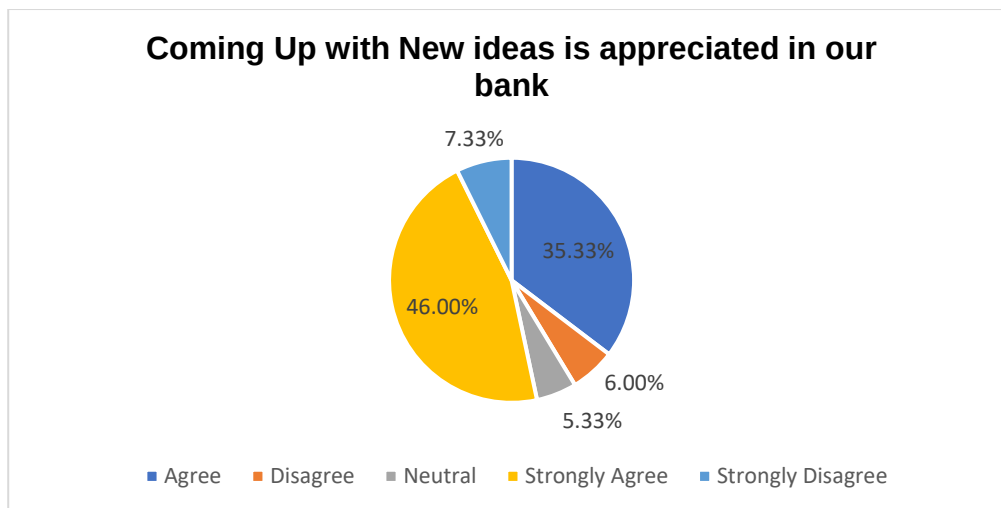


CHART 4.3.1 Chart representing Coming Up with New ideas is appreciated in our bank

Interpretation:

From the table 4.3.1 shows that 35.33% of the respondents Agree that appreciating new ideas of the employees in the private bank, 6.00% Disagree, Neutral 5.33%, Strongly Agree 46.00%, Strongly Disagree 7.33%.

Inference:

Majority (46.00%) of the respondents Strongly agree that Coming Up with New ideas is appreciated in our bank.

TABLE 4.3.2 Tabular representation of Targets given to the Employees Often met

OPTIONS	RESPONDENTS	PERCENTAGE
Agree	64	42.67%
Disagree	6	4.00%
Neutral	8	5.33%
Strongly Agree	65	43.33%
Strongly Disagree	7	4.67%
Grand Total	150	100%

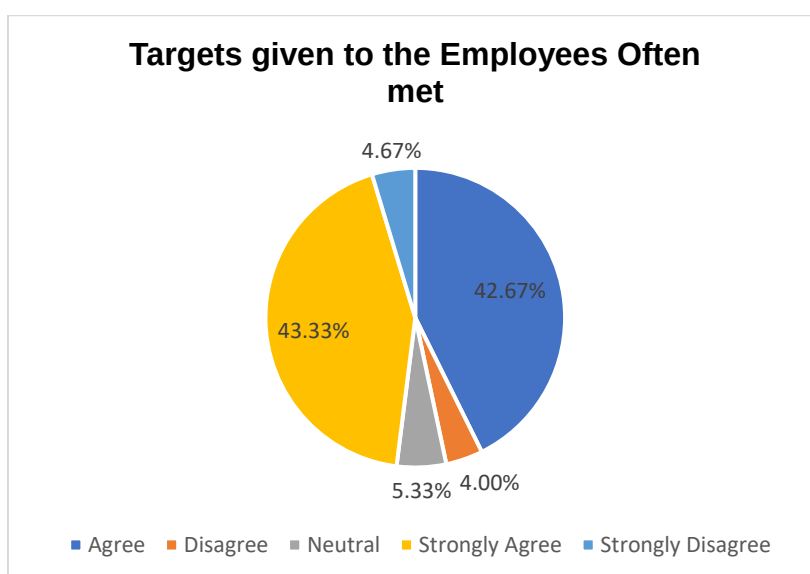


CHART 4.3.2 Chart representing Targets given to the Employees Often met

Interpretation:

From the table 4.3.2 shows that 42.67% of the respondents Agree that Targets given to the Employees Often met in the private bank, 4.00% Disagree, Neutral 5.33%, Strongly Agree 43.33%, Strongly Disagree 4.67%.

Inference:

Majority (43.33%) of the respondents Strongly agree that Targets given to the Employees Often met.

TABLE 4.3.3 Tabular representation of Recruitment & Selection system followed in our Bank is well defined

OPTIONS	RESPONDENTS	PERCENTAGE
Agree	83	55.33%
Disagree	7	4.67%
Neutral	9	6.00%
Strongly Agree	45	30.00%
Strongly Disagree	6	4.00%
Grand Total	150	100%

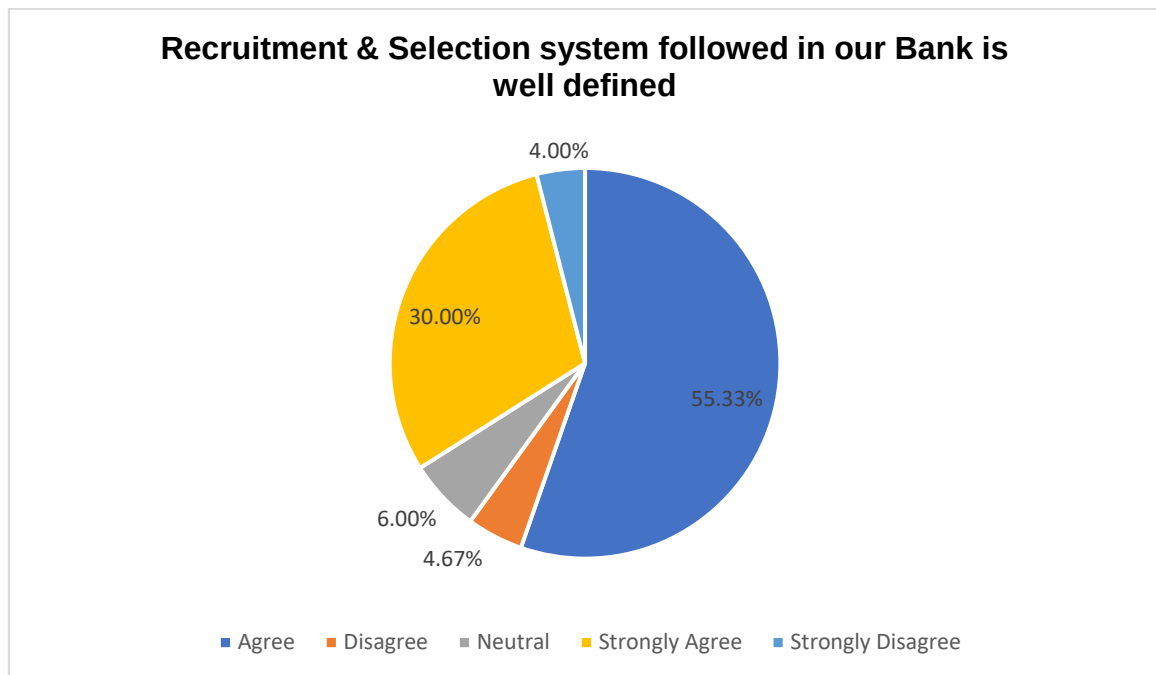


CHART 4.3.3 Chart representing Recruitment & Selection system followed in our Bank is well defined

Interpretation:

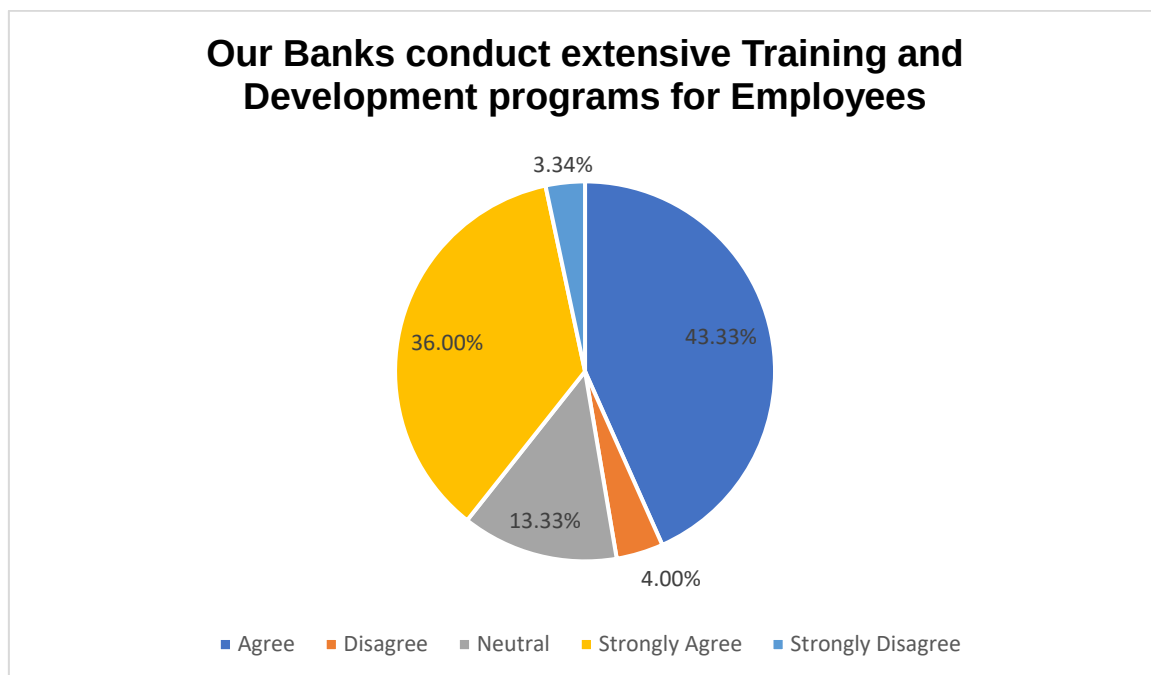
From the table 4.3.3 shows that 55.33% of the respondents Agree that Recruitment & Selection system followed in our Bank is well defined, 4.67% Disagree, Neutral 6.00%, Strongly Agree 30.00%, Strongly Disagree 4.00%.

Inference:

Majority (55.33%) of the respondents Agree that Recruitment & Selection system followed in our Bank is well defined.

TABLE 4.3.4 Tabular representation of Our Banks conduct extensive Training and Development programs for Employees

OPTIONS	RESPONDENTS	PERCENTAGE
Agree	65	43.33%
Disagree	6	4.00%
Neutral	20	13.33%
Strongly Agree	54	36.00%
Strongly Disagree	5	3.34%
Grand Total	150	100%



CHARTS 4.3.4 Chart representing Our Banks conduct extensive Training and Development programs for Employees

Interpretation:

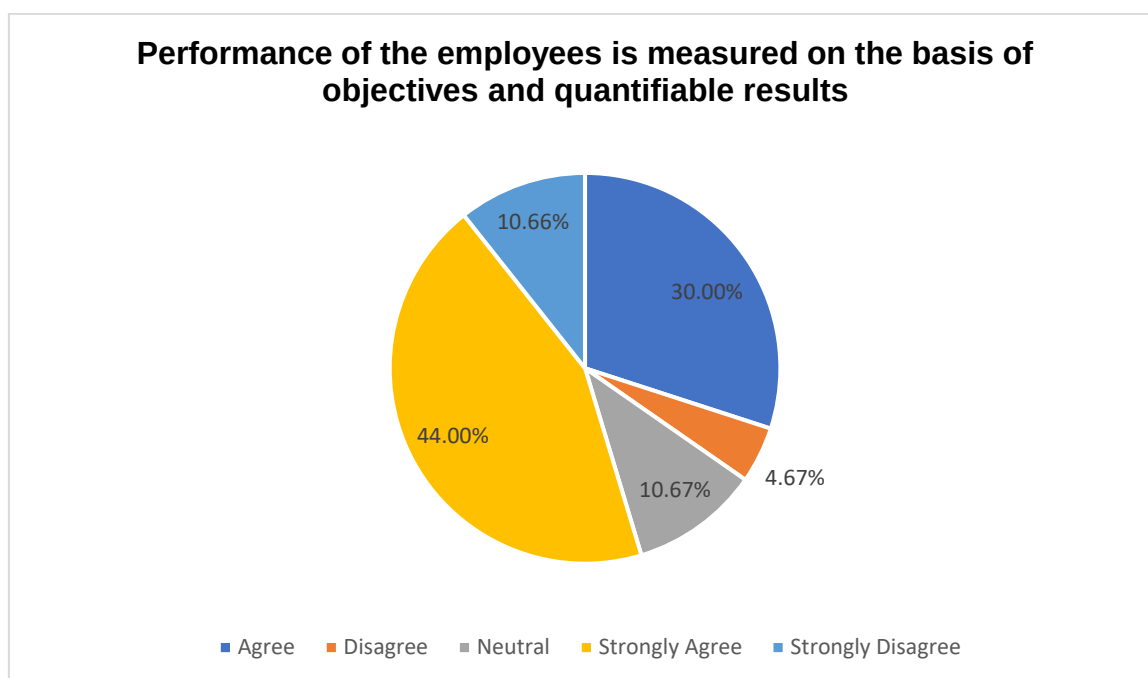
From the table 4.3.4 shows that 43.33% of the respondents Agree that Our Banks conduct extensive Training and Development programs for Employees, 4.00% Disagree, Neutral 13.33%, Strongly Agree 36.00%, Strongly Disagree 3.34%.

Inference:

Majority (43.33%) of the respondents Agree that Our Banks conduct extensive Training and Development programs for Employees.

TABLE 4.3.5 Tabular representation of Performance of the employees is measured on the basis of objectives and quantifiable results

OPTIONS	RESPONDENTS	PERCENTAGE
Agree	45	30.00%
Disagree	7	4.67%
Neutral	16	10.67%
Strongly Agree	66	44.00%
Strongly Disagree	16	10.66%
Grand Total	150	100%



CHARTS 4.3.5 Chart representing Performance of the employees is measured on the basis of objectives and quantifiable results

Interpretation:

From the table 4.3.5 shows that 30.00% of the respondents Agree that Performance of the employees is measured on the basis of objectives and quantifiable results, 4.67% Disagree, Neutral 10.67%, Strongly Agree 44.00%, Strongly Disagree 10.66%.

Inference:

Majority (44.00%) of the respondents Strongly Agree that Performance of the employees is measured on the basis of objectives and quantifiable results.

TABLE 4.3.6 Tabular representation of Employees are provided performance based feedback and counselling

OPTIONS	RESPONDENTS	PERCENTAGE
Agree	53	35.33%
Disagree	11	7.33%
Neutral	14	9.34%
Strongly Agree	67	44.67%
Strongly Disagree	5	3.33%
Grand Total	150	100%

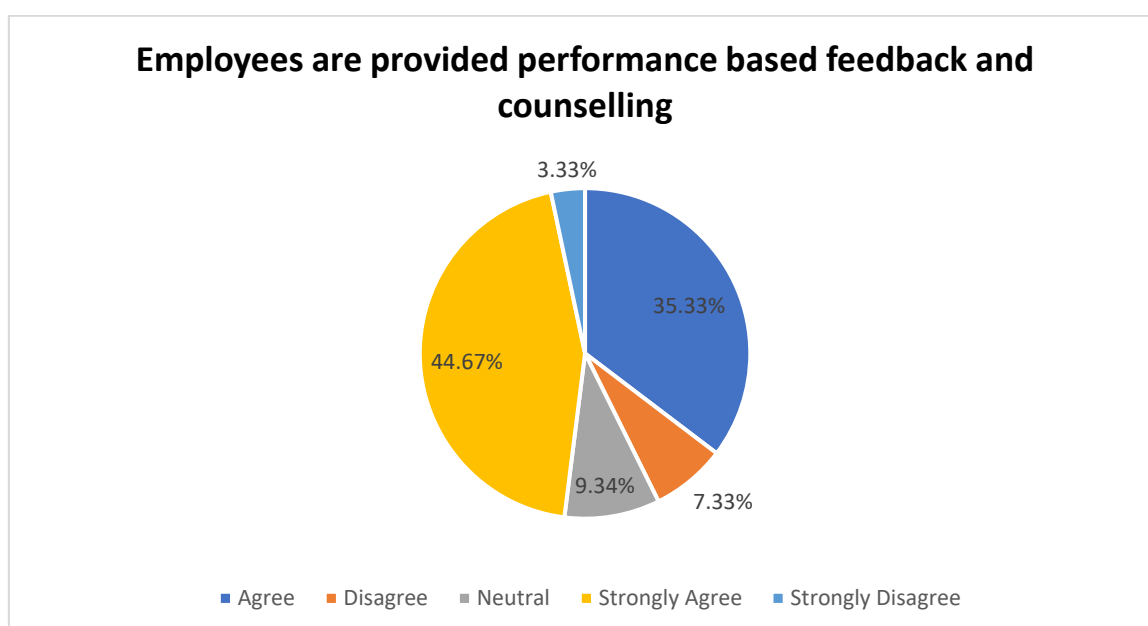


CHART 4.3.6 Chart representing Employees are provided performance based feedback and counselling

Interpretation:

From the table 4.3.6 shows that 35.00% of the respondents Agree that Employees are provided performance based feedback and counselling, 7.33% Disagree, Neutral 9.34%, Strongly Agree 44.67 %, Strongly Disagree 3.33%.

Inference:

Majority (44.67%) of the respondents Strongly Agree that Employees are provided performance based feedback and counselling.

TABLE 4.3.7 Tabular representation of Our Bank takes carrier planning and succession planning very seriously

OPTIONS	RESPONDENTS	PERCENTAGE
Agree	52	34.67%
Disagree	11	7.33%
Neutral	27	18.00%
Strongly Agree	43	28.67%
Strongly Disagree	17	11.33%
Grand Total	150	100%

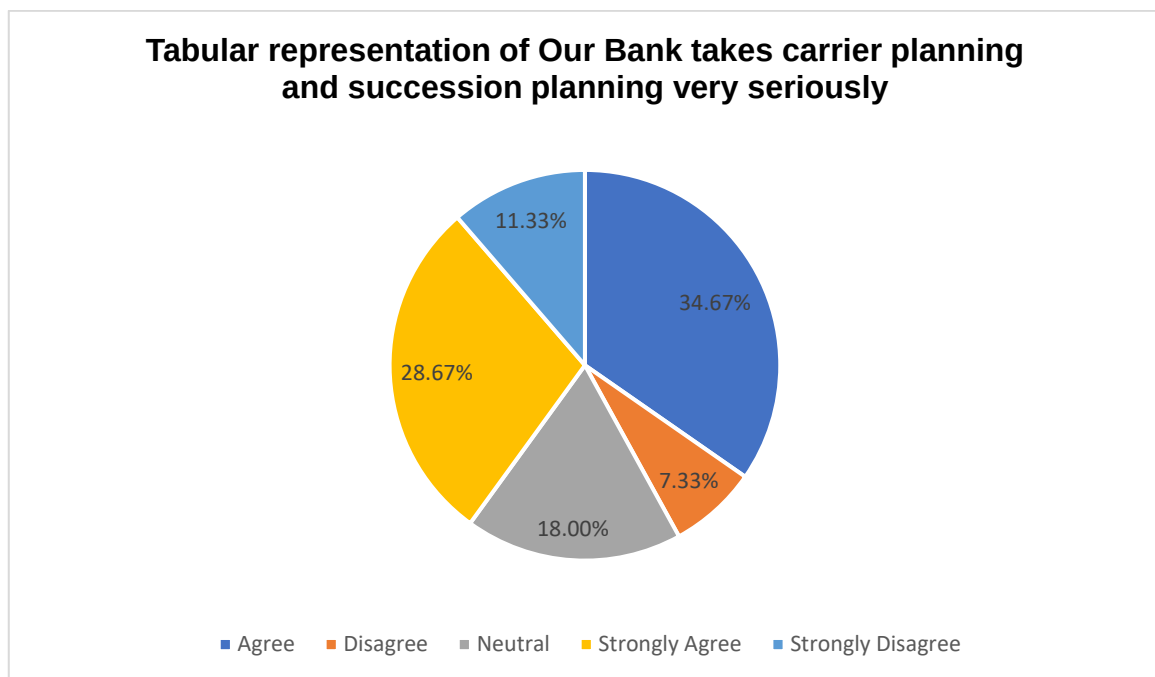


CHART 4.3.7 Chart representing of Our Bank takes carrier planning and succession planning very seriously

Interpretation:

From the table 4.3.7 shows that 34.67% of the respondents Agree that Our Bank takes carrier planning and succession planning very seriously, 7.33% Disagree, Neutral 18.00%, Strongly Agree 28.67 %, Strongly Disagree 11.33%.

Inference:

Majority (34.67%) of the respondents Strongly Agree that Employees are provided performance based feedback and counselling.

TABLE 4.3.8 Tabular representation of Our Banks provides opportunities to develop skills needed to attain career goal

OPTIONS	RESPONDENTS	PERCENTAGE
Agree	51	34.00%
Disagree	11	7.33%
Neutral	21	14.00%
Strongly Agree	54	36.00%
Strongly Disagree	13	8.67%
Grand Total	150	100%

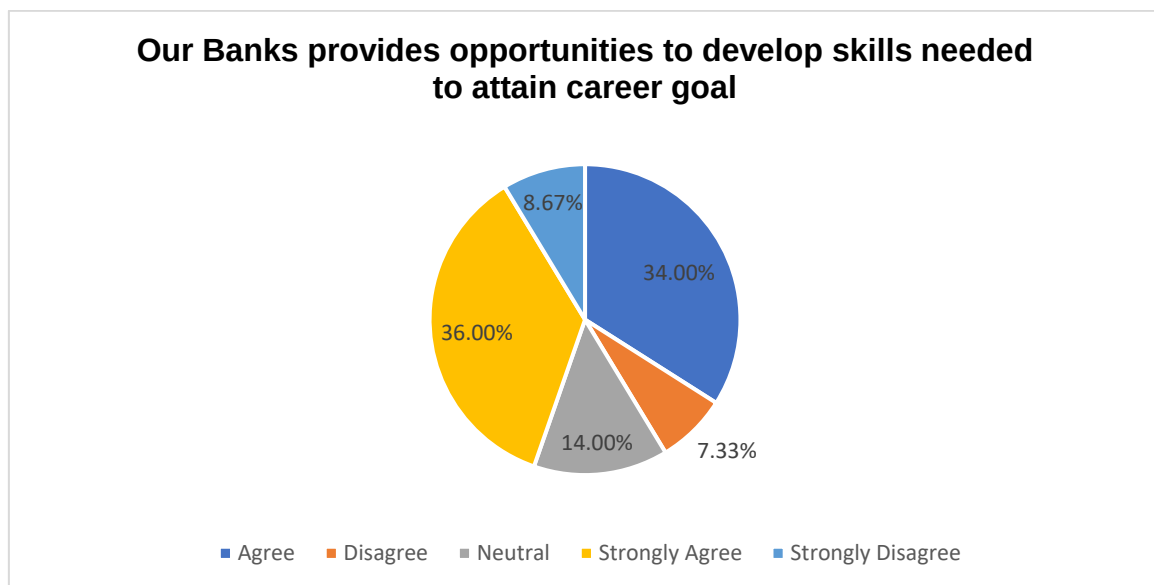


CHART 4.3.8 Chart representing of Tabular representation of Our Banks provides opportunities to develop skills needed to attain career goal

Interpretation:

From the table 4.3.8 shows that 34.00% of the respondents Agree that Our Banks provides opportunities to develop skills needed to attain career goal, 7.33% Disagree, Neutral 14.00%, Strongly Agree 36.00%, Strongly Disagree 8.67%.

Inference:

Majority (36.00%) of the respondents Strongly Agree that Our Banks provides opportunities to develop skills needed to attain career goal.

TABLE 4.3.9 Tabular representation of our Bank, Salary and other benefits are comparable to the market

OPTIONS	RESPONDENTS	PERCENTAGE
Agree	31	20.67%
Disagree	16	10.67%
Neutral	19	12.67%
Strongly Agree	62	41.33%
Strongly Disagree	22	14.66%
Grand Total	150	100%

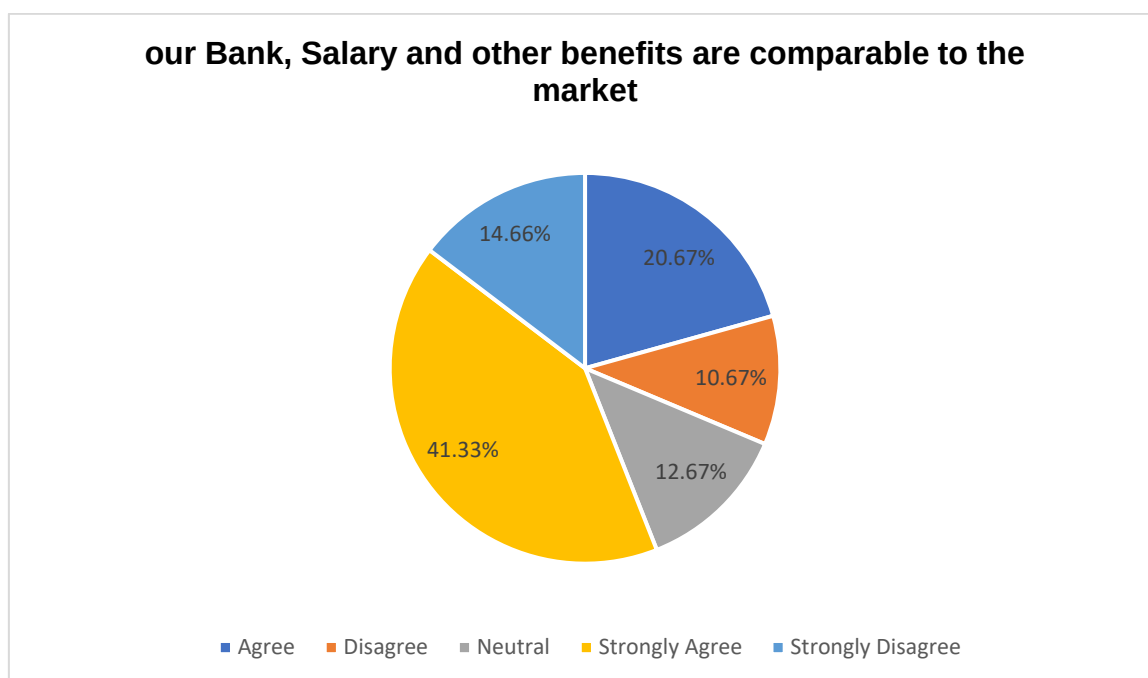


CHART 4.3.9 Chart representing of our Bank, Salary and other benefits are comparable to the market

Interpretation:

From the table 4.3.9 shows that 20.67% of the respondents Agree that our Bank, Salary and other benefits are comparable to the market, 10.67% Disagree, Neutral 12.67%, Strongly Agree 41.33%, Strongly Disagree 14.66%.

Inference:

Majority (41.33%) of the respondents Strongly Agree that our Bank, Salary and other benefits are comparable to the market.

TABLE 4.3.10 Tabular representation of Job descriptions in our bank are clear and easy to understand

OPTIONS	RESPONDENTS	PERCENTAGE
Agree	27	18.00%
Disagree	21	14.00%
Neutral	33	22.00%
Strongly Agree	68	45.33%
Strongly Disagree	1	0.67%
Grand Total	150	100%

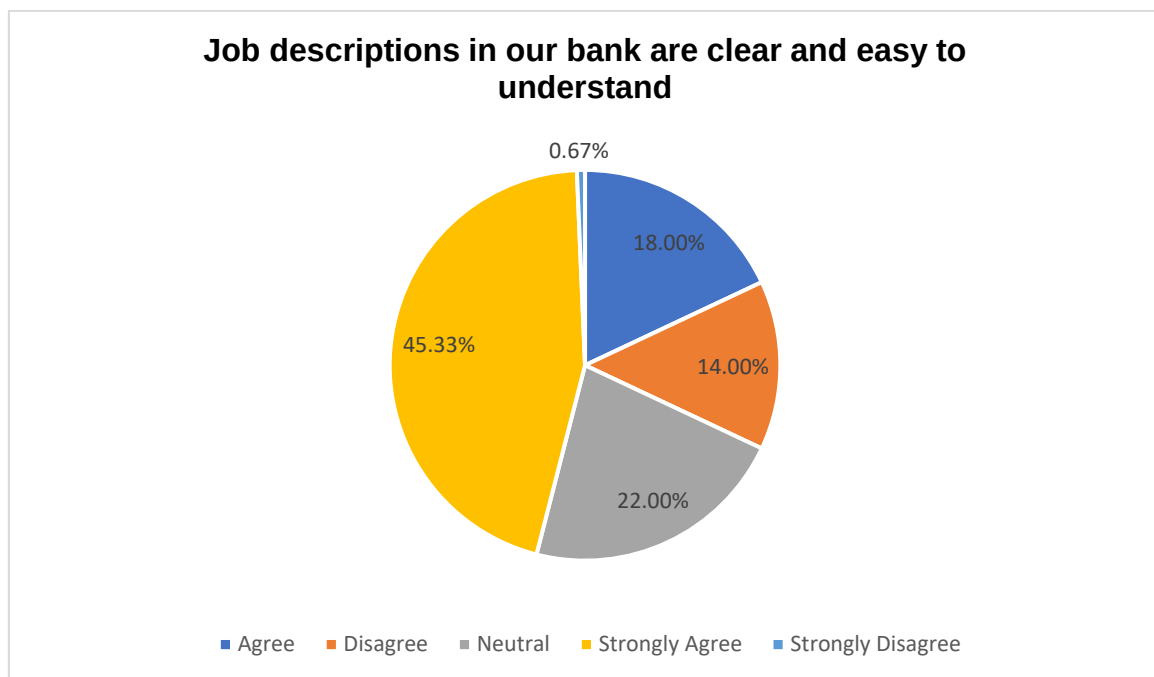


CHART 4.3.10 Chart representing of Job descriptions in our bank are clear and easy to understand

Interpretation:

From the table 4.3.10 shows that 18.00% of the respondents Agree that Job descriptions in our bank are clear and easy to understand, 14.00% Disagree, Neutral 22.00%, Strongly Agree 45.33%, Strongly Disagree 0.67%.

Inference:

Majority (45.33%) of the respondents Strongly Agree that Job descriptions in our bank are clear and easy to understand.

TABLE 4.3.11 Tabular representation of I am happy with assistance given by the Bank in terms of money, leave, subscriptions

OPTIONS	RESPONDENTS	PERCENTAGE
Agree	58	38.67%
Disagree	14	9.33%
Neutral	35	23.33%
Strongly Agree	32	21.34%
Strongly Disagree	11	7.33%
Grand Total	150	100%

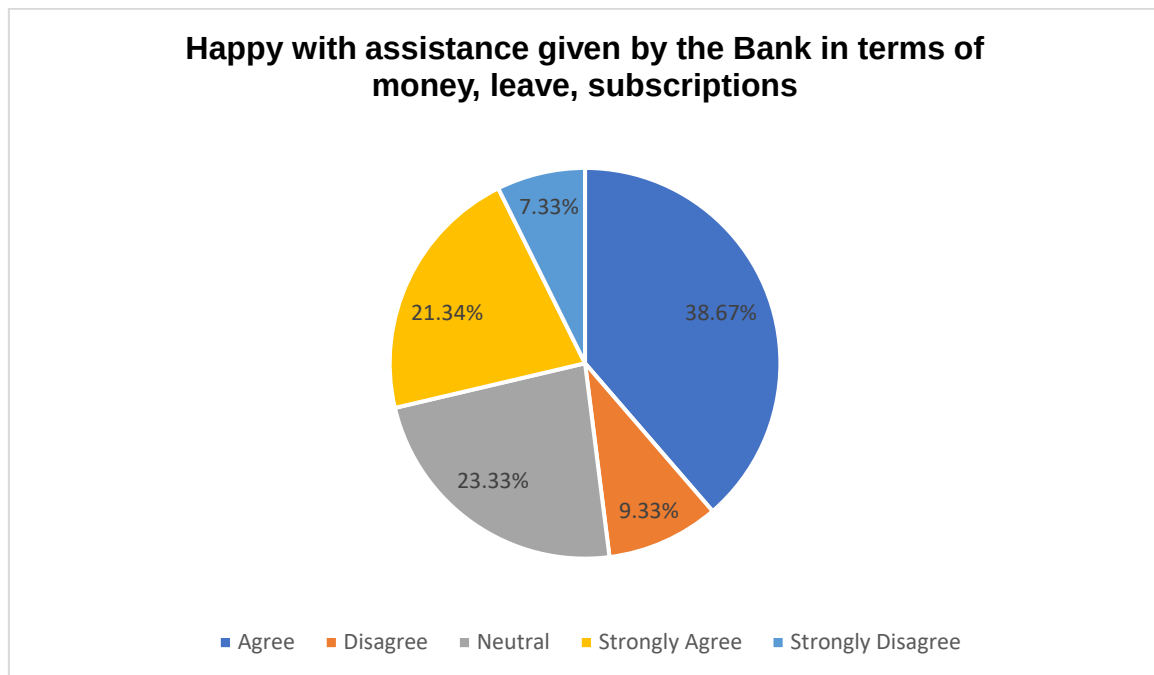


CHART 4.3.11 Chart representing of I am happy with assistance given by the Bank in terms of money, leave, subscriptions

Interpretation:

From the table 4.3.11 shows that 38.67% of the respondents Agree that I am happy with assistance given by the Bank in terms of money, leave, subscriptions, 9.33% Disagree, Neutral 23.33%, Strongly Agree 21.34%, Strongly Disagree 7.33%.

Inference:

Majority (38.67%) of the respondents Agree that I am happy with assistance given by the Bank in terms of money, leave, subscriptions.

TABLE 4.3.12 Tabular representation of The Bank provides Comfortable Working Environments, light, Seating arrangement, air condition, Etc.,

OPTIONS	RESPONDENTS	PERCENTAGE
Agree	37	24.67%
Disagree	12	8.00%
Neutral	28	18.67%
Strongly Agree	53	35.33%
Strongly Disagree	20	13.33%
Grand Total	150	100%

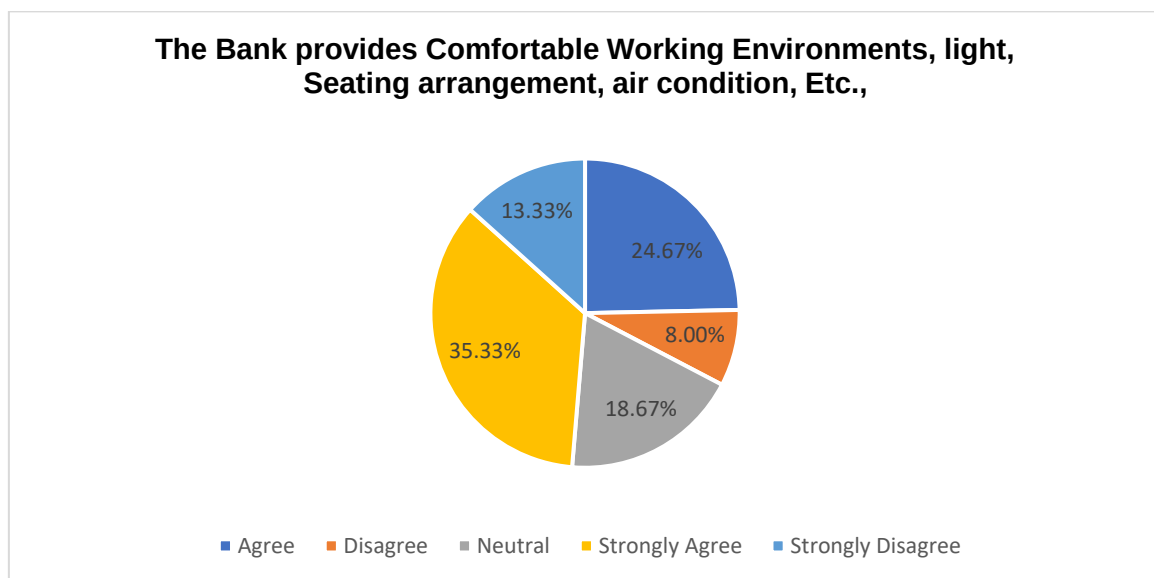


CHART 4.3.12 Chart representing of The Bank provides Comfortable Working Environments, light, Seating arrangement, air condition, Etc.,

Interpretation:

From the table 4.3.12 shows that 24.67% of the respondents Agree that The Bank provides Comfortable Working Environments, light, Seating arrangement, air condition, Etc., 8.00% Disagree, Neutral 18.67%, Strongly Agree 35.33%, Strongly Disagree 13.33%.

Inference:

Majority (35.33%) of the respondents Strongly Agree that The Bank provides Comfortable Working Environments, light, Seating arrangement, air condition, Etc.,

TABLE 4.3.13 Tabular representation of I feel a strong sense of belonging to this bank

OPTIONS	RESPONDENTS	PERCENTAGE
Agree	43	28.67%
Disagree	7	4.67%
Neutral	20	13.33%
Strongly Agree	67	44.67%
Strongly Disagree	13	8.67%
Grand Total	150	100%

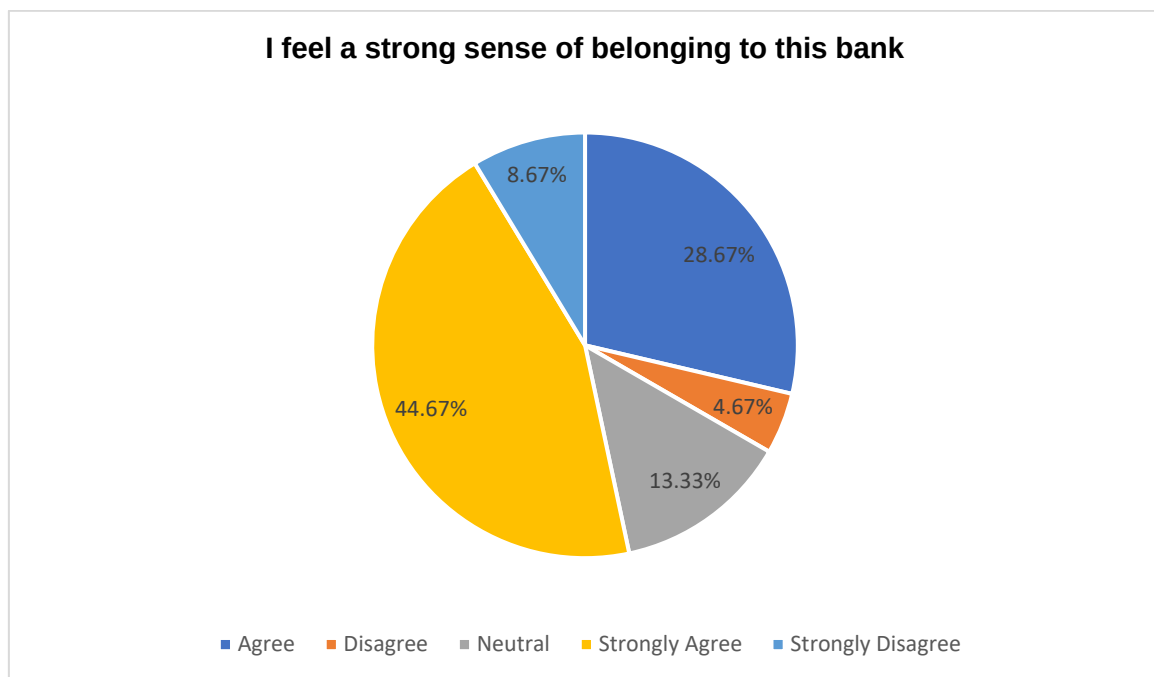


CHART 4.3.13 Chart representing of I feel a strong sense of belonging to this bank

Interpretation:

From the table 4.3.13 shows that 28.67% of the respondents Agree that I feel a strong sense of belonging to this bank, 4.67% Disagree, Neutral 13.33%, Strongly Agree 44.67%, Strongly Disagree 8.67%.

Inference:

Majority (44.67%) of the respondents Strongly Agree that I feel a strong sense of belonging to this bank.

TABLE 4.3.14 Tabular representation of I do not have any intention to resign from the bank within a Shorter time

OPTIONS	RESPONDENTS	PERCENTAGE
Agree	49	32.67%
Disagree	17	11.33%
Neutral	11	7.33%
Strongly Agree	61	40.67%
Strongly Disagree	12	8.00%
Grand Total	150	100%

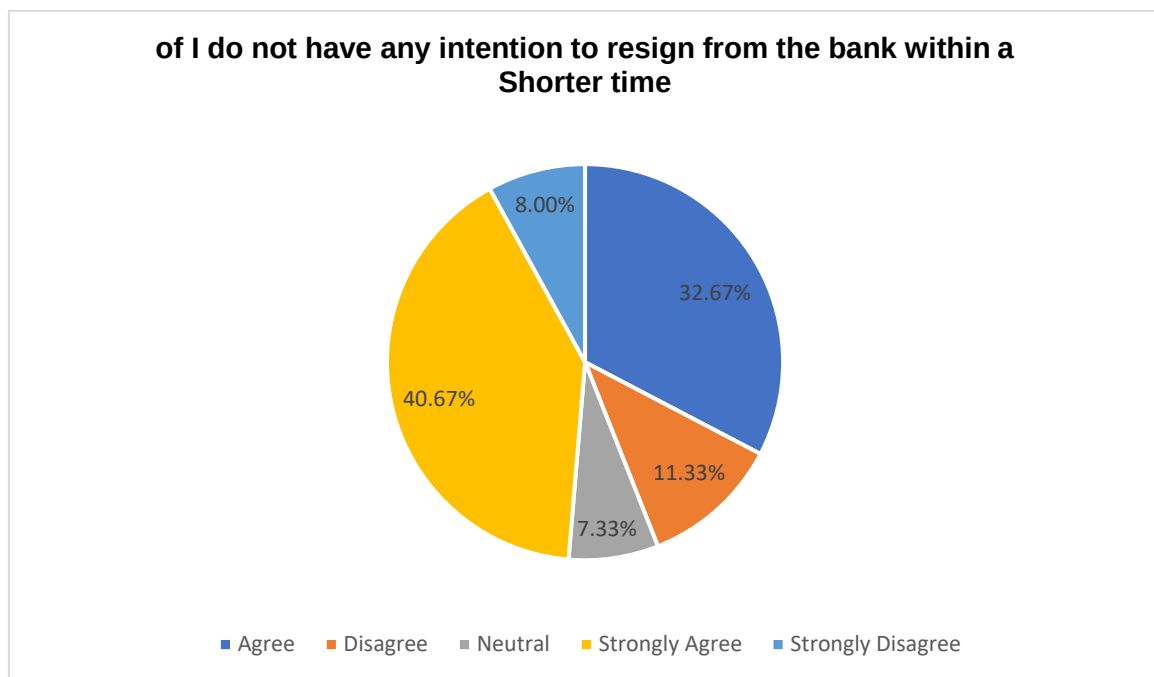


CHART 4.3.14 Chart representing of I do not have any intention to resign from the bank within a Shorter time

Interpretation:

From the table 4.3.13 shows that 32.67% of the respondents Agree that I do not have any intention to resign from the bank within a Shorter time, 11.33% Disagree, Neutral 7.33%, Strongly Agree 40.67%, Strongly Disagree 8.00%.

Inference:

Majority (40.67%) of the respondents Strongly Agree that I do not have any intention to resign from the bank within a Shorter time.

4.4 CHI-SQUARE TEST:

Null Hypothesis (H0) – There is no significant relationship between Duration of stay and Employee Performance.

Alternative Hypothesis (H1) - There is significant relationship between Duration of stay and Employee Performance.

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
Duration of Stay in * Employee performance	150	100.0%	0	0.0%	150	100.0%

Duration of Stay in * Employee performance Cross tabulation

			Employee performance					Total
			Agree	Disagree	Neutral	strongly Agree	Strongly Disagree	
Duration of Stay in	<1year	Count	13	0	4	24	0	41
		Expected Count	17.5	1.6	2.2	17.8	1.9	41.0
	>10	Count	1	0	0	0	0	1
		Expected Count	.4	.0	.1	.4	.0	1.0
	1 to 5	Count	47	6	4	40	6	103
		Expected Count	43.9	4.1	5.5	44.6	4.8	103.0
	6 to 10	Count	3	0	0	1	1	5
		Expected Count	2.1	.2	.3	2.2	.2	5.0
Total	Count	64	6	8	65	7	150	
	Expected Count	64.0	6.0	8.0	65.0	7.0	150.0	

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.961 ^a	12	.193
Likelihood Ratio	18.841	12	.092
N of Valid Cases	150		

a. 15 cells (75.0%) have expected count less than 5. The minimum expected count is .04.

Inference:

Since p value is greater than 0.05, we accept the Null hypothesis and rejects the Alternate hypothesis. Therefore, there is no significant relationship between Duration of stay and Employee Performance.

4.5 CORRELATION TEST:

Null Hypothesis (H0) – There is no significant relationship between Employee opportunities and Turnover intention.

Alternative Hypothesis (H1) - There is significant relationship between Employee opportunities and Turnover intention.

Correlations			
		Employee opportunities	Turnover intention
Employee	Pearson Correlation	1	.316**
	Sig. (2-tailed)		.000
	N	150	150
Over	Pearson Correlation	.316**	1
	Sig. (2-tailed)	.000	
	N	150	150

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

Inference

Pearson Correlation value is 0.316. So, it is positive correlation. Hence there is positive correlation between Employee opportunities and Turnover intention.

CHAPTER-5

FINDINGS AND SUGESSTIONS AND CONCLUSION

5.1 FINDINGS

Generally, the success of any firm depends on continuous updating of the latest concepts and trends of best practices existing in the business and development of required competence and implementation of effective practices to improve the overall performance of the organization.

The first research question was about relationships of different demographics such as age, gender, education, experience, type of bank, and performance of bank variables with perceived organizational and employee performances. The employee's perception of organizational performance, highly diverse and influence by the demographic variable education. It may be inferred as the expectation and measure organizational performance varies among employees in terms of their education qualification.

Employees differ in their perception of individual performance based on their gender. It shows the male and female exception and measure of their own perform it differs. Employees have similar opinions on the organizational as well as employee performance in terms of other demographic factors. The Analyses reveal that some demographic variables had significant relationship with perceived organizational performance and with Employee performance indicators.

In spite of rigorous procedures, standardized test and strong merit criteria followed by private banks to select the candidate, the Recruitment & Selection process does not have a direct relationship with both dependent variables perceived Organizational Performance and Perceived Employee performance. This study reveals that recruitment and selection process not play any significant and direct role in improving the organizational and employee performance. In recent years' banks have a common platform for recruiting their employees, this may take as a cause for that the employees do not consider it as an influencing factor in deciding

their organisational and individual performance. This result is consistent with the previous studied by Paul (2002) and contradicts with the findings of guest (2001) and Shih et al. (2006). However, Recruitment and Selection process mediates through the Satisfaction, Commitment and Turnover Intentions develops an indirect influence on the organizational and employee performance.

5.1.1 TRAINING & DEVELOPMENT

Training & development programs followed by Private banks based on need assessment, performance appraisal, custom-made and pragmatically applicable with talent imparting competence are demonstrating a strong positive direct causal relationship with Perceived employee performance and Perceived Organizational Performance.

The training & development process not only have direct influence over the dependent variable it also has strong and positive relationship with the mediating variable which tells us the effective training will impart good knowledge and self confidence among employees and improves their satisfaction, commitment and reduces turnover intentions by investing loyalty among them. These results were similar to the findings of (Russell, et al. 1985; Arthur, 1994; Huselid, 1995; Wan, et al. 2002; Patrick, et al. 2003 Sels, et al. 2003; Singh, 2004; Katou, 2008; Tseng, et al. 2009). These could give different advantages, i.e. improved employee performance, increased productivity and employee development.

5.1.2 PERFORMANCE APPRAISAL

Private Banks pursue a Performance Appraisal process which has good counselling, feedback, unbiased and transparent system provided a direct significant strong causal relationship with Perceived Organizational Performance but the significant level falls to medium in case of perceived employee performance. It is because nowadays employees have wide exposure and knowledge of human resource practices followed in the organizations and understand the value behind the performance appraisal and tend to accept it as a part of healthy environment. These results are consistent with the previous findings of (Thompson, 1998; Wan, et al. 2002; Sels, et al. 2003; Singh, 2004; Katou, 2008; Shahzad, et al. 2008; and Tahir, 2010). Though it seems Performance Appraisal hinders the employee's

performance, it has some positive role in improving the individual performance and leads to overall organizational performance.

5.1.3 CAREER PLANNING SYSTEM

There is a consistent positive relationship between the Career Planning System and Perceived Organizational and Employee Performance. This proves banks following career planning system with good career ladder, transparent internal hiring and guidance to improve individual skills will definitely result in improved organizational and employee performance. The findings are similar to the previous studies of Heckman & Oldham (1980), Denisi & Kiuger, (2000), and Baruch, (2006).

5.1.4 COMPENSATION SYSTEM

Compensation system is believed to be a key for all performance outcomes in the context of Human Resource Management According to this study the compensation system has direct influence only with Perceive Organizational Performance, and it develops a significant causal relationship with only two mediating variables Satisfaction and commitment respectively. The compensation does not have direct influence over the Perceived Employee performance and mediating variable commitment.

This result gives a different dimension that compensation can influence at the group or organizational level and it is also plays supportive role in employee (i.e., individual) performance and employee commitment there is an absence of compensation system in the perception of employees. This expels the same result of Jensen and Murphy, (1990) who found a weak relationship between pay and performance.

5.1.5 EMPLOYEE PARTICIPATION

Traditional Human Resources Management believes that the Employee participation in the management would improve the organizational and Employee performance. But the result revealed by this study is contradicted with the above belief, it failed to create a direct influence on both the organizational and employee performance and also it does not hold any role in employee satisfaction. The result shown contradiction with previous studies of various authors such as Walton, 1985;

Pfeffer, 1994; Wagner, 1994; Verma, 1995; Strauss, 1998; Gallie, et al. 2004; Cox, et al. 2006. It also be noted that the authors do not give clues to the direct influence of employee participation in improving the performance of the organization as well as employees. Many Authors agreed that employee participation will have an impact on the organizational performance when it is associated with other employee practices in the organization.

5.1.6 JOB ANALYSIS AND DESIGN

In the banking context Job analysis and design is not supported with positive results and it unable to make an impact on the perceived employee performance. Bank employees perceive that their role and responsibilities not clearly defined since it has a rotation in nature. But this system helps to improve the influence.

While the above discussions dedicated to exploring the relationship between Human resource practice variables and perceived organizational and employee performance, the following will be concentrated on exposing the mediating effects of Human resources outcome variables between the independent and dependent variables.

5.1.7 EMPLOYEE SATISFACTION

One of the most important outcome of the Human Resource Practices in any organization is said to be employee satisfaction which is treated as first mediating variable in this study. From the Result, the study tries to interpret causation intervened by mediating variable satisfaction between the Human Resource practices and perceived organizational performance. Six out of seven human resource practices have shown positive and significant path relationship with the satisfaction except employee participation. Satisfaction generates a partial mediation between the Human Resources Practices TD, PA, CPS, CS, JD and Perceived Organizational performance. Recruitment and Selection(RS) does not have a direct relationship in improving the organizational performance, but it has a strong influence over the mediator satisfaction which in turn creates indirect causal relationship between RS and POP.

When comes to identify the Meditation effect of satisfaction between Human resource practice and perceived employee performance, the direct relationship of

satisfaction on a dependent variable itself is a question mark. The study reveals that satisfaction has a weak effect on the perceived employee performance, but it is improved while mediated through other outcome variable commitment. Six out of Seven variables shown a positive relationship on satisfaction with respect to testing the effects on perceived employee performance. A special result revealed that satisfaction act as a complete mediator between compensation system and perceived employee performance. The introduction of a satisfaction as mediator completely removes the causal path directing from compensation towards employee performance. The result may be interpreted as a satisfaction will improve employee performance irrespective of the organization's compensation practices.

Satisfaction also work as an independent variable in defining the other HR outcome variable commitment. The direct and strong positive relationship between satisfaction and commitment interprets that in banking sector employee commitment can be improved by improving the employee satisfaction which in turn improve the individual performance in the organization.

Many Authors and researches identified and supports the role of employee commitment in improving the organizational and employee performance. Hence the commitment which is the outcome of the Human Resource practice is treated as mediator between the independent variables and dependent variable targeting performance.

The results of the study confined to the banking sector contradicts with views of majority authors and failed to make any mediation between three out of seven independent variables HR practices and Organizational performance. It is hard to know that the important practices in bank such as performance appraisal, Career planning system and compensation system does not influence the commitment which means in banking sector employee commitment can be achieved not by improving compensation, career ladder and appraisal process but by improving the satisfaction the employees.

In improving the organizational performance, Commitment act as an indirect variable or mediator between Recruitment and Selection and Employee participation in influencing the performance. Commitment also plays a partial mediation role in improving the organizational performance through training and

development (TD) and Job analysis and Design (JD). Hence the Effective training programs and clear job description not only directly improve the organizational performance, but also improves the employee commitment which in turn improves the organizational performance.

While the study tries to identify the mediation effect of commitment in improving the employee performance. Though there is the absence of direct relationship in improving employee performance. Though there is absence of direct relationship in improving employee performance from Recruitment & Selection, Employee participation and job analysis and Design, they are indirectly driven through the mediator commitment.

5.1.8 TURNOVER INTENTION

The reverse side of employee retention said to be employee turnover intention which is treated as direct dependent variable in different human resource studies by authors. With the intention of identifying the causal relationship of Human Resources practices in improving the performance of the employee as well as the organization, this turnover intention is here treated as mediating variable.

Though the study reveals the Relationship from other variables with turnover intention it is a good sign for the organization. The negative effect reveals that improvement in the practices will definitely reduce the employee's intention to leave the organization.

Turnover intention is influenced by all the Human resource practices and it plays a partial mediation between TD, PA, CPS, CS and JD in improving the organizational performance. Recruitment and Selection, and employee participation have an indirect relationship with organizational performance through the mediator turnover intention. In deciding the employee performance, employees believe that organizational compensation, employee participation practices and job description may not directly affect but mediated through turnover intention which causes the deviation in the employee performance.

Banks have different belief towards the Human resource practices causing the organizational performance. Private banks in Chennai are showing similarities in their perception towards deciding the factors improving the organizational

performance. The study tries to explain that the difference in perception towards organizational performance causes because of every banks to believe that they follow unique practices to improve the overall performance of the organization.

Banks in all the sectors have common agreement, whether accepting or rejecting the factors causing the employee performance. Banks believe when comes to employee performance they too tend to follow the universal Human resource practices. Banks, trust that employee commitment will influence the employee performance in the organization, but they reject another mediator employee satisfaction in causing the employee performance.

5.2 SUGGESTIONS

The assessment of the role of human resources practices on organizational employee performance gives a comprehensible idea for the practitioner to concentrate the key issues in HRM to improve the performance of their employees as well as organization. Not only the human resources practices, but also their outcomes have significant influence on the performance, therefore it Human Resources Managers to devise a strategy to extract the maximum output by accelerating the process.

The study has established the facts that even some of the Human Resource practices do not have any direct linkage on the organizational and employee performance it could indirectly influence them.

Therefore, it would be a crucial mistake to depend only on the practices that had a direct influence over the outcome. The conceptual model arrived in this research would give a greater insight to the Human Resource Professionals and Managers to improvise their process to link with the organizational and employee performance.

5.3 SUMMARY

This research work is conducted in the Indian context for testing the causal relationship between the vital components of Human resource practices and its role on perceived organizational performance and perceived employee performance. This study also tested the mediating role of Satisfaction, Commitment and Turnover

intention on the said dependent variables. From the results, the linkage of Human resource practices and Organizational and Employee performance in the Indian context can be very well understood. Thus, the contribution of this study is Two-fold, first on the analytical level, adopting a more sophisticated method of analysis, and second on the conceptual level, Introducing an HR practices – Performance linkage model.

The results of the Hypothesis testing and the available data fit into the proposed conceptual model. It should however be noted that statistical significance and the fitness of the data set into the model will not make any research work complete in all aspects. The results of the study need to be compared with the results of earlier studies undertaken in different countries with different cultural background and different Human resource management dimensions, to arrive at meaningful Interpretations. This shall lead to good indulgent of the subject matter under examination and detection of some new underlying relationships.

5.4 DIRECTION FOR THE FUTURE STUDY

This study investigates with established Human Resource Practices and their outcome as variables, and it measured the performance outcome in the form of qualitative measures. Hence, future researcher may take following direction in their research:

- Need to include some other variables in different aspects accordance with the current situation.
- Longitudinal study would probably give better results and implication.
- Future research may include other sectors banks in the study and test this model with different banks.
- Organizational and employee performance can be measured with a quantitative measure to deliver a strong and authenticate result. The customer's perception of banks and its employee's performance can also be measured and included in the model.
- Future research may test this model and dimension with other industries which may evolve new paradigm in the model and generalization of Human resources practices and performance linkage.

5.5 CONCLUSION

Banks have effective and goal oriented training and development programs, clear definition of career planning and Job design would bring them high performance and achievement. These would also attract both the customers and internal customers (i.e., Employees) and helps the economic growth of the country. Hence the Human resource outcome variables playing a mediating role between the practices and performance, improvisation of these variables would definitely improve the organizational performance through employee performance.

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APPENDIX - 1

Banks Selected for the Study

- Karur vysya Bank
- Tamil Nadu Mercantile Bank
- HDFC Bank
- ICICI Bank
- AXIS Bank
- Kotak Mahindra Bank
- IndusInd Bank
- YES Bank
- City union Bank

SURVEY QUESTIONNAIRE

A STUDY ON ROLE OF HRM PRACTICES ON ORGANISATIONAL AND EMPLOYEE PERFORMANCES IN PRIVATE SECTOR BANKS IN CHENNAI

Scale:

1-Strongly Disagree,2-Disagree,3-Indifferent/Neutral,4-Agree,

5-Strongly Agree

S.NO	Employee performance	1	2	3	4	5
1	Coming Up with New ideas is appreciated in our bank					
2	Targets given to the Employees Often met					
3	Recruitment & Selection system followed in our Bank is well defined					
4	Our Banks conduct extensive Training and Development programs for Employees					
5	Performance of the employees is measured on the basis of objectives and quantifiable results					
6	Employees are provided performance based feedback and counselling					
7	Our Bank takes carrier planning and succession planning very seriously					
8	Our Banks provides opportunities to develop skills needed to attain career goal					
9	In our Bank, Salary and other benefits are comparable to the market					
10	Job descriptions in our bank are clear and easy to understand					

11	I am happy with assistance given by the Bank in terms of money, leave, subscriptions					
12	The Bank provides Comfortable working Environments , light, Seating arrangement, air condition, Etc.,,,					
13	I feel a strong sense of belonging to this bank					
14	I do not have any intention to resign from the bank within a Shorter time					

Background Information

Name :

Gender : ☐ Male ☐ Female

Designation :

Education Level : ☐ Undergraduate ☐ Postgraduate

Age : ☐ 21 to 30 ☐ 31 to 40 ☐ 41 to 50 ☐ >50

Duration of Stay in : ☐ <1year ☐ 1 to 5 ☐ 6 to 10 ☐
>10years

Branch IFSC code :

APPENDIX – 2

ARTICLE

A STUDY ON ROLE OF HRM PRACTICES ON ORGANIZATIONAL AND EMPLOYEE PERFORMANCE IN PRIVATE SECTOR BANKS IN CHENNAI

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ABSTRACT

The purpose of this study was to explore the role of different Human resource practices on perceived organizational performance and perceived Employee performance. Another purpose was Exploring the mediating role Human resource practice outcome between Human resource practices and perceived organizational performance and perceived employee performance. This research study is based on the Universalistic perspective showing that a fixed set of best practices can create additional value in various business frameworks. The Harvard model developed by Beer et al. (1984) guided initial process of domain identification. The most relevant HRM domain Recruitment and Selection, Training and Development, Performance appraisal, Career planning system, employee participation and Compensation system followed by Universalistic perspective has been selected for the study. Therefore, it helps the Human Resource Managers to devise a strategy to extract the maximum output by accelerating the process.

KEY WORDS: Recruitment, Selection, Training and Development, Performance appraisal, Employee participation, Career planning System, Compensation.

I. INTRODUCTION

The concept of Human resource management Evolved as inevitable part of every management and business practices. Human beings are social beings and hardly ever live and work in isolation. We always plan, develop and manage our relations both consciously and unconsciously. The relations are the outcome of our actions and depend to a great extent upon our ability to manage our actions. From childhood each and every individual acquire knowledge and experience on understanding others and how to behave in each and every situation in life. Later we carry forward this learning and understanding in carrying and managing relations at our workplace. The whole context of Human Resource Management revolves around this core matter of managing relations at work place. Since mid1980's Human Resource Management (HRM) has gained acceptance in both academic and commercial circle. HRM is a multidisciplinary organizational function that draws theories and ideas from various fields such as management, psychology, sociology and economics. There is no best way to manage people and no manager has formulated how people can be managed effectively, because people are complex beings with complex needs. Effective HRM depends very much on the causes and conditions that an organizational setting would provide.

Any Organization has three basic components, People, Purpose, and Structure. In 1994, a noted leader in the human resources (HR) field made the following observation: Yesterday, the company with the access most to the capital or the latest technology had the best competitive advantage; 2 Today, companies that offer products with the highest quality are the ones with a leg up on the competition; But the only thing that will uphold a company's advantage tomorrow is the calibre of people in the organization. That predicted future is today's reality. Most managers in public- and 2 private sector firms of all sizes would agree that people truly are the organization's most important asset.

II. OBJECTIVE OF THE STUDY

- To study the relationship between Human Resource practices with the performance of Employees in private Banks in Chennai.
- To study the relationship between Human Resource practices and Organizational performance in private Banks in Chennai.

III. REVIEW OF LITERATURE

Huselid (1995) Thirteen practices measured as two bundles-(a) employee skills and organizational structures (quality management circles, teams) and (b) employee motivation performance Appraisals). Firm level data collected on surveys sent to the senior level human resource professional in each firm. Turnover Productivity. Corporate financial Performance. Turnover-question regarding annual rate on survey. Productivity logarithm of sales per employee. Corporate financial performance.

Nishii, Lepak, & Schneider (2008) Five HR attribution items listed for each of five HR practices: staffing, training, benefits pay, and scheduling. Department level. Survey data collected from employees within each department, managers, And customers of Each Department Customer satisfaction with people. Customer satisfaction with people.

Gong, Law, Chang &Xin, (2009) Eight practices classified into the maintenance- oriented HR subsystem and performance- oriented HR subsystem. Firm-level data collected from two sources (cities). First on a survey sent to The president/vice presidents, HR managers and middle level managers from each firm. Second on survey sent to The president. Firm-level data collected from two sources (cities). First on a survey sent to The president/vice presidents, HR managers and middle level managers from each firm. Second on survey sent to The president. President/vice President reporting ratings of firm performance in terms of Profit; Total Sales growth; Market share; Total asset growth; After-tax return on.

Combs, Liu, Hall, & Ketchen (2006) Thirteen practices classified as HPWP: incentive compensation, training, compensation level participation, selectivity, internal promotion, HR planning, Flexible work, performance appraisal, grievance procedures, teams, information sharing. The 'study' is the unit of analysis in meta-analysis (Hunter & Schmidt, 1990), within- study correlations were averaged to derive the overall relationships for each study. Operational performance, accounting returns, growth, market returns, financial performance. Operational performance, accounting returns, growth, market returns, financial performance.

Takeuchi, Chen, & Lepak, (2009) Thirteen practices measured as two bundles- (a) employee skills and organizational structures (quality management

circle, teams) and (b) employee motivation (performance appraisals). Establishment –level survey of manager. HR practices in each establishment Employee job satisfaction and Employee affective commitment. Collected subordinate employee Assessment of job satisfaction, and affective commitment.

Kehoe Wright (2010) Fifteen items compiled from SHRM literature (HR practices) aimed at improving employees' KSAs and motivation and opportunity to perform selective staffing (formal selection test, structured employment interviews); employee participation (formal participation processes, fair. HR Directors administered surveys to a randomly selected group of 20% or more of the employees in their unit in a large food service organization. Organizational Citizenship Behaviour (OCB), Intent to remain with the organization, Absenteeism. Employees reported estimates of OCBs, Intent to remain in the organization, and Absenteeism.

Chuang & Liao (2010) Thirty-five items including six HR practices: staffing, training, involvement/ participation, performance appraisal, compensation/rewards, and caring. Business-unit level data collected on survey sent to managers and employees of multiple service stores over two time periods. Market performance: marketing, Sales growth, Profitability, Market share. Managers reported ratings of annual market Performance on four items: marketing, sales growth, profitability, market share.

Snape & Redman (2010) Ten multiple HR practices that address the recruitment, development, motivation, and involvement of employees. Workplace-level data collected on survey sent to HR managers. HR managers provide separate ratings for managers and professionals as one group and for all other employees. Compliance, Altruism, In-role behaviour. Obtained data from employee self-reports of employee behaviour. Sun, Aryee, & Law (2007) HR practices: selective staffing, extensive training, internal mobility, employment security, clear job description, result- oriented appraisal, incentive reward, participation. Multilevel survey of (a) human resource managers, (b) supervisors of frontline subordinates, and (c)customer Contact employees from hotels located in eastern coastal province of China. Turnover. Productivity. Turnover- question regarding annual rate on HR manager surveys. Productivity- logarithm of sales per employee.

Liao, Toya, Lepak, & Hong (2009) HR practices for service quality: extensive service training, Information sharing, self- management service teams and participation, compensation contingent on service quality, job design for quality work, service- quality based performance appraisal, internal service, selective hiring, employment security, and reduced status differentiation. Multilevel survey of (a) bank branch senior managers, (b) employee supervisors, (c) customer- contact employees, (d) branch customers, and (e) headquarters from a national bank in Japan. Employee Overall service performance. Customer satisfaction. Employee Direct supervisors rated Employee general service performance. Employee knowledge intensive Service performance. Branch customers rated Customer satisfaction.

Stephen P. Robbins and Timothy A. Judge (2009) says that Employee commitment is an individual's psychological attachment towards the organization. In words of defines that organizational commitment is the 22 degree to which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization.

Meyer, J. P., & Allen, N. J. (1991) developed and published three component model of commitment based on the psychological state which reflects a desire (affective commitment), a need (continuance commitment), or an obligation (normative commitment) to maintain membership in the organization and they also said that commitment must not only view as a mechanism to reduce labour turnover but also increase the commitment for the personal well - being of the employee which leads to willingness to work towards attainment of organizational goals.

IV. RESEARCH METHODOLOGY

4.1 Research Design

Descriptive research has been used in this study

4.2 Sampling size

150 samples were collected.

4.3 Data Collection

The primary data is collected through questionnaire. The secondary data is collected through books, company websites, magazines.

4.4 Tools used for analysis:

- Chi-square
- Correlation

V Data Analysis and Interpretation

5.1 Demographic Profile

Factors	No. of Respondents	Percentage
Age 21-30 31-40	85 65	57% 43%
Gender Male Female	121 29	81% 19%
Educational Qualification Post Graduate Under Graduate	30 120	20% 80%
Designation Bank Marketing Representative Bank Teller Branch Manager Data Processing Officer Financial Analyst Internal Auditor Loan officer Operations Manager	38 10 8 28 19 22 15 10	25.30% 6.66% 5.33% 18.66% 12.66% 14.66% 10.00% 6.66%
Experience <1year >10 1 to 5 6 to 10	41 1 103 5	27.33% 0.66% 68.66% 3.33%

Table 5.1 Percentage analysis of Demographic Factors

INFERENCE

57% of the respondents come under the age category 21-30, 81% of the respondents are Male, 80% are under graduate, 25.30% of respondents are bank representative, 68.66% of respondents have 1 to 5 years of experience.

5.2 CHI-SQUARE Analysis for Duration of Stay in and Employee performance

Null Hypothesis (H0) – There is no significant relationship between Duration of stay and Employee Performance.

Alternative Hypothesis (H1) - There is significant relationship between Duration of stay and Employee Performance.

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.961 ^a	12	.193
Likelihood Ratio	18.841	12	.092
N of Valid Cases	150		

Table 5.2 CHI-SQUARE Analysis for Duration of Stay in and Employee performance

INFERENCE

Since p value is greater than 0.05, we accept the Null hypothesis and rejects the Alternate hypothesis. Therefore, there is no significant relationship between Duration of stay and Employee Performance.

5.3 Correlation Analysis for Employee opportunities and turnover Intension

Null Hypothesis (H0) – There is no significant relationship between Employee opportunities and Turnover intention.

Alternative Hypothesis (H1) - There is significant relationship between Employee opportunities and Turnover intention.

		Employee	Over
Employee	Pearson Correlation	1	.316**
	Sig. (2-tailed)		.000
	N	150	150
Over	Pearson Correlation	.316**	1
	Sig. (2-tailed)	.000	
	N	150	150

Table 5.3 Correlation Analysis for Employee opportunities and turnover Intension

INFERENCE

Pearson Correlation value is 0.316. So, it is positive correlation. Hence there is positive correlation between Employee opportunities and Turnover intention.

VI. CONCLUSION

Banks have effective and goal oriented training and development programs, clear definition of career planning and Job design would bring them high performance and achievement. These would also attract both the customers and internal customers (i.e., Employees) and helps the economic growth of the country. Hence the Human resource outcome variables playing a mediating role between the practices and performance, improvisation of these variables would definitely improve the organizational performance through employee performance.

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