

IMPACT OF EMPLOYEES PERFORMANCE IN PUBLIC AND PRIVATE SECTOR BANK- COMPARATIVE STUDY

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ABSTRACT

The aim of this study is to verify HR practices effect on employees training and performance of banking sector. The study finds out the training and development of the employees performance. Training and development have strong relationship with employees' performance. There is not a single HR Practice which a company aspires to retain its employees. There are different HR Practices which a company combines to manage its HR system. A company should always combine "Number of Best HR Practices" which they should implement for the survival and sustainability of the organization. "Best practices" in HR are subjective and transitory. The findings of this study are limited because this study chooses very few HR practices in relation with performance. Employees performance is the most important factor in an organization success, therefore, there is need to adopt effective human resources strategies that aim to improve employees performance and creates the culture of high performance in any organization based on human resource practices.

Keywords: Bank, Employee Performance, HR practices, Training and development

INTRODUCTION:

In the present world there is intense competition among organizations. So the organizations need best human capital to continuously compete with each other because the performance of the organization is based on the performance of its people. It is the duty of the managers to constantly review the strategic resources of an organization. Various arguments have been made during last few years that human capital is the source of firm's sustainable competitive edge. In the same way, the right use of these HR practices showed best of their results in high performance almost in every type of organization and countries. So, for the developing countries like India, the HRM has become the essential element in a developing process. However there are many criticisms made on HRM in developing countries due to its ineffectiveness. Most of the researchers argue that in developing countries there are low level of salaries, short term rewards for performance and lack of training opportunities for employees. Banking sector of India is one of the most developed and still growing sectors of India. It is related to the service industry. So it is very important for the development of this sector to have competent and knowledgeable employees in this sector. As banking sector provides services to customers through the employees of bank, it is important for banks to retain right people and one way is to provide them what an employee wants in addition to its pay. Benefit packages are an important way to attract employees and also to retain them. The main purpose of this investigation is to examine the impact of Human Resource Management Practices on employee training and performance in the banking sector. No studies currently exist on the relationship between HRM practices and employees training and performance in India. The results of this study should help Indian managers for making strategy in HRM practices which can substantially improve employee's performance.

REVIEW OF LITERATURE:

Fahad Mahmood et al (2014) in his article "The Impact of Human Resource Management Practices on Employees Performance in Banking Industry of Pakistan" says that Banking sector of Pakistan is one of the most developed and still growing sectors of Pakistan. It is related to the service industry. So it is very important for the development of this sector to have competent and knowledgeable employees in this sector. As banking sector provides services to customers through the employees of bank, it is important for banks to retain right people and one way is to provide them what an employee wants in addition to its pay. Benefit packages are an important way to attract employees and also to retain them.

Ngui Thomas Katua et al (2014) in his article "Effect of Reward and Compensation Strategies on the Performance of Commercial Banks in Kenya", explained that human resources are one of the most critical components of strategic success across all organizations. For one to objectively judge the human resources management practices as effective, they must contribute to the organization's bottom line. Reward and compensation strategies have a greater role in influencing the performance of bank employees hence contribute heavily to the performance of commercial banks. Human resources managers must therefore pay attention to compensation systems that motivate bank employees to productivity and innovation.

Zulfqar Ahmad Bowra, Bilal Sharif et al (2012) in his article "Impact of human resource practices on employee perceived performance in banking sector of Pakistan" stated that banking sector of Pakistan would quickly redefine the compensation practices in order to boost up the performance of the employees in banks. Salaries and other financial incentives of employees should be adjusted in accordance with higher inflation in Pakistan. The banking sector also has to properly implement and maintain the other HR practices like performance evaluation and promotion practices.

Ghafoor, Khan, & Khan (2011) in his study "Impact of Training and Development on Organizational performance" says that describe research on the topic of training and development on employee performance in education sector of Pakistan, the main purpose of the researched article to verify training and development with employee performance in

educational sector of Pakistan. Independent variables were training and development, on the job training delivery style and dependent variable was employee performance.

Savaneviciene, A., Stankeviciute, Z. (2010) in his article “The Models Exploring the “Black Box” says that Expectancy theory of motivation explains the link between motivation and performance. The theory proposes that performance at individual level depends on high motivation, possession of the necessary skills and abilities and an appropriate role and understanding of that role.

OBJECTIVES:

The main objective of the study is to examine the impact of on employee’s performance in public sector and private sector banks and to give suggestions to overcome the problems implementing HRM practices.

METHODOLOGY:

The study is based on primary and secondary data. Primary data has been collected mainly through structured questionnaire. Convenience sampling technique has been adopted to collect data from 275 employees only from public sector bank of Kanyakumara District. Secondary data related to previous studies has been obtained from authentic source like books, magazines, journals, websites etc. Percentage, t-test are used in this study for analysis.

ANALYSIS AND INTERPRETATION:

Table 1: Demographic Profile of the Respondents

Demographic		No of respondent	Percentage
Age	21-30	46	17
	31-40	77	28
	41-50	84	30
	Above 50	68	25
Total		275	100
Gender	Male	127	46
	Female	148	54
Total		275	100
Educational Qualification	Under Graduate	37	13
	Post Graduate	115	42
	Professional	93	34
	Others	30	11
Total		275	100

Source: Primary data

The above table shows that, in banking sector 46 (17 percentage) respondents are in the age group of 21-30, 77 (28 percentage) respondents are in the age group of 31-40, 84 (30 percentage) respondents are in the age group of 41-50 and the remaining 68 (25 percentage) respondents are in the age group of above 51. In banking sector 127 (46 percentage) respondents are male employees and the 148 (54 percentage) respondents are female employees. In the banking sector 37 (13 percentage) respondents have studied up to U.G level, 115 (42 percentage) respondents studied up to P.G level, 93 (34 percentage) respondents studied up to Professional and the remaining 30 (11 percentage) respondents studied others.

Table 2: Impact of Employee’s Performance

Sl. No	Impact of employee’s performance	Mean score		t-Statistics	P-Value
		Male	Female		
1.	Employees are able to plan their job in the right time for better performance	3.5556	3.2381	3.898*	.000
2.	They are able to link salary and status to performance	3.9630	3.8095	.652	.408
3.	Employees take performance appraisal system seriously and objectively	3.1481	3.2381	-.378	.308
4.	Employees are aware that performance appraisal system serves as a basis for career planning	2.9259	2.9259	-.100	.852
5.	Employees understand the purpose for which appraisal reports are used in the bank	2.9074	2.8095	4.507*	.000
6.	Employees understand the contribution of performance appraisal design in a accomplishment of organizational goals	3.4074	3.0476	1.645	.101
7.	When an employee does good work his colleagues appreciate it	3.4259	3.5714	-.576	.198
8.	Employees are able to set norms for promoting self – appraisal	2.9630	2.7619	2.188*	.029
9.	Employees perceive the performance appraisal as an opportunity for further improvement	2.7778	2.7143	2.188*	.029
	Overall performance	2.8518	3.1240		

Source: Primary data

*Significant at 5 percent level

Table 2 reveals that male employees’ have the highest performance for the variables ‘They are able to link salary and status to performance’ and ‘Employees are able to plan their job in the right time for better performance’, since they have the highest mean scores of 3.9630 and 3.5556 respectively. They have the lowest performance for the variables ‘Employees perceive the performance appraisal as an opportunity for further improvement’ and ‘Employees understand the purpose for which appraisal reports are used in the bank’, since they have the lowest mean scores of 2.7778 and 2.9074 respectively. Female employees’ have the highest performance for the variables ‘They are able to link salary and status to performance’ and ‘When an employee does good work his colleagues appreciate it’, since they have the highest mean score of 3.8095 and 3.5714 respectively. They have the lowest performance for the variables ‘Employees perceive the performance appraisal as an opportunity for further improvement’ and ‘Employees are able to set norms for promoting self – appraisal’, since they have the lowest mean score of 2.7143 and 2.7619 respectively.

Regarding the impact of employees performance in male and female, significant difference have been identified in the case of four variables, ‘Employees are able to plan their job in the right time for better performance’, ‘Employees understand the purpose for which appraisal reports are used in the bank’, ‘Employees are able to set norms for promoting self – appraisal’ and ‘Employees perceive the performance appraisal as an opportunity for further improvement’, since their respective ‘t’ statistic are significant at five percent level.

SUGGESTION

- ❖ Banks should take measures to change the attitude of the employees towards work and also to increase the level of interest towards work.

- ❖ Banks should include personality traits in assessing the performance of their employees.
- ❖ Banks should take measures in modifying the performance appraisal system according to the present day conditions.

CONCLUSION:

The present study is an attempt to enhance and improve and finally contribute towards the literature on HR practices and Performance linkage. The present study helps management and decision makers of banks to improve the employee performance. The main purpose of this study was to help researchers and policy makers in searching the new dimensions to enhance performance of the employees who considered being the main actors in delivering quality services in banking sector.

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