ABSTRACT

The purpose of this study was to explore the role of different Human Resource practices (Recruitment & Selection, Training & Development, Performance Appraisal, Career Planning System, Compensation System, Employee Participation and Job Analysis and Design) on Perceived Organizational Performance and Perceived Employee Performance. Another purpose was exploring the mediating role Human Resource Practice outcome (Satisfaction, Commitment and Turnover Intention) 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. A conceptual model was proposed with the help of literature review.
The study was conducted targeting the employees working in commercial banks, to make it precise the banks were ranked based on their employee performance and two banks from each top performing and least performing banks were selected from three sectors include Public, Old Private and New private sector. A structured questionnaire consisting pretested constructs were used to collect the primary data from the target respondents. Primary data from 1004 employees working in 305 branches of commercial banks covering three sectors were collected. Secondary data were collected from the web sites such as the Reserve Bank of India, Indian bankers Association and Tamil Nadu Bank employees’ association.

A proposed conceptual model containing Human Resource Practices as Independent variable, HRM outcome as Mediating variable, organizational and employee performance were treated as dependent variable and demographic variables were used to identify the different dimensions of the outcome. For the purpose of analysis statistical tools ANOVA, t-Test, and Correlation were tested using Excel and SPSS. To identify the in depth linkage and mediating effects posted in the conceptual model path analysis and Structural Equation Model is tested using IBM AMOS version 20.
Results of ANOVA and t-Test identified that employees’ differed in their opinion and perception based on majority of demographic variables except few demographic factors. Correlation results revealed that all the independent variables are significantly correlated with mediating and dependent variables except Performance Appraisal Process. All mediating variables except Turnover intention extracted positive correlation from Human Resource Practice variable and shown a positive correlation with independent variables.

Path analysis showed that few Human Resources Practice variables such as Recruitment & Selection and Employee Participation do not have any direct influence over both the independent variables perceived organizational and employee performance. It also suggests three mediating variables Satisfaction, Commitment and Turnover intentions have full and partial mediation between Human Resource practices variables and independent variables.

The result of Structural Equation Model proposed two modifications in the hypothesized model that new link from Satisfaction to Commitment and Perceived Organizational performance to Perceived Employee performance. The fit indices also support the structural model and the data are aptly fitted into the model.
This study has found a new dimension in the HRM, Performance linkage. The assessment of the role of human resource 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 resource practices but also their outcome have significant influence on the performance, therefore it helps the Human Resource Managers to devise a strategy to extract the maximum output by accelerating the process.