

The Effect of Human Resource Management Practice on Organizational Performance of Bank Employee in Punjab National Bank (PNB)

Prof. S.A. Mufeed

Director, The Business School
The University of Kashmir, India
mufeedku@yahoo.com

Rafia Gulzar

PhD Scholar, The Business School
The University of Kashmir, India
rafiayamama@gmail.com

Abstract: *The research study empirically evaluated the nine Human resource Management (HRM) practices (general climate, OCTAPACE culture, selection, job definition, career planning, employee participation, performance appraisal system, training and compensation) and their impact on perceived organizational performance in the Punjab National Bank. The sample consists of 11 managers and 33 subordinates working in different branches in Jammu and Kashmir. The findings indicated that there is significant impact of HRM practices on organizational performance. Finally, this research study depicts the limitation and future research directions.*

Key words: *HRM Practices, OCTAPACE culture, Organizational performance, PAS and PNB.*

1. INTRODUCTION

The people who make up an organization -human resources- are considered to be one of the most important resources of today's firms. People and how they are managed are becoming more important because many other sources of competitive success are less powerful than they used to. Recognizing that the basis for competitive advantage has changed is essential to develop a different frame of reference for considering issues of human resource management and strategy. Traditional sources of success such as product and process technology, protected markets, economies of scale, etc. can still provide competitive leverage but an organization's human resources are more vital for its sustainability.

Human resources are considered an asset that is most important to organization, but not all organizations utilize its potential. Lado and Wilson (1994, p. 701) define a human resource system "as a set of separate but interconnected processes, activities & functions, that are focused towards attracting, developing, retaining & maintaining an organization's human resources." Traditionally, successful management of this system has gained more attention from service organizations than from manufacturing organizations. Very sophisticated processes & technologies as well as extremely innovative manufacturing practices alone cannot enhance operational performance of an organization until and unless the required HRM practices are put in place to create a consistent techno-social system. It is due to this reason; manufacturing organizations must vigilantly and cautiously assess their HRM practices and amend them, in order to enable employees to contribute towards improvement on operational performance.

The main aim of this study is to explore the effect between HRM practices and organizational performance of Punjab National Bank as well as examining whether there is a positive impact of HRM practices on organizational performance.

2. RESEARCH OBJECTIVES

The study focuses on various HRM practices in the PNB. In addition to this the study finds out the relationship between HRM practices and organizational performance.

3. HYPOTHESIS

- HRM practices have significant association with organizational performance.
- HRM practices have significant impact on organizational performance.

4. REVIEW OF LITERATURE

By definition, human resources are people that are employed in an organisation to carry out their daily duties in exchange for wages, salaries or rewards (Denisi and Griffin, 2005). Human resources are ways and means to achieving competitive advantage because of its unique capability to convert the other resources (money, machine, methods and material) into output (product/service). A competitor may imitate resources like capital & technology but the human resource are unique. According to Khatri (1999), people are the single most important factors providing adaptability & flexibility to organizations. Rundle (1997) argues that we need to keep in mind that people are the adaptive mechanism that will determine how the organization will respond to the competitive environment.

Many scholars have reasoned that managing people is not as easy as managing capital or technology (Barney, 1991; Lado and Wilson, 1994). However those organizations that have learnt how to manage their human resources well would have an edge over others for a long time to come because acquiring and deploying human resources effectively is cumbersome and takes much longer (Wright et al., 1994). On one hand, human resource management (HRM) is the formal system that includes philosophy, policies, and practices in an organisation to ensure that it effectively utilises the knowledge, skill, abilities, and other characteristics of the employees to achieve the organisational goals (Pynes, 2009). Proper management of human resources can provide a competitive advantage for organisations to compete in their respective industries. Human resource practices such as the recruitment and selection, training and development, compensation and benefits, retention, evaluation and promotion of employees, and labour management relations are the practices that have always been carried out and have become key elements in an organisation. It is important for the organisation to recruit the right people to fill up available vacancies in order to attain the standard needed in delivering the required quality of services and products (Hayes and Ninemeie, 2009).

The notion of “modern HRM practices” has nowadays become an accepted mode of referring to high level decisions, multiple communication channels, high compensation and benefits systems, often linked to multiple key performance indicators (KPIs), and other practices that either collectively or individually deployed to achieve high degrees of organizational performance (Zenger and Hesterly, 1997; Ichniowski et al., 1997; Teece, 2007; Colombo and Delmastro, 2008). In this context, Guthrie (2001: 181) postulates that: “The common topic in this literature is an importance on utilizing a system of management practices providing employees with skills, motivation, information and latitude which results in a workforce that provide competitive advantage to the organization.”

4.1. Organizational Performance

After reviewing lot of literature on HRM & HR practices it becomes equally important to have an insight into the conceptual understanding of organizational performance. Performance is a set of financial and nonfinancial indicators which offer information on the degree of achievement of objectives and results (Lebans & Euske 2006 after Kaplan & Norton, 1992). Organizational performance is generally indicated by effectiveness (whether an organization can achieve its objectives), efficiency (whether an organization uses resource properly), satisfaction of employees and customers, innovation quality of products and services and ability to maintain a unique human pool (Delaney and Huselid, 1996; Dyer & Reeves, 1995; Guest 2001; Katou & Budhwar 2007). The ultimate goal of a business organization is higher financial performance or maximisation of wealth for stake holders (Becker & Huselid, 1998; Horngren, Foster, & Datar, 2000). Nonetheless, attaining the organization’s goals depends upon the extent to which its organizational performance is reached (Katou & Budhwar, 2007).

4.2. Relationship between HRM Practices and Organization Performance

HRM practices improve organizational performance. Rondeau and Wager (2001) examined the co-relation between HRM practices, workplace climate & perceptions of organizational performance, in a large sample of Canadian nursing homes. The study found that nursing homes, which had implemented more ‘progressive’ HRM practices, had a general tendency to perform better on a number of valued organizational outcomes. Chand & Katou (2007) conducted a study to investigate if some characteristics of hotels affect organizational performance in the hotel industry in India; & to examine if some HRM systems affect organizational performance. Their study revealed that hotel performance is positively associated with hotel category, type of hotel & hotel performance is directly related to HRM systems of recruitment & selection, manpower planning, job design, training &

development, quality circle & pay system. Joseph & Dai (2009) in their studies found that there is a direct relation between HRM practices & organizational performance; that alignment of HRM is also a driver for organization's performance.

The core elements of HRM practices consists of General climate, OCTAPACE culture, selection, job definition, career planning, employee's participation, performance appraisal, training and compensation. An attempt was made to through some light on the above mentioned areas of HRM practiced linked with the present research study:

4.3. General Climate

A general climate is one where the management helps its employees out of their way besides treating them as the most important assets of an organization. At the same time, positive policies and the interest of the management to invest time and money on employees help in creating good climate in the organization. In addition to above if seniors support and trust their juniors and show equal concerns to their problems a good general climate exists in these organizations.

4.4. OCTAPACE Culture

The OCTAPACE items characterized by the occurrence of openness, confrontation, trust, authenticity, pro-activity, autonomy, collaboration and experimentation are valued and promoted in the organizations. Openness can be defined as spontaneous expression of feelings and thoughts and receiving feedback and information without defensiveness or fear of retribution. Confrontation brings problems and issues to the surface for solution, rather than hiding them under the carpet for fear of hurting or getting hurt. Trust in simple terms means "taking people at face value and believing what they say". Authenticity reflects the tendency of people to "walk-the-talk" meaning that they will do what they say. Proactive encourages employees to take initiative and risks without being prompted and supervised. Autonomy allows people to work independently with responsibility. Collaboration recognizes interdependencies and the value of teamwork.. Experimentation is using and encouraging innovative approaches to solve problems and using feedback for continuous improvement.

4.5. Selection

Selection involves matching the requirements of a job with attributes of candidates. This is facilitated by drafting a 'person specification' defining the background, education, training, personality and other characteristics of the ideal candidate. The person described may not exist, but the process of drafting a person specification creates a standard against which candidates can be compared (Boertist and Mojboom 1989). To sustain the competitive advantage an organization needs talented and skilled workers. Huselid (1995) has found that organisational productivity and high performance depends on the selection of the right person, which is also a key element to reduced turnover.

4.6. Job Definition

According to Tracey,(1998), Job definition is the written format "duties and tasks a single worker is expected to perform" In every organization, job definition helps management to define task, authority and systems will be organized and integrated across organization units and in individual jobs. Job definition is generally a combination of job description and job specification.

4.7. Career Planning

In human resource management, career planning aims to identify needs, aspirations and opportunities for individuals' career and the implementation of developing human resources programs to support that career. According to Edgar Schein career planning (Manolescu, 2003) is a continuous process for an individual to develop his own occupational concept as a result of skills or abilities, needs, motivations and aspiration.

4.8. Employee Participation

Participation has been defined as a process which allows employees to exert some influence over their work and the conditions under which they work (Heller, Pusic, trauss and Wilpert, 1998) or alternatively, as a process in which influence on decision making is shared between hierarchical

superiors and their subordinates (Wagner and Gooding, 1987). Newstrom and Davis (2004), cited in Bhuiyan (2010), describe participation as a mental and emotional involvement of people in group situations that encourages them to contribute to group goals and share responsibility for them. It is social processes by which people become self-involved in an organization and want to see it work successfully.

4.9. Performance Appraisal

Performance appraisal is a process of inspecting and evaluating an individual's performance in his duty to facilitate the decision of career development of the individual. It evaluates the individual overall contribution to the organization through assessment of his internal characteristics, working performance and his capability to pursue higher position in organization (Gruman & Saks, 2011). Performance appraisal consists of a framework of planned goals, standards and competence requirements and plays an important role in integrating the individual's needs with the organizational needs (Saraswathi, 2010).

4.10. Training

In this competitive world, training plays an important role in the competent and challenging format of business. Training is systematic development of the knowledge, skills and attitudes required by an individual to perform adequately a given task or job. Flippo, (1984) "Training is the act of increasing knowledge and skills of an employee for doing a particular job."

4.11. Compensation

Compensation is an integral part of human resource management which helps in motivating the employees and improving organizational effectiveness. According to Bob, (2011) Compensation processes are based on Compensation Philosophies and strategies and contain arrangement in the shape of Policies and strategies, guiding principles, structures and procedures which are devised and managed to provide and maintain appropriate types and levels of pay, benefits and other forms of compensation.

5. RESEARCH APPROACH AND METHODOLOGY

The main components of research methodology that will be adopted for conducting the research are highlighted as under:

- A comprehensive study of primary and secondary sources was done so that authentic and relevant data can be collected and analyzed in order to understand the research problem for the sample study organization.
- Study of annual reports, booklets, survey reports and other records and documents of the organization's under study.
- Well framed and systematic questionnaire was prepared to elicit the required information from the managers and other cadre of the sample study organizations.

6. SAMPLE SIZE

The respondents were selected on the bases of simple random sampling method (SRSM). Thus, the total sample taken for the present study was 44, out of which 11 were managers and 33 were subordinates.

7. INDEPENDENT VARIABLE

The following Independent variables that contribute significantly to organizational performance: GC: General climate, OC: OCTAPACE Culture, S: Selection, JD: Job definition, CP: career planning, EP: employee participation, PA: performance appraisal, T: training and C: compensation.

8. DEPENDENT VARIABLE

Organizational performance as perceived by employees.

9. SELECTION OF SAMPLE STUDY ORGANIZATION

PNB was established on May 19, 1894. The founding board was drawn from inverse parts of India constituting of different faiths and a varied background. However, the common objective was to

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provide people of India with a truly national bank which would keep economic interest of the country as a top-most priority.

The Bank started business on 12 April, 1895. The first Board of Directors, comprised of veterans like i) Sardar Dayal Singh Majithia, who was also the founder of Dayal Singh College and the Tribune; ii) Lala Lalchand one of the founders of DAV College and President of its Management Society; iii) Kali Prosanna Roy, eminent Bengali pleader who was also the Chairman of the Reception committee of the Indian National Congress at its Lahore session in 1900; iv) Lala Harkishan Lal who became widely known as the first industrialist of Punjab; v) EC Jessawala, a well known Parsi merchant and partner of Jamshedji & Co. of Lahore; vi) Lala Prabhu Dayal, a leading Rais, merchant & philanthropist of Multan; vii) Bakshi Jaishi Ram, an eminent Civil Lawyer of Lahore; and viii) Lala Dholan Dass, a great banker, merchant and Rais of Amritsar. Thus a Bengali, Parsi, a Sikh and a few Hindus joined hands in a purely national and cosmopolitan spirit to lay a strong foundation of this Bank which opened its doors to the public on 12th of April 1895. The commitment of Board of Directors towards the bank was exemplary. They managed the bank with a Missionary Zeal. Sh. Dayal Singh Majithia was the first Chairman, Lala Harkishan Lal, the first secretary to the Board and Shri Bulaki Ram Shastri Barrister at Lahore, was appointed Manager. Keeping the importance of HRM practices in bank the PNB was taken for study.

10. FINDINGS AND ANALYSIS EMPLOYEES VIEW'S ON HRM VARIABLES IN PNB

Table 1.1 and 1.2 presents the mean score, percentage of mean score of various variables of HRM used in present study which determines the manager's and subordinate's perception towards the overall HRM practices in the PNB. The Table 1.1 indicates that the mean values and percentage to mean score ranges between 2.45(36.25%) and 4.82(95.5%) in case of managers of PNB. The table 1.2 reveals that the mean value and percentage of mean score ranges between 2.76 (44.00%) and 4.61(90.25%) in case of subordinates of PNB. It is imperative to note that higher mean values or higher percentage of mean scores linked across the variables HRM indicates that these variables are perceived to be superior and effective and lower mean values or lower percentage of mean scores across the managers and subordinates have poor opinion about the effectiveness of HRM variables. To continue with the same, the table 1.1 also depicts that the perception of managers in the JK bank towards various components of HRM. It can be interpreted that only 46 out of 52 statements have crossed 60% level of satisfaction among the managerial staff of JK bank rest are less than 60%. The table 1.2 depicts the perception of subordinates of JK bank towards the various components of HRM. it can be interpreted that only 36 out of 52 statements have crossed 60% level of satisfaction and rest are below 60%. It reveals that managers are having more favorable perception towards the existing HRM practices in the PNB than subordinates. Higher the level of satisfaction towards HRM practices among the employees means good perceived organizational performance.

Table1.1. *Perceived View of PNB Managers on HRM practices*

Statements	PNB Managers(N=11)		
	Mean Score	Percentage of Mean Score	Std. Deviation
General climate(GC)			
GC1	3.73	68.25	1.191
GC2	4.09	77.25	1.044
GC3	3.91	72.75	1.221
GC4	3.82	70.50	0.982
GC5	4.09	77.25	0.539
GC6	4.00	75.00	0.775
GC7	4.09	77.25	0.831
OCTAPACE Culture(OC)			
OC1	3.73	68.25	1.009
OC2	4.18	79.50	0.405
OC3	4.09	77.25	0.831
OC4	3.18	54.50	0.874
OC5	4.09	77.25	0.539
OC6	4.45	86.25	0.934
OC7	4.36	84.00	0.674
Selection(S)			

S1	4.45	86.25	0.934
S2	3.91	72.75	1.221
S3	4.82	95.50	0.603
S4	4.64	91.00	0.674
S5	4.64	91.00	0.505
S6	4.18	79.50	0.751
Job Definition(JD)			
JD1	4.45	86.25	0.522
JD2	4.36	84.00	0.505
JD3	4.27	81.75	0.467
JD4	3.64	66.00	0.809
Career Planning(CP)			
CP1	4.55	88.75	0.688
CP2	3.91	72.75	0.944
CP3	3.73	68.25	1.104
CP4	3.91	72.75	0.701
CP5	4.27	81.75	0.905
CP6	3.64	66.00	0.505
CP7	4.00	75.00	0.775
Employees Participation(EP)			
EP1	3.18	54.50	0.982
EP2	2.91	47.75	0.944
EP3	3.82	70.50	0.751
Performance Appraisal(PA)			
PA1	4.18	79.50	0.603
PA2	4.27	81.75	0.647
PA3	3.73	68.25	1.104
PA4	4.00	75.00	0.894
PA5	4.00	75.00	0.775
PA6	4.00	75.00	0.775
PA7	4.18	79.50	0.603
Training(T)			
T1	4.36	84.00	0.505
T2	3.36	59.00	1.120
T3	3.45	61.25	1.036
T4	4.00	75.00	0.447
T5	3.64	66.00	0.809
T6	4.09	77.25	0.831
Compensation(C)			
C1	3.73	68.25	0.647
C2	3.73	68.25	0.647
C3	2.82	45.50	0.603
C4	2.55	38.75	0.688
C5	2.45	36.25	1.036

Table1.2. Perceived View of PNB subordinates on HRM practices

Statements	PNB Subordinates(N=33)		
	Mean	Percentage of Mean Score	Std. Deviation
General climate(GC)			
GC1	2.76	44.00	1.458
GC2	3.42	60.50	1.091
GC3	3.42	60.50	1.173
GC4	3.09	52.25	1.208
GC5	3.76	69.00	0.867
GC6	3.58	64.50	1.032
GC7	3.48	62.00	1.121
OCTAPACE Culture(OC)			
OC1	3.52	63.00	1.004
OC2	3.76	69.00	0.830
OC3	3.36	59.00	1.141
OC4	3.06	51.50	0.899

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OC5	3.61	65.25	0.998
OC6	4.09	77.25	0.879
OC7	4.15	78.75	0.939
Selection(S)			
S1	3.79	69.75	0.927
S2	3.70	67.50	0.918
S3	4.06	76.50	0.933
S4	3.91	72.75	0.980
S5	3.76	69.00	1.146
S6	3.85	71.25	0.870
Job Definition(JD)			
JD1	3.67	66.75	1.051
JD2	3.76	69.00	0.902
JD3	3.73	68.25	0.876
JD4	3.70	67.50	0.951
Career Planning(CP)			
CP1	3.94	73.50	0.966
CP2	3.58	64.50	0.867
CP3	3.55	63.75	1.175
CP4	4.39	84.75	5.080
CP5	3.67	66.75	1.109
CP6	4.61	90.25	8.937
CP7	3.73	68.25	1.008
Employee Participation			
EP1	2.85	46.25	0.939
EP2	3.21	55.25	1.219
EP3	3.15	53.75	0.972
Performance Appraisal(PA)			
PA1	3.64	66.00	0.699
PA2	3.61	65.25	0.788
PA3	3.18	54.50	0.950
PA4	3.52	63.00	0.795
PA5	3.64	66.00	0.742
PA6	3.61	65.25	0.788
PA7	3.61	65.25	0.864
Training(T)			
T1	3.76	69.00	0.792
T2	2.94	48.50	1.059
T3	3.15	53.75	1.149
T4	3.73	68.25	1.039
T5	3.36	59.00	1.220
T6	3.67	66.75	1.051
Compensation(C)			
C1	3.39	59.75	0.998
C2	3.18	54.50	0.917
C3	3.27	56.75	0.944
C4	3.27	56.75	1.232
C5	2.94	48.50	1.171

Keeping the background in view, the present study has been conducted to study the relationship between HRM practices perceived organizational performance in the banking industry in India. The correlation coefficients clearly present the results of the current study. The inter correlation among different HRM practices and different measures of Organizational performance is studied organizational wise, as there are glaring differences in so far results of the study are concerned . Same has been analyzed in the following paragraphs.

The results of table 1.3 reveals that higher degree of positive correlation between various HRM practice variables such as 0.628 between General Climate and Performance Appraisal, 0.593 between Employee Participation and General Climate, 0.528 between Career Planning and Job Definition, 0.493 between Job Definition and General Climate, 0.465 between Performance Appraisal and Career

Planning, 0.407 between Training and Performance Appraisal and positive correlation between various variables follows with the varying degree. The negative correlation exists between Selection and OCTAPACE culture (-0.054), Compensation and Selection (-0.071) and Compensation and Employee Participation (-0.100).

Table1.3. Correlation coefficients among HRM practices in the managers of PNB.

Variables		GC	OC	S	JD	CP	EP	PA	T	C
General climate(GC)	Correlation Coefficient	1.000								
	P-Value	.								
OCTAPACE Culture(OC)	Correlation Coefficient	0.381**	1.000							
	P-Value	0.001	.							
Selection(S)	Correlation Coefficient	0.285*	-0.054	1.000						
	P-Value	0.020	0.668	.						
Job Definition(JD)	Correlation Coefficient	0.493**	0.227	0.253	1.000					
	P-Value	0.004	0.205	0.155	.					
Career Planning(CP)	Correlation Coefficient	0.326**	0.013	0.217	.0528**	1.000				
	P-Value	0.004	0.911	0.079	0.002	.				
Employee Participation(EP)	Correlation Coefficient	0.593**	0.215	0.056	0.293	0.219	1.000			
	P-Value	0.000	0.229	0.758	0.098	0.222	.			
Performance Appraisal(PA)	Correlation Coefficient	0.628**	0.149	0.175	0.380*	.0465**	0.388*	1.000		
	P-Value	0.000	0.195	0.160	0.029	0.000	0.026	.		
Training(T)	Correlation Coefficient	0.265*	0.101	0.070	0.298	0.275*	0.372*	0.407**	1.000	
	P-Value	0.031	0.420	0.578	0.092	0.026	0.033	0.001	.	
Compensation(C)	Correlation Coefficient	0.006	0.168	-0.071	0.194	0.145	-0.100	0.225	0.186	1.000
	P-Value	0.964	0.221	0.608	0.278	0.289	0.578	0.099	0.174	

From table 1.4, it is evident that all the thirty six correlation coefficients are positive, suggesting thereby that HRM practices and organizational performance are closely related, with varying degree of significance. The highest association of 0.488 is perceived between Job Definition and General Climate, 0.476 between Career Planning and Selection, 0.455 between Job Definition and Selection, 0.445 between Employee Participation and Career Planning, 0.405 between Training and Career Planning, 0.404 Training and General Climate and so on and are statistically significant. The lowest degree of positive correlation is 0.090 between Performance Appraisal and Job Definition and is statistically non-significant with p-value 0.377.

Table1.4. Correlation coefficients among HRM practices in the subordinates of PNB

Variables		GC	OC	S	JD	CP	EP	PA	T	C
General climate(GC)	Correlation Coefficient	1.000								
	P-Value	.								
OCTAPACE Culture(OC)	Correlation Coefficient	0.239**	1.000							
	P-Value	0.000	.							
Selection(S)	Correlation Coefficient	0.381**	0.315**	1.000						
	P-Value	0.000	0.000	.						
Job Definition(JD)	Correlation Coefficient	0.488**	0.282**	0.455**	1.000					
	P-Value	0.000	0.005	0.000	.					
Career Planning(CP)	Correlation Coefficient	0.351**	0.378**	0.476**	0.268**	1.000				
	P-Value	0.000	0.000	0.000	0.007	.				
Employee Participation(EP)	Correlation Coefficient	0.299**	0.252*	0.320**	0.123	0.445**	1.000			
	P-Value	0.003	0.012	0.001	0.225	0.000	.			
Performance Appraisal(PA)	Correlation Coefficient	0.357**	0.242**	0.258**	0.090	0.346**	0.295**	1.000		

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	P-Value	0.000	0.000	0.000	0.377	0.000	0.003	.		
Training(T)	Correlation Coefficient	0.404**	0.254**	0.336**	0.312**	0.405**	0.308**	0.342**	1.000	
	P-Value	0.000	0.000	0.000	0.002	0.000	0.002	0.000	.	
Compensation(c)	Correlation Coefficient	0.242**	0.180*	0.211**	0.321**	0.250**	0.181	0.210**	.356**	1.000
	P-Value	0.002	0.021	0.007	0.001	0.001	0.073	0.007	0.000	

The above results indicate that there is a correlation among the variables that were selected for the study. It is clear from the table that employees agree that HRM practices are well established and implemented in the PNB. These results can be considered as a good sign that different HRM practices are communicated and recognized by both managers as well as subordinates. It can be concluded that the results confirm positive relationship between HRM practices that indicates the level of satisfaction of employees towards HRM practices as hypothesized with varying degree of correlation. Above result also confirms that HRM practices have positive impact on organizational performance.

11. CONCLUSION AND SUGGESTIONS

From the above discussion the present study indicates that there is a huge scope of improvement in various aspects of HRM practices in the sample study organizations. The overall pattern also suggests that the managers and subordinates have different belief towards HRM practices in the sample study organizations. The manager’s attitude towards the various issues of HRM practices is more positive than subordinates. This is evident from mean score, percentage of mean score, standard deviation, p-values and correlation. These discrepancies in beliefs must be avoided to develop a favorable HRM practices in order to improve organizational performance. The management of banks under study should adopt the organizational culture where people are open to discuss problems and encourage others to take initiatives. The management should execute appraisal system based on merits and performance of employees. The training system of organizations should be geared to design innovative and highly specialized programs as a measure to improve and provide skills, knowledge and expertise in functional areas. Further the HR managers should identify the employee's career needs and opportunities. The managements should focus more on valid and standardized tests in the selection process. Further for handling employees efficiently it is highly recommended to involve them in decision making. The management of banks under study should also provide suitable welfare facilities like compensation in such a manner that employees take active interest in their jobs and work with the feeling of involvement and satisfaction which secure the benefit of high efficiency and improves the organizational performance.

12. LIMITATION AND DIRECTION FOR FUTURE RESEARCH

The study was limited to investigate the impact of HRM practices on organizational performance in PNB. Further investigation in other types of bank may provide additional insight into the findings of this research study. Extra research is suggested to be done longitudinally in order to assess the impact of HRM factors over time.

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AUTHORS' BIOGRAPHY



Prof. (Dr.) S. Mufeed Ahmad is a Director in the Business School, University of Kashmir. Dr. Mufeed has written three books and two booklets in the areas of HRD and HRM and published more than 70 research papers in various National and International journals.



Mrs. Rafia She has obtained M.Phil Degree from University of Kashmir in 2003. She has teaching experience of 11 years in Saudi Arabia. Presently she is pursuing her PhD from University of Kashmir in the area of Human Resource Management.