

The Role of Human Resource Management in Improving Organizational Performance of Licensed Commercial Banks in Trincomalee District

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Abstract - The Commercial banking sector is human capital intensive since it relies heavily on its human resource capital to offer services to its clients. This implies that the human capital plays a critical role in order for the banks to meet their goals and thus it is important to explore and study the HRM practices which impact on the human capital and banks performance. The main objective of the study was to determine the influence of Human Resource Management Practices on the organizational Performance of Commercial Banks in Trincomalee District. The population of study comprised of all the 10 licensed commercial banks in Trincomalee District. Both primary and secondary data was collected. Primary data was collected using a semi-structured questionnaire. Secondary data was collected from the Central Bank of Sri Lanka which consisted of the organizational performance reports of the banks. Descriptive statistics method was applied to analyze the data using a statistical package for social scientists, SPSS. The analyzed results were presented on tables. Finally, correlation analysis was carried out to establish the relationship between the research variables. The study found that most commercial banks lacked effective human resource plans, employed ineffective recruitment and selection procedures, lacked effective reward management systems, lacked effective training and development programs and career development programs. The study thus concluded that the major human resource management practices that affected the organizational performance of commercial banks included human resource planning, recruitment and selection, reward management, training and development, career planning and reward management. The study recommended that commercial banks human resource management should embrace strategic human resource planning programs that are linked with the overall banks strategy. The bank human resource management should design an effective recruitment policy linked to the overall banks strategy. The banks recruitment practices should always be in accordance with the recruitment policy guidelines. Commercial banks should carry out periodic performance appraisal by embracing performance appraisal systems that are linked with the overall banks strategy such as Merit rating, Management by Objectives (MBO) and 360-degree feedback. The human resource management should formulate and implement an active reward policy linked to the overall banks strategy; commercial banks should establish an active training and development policy formulated for its employees.

Key words: Organizational Performance, HRM Practices, Human Resource Planning.

1 INTRODUCTION

During the late twentieth and early twenty-first century witnesses managers' powerful economic challenges. Globalization and significant advances in computer technology, science and technology in General, change the properties of the business environment, becomes more complex every day. In such a chaotic situation and the growing complexity of the business environment there is a strong need for government involvement in creating changes, as well as the rapid adaptation to new circumstances. Given that the creativity and adaptability of crucial organizations depend on the skills, knowledge and creativity of workers, these most important aspects not only in the private sector, but also in public organizations.

Different researchers: psychologists, sociologists, economists, lawyers, doctors, and others included human factors in their studies. Motivating factors, conflicts, personal relationships, hierarchy, expertise, creativity, and intelligence-all these are conditions that should be studied carefully how to get the final product that actually makes the whole point of research in human resource management, improved economic policies. The philosophy of ' human resources management ' focusing on some elements of organizational success that takes people a

central location. Human resources management in the contemporary situation is a major factor is very important to the success of every business, including the banking sector.

Research in the area of HRM has much to contribute to the organizational practice of HRM. Sustained organizational success will be achieved through a strategic and integrated approach to improving the performance and developing the capabilities of individuals and wider teams (Armstrong & Baron, 2005, p. 2). For the last 20 years, empirical work has paid particular attention to the link between the practice of HRM and organizational performance, evident in improved employee commitment, lower levels of absenteeism and turnover, higher levels of skills and therefore higher productivity, enhanced quality and efficiency (Golding in Beardwell & Claydon, 2010, p. 32). Over the last ten years significant steps forward have been made in identifying the HRM – performance relationship. More specific aspect of this study is the Human Resource performance relationship in commercial banking sector organizations. HR function in commercial banking sector is becoming more and more monitored from the public in the last decades. Citizens expect more from public and private sector organiza-

tions.

They are requiring better quality and more customized provisioning of public and private sector services. They are requiring polite and efficient public servants who will prosecute their request in most efficient way. Governments on the other hand are under pressure to limit tax financing and contribute to overall productivity. The key challenge for the organizations will remain to improve the quality of service by reducing the costs at the same time. Therefore this study examine the role of human resource management in improving organizational performance in Commercial banking sector in Trincomalee District.

1.1 PROBLEM STATEMENT

The research problem of this study premises that there is a significant correlation between HRM practices and organizational performances in banking sector organizations. It is of great interest to me to research the level of significance assigned to human resource activities in HRM department of Commercial banking sectors in Sri Lanka. The purpose of this research is to measure the impact of HRM on organizational performance in the context of Commercial banking sectors in Trincomalee District in order to develop guidelines for improving HRM in banking sector organizations in Sri Lanka.

1.2 OBJECTIVES OF THE STUDY

- To find out the relationship between human resource strategy and organizational performance in Commercial banking sectors in Trincomalee District.
- To identify the relationship between education and professional development with organizational performance in Commercial banking sectors in Trincomalee District.
- To find out the relationship between motivation and organizational performance in Commercial banking sectors in Trincomalee District.
- To find out the relationship between communication and organizational performance in Commercial banking sectors in Trincomalee District.
- To examine the relationship between employees performance and organizational performance in Commercial banking sectors in Trincomalee District.
- To examine the role of human resource management practices in improving organizational performance in Commercial banking sectors in Trincomalee District.

SIGNIFICANCE OF THE STUDY

This study is the empirical study of the role of human resource management in improves in organizational performance in Commercial banking sectors in Trincomalee District. This research will provide new data to test theories and assumptions found in HRM studies about organ-

izational performance. Outcomes of this research are intended to provide information about HRM policies that have a positive association with organizational performance for recommendation and benefit to provisioning of banking or financial sectors. I hope that findings of my study will help both policy makers and managers in commercial banks managers in deciding valuable managerial practices for managing their employees to achieve what is optimistically desired. The outcomes of this study can also facilitate human resource practitioners in enhancing their knowledge and understanding in the human resource field.

SCOPE OF THE STUDY

The scope of the study is to understand how organizations in banking sector today address the relationship between HRM and organizational performance. It is of high importance to gain a deeper understanding of the relationship between HRM practices and the organizational performance through exploring both theory and previous research findings of other authors. The most relevant is to give answer to question do HRM practices affect organizational performance and what are the main challenges of HR managers in modern banking sector organizations today.

2. LITERATURE REVIEW

2.1 Human Resource Management Practices

There are a number of HRM practices that could be tested in connection with employee performance. Teseema & Soters (2006) have studied eight HRM practices and their relationship with perceived employee performance. These eight practices include recruitment and selection, placement, training, compensation, employee evaluation, promotion, grievance procedure and pension or social security. Various human resource practices, which are perceived to affect the organizational performance in terms of employee productivity have been identified and selected on the basis of their relevance to the banking sector. This study examines the relationship between six human resource practices and Organizational performance. These are: human resource planning, recruitment and selection, performance management, reward systems, training & development and career planning.

2.2 HR Planning

Human resource planning may be defined as an attempt to forecast how many and what kind of employees will be required in the future, and to what extent this demand is likely to be met, (Graham & Bennett 1998). It involves the comparison of organization's current human resources with likely future needs and, consequently, the establish-

ment of programs for hiring, training, redeploying and possibly discarding employees. Effective human resource planning should result in the right people doing the right things in the right place at precisely the right time. Human resource planning can help management in making decisions in the following areas: recruitment, avoidance of redundancies, training, management development, estimates of labor costs, productivity bargaining, accommodation requirements. Company human resource planning should needs continuous readjustment because the goals of an organization are unstable and its environment uncertain. It is also complex because it involves so many independent variables – invention, population changes, and resistance to change, consumer demand, government intervention, foreign competition and above all domestic competition. It must include feedback because if the plan cannot be fulfilled the objectives of the company may have to be modified so that they are feasible in human resources terms (Graham & Bennett 1998).

2.3 Recruitment & Selection

Recruitment is the first part of the process of filling a vacancy; it includes the examination of the vacancy, the consideration of sources of suitable candidates, making contact with those candidates and attracting applications from them (Graham&Bennett1998). Selection is the process of assessing the candidates by various means, and making a choice followed by an offer or employment. Recruitment is concerned with assembling the raw materials, and selection is concerned with producing the right blend for the organization, at a particular point in time (Cole 2004).

2.4 Performance Management

Performance appraisal represents, in part, a formalized process of worker monitoring and is intended to be a management tool to improve the performance and productivity of workers", (Brown and Heywood 2005). Employee commitment and productivity can be improved with performance appraisal systems (Brown and Benson 2003). Appropriate explanation and supervision of performance lead to higher job satisfaction and professional commitment amongst teachers. This is also true when performance appraisal is low. Commitment to teaching is a function of teacher's attitude towards performance appraisal system (Rahman 2006). Possibility of performance appraisal is enhanced by complementary human resource management practices like formal training and incentive pay and performance appraisal leads to greater influence on productivity (Brown and Heywood 2005).

2.5 Reward System

Reward or compensation is a systematic approach to providing monetary value to employees in exchange for work performed. Compensation may achieve several purposes; assisting in recruitment, job performance and job satisfaction. Compensation is a tool used by management for a variety of purposes to further the existence of the company. Compensation

may be adjusted according to the business needs, goals and availability of resources. Compensation may be used to: recruit and retain qualified staff, increase and maintain the morale of staff, reward and encourage peak performance, achieve internal and external equity, reduce turnover and encourage company loyalty, modify through negotiations practices of unions (Cole 2004; Graham & Bennett 1998).

2.6 Training & Development

Training is designed to provide learners with the knowledge and skills needed for their present job (Fitzgerald 1992) because few people come to the job with the complete knowledge and experience necessary to perform their assigned job. Becker (1962) provides a systematic explanation of investment in human capital and associated productivity, wages, and mobility of workers. Such investment not only creates competitive advantages for an organization (Salas & Cannon-Bowers 2001), but also provides innovations and opportunities to learn new technologies and improve employee skills, knowledge and firm performance. In fact, there is an increasing awareness in organizations that the investment in training could improve organizational performance in terms of increased sales and productivity, enhanced quality and market share, reduced turnover, absence and conflict (Huselid 1995, Martocchio & Baldwin 1997, Salas & Cannon-Bowers 2000). In contrast, training has been criticised as faddish, or too expensive (Salas & Cannon-Bowers 2000, Kraiger, McLinden & Casper 2004), and there is an increasing scepticism about the practice and theoretical underpinning of linking training with firm performance (Alliger, et al. 1997, Wright & Geroy 2001).

2.7 Career Planning

A career is defined as a person's progress within an occupation or series of occupations. It is more than just a job, working, or ones occupation. It also includes ones progress through life, growth and development in vocational areas of life. It is a sequence of work related positions occupied throughout a person's life. Filippo (1984) defines a career as a sequence of separate but related work activities that provide continuity, order, and meaning in a person's life. A career is an individual concept and an employee can have a career with one enterprise or many. In career development, the enterprise helps a person plan the employee's future in the enterprise. Individuals plan their careers for themselves too.

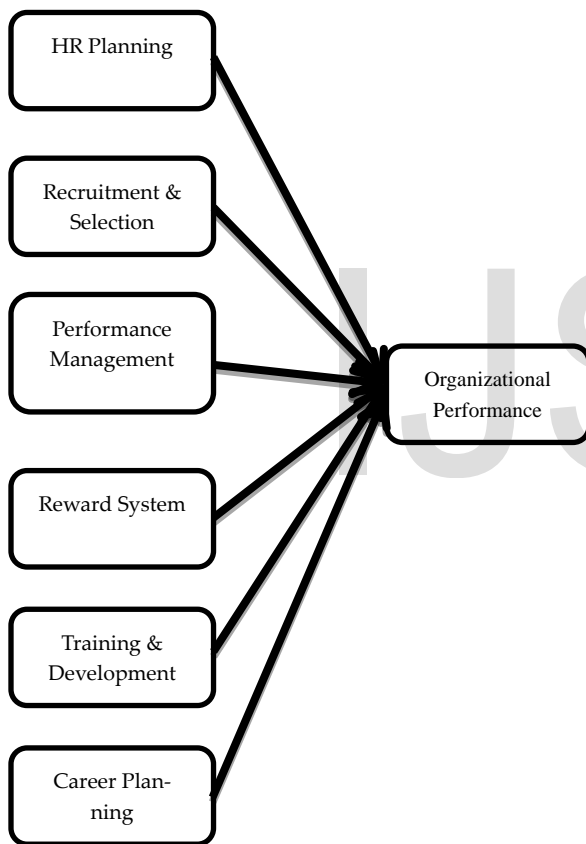
2.8 Organizational Performance

An organization's revenue is the return it makes from investments, and this income comes from interest or asset appreciation on investments, such as stocks or real estate. Banks must also consider the cost of the funds used to make these investments. Profits are ultimately made from the spread between the amount banks pay for the investments and the amount they receive from borrowers (Pizzey 1990). The process of measuring performance often requires the use of statistical evidence to determine progress toward specific defined organ-

izational objectives. Banks may use the following categories of ratios to determine their performance: profitability ratios, efficiency ratios, liquidity ratios, financial gearing ratios and investment ratios. The information to calculate these ratios is derived from the banks financial statements.

Businesses generally exist with the primary purpose of creating wealth for their owners. Profitability ratios provide an insight to the degree of success in achieving this purpose. They express the profits made (or figures bearing on profit, such as overheads) in relation to other key figures in the financial statements or to some business resource. Efficiency ratios may be used to measure the efficiency with which particular resources have been used within the business. These ratios are also referred to as activity ratios.

2.9 Conceptual framework



(Developed for research purpose)

2.10 Hypotheses

H1: Human Resource Planning is positively correlated to organizational performance.

H2: Recruitment & selection is positively correlated to organizational performance.

H3: Performance Management is positively correlated to organizational performance.

H4: Reward System is positively correlated to organizational

performance.

H5: Training and Development is positively correlated to organizational performance.

H6: Career Planning is positively correlated to organizational performance.

METHODOLOGY

3.1 Population and Sample for the Study

The study population comprised of all the individual permanent employees of selected commercial banks in Trincomalee District. Moreover, the respondents are classified based on their position grade such as senior executives, junior executives, staff assistants and management trainees. Further, selected respondents are Licensed Commercial banks managerial employees in Trincomalee District. The total population was 215. Out of the population sample consist 120 employees at Licensed Commercial banks in Trincomalee District, who are working in Bank of Ceylon, Amana Bank PLC, Commercial Bank of Ceylon PLC, DFCC Bank PLC, Hatton National Bank PLC, National Development Bank PLC, Nations Trust Bank PLC, Pas Asia Banking Corporation, Sampath Bank PLC and Seylan Bank PLC. 120 employees are selected as sample by using stratified random sampling method. The primary data was collected through questionnaire. Data analyzed by using SPSS. 120 questionnaires were issued out of which 112 questionnaires were received and 2 questionnaires were rejected because poor data loading, finally 110 questionnaires were used for the final analysis.

3.2 Measures

To measure the respondent's perception on below items, five points Likert Scale was used ranging from strongly disagree (1) to strongly agree (5).

Human Resource Planning

Human Resource Planning was measured with four items, a sample item is "The human resource plans implemented by our bank are able to serve and meet the banks ultimate goal of adequate staff at all times to meet the demand of work to be undertaken".

Recruitment & selection

Recruitment & selection was measured with three items and that was developed by the researcher. A sample item is "The bank adheres to the recruitment and selection policy all the time it hires employees".

Performance Management

Performance Management is measured with three items and is developed by the researcher. A sample item is such that "From the results of the periodic staff appraisal carried out there is indication that staff is able to meet the set standards and goals set by management".

Reward System

Reward System was measured with three items and it has been developed by the researcher. A sample item is as follows: "The bank employees are happy with reward system being undertaken by the bank".

Training and Development

Training and Development was measured with three items and that was developed by the researcher. A sample item is “The training programs undertaken have been able to yield positive results in terms of increased productivity from the employees”.

Career Planning

Career Planning was measured with three items, a sample item is “This bank is able to retain an appropriate number of desired and qualified staff at all times”.

3.3 Reliability and Validity of the Scales

To validate the scales, 110 samples were carried out and reliability, content validity and convergent validity were examined. The following Table 1 Shows the results of the above test.

Reliability

This study focused on satisfying the requirements of reliability in the beginning phrase. Alpha coefficient values above 0.7 are acceptable indicators of internal consistency as suggested in literature (Nunnally, 1967). In this study Cronbach’s Alpha was used to test the reliability of the measures used in the instrument. The data in Table 1 clearly explains that all the variables exceeded the accepted value of Cronbach’s alpha of 0.7. Therefore, it ensured internal consistencies among the items were reliable.

Content Validity

According to Carmines and Zeller (1991) content validity can be defined as the extent to which a measurement reflects the specific intended domain of content (Carmines & Zeller, 1991, p.20). In this study employed following strategies to ensure content validity of the measurement.

-All the variables are derived from the literature and operationalization of the variables were developed after a thorough literature review

-As per guide lines of the supervisor the questionnaire and measurement scales were validated.

-In order to examine the process, the variables of the research scales and it relevance to the target population was examined

-To test the suitability and acceptability of the research questionnaire was tested through a pilot study.

Based on these strategies, the research scales used in this study are considered to possess content validity.

Convergent Validity

Convergent validity refers to examine when the scores gained with two different instruments measuring the same concepts are highly correlated (Sekaran, 2003). In this study factor analysis was used to examine the respective variables. The selected tests of factors analysis are given in Table 4.10. The researcher developed twenty items and two items were poorly loaded therefore it was deleted based on the results of the exploratory factor analysis (Table 4.10). In addition to check convergent

validity, each variable’s Kaiser-Meyer-Olkin (KMO) was used. Further, the Kaiser-Meyer-Olkin measure of sampling adequacy test was used to determine the factorability of the matrix as a whole. Assumption indicates as follows, ‘if the KMO measure is greater than 0.50 than factorability existing (Malhotra, 1993). Bartlett’s test was performed to examine whether the indicators of the respective variables are correlated in the population (Hair et al, 1998). Also this study examined the average variance extracted (AVE), and composite reliability for each variables. All AVE values exceed the standard value of 0.5 and composite reliability values exceed the standard value of 0.7. The results of these tests ensure the convergent validity.

Table 1: Summary Results of Internal Consistency Reliability and Convergent Validity

Variable	Original Items	No. of deleted Items	AVE	Cronbatch alpha	KMO	Composite Reliability
HR planning	4	1	0.627	0.800	0.776	0.870
Recruitment & Selection	3	0	0.599	0.776	0.693	0.856
Performance Management	3	0	0.766	0.696	0.500	0.868
Reward Management	3	0	0.698	0.780	0.673	0.874
Training and Development	4	1	0.586	0.857	0.830	0.894
Career Management	4	1	0.744	0.883	0.795	0.920
Organizational Performance	3	0	0.624	0.846	0.816	0.890

(Source: Survey data)

3.4 Method of Data Analysis

Two types of methods were used in the data analysis. Firstly is descriptive statistics and secondly the Pearson correlation technique processed using the SPSS.

Descriptive Statistics of Research Variables

Research variables of HR planning, Recruitment & Selection, Performance Management, Reward Management, Training and Development, Career Management and organizational performance were analyzed through mean and standard deviation by using the SPSS version 21.0.

Table 2 presents the minimum value, maximum value, mean, and the standard deviation of all variables. All seven variables: HR planning, Recruitment & Selection, Performance Management, Reward Management, Training and Development, Career Management and organizational performance showed higher levels of mean values.

Table 2: Descriptive Statistics of Research Variables

Variables	N	Minimum	Maximum	Mean	Standard deviation
HR planning	110	3	5	2.32	0.74
Recruitment & Selection	110	3	5	2.58	0.63
Performance Management	110	2	5	2.44	0.89
Reward Management	110	2	5	2.49	0.97
Training & Development	110	2	5	2.96	0.55
Career Management	110	1	5	2.61	0.73
Organizational performance	110	1	5	2.92	0.79

(Source: Survey data)

3.5 Hypothesis Testing

However, by examining mean values of the variables, it cannot be concluded that there is a significance relationship among the variables of HR planning, Recruitment & Selection, Performance Management, Reward Management, Training & Development, Career Management and Organizational performance. Therefore, in order to find out the relationship among the variables the researcher used Pearson's correlation test method. This test was also conducted to find out how much one variable influenced the other variable (Yusof, 2012). As shown in Table 3, the hypotheses were tested using the correlation coefficients (r) indicating the strength of the relationships between the research variables. The statistical significance was tested at 95% ($p < 0.05$) confidence level and how much one variable influenced the other variable was tested by multiple regression analysis.

Table 3: Result of Hypotheses Testing

Hypotheses	Correlation coefficient (r)	P value	Accepted/ not accepted
Hypothesis 1: Human Resource Planning and Organizational Performance	0.878	0.000	Accepted
Hypothesis 2: Recruitment & Selection and Organizational Performance	0.794	0.013	Accepted
Hypothesis 3: Performance Management and Organizational Performance	0.843	0.000	Accepted
Hypothesis 4: Reward Management and Organizational Performance	0.665	0.000	Accepted

Hypothesis 5: Training and Development and Organizational Performance	0.736	0.000	Accepted
Hypothesis 6: Career Management and Organizational Performance	0.794	0.013	Accepted

(Source: Survey Data)

CONCLUSION

Human Resource Planning is key HRM practice that ensures commercial banks have the right number and types of staff, at the right places, capable of performing their tasks effectively and efficiently. Undertaking of regular HRP programs helps banks to manage labour risks associated with high staff turnover rates and changes in both internal and external organizational environments. HRP helps banks to achieve its overall financial performance objectives by maintaining an optimum and flexible workforce at all times in the organization. HRP is done at different levels corporate, intermediate, and operations levels and for short-term activities. A proper human resource planning exercise should utilize the inputs of all the departments in the organization and incorporate the organization performance strategy. It must also enjoy the support of the top management which in turn provides the desired policy direction and commits adequate resources to support the set corporate agenda. Commercial banks should link human resource planning with the overall organization performance strategy through undertaking of human resource demand and supply forecasting, human resource planning objectives, design of human resource planning programs and evaluation of human resource planning programs.

Employees' recruitment and selection is a major HRM practice that greatly influences the state of banks performance. Application of ineffective recruitment and selection procedures leads to selection of less competitive staff who lacks the required competencies for executing the banks job task functions. These have an adverse effect on banks performance since many costly recruitment exercises are held out regularly and this increases the total cost of recruitment expenditure that lowers the banks profit margin. Lack of effective recruitment and selection policy that addresses the banks strategic issues hinders recruitment of competitive staff and this hamper realization of banks performance goals. It should be noted that the major factors affecting employee recruitment and selection process in banking organizations includes; job analysis, job description, personnel specification and job placement. The process under which the organization manages these factors greatly determines the effectiveness and the success of the recruitment process towards enhancing realization of increased banks financial performance.

Performance management is core human resource management practice that helps in determining the employee's performance weaknesses and measures that should be put in

place to improve on the level of employees' performance. Lack of periodic performance appraisal hinders banks management to identify employees' performance weaknesses and strengths and this affects implementation of performance management strategy that is in line with the overall banks performance strategy. Performance appraisal systems should contribute towards improving the employees' performance standards and application of ineffective performance appraisal systems negatively affects identification of employees performance needs hence leading towards realization of declined banks performance. Performance Appraisal helps banks human resource managers to chalk out the promotion programs for efficient employees. In this regards, inefficient workers can be dismissed or demoted in case. Performance Appraisal helps in chalking out compensation packages for employees. Merit rating is possible through performance appraisal. Performance Appraisal tries to give worth to a performance. Compensation packages which include bonus, high salary rates, extra benefits, allowances and pre-requisites are dependent on performance appraisal. The criteria should be merit rather than seniority. The systematic procedure of performance appraisal helps the human resource management to frame training policies and programs. It helps to analyze strengths and weaknesses of employees so that new jobs can be designed for efficient employees. It also helps in framing future development program.

Employee reward systems have got a major contribution towards realization of increased banks performance. Employee rewards can be tangible or intangible, and may include financial bonuses, recognition, an increased decision-making role or the opportunity for professional development. Positive recognition in the workplace has several benefits for a company, namely employee retention. Employee reward systems encourage workers to become more motivated to achieve higher levels of performance. Reward systems improve the level of employees work morale and this leads to increased level of employees job satisfaction and engagement in the execution of bank job task functions. Effective rewards systems such as transactional and relational rewards plays a major role towards reducing cases of employees' turnover rates and retention of competent staff to undertake organization job task functions. This leads to improved quality of bank services and achievement of competitive edge in the target market hence leading to increased financial performance as result of increased sales revenue. Effective reward systems are supported by formulation of reward policies that link banks rewards practices with banks overall performance strategy. This helps the bank to offer better rewards such as cash bonuses and job promotions in order to compensate employees work efforts hence leading to increased level of employee's job satisfaction. Training and development is a major human resource management practice that helps in facilitating realization of increased financial performance of commercial banks. However

lack of established training and development policy linked with the overall banks performance strategy makes it difficult for the bank human resource management to offer training and development programs that contributes towards realization of increased banks performance. Training and development should equip the banks employees with more knowledge and skills on how to effectively execute various banks job tasks functions and this should yield positive result in terms of increased productivity from the employees. Training implies enhancing the skills and knowledge of the employees for performing a specific job. Training tries to improve employees' performance in current job and prepares them for future job. The crucial consequence of training is learning. Training programs should aim to; prepare employees to meet the varying and challenging needs of the job and organization; provide knowledge and skills to new entrants and to help them to perform their role and job well; coach employees for more complex and higher level jobs and educate employees new and innovative ways and techniques of performing job.

The career planning process involves both the organization and the individual responsibility. Thus, the individuals must identify their aspirations and abilities, and through assessment and counseling to understand their needs of training and development; the organization needs to identify its needs and opportunities, to plan its employees and to ensure its staff the necessary information and appropriate training for career development. Career planning plays a major role towards enhancing realization of increased financial performance of banking institutions. Career planning is the key process in career management, it uses all the information provided by the organization's assessments of requirements, the assessments of performance and potential and the management succession plans, and translates it in the form of individual career development programs and general arrangements for management development, career counseling, mentoring and management training. Career planning procedures are always based on what the organization needs. But they have to recognize that organizational needs will not be satisfied if individual needs are neglected. Career planning has to be concerned with the management of diversity. Career plans must therefore recognize that banks staff should receive recognition as individuals with unique needs, wants, and abilities; individuals are more motivated by an organization that responds to their aspirations and needs; individuals can grow, change and seek new directions if they are given the right opportunities, encouragement and guidance.

LIMITATION

The study is limited to explore the role of human resource management in improving the organizational performance of licensed commercial banks in Trincomalee District. All findings are based on the information provided by the respondents. The scope of this study is restricted to the study of the managerial employees in licensed commercial banks. As such,

the findings may change if the study were to be applied to a different area, demographic landscape or economy. The extent to which the objectives of the study could be reached was affected by time limitations. Findings reflect the labour market within a period of global crisis.

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