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## **An Examination Of The Effects Of Hr Policies And Procedures On Employee Performance, Particularly With Regard To A Few Punjabi Public And Private Banks**

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### **Abstract:**

The current research explores Human Resources (HR) activities in Bhopal, Punjab, on employee performance at public and private banks. Primary sources and secondary sources were used to consider the collected data. The research followed the sampling approach of non-probability convenience. This study targets the workforce of public and private sector banks in Bhopal, Punjab. Via standardised questionnaires, the answers are accumulated. 350 questionnaires are circulated in total, and 300 answers are ultimately used for the analysis. The factors identified for HR practices, namely performance assessment, incentives and recognition, career development, recruitment and selection, and employee involvement in the study region's employee participation in the public and private banking sectors, found that performance assessment factors significantly influence HR practices in the study region's public and private banks. In this paper, we are focusing on two banks. From the public sector, we are talking Union Bank of India (UBI), and from the private sector, we are talking Housing Development Finance Corporation (HDFC) Bank.

**Keywords:** Human Resources, Union Bank of India, HDFC Bank, Employee Performance, Bhopal.

### **INTRODUCTION**

The Indian banking sector plays an essential role in our nation's economic growth and is the most important financial sector segment. By allocating savings to assets that have the

potential to produce higher returns, banks help channel investment savings and encourage economic growth. An extensive range of possibilities and bright future events are seen in the Indian banking sector. The worsening economic conditions, represented by the rapid globalisation method, have brought together entire nations of the globe, without trade and trade regional boundaries, but with an enormous number of people's employment opportunities. In recent years, due to rapid growth in Information Technology (IT) and telecommunications, the banking sector has undergone accelerated changes, following many existing processes of reform. Authors [1] indicated that if an organisational source is precious, exceptional, and costly to imitate, competitive advantages are realised.

Human Resources (HR) is essential because, because of its uniqueness, it engages these models. [2]They are continually presented by businesses seeking to find, expand and attract qualified workers who are experienced and valuable income to provide competing benefits. The detention of talent workers has become more critical than organised, and with the most valuable outlets, it has become one of the most extensive organisational policies on aggressive rewards and organisational performance. Nevertheless, firms have not invested sufficiently in a preponderance of companies, and the practice of HR is connected to HR systems and employee engagement [3]. As a consequence, the outcome of this pattern in HR, to some ability, has created employees not motivated to reward successful actions, and the groups do not get the necessary conclusion of the business. Employers attempt organisational equipment management companies to meet particular challenges and describe workers by buying how it exercise-trained and surprisingly familiarising employees and enhancing job performance [4].

The full set of employee engagement researchers [5] has revealed that job performance is accepted as most of the organisational performance experience widely studied and clarified the effect and complexity of the difficulty improving by its entire dimensions. It noted that numerous significant variables influence the job performance of employees. Also, employee engagement is an integral part of enhancing workers' job performance to help businesses achieve goals. Employers should remain to distinguish the efficacy of increasing employee records by having employees more involved in the group and plan the consequence of hiring professional and trained employees.[5] The company's priorities, therefore, paid more attention to improving employee engagement levels. It is to be expected that the HR approach is known as playing an essential role in raising the level of commitment and rising the job performance of subordinates. HR is the policies and procedure, including management's HR views on planning, selection, training and management, recruiting, the methodology of performance evaluation and labour relations. Several authors [6] wanted HR systems to reflect the job's excellent history of employee engagement & job efficiency. It is more important because they remain and are present in the company's daily success in enhancing employees' feelings, intellect, and actions. It also helps companies improve their performance. HR uses the belief that employee appreciation collides with creating an environment of security, motivation,



workers involved in their engagements have an immense level of motivation, passion for their work, and daily honesty to their job. It is a mental disorder that is linked to functioning confidently and competently. It demonstrates that complete happiness in their job, paying attention to the business, extra time, linked, and enjoying the feeling of functions and shedding themselves from work.

In increasing employee involvement, HR systems serve a significant role. Authors [15] argued that by providing a demanding job with potential sources and possibilities for extension and management, HR systems' significant role as frameworks for companies to provide workers informed and engaged in their job performance. The study favours the complementary exchange relationships between businesses through HR systems and employee engagement by the proportion of HR systems with employee performance and recommendation to explain employee engagement's effects on priorities. In their turn, the workers who obtain and identify the health, job concern, consideration, and gain satisfaction from the system will return in a way that makes the company more dedicated.

Recruitment is an activity designed to bring and acknowledge adequate, competent candidates to connect the company's principality duties. The collection is also the way to determine the most suitable and competent applicant from the prospective applicants who are most safe and suitable for performing the job appropriately. The author [16] noted that successful recruiting and selection aids establish access between individuals and the organisation. It provides candidates with sufficient knowledge or penetration into the job's duties needed to make notified decisions about their jobs.

Training typically considers the role of actions designed to improve people's knowledge, expertise, and abilities to introduce a more appropriate rivalry between workers and characteristics of work service training plans to set specific behavioural principles across all aspects of a tune-up conflict. It should also be generated under the exact specifications of the service available. Organisations should make specific staff know and appreciate what they do and why they should be prepared to provide consumers with a higher quality of services. The correlation between training performances and employee engagement is clarified by the standard of expectation of social exchange that aspires employees to feel obligated to respect their bank's success. The author [17] claimed that through good training programs, the organisation spends belongings, workers can counter by participating more in their duties.

The author [18] mentioned that the association retains the Performance Assessment for prospective orientation as a tool by which managers evaluate, judge, and represent work assistants' performance over a specific phase and complete the evaluation. The author [19] suggested that companies provide employee offerings with comments on Performance Assessment's outcome to achieve improved workers' performance as it helps employees discern their nervousness and focus that carry to overcome their vulnerability, improve abilities and traditional tasks.

The rewards scheme is processes, policy, methods, and procedures that compensate their workers for their abilities, participation, and ability by displaying various proper forms, wage levels, benefits, and other types of rewards. The reward scheme causes workers to accomplish substantial targets. Although most essential workers recognise monetary rewards for a job well done, other people want to be recognised as an entity or an aspect of a thriving job cluster. Author [20] sponsored that incentives and appreciation enhance desired outcomes and collectively mobilise conduct externally and immediate workers to improve their acts, mainly to superior performance consequences. Awards and acknowledgement are often known as essential applications used by influential companies to enhance employee engagement.

The author [21] explained that career progression is the degree to a business provides forecasts for workforce career development, and workers within their organisations have a bright career pathway step. The theory of career advancement has been described as a phase that encourages employees to vision beyond their contemporary works and make their trade open to more favourable future conditions. If the company executes career advancement opportunities for workers, it triggers concrete approaches and psychological fortification for employees and creates them more stimulated, committed and fanatical towards their jobs.

Employee performance is one of the progressions of the pronouncement in which individuals are engaged and demands whether they are consulted individually or as an alignment by their planner, who either builds the termination or splits the closing decision-making with the manager, or the manager assigns employees responsibility for formative. According to the author [22], employees' contribution has led to an expanded combination of human beings into associations, and employees are more interested in jobs. Employee engagement generates workers recognising the critical need for originality and having feasible and creative job resolution by transformed employee relationships that maximise their behavioural outcome at higher levels.

Authors [23] described the exchange of information as members within an organisation to obtain truthful information on market implications, consumer criticism, and excellence. Authors [24] argued that workers are motivated to present the realisation of the organisation's values as employees feel important knowledge allocation. Front line staff clarify the link that links the organisation and its customers. They periodically contact consumers and acknowledge the responses of clients to the products or services of the company. As regards banks, when customers expect to explore more details, they generally [25]address frontline employees as a consequence, more critical in turn participating in providing customer information or contribution advice can accommodate frontline representatives in responding to customer investigation and assist them in developing relationships with customers that revolve and may improve the customer service knowledge designed for the study.

## **RESEARCH METHODOLOGY**

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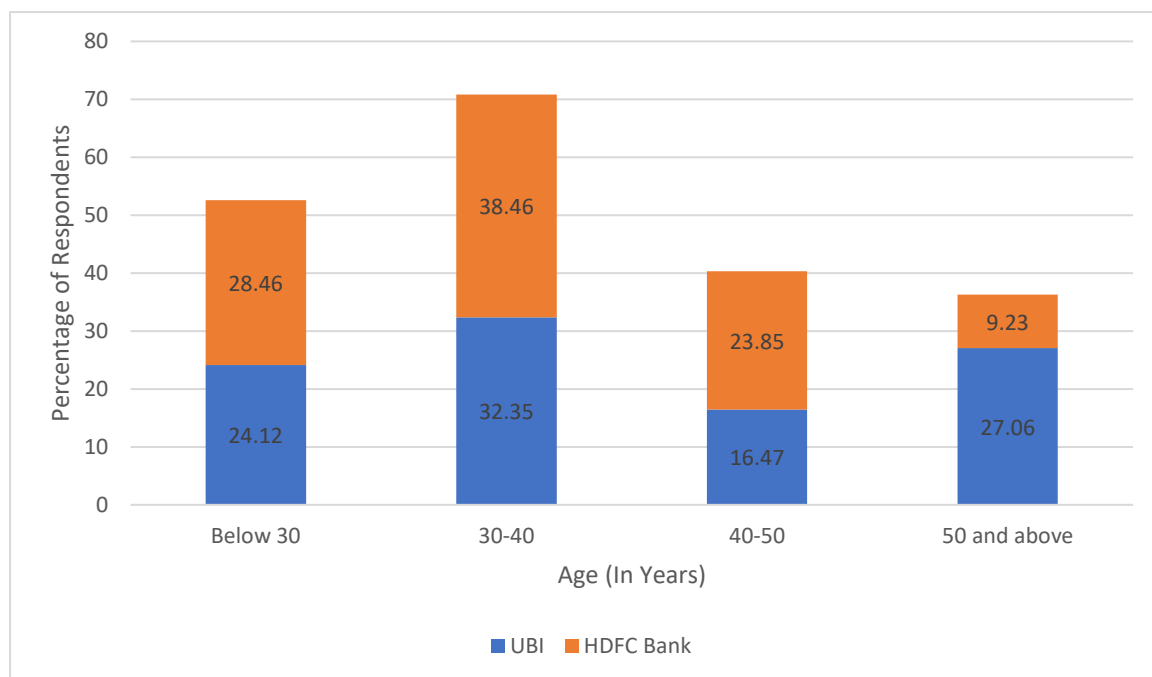


The Demographic Profile of Bank Employees is shown in Table 1 to 5. Out of 300 surveys, 68.33 percent were male, and 35 percent were over 30-40 years of age. 65.1 percent of the participants are married, and 60.33 percent of the respondents' educational history is Post-Graduate. The study results also suggest that Rs. 5-10 Lakhs is the majority of 53.33 percent of the annual CTC respondents. The p-value of the fundamental components of HR practices is shown in Table 2, suggesting that there is a substantial relationship between the practices of HR and its components.

**Table No. 1: Age Specifications of Employees of Surveyed Banks**

Age Group (In years)	UBI		HDFC Bank	
	No. of respondents	Percentage (%)	No. of Respondents	Percentage (%)
<b>Below 30</b>	41	24.12	37	28.46
<b>30-40</b>	55	32.35	50	38.46
<b>40-50</b>	28	16.47	31	23.85
<b>50 and above</b>	46	27.06	12	9.23
<b>Total</b>	170	100	130	100

Source: Prepared based on employees responses of both banks



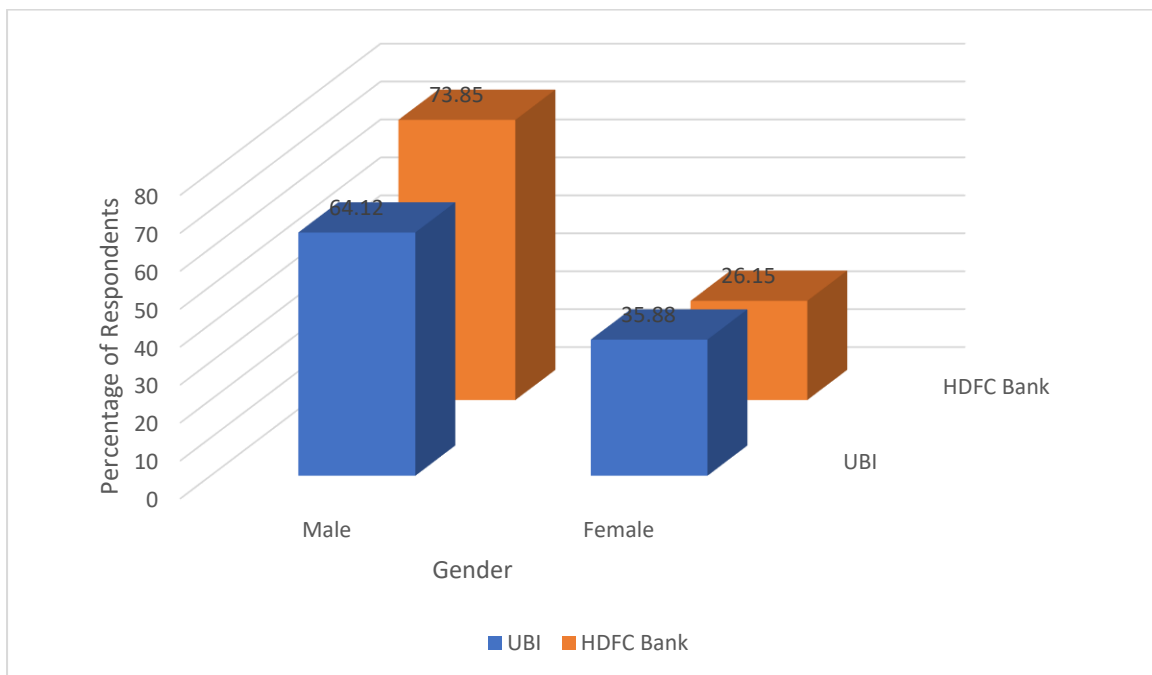
**Figure No. 1: Age Specifications of Employees of Surveyed Banks**

The age of selective bank workers has been divided into four groups, varying from fewer than 30 years to more than 50. The largest UBI and HDFC branch bank workers are 55 and 50, respectively, at 30-40 years. The lowest number of UBI bank workers is 28 in the age group of 40-50 years, and HDFC bank is 12 in the age range of 50 years and above.

**Table No. 2: Gender of Surveyed Banks Employees**

Gender	UBI		HDFC Bank	
	No. of Respondents	Percentage (%)	No. of respondents	Percentage (%)
Male	109	64.12	96	73.85
Female	61	35.88	34	26.15
Total	170	100	130	100

Source: Prepared based on both banks' employees responses



**Figure No. 2: Gender of Surveyed Banks Employees**

Out of the sample size of workers, 109 are males, 61 are UBI bank females, and 96 are males, and 34 are HDFC bank females.

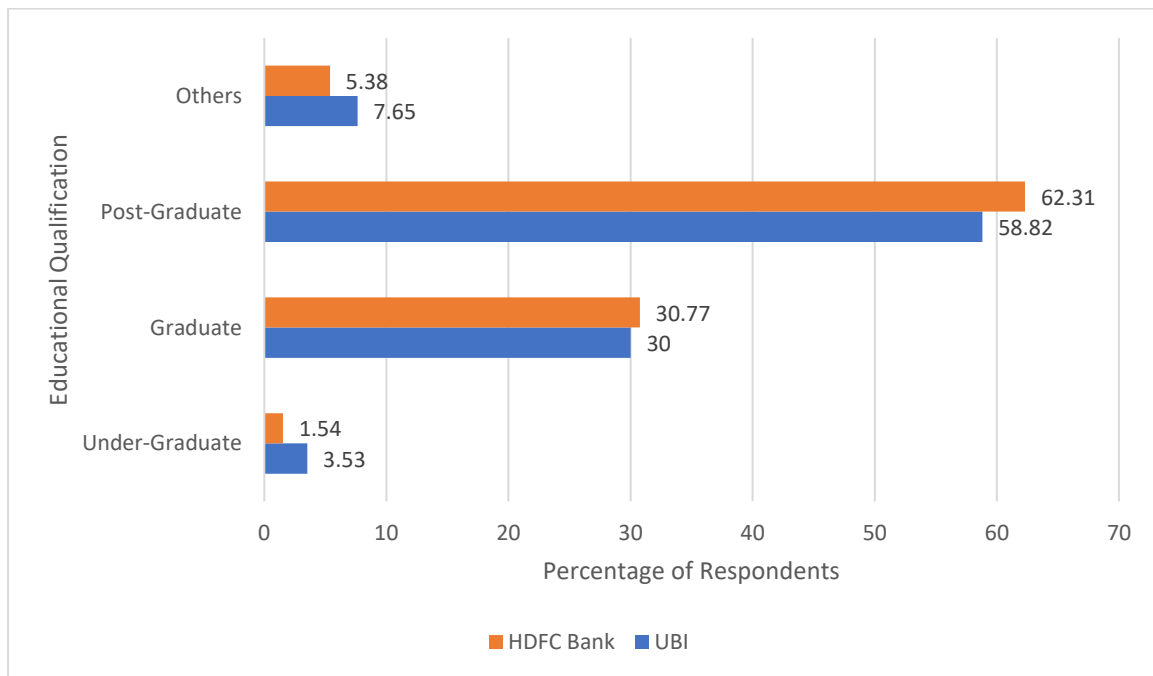
**Table No. 3: Educational Qualification of Surveyed Banks Employees**

	UBI	HDFC Bank
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<b>Educational Qualification</b>	<b>No. of respondents</b>	<b>Percentage (%)</b>	<b>No. of respondents</b>	<b>Percentage (%)</b>
<b>Under-Graduate</b>	6	3.53	2	1.54
<b>Graduate</b>	51	30.00	40	30.77
<b>Post-Graduate</b>	100	58.82	81	62.31
<b>Others</b>	13	7.65	7	5.38
<b>Total</b>	170	100	130	100

Source: Prepared based on both banks' employees responses



**Figure No. 3: Educational Qualification of Surveyed Banks Employees**

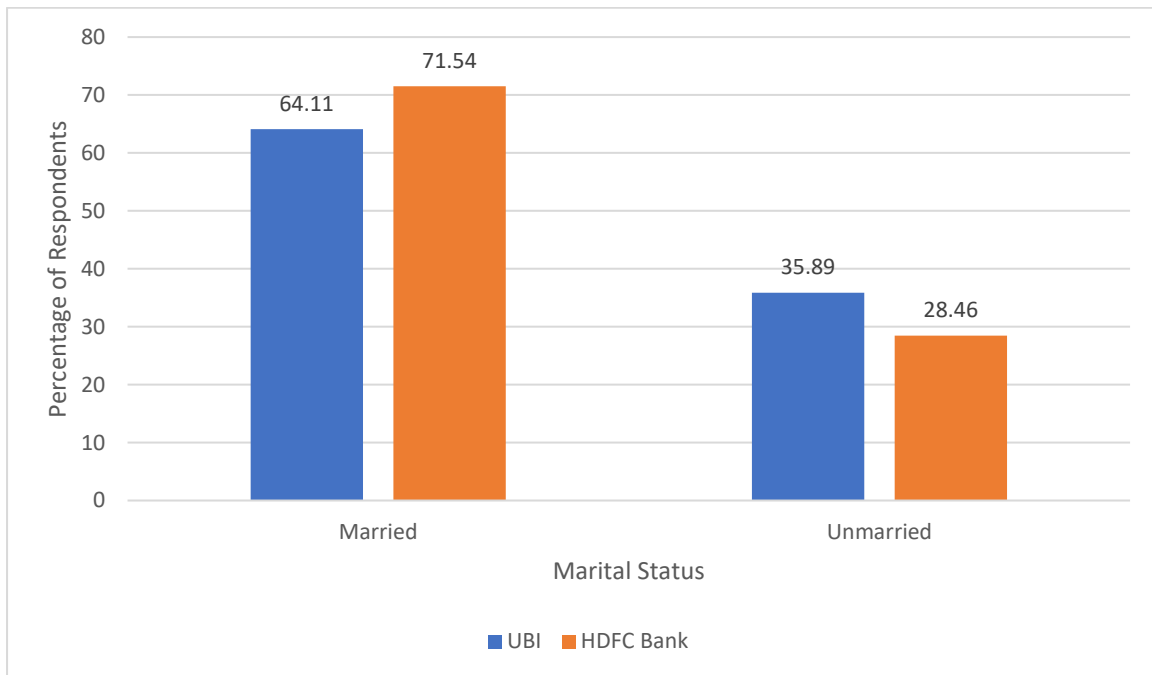
Selective bank employees have been divided into four groups in terms of professional qualification: Under Graduates, Graduates, Post Graduates and Others. If 170 selective UBI staff, 6 bank employees are undergraduate, 51 bank employees are professionals, and 110 bank employees are post-graduate, 13 employees also have other credentials such as banking practice-related diplomas. Although 40 bank employees are graduates of 130 chosen HDFC Bank employees, 81 bank employees are post-graduates, of which 7 employees still have other credentials.

**Table No. 4: Marital Background Particulars of Employees of Surveyed Banks**

	<b>UBI</b>	<b>HDFC Bank</b>

Marital Status	No. of respondents	Percentage (%)	No. of respondents	Percentage (%)
Married	109	64.11	93	71.54
Unmarried	61	35.89	37	28.46
Total	170	100	130	100

Source: Prepared based on employees responses of both banks



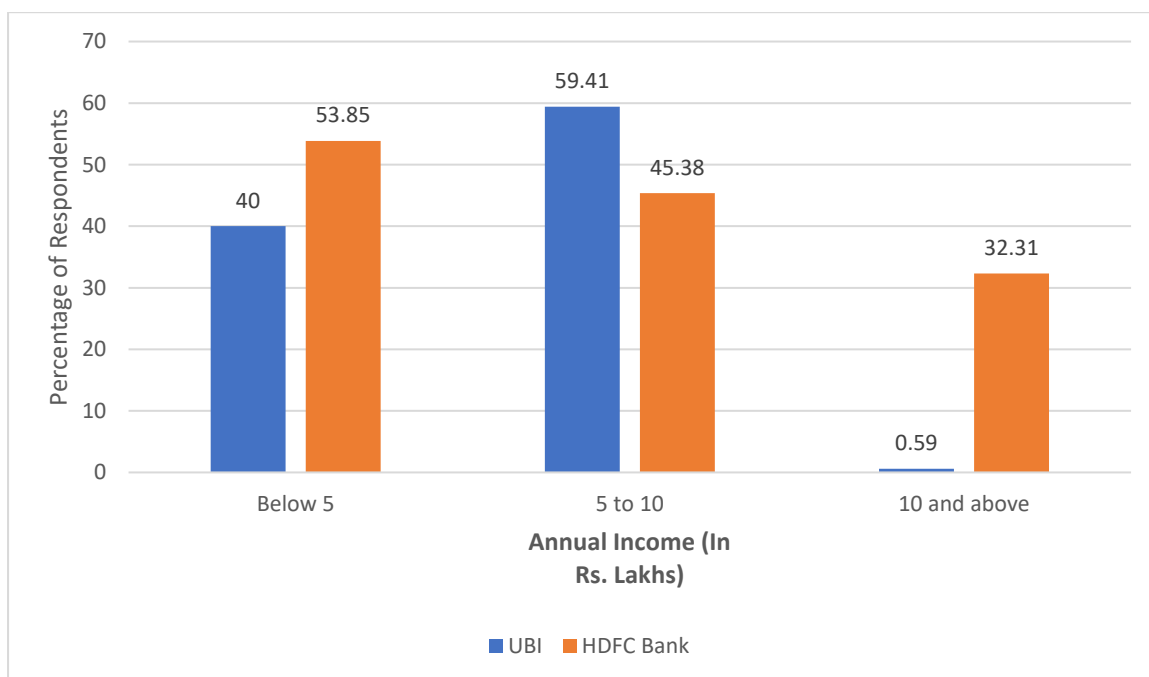
**Figure No. 4: Marital Background Particulars of Employees of Surveyed Banks**

Out of sample size employees, 109 are married, and 61 are unmarried in UBI. While in HDFC bank, 93 are married, and 37 are unmarried employees.

**Table No. 5: Employees of Surveyed Banks' Annual Profits**

Annual Income (In Rs. Lakhs)	UBI		HDFC Bank	
	No. of respondents	Percentage (%)	No. of respondents	Percentage (%)
Below 5	68	40.00	70	53.85
5-10	101	59.41	59	45.38
10 and above	1	0.59	1	0.77
Total	170	100	130	100

Source: - Prepared based on both banks' workers responses



**Figure No. 5: Employees of Surveyed Banks' Annual Profits**

The chosen bank employee's annual salary was divided into three groups: the lowest level below Rs. 5 Lacs and the highest category over Rs. 10 Lacs. The first division comprises 68 UBI-related staff and 70 HDFC bank-related workers. UBI belongs to the RS 5-10 Lacs group with 101 employees, and HDFC bank has 59 employees. There were only 1 respondent workers from both banks in the Rs.10 Lacs range and above.

**Table 6: Karl Pearson Correlation for factors influencing towards HR Practices (n=300)**

Correlations						
	Recruitment and Selection	Performance Appraisal	Rewards and Recognition	Carrier Advancement	Employee Participation	HR Practices

<b>Recruitment and Selection</b>	Pearson Correlation	1	0.376	0.421	0.246	0.316	0.367
<b>Performance Appraisal</b>	Pearson Correlation	0.369	1	0.473	0.468	0.528	0.426
<b>Rewards and Recognition</b>	Pearson Correlation	0.437	0.492	1	0.474	0.519	0.495
<b>Carrier Advancement</b>	Pearson Correlation	0.215	0.482	0.476	1	0.618	0.482
<b>Employee Participation</b>	Pearson Correlation	0.321	0.508	0.513	0.647	1	0.461
<b>HR Practices</b>	Pearson Correlation	0.376	0.452	0.452	0.413	0.462	1

Structural Equation Modelling was used to test the adequacy of the approach-based model leading to the assembled samples. When determining the connecting relationship between variables and checking the compatibility of the model used, Structural Equation Modelling is most realistic. Three kinds of variables were included in the proposed model, i.e., observed, endogenous, observed, exogenous, and unobserved, exogenous objects. Observed, two variables contained endogenous variables, i.e., HR activities and performance of employees. Exogenous variables observed included performance evaluation, compensation and appreciation, the carrier's progression, recruitment and selection, and employees' involvement. Two variables contained unobserved, exogenous variables, i.e., v1 and v2. The hypothesised model is whether employee involvement in the public and private banking sector is influenced by HR activities, namely performance evaluation, incentives and appreciation, carrier promotion, recruitment and selection, and employee participation.

From Table 7, the estimated t & p-value for the effect of performance evaluation on HR practices is 1.375 & 0.022, the p-value <0.5, at a level of 5 percent, is statistically significant. Therefore, the research confirms that the performance evaluation variables in the study area have a substantial effect on HR activities in public and private banks. It

also points out that the workers in their company agree favourably on their performance evaluation aspect. It contributes to the satisfaction of workers and develops the degree of productivity. The impact of incentives and recognition on the t & p-value of HR practices are 2.284 & 0.002, the statistically relevant 1 percent level of the p-value. Rewards make it easier to reassure workers that their job meets the needs of customers.

Furthermore, work success that is rewarded is likely to be replicated. The employee serves customers more consistently; it tends to boost an organisation's competitive position as happy customers are more likely to return. The carrier's development towards the t & p-value of HR practices is 1.473 & 0.020; career progression is the most critical factor in an organisation's employee satisfaction and preservation. Companies of all dimensions make good business sense to invest time designing and maintaining significantly organised career path programs. The incentives and selection for the t & p-value of the HR practices are 2.27 & <0.002. These two p-value variables are statistically significant at the level of 1 percent. These two variables, employee engagement and recruitment and selection, play an essential role in the organisation's growth.

Table 7, Model Fit Overview of the Structural Equation Model on Employee Efficiency Effects of HR Activities. The modelling of structural equations tests if the data is a hypothetical model. Chi-square/degrees of freedom, P-value, Goodness of Fit Index, Adjusted Goodness of Fit Index, Normed Fit Index, Adjusted Goodness of Fit Index, Normed Fit Index, Root Mean Square Error of Approximation, and Comparative Fit Index were emphasised to determine the representation.

Since 0.038 & 0.819 are the p-value & Chi-square value/ degrees of freedom as shown in Table 8. The p-value is more than 0.05. Therefore, the hypothesis is agreed and concluded that the variables of HR activities, namely performance assessment, incentives and acknowledgement, carrier promotion, recruitment and selection, and involvement of employees in the study area in the performance of employees in public and private banking sectors.

**Table 7: Variables Results in the Structural Equation Model Analysis**

<b>Endogenous variables</b>	<b>Exogenous variables</b>	<b>Estimate</b>	<b>SE</b>	<b>t</b>	<b>P</b>
<b>HR</b>	Performance appraisal	0.254	0.067	1.375	0.022
<b>HR</b>	Rewards and Recognition	0.238	0.061	2.284	0.002
<b>HR</b>	Carrier Advancement	0.256	0.064	1.473	0.020
<b>HR</b>	Recruitment and Selection	0.283	0.066	2.287	<0.002

<b>HR</b>	Employee Participation	0.282	0.068	2.243	<0.002
<b>Employee Engagement</b>	HR	0.313	0.065	2.642	<0.002

\*\*Significant at 1% level and \*significant at 5% level

Table 8: Model fit summary of Structural Equation Model on the Influence of HR practices towards the Employee Performance

<b>Indices</b>	<b>Value</b>	<b>Suggested Value</b>
<b>Chi-square value</b>	7.429	-
<b>Degrees of Freedom</b>	4	-
<b>P-value</b>	0.038	>0.04
<b>Chi-square value/ Degrees of Freedom</b>	0.819	<4.00
<b>Goodness of Fit Index</b>	0.872	>0.90
<b>Adjusted Goodness of Fit Index</b>	0.852	>0.90
<b>Normed Fit Index</b>	0.871	>0.90
<b>Comparative Fit Index</b>	0.864	>0.90
<b>Root Mean Square Error of Approximation</b>	0.053	<0.080

## CONCLUSION

In Bhopal, Punjab, the research focused on assessing HR activities' effect on employee performance in public and private banks. The current paper helps explain HR activities and their effect on employees' success in the banking sector. The HR elements, namely Recruitment and Selection, Performance Evaluation, Compensation and Appreciation, Career Promotion, and Employee Engagement, had a substantial relationship with the HR activities based on the results. It generates team building, team spirit among the staff. This contributes to improving the organisation's level of effectiveness. Furthermore, it concluded that the variables of HR practices in the study area, namely performance evaluation, incentives and acknowledgement, career promotion, recruitment and selection, and employee engagement in the performance of employees in public and private banking sectors.

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