

Influence of High Performance HRMP on Employee Engagement in Banking Sector

Dr. V. Tamilarasu* , Dr. J. Josephine Narmadha ** & Ms. Roshni Shett***

ABSTRACT

The main objective of this research is to empirically explore the relationship between HPHRMPs, employee engagement and employee performance in the banking sector in Bangalore, India. The research tries to influence of high performance HRMP on employee engagement in banking sector. Data was collected from 125 bank employees in Bangalore. Collected data analyzed through path analysis. The analysis discovered that the compensation & rewards and training & development of HPHRMP influence employee engagement. The analysis discovered that the compensation & rewards and training & development of HPHRMP influence employee performance. Finally, the path analysis discovered that the employee engagement influences employee performance. Hence, the authors concluded that the bank management should evaluate the remuneration of employees with the analysis of raising employees' engagement and employees' performance levels.

INTRODUCTION

Over the past decade, accumulated research findings were HPHRP, job performance, and employee behavior (Mostafa & Gould-Williams; 2014; Alfes, et al. 2013; Messersmith, et al. 2011; Boon, et al. 2014). Basically, HPHRP is associated with desirable employee outcomes. Many theoretical frameworks such as self-determination Theory (Deci & Ryan, 2000), AMO Theory (Appelbaum, et al. 2000), and Social Exchange Theory (Blau, 1964) have been used to identify the relationship between HPHRMP, employee behaviors, and performance.

Previous researchers have discovered a relationship between HPHRP and Organizational Performance (Posthuma, et al. 2013; Combs, et al. 2006; Delery & Doty, 1996). Furthermore, high employee motivation (Dimba, 2010), work involvement (Kataria, et al. 2019), organizational performance (Kehoe & Wright, 2013), organizational citizenship behavior (Kataria,

et al. 2019), psychological capital (Abubakar, et al. 2019), and employee income (Pichler, et al. 2014) have identified the relationship with HPHRP. Despite theoretical studies and extensive experience, the mechanism by which employee performance and organizational performance are affected by human resources is still unclear (Tabiu, 2019). Therefore, there is a need for further exploration to explain the functional mechanism of the HRM, employee engagement, employee performance and organizational performance relationship (Tabiu, 2019; Sun, et al. 2007). In the Indian context, researchers have gradually shifted their research from traditional HRM to SHRM. This shift focuses more on exploring the relationship between HRM and strategy (Muduli, et al. 2016). Therefore, in this study, the researcher has decided to explore the relationship between HPHRMP, employee engagement, and employee performance in banking sector.

* Assistant Professor, Dept of Commerce & Management, Jyoti Nivas College, Autonomous, Bangalore

** Assistant Professor, Dept of Commerce & Management, Jyoti Nivas College, Autonomous, Bangalore

*** Assistant Professor, Dept of Commerce & Management, Jyoti Nivas College, Autonomous, Bangalore

REVIEW OF LITERATURE

HPHRMP and Employee Engagement

Danish Ahmed Siddiqui and Noor-us-Sahar (2019) found that there is positive influence of internal communication and training & development on employees' engagement. The authors recommended that the managers need to recognize the worth of the participatory components to compete efficiently at the global levels through effective achievement in the engagement policy.

Abul Kalam Azad, Md. Sharif Khan (2018) identified that there is influence of HR coaching, empowerment, training and development, delegations of employees on organizational performance. The authors also identified that there is influence of training and development on employees' engagement.

Shilpa Jain and Nitya Khurana (2017) discovered that there is a significant influence of training and development on employee engagement, Job satisfaction, advocacy, organizational commitment, pride, intention to stay. The authors also identified that there is no influence of training and development on emotional connect of the employees.

Sylwia Stachowska (2016) revealed that the issue of building the employees' engagement includes the plan of total reward that encompass different components (immaterial and material) encouraging the employee to achieve tasks and attuned to his nature of work and their expectations.

Crystal Hoole and Gabi Hotz (2016) found that there is positive relationship between rewards and work engagement. The authors also identified that there is influence of performance and career management on work engagement.

Koskey and Sakataka (2015) found that health benefits, promotion opportunities, interaction with colleague workers freely, and job relevant training have the strongest input to employees' engagement at Rift Valley Bottlers Company. The author also identified that there is influence of reward on employee's engagement and commitment. The authors recommended that the Rift Valley Bottlers Company should evaluate the remuneration of employees with the analysis of raising employees' engagement and organizational commitment levels.

Malik Faisal Azeem, Rubina and Adil Tahir Paracha (2013) found that there is relationship between training and development and employee engagement. The authors suggested that management should be provided about morals through training the employees to increase their engagement towards their work performance. Providing the accurate type of training programs the employee engagement can be influenced in either way.

Scott, et al. (2010) found that short-term incentives, benefits, and bonuses are the financial rewards that have impact on employee engagement. But, the financial recognition and long-term incentives have the lowest impact on engagement than short-term incentives.

HPHRMP and Employee Performance

Sheila Wambui Njoroge & Josephat Kwasira (2015) found that there is a relationship between employee performance and reward & compensation in Nakuru Government. Also, the authors suggested that employee performance can be improved through other non-monetary reward practices and appropriate training.

Aidah Nassazi and Koskinen Ossi (2013) discovered that appropriate training and development has a positive impact on the performance of employees depending on the work they do. The research suggested that training programs should be undertaken by company officials based on the needs of the employees.

EMPLOYEE ENGAGEMENT AND EMPLOYEE PERFORMANCE

Hotner Tampubolon (2016) discovered that employee performance was influenced by factors such as employee engagement, motivation and job satisfaction.

Maha Ahmed Zaki Dajani (2015) discovered that employee engagement was influenced by organizational justice and leadership. The research also discovered that job performance was influenced by employee engagement.

Lisa Jackson (2014) discovered that in-role and extra-role performance was influenced by work engagement. The author points out that engaged employees have better chances of achieving in their job role.

NEED OF THE STUDY

A similar research was performed by Jaiswal and Tyagi (2019) in the Indian context of the hotel industry in Uttarakhand and the Himalayan regions of India. Therefore, HRHRMP, work engagement and employee performance would have shown different results. The results will be helpful for this research. Therefore there is a need to conduct a research that clarifies the extent to which HPHRMP influences employee engagement and employee performance. Therefore, this research first empirically tests the direct relationship between HPHRMP, employee engagement and employee performance in the banking sector in the Bangalore, India.

RESEARCH GAP

This research aims to fill the gaps in research that do not address HPHRMP's behavior in employee engagement and employee performance that narrow the gaps of previous studies. However, it has been found that HPHRMP can lead to positive impact experiences (White & Bryson, 2013; Boon, et al. 2014). Nevertheless, very little attention has been paid to understanding the relationship between HPHRMP and employee engagement. The current research conducted in the banking sector in Bangalore is significant. This is because HPHRMP is an easy way to find out how to engage employees in the fast-growing technology and technology-adapted field of banking. From the results obtained from this research, banking sector can understand how HPHRMP functions as an indispensable tool for the banking industry.

STATEMENT OF THE PROBLEM

Though recruitment of talented employees for banking sector is high, Bank also finds it difficult to ensure employees engagement. At this juncture, employee engagement helps to improve their performance and reduce employee turnover intention. To improve employee engagement, better high-performance HRM practices are needed. There are several studies to ensure positive relationship between HRM practices and employee engagement. This positive relationship ultimately leads to employee performance. This opinion of the researchers leads to examine the influence of high performance HRMP on employee engagement in banking sector.

RESEARCH DESIGN

Descriptive research design explains the activities of bank employees in order to know precisely. The researchers used descriptive research design to find out the influence of high performance HRMP on employee engagement in banking industry.

RESEARCH FRAMEWORK

The framework utilized to discover the influence of high performance HRMP on employee engagement in banking sector. Employee engagement is considered as mediator variable. High performance HRMP is classified in to two groups such as training & development and compensation & rewards. Hence, Employees' is considered as outcome variables and performance high performance HRMP is considered as dependent variable.

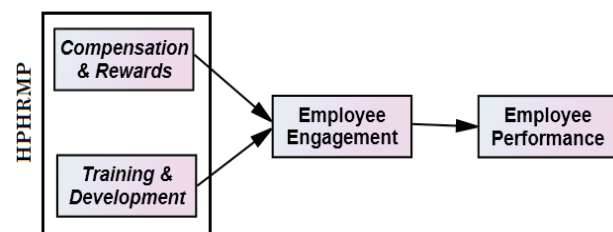


Figure 1: Conceptual framework of the study

OBJECTIVES OF THE STUDY

- To determine the influence of HPHRMP on employee engagement.
- To describe the influence of employee engagement on employees performance.
- To identify the influence of HPHRMP on employee performance.

HYPOTHESES OF THE STUDY

- There is no influence of HPHRMP on employee engagement.
- There is no influence of employee engagement on employee performance.
- There is no influence of HPHRMP on employee performance.

QUESTIONNAIRE CONSTRUCTION AND RELIABILITY

Table 1: Reliability of the Research

S. No.	Variable	Reliability	Author
1	Compensation & Rewards	0.84	Brijesh Kishore Goswami and Yogesh Upadhyay (2020)
2	Training & Development	0.70	
3	Employee Engagement	0.92	
4	Employee Performance	0.87	Muhammad Hammad Shah (2020)

Primary data were collected through a structured standard instrument. The table shows that the reliability value of the variables taken for study ranged from 0.84 to 0.92. Thus the questionnaire constructed through the table is reliable.

AREA OF SAMPLE AND JUSTIFICATION

Bangalore has been elected for this research. Employee engagement, HPHRMP (compensation & rewards and training & development), and employee performance are selected. Pilot study data was collected from 125 bank employees in Bangalore. Convenience sampling technique was employed. Path analysis was employed. The analysis was employed to identify the influence of high performance HRMP on employee performance with respect to employee engagement in banking sector.

RESULTS AND DISCUSSION

Table 2: shows Model Fit Indication

Indicators	Recommended Values	Observed Values
Chi-Square	---	2.184
p	Greater than 0.050	0.183
GFI	Greater than 0.90	0.993
AGFI		0.921
CFI		0.999
NFI		0.999
RMS	Less than 0.080	0.014
RMSEA		0.001

Source: Primary data

The chi-square value was 2.184 and the p value was 0.183. The table shows that the p- value is greater than 5%. The table also shows that AGFI and GFI values are greater than 0.90. The similar results found by Premapriya, et al. (2016) and Victor Charles and Velaudham (2020). The table also shows that NFI and CFI values are greater than 0.90. The similar results found by Kantiah Alias Deepak and Velaudham (2019) and Velaudham and Baskar (2015). The table also shows that RMR and RMSEA values are smaller than 0.08. . The similar results found by Deepak, et al. (2019). Model matching is all about matching. The similar results found by Velaudham and Baskar (2016) and Indra, et al. (2020).

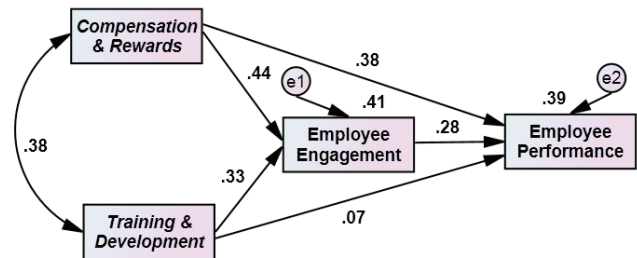


Figure 2: Influence of high performance HRMP on employee engagement

H₀: Compensation & rewards of HPHRMP have influencing employee engagement.

HPHRMP’s compensation and rewards increase employee engagement with 43.8 percent influence. As the p value is less than 5 percent the hypothesis is rejected. It is discovered that the compensation & rewards of HPHRMP influences employee engagement among the bank employees. The similar results found by Sylwia Stachowska (2016); Crystal Hoole and Gabi Hotz (2016); Koskey and Sakataka (2015); and Scott, et al. (2010).

H₀: Training & development of HPHRMP have influencing employee engagement.

HPHRMP’s training & development increase employee engagement with 33.1 percent influence. As the p value is less than 5 percent the hypothesis is rejected. From the result, it is discovered that the training & development of HPHRMP influences employee engagement among the bank employees. The similar results found by Danish Ahmed Siddiqui and Noor-us-Sahar (2019); Abul Kalam Azad, Md. Sharif Khan (2018); Shilpa Jain and Nitya Khurana (2017); and Malik Faisal Azeem, et al. (2013).

H₀: Compensation & rewards of HPHRMP have influencing employee performance.

HPHRMP's compensation & rewards increase employee performance with 38.3 percent influence. As the p value is less than 5 percent the hypothesis

is rejected. It is discovered that the compensation & rewards of HPHRMP influences employee performance among the bank employees. The similar results found by Sheila Wambui Njoroge & Josephat Kwasira (2015).

Table 3: Regression Weights

DV		IV	Estimate	S.E.	C.R.	Beta	p
Employee Engagement	<---	Compensation & Rewards	0.587	0.046	12.789	0.438	0.001
Employee Engagement	<---	Training & Development	0.577	0.060	9.672	0.331	0.001
Employee Performance	<---	Compensation & Rewards	0.282	0.029	9.666	0.380	0.001
Employee Performance	<---	Training & Development	0.070	0.036	2.636	0.072	0.049
Employee Performance	<---	Employee Engagement	0.157	0.023	6.757	0.283	0.001

Source: Primary data

H₀: Training & development of HPHRMP have influencing employee performance.

HPHRMP's training & development increase employee performance with 7.2 percent influence. As the p value is less than 5 percent the hypothesis is rejected. From the result, it is discovered that the training & development of HPHRMP influences employee performance among the bank employees. The similar results found by Aidah Nassazi & Koskinen Ossi (2013).

H₀: Employee engagement has influencing employee performance.

Employee engagement increase employee performance with 28.3 percent influence. As the p value is less than 5 percent the hypothesis is rejected. Employee performance was influenced by employee engagement. The similar results found by Hotner Tampubolon (2016); Maha Ahmed Zaki Dajani (2015); and Lisa Jackson (2014).

FINDINGS

- The analysis discovered that the compensation & rewards of HPHRMP influences employee engagement among the bank employees. The similar results found by Sylwia Stachowska

(2016); Crystal Hoole and Gabi Hotz (2016); Koskey and Sakataka (2015); and Scott, et al. (2010).

- It is identified that the training & development of HPHRMP influences employee engagement among the among the bank employees. The similar results found by Danish Ahmed Siddiqui and Noor-us-Sahar (2019); Abul Kalam Azad, Md. Sharif Khan (2018); Shilpa Jain and Nitya Khurana (2017); and Malik Faisal Azeem, et al. (2013).
- It is found that the compensation & rewards of HPHRMP influences employee performance among the among the bank employees. The similar results found by Sheila Wambui Njoroge & Josephat Kwasira (2015).
- The analysis discovered that the training & development of HPHRMP influences employee performance among the bank employees. The similar results found by Aidah Nassazi & Koskinen Ossi (2013).
- Employee performance was influenced by employee engagement. The similar results found by Hotner Tampubolon (2016); Maha Ahmed Zaki Dajani (2015); and Lisa Jackson (2014).

RECOMMENDATIONS

- It is recommended that the bank management should evaluate the remuneration of employees with the analysis of raising employees' engagement and employees' performance levels.
- It is suggested that the bank management need to recognize the worth of the participatory components to compete efficiently at the global levels through effective achievement in the engagement policy.
- It is suggested that bank management should be provided about morals through training the employees to increase their engagement towards their work performance. Providing the accurate type of training programs the employee engagement can be influenced in either way.

CONCLUSION

The research tries to influence of high performance HRMP on employee engagement in banking sector. Data was collected from 125 bank employees. Collected data analyzed through path analysis. The analysis discovered that the compensation & rewards and training & development of HPHRMP influence employee engagement. The analysis discovered that the compensation & rewards and training & development of HPHRMP influence employee performance. Finally, the path analysis discovered that the employee engagement influences employee performance. Hence, the authors concluded that the bank management should evaluate the remuneration of employees with the analysis of raising employees' engagement and employees' performance levels.

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