

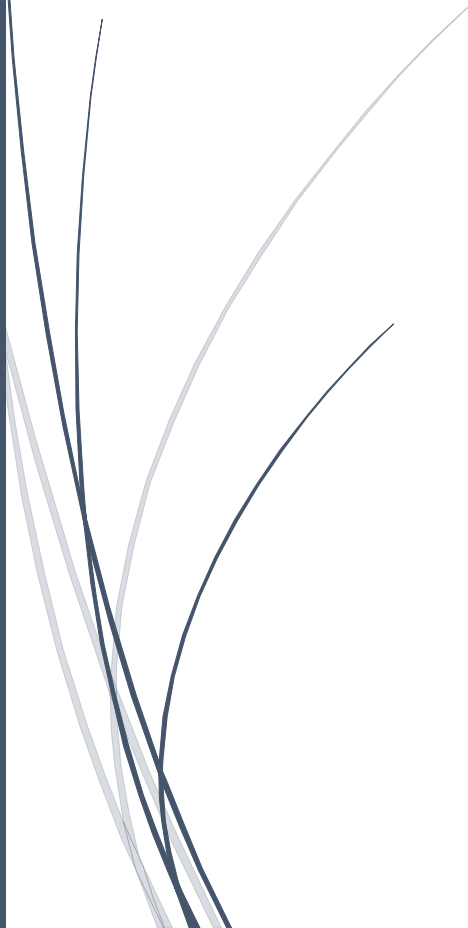


Final Project 2

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Project Template

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Project title

**The Impact of HR Management on Organizational
Performance**

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Acknowledgment

Dedication

Abstract

Master of Public Administration in Public Sector Management and
Leadership

In recent years, scholars have researched the positive influence that HR management practices have on organizational performance, such as job

analysis or design, performance management, organizing, directing, controlling, etc., promoting the well-being of the organization's employees. Organizational effectiveness opens new growth opportunities. Further research is necessary to understand employees' perspectives on the subject to achieve high performance and satisfaction levels throughout the workforce by creating ways to strengthen the employer-employee relationship. The research aims to add to the body of knowledge in this field by qualitatively analyzing HR management's positive and negative impacts on organizational performance using interviews of HR managers and employees. The results can help revise HR practices to eliminate adverse effects on organizational performance. Improving efficiency by building an effective team and resources available for employees and reducing unwanted employee turnover will likely promote the business's growth.

Keywords:

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1. Chapter 1: Introduction

Organizational performance is essential for the operations of organizations. All

organizations desire to perform well in the market (Dien, 2020). Organizations that attain their objectives have good performance (Bilan et al., 2020). Goal setting is therefore primary in reviewing organizational performance. In most cases, objectives are along financial lines to support an organization's goals, maintaining a balance between costs and revenue. The success of organizations is determined by their financial performance. However, not-for-profit organizations must focus on other aspects which are not financial like helping the community, spreading the gospel, or fighting a disease. The organizations have therefore adopted a shift in what they consider good performance.

Other aspects of organizational lives are now considered when evaluating performance. For example, organizations desire to attract top talents in the market and meet their customer preferences (Zaharee et al., 2018; Reilly, 2018). Therefore, organizations are becoming more aware of how other aspects contribute positively to organizational performance. Another vital aspect that organizations consider is the well-being of their employees. Employee well-being directly influences their productivity and ability to achieve objectives (Krekel et al., 2019). Other aspects considered by organizations include relations with stakeholders, sustainability, and social responsibility. HR management helps organizations to evaluate their performance, making it necessary to study the impact of HR management in organizational performance.

HR management is primary in evaluating organizations' performance, which acts as the direct link between employees and senior management. A study

conducted in the hospitality industry indicated that HR is central in connecting employees and senior management (Tuan, 2018). Therefore, HR takes part in influencing the performance of

organizations. It is responsible for communicating the strategic plans of organizations. Also, it has the responsibility of communicating organizational objectives to the employees. In this sense, they influence the success of the organization.

Employees perform better when they know what is expected of them. The HR management communicates the objectives to the employees (Reilly, 2018).

Additionally, performance evaluation is part of the role of HR (Reilly, 2018).

Therefore, the HR department determines the performance levels and whether objectives are met. The roles of HR appear integral to the performance of the organization (Reilly, 2018). It is important to analyze the perception of HR managers on their role in organizational performance.

Additionally, it is essential to evaluate how employees perceive the role of HR managers in organizational management.

Other HR practices, which include hiring, firing, benefits, and wellness, have the potential to influence organizational performance. For example, it is HR that is responsible for recruiting employees. Therefore, it is possible that HR directly influences performance by hiring the personnel required to meet the organizational objectives. Also, it takes care of employee training needs at the organization. Consequently, management has the potential to influence the capacity of employees to achieve their objectives. Research usually focuses on how each HR practice influences the organization's performance.

HR management roles and practices have the potential to influence the performance of organizations. Some of how HR management can influence organizational performance are direct and short-term while others are indirect and long-term (Sherafat & Elahi, 2018). There is, therefore, a need to analyze the impact of HR management on organizational performance. Such analyses aim to establish whether the assumptions are valid or misleading.

Various scholars have looked at the relationship between HR practices like setting mission and goals of the department and organizational performance like employee satisfaction, improving customer and stakeholder satisfaction. Primary focusing on a specific HR practice and how it influences organizational performance. Additionally, most studies focus on a specific organization or focus on one industry and how the HR practices in that organization influence its performance. Therefore, although several scholars analyze HR practices and organizations, their results are specific to certain organizations. The study is necessary as it will apply to all organizations, consider the perception of employees, and therefore add to existing body of knowledge to developing ways to strengthen the employer- employee relationship by understanding the perspective on the subject is essential for achieving high performance and satisfaction levels throughout the workforce.

The literature fails to identify the impact that HR management, in general, has on organizational performance. Having this general is essential for HR managers in different organizations in countries that scholars have not prioritized to understand their implications for performance. The research aims to address this gap by answering the research question: what is the impact of HR management on organizational performance? The researcher will collect qualitative data by interviewing employees and HR managers to determine their perspectives on the subject. The research will identify both positive and negative impacts of HR management on organizational performance. By interviewing HR managers and

employees, the researcher will get a clearer picture of strategic planning in organizations and strategic implementation.

The information will help to inform decisions made by HR management in their practice. The researcher will advise on best practices that promote organizational performance and those which undermine it based on the research findings. The information is necessary in understanding the perspective of employees about HR practices and how they

influence organizational performance. Additionally, the study will review how perceptions of employees have changed following the COVID-19 pandemic. As such, it will offer current information in the field pertaining to HR management and organizational performance.

The purpose of the study is therefore to contribute to the existing body of knowledge on HR management. The researcher will perform a cross-sectional study. The research findings will contribute to the current knowledge about how HR management impacts organizational performance. The research contributes to this by looking at the perspectives of both employees and HR managers. The view of employees is needed because previous studies have focused heavily on the perspective of management at the expense of what employees think. Employees implement set policies and as such their opinions should be considered. Human resources management is a way for management to influence and shape the skills and behavior of individuals in their work (Rasool et al., 2021).

3.1 Research Design:-

Research design embraces the methodology and procedures employed to conduct scientific research. The design defines the study type; data collection methods and statistical analysis plan. This study took an explanatory research design since it seeks to establish the impact of HR

practices on organizational performance. This is a case study research work that used a selected number of HRM practices to get empirical data on HRM practices and how they affect organizational performance.

The research strategy used for the research was a survey approach in order to collect quantitative data which was analysed using descriptive statistical tools. The use of a survey enables generalisation to be conducted using findings generated from a sample size which is representative of the whole population.

3.2 Sources of Data:-

The data for this study was drawn from two main sources; primary and secondary data sources.

3.2.1 Primary Data:-

The primary data sources were those original data collected and analysed by the researcher from the field. These were mainly obtained from the responses of respondents to self-completion questionnaires, semi structured interviews and participant observation recordings.

3.2.2 Secondary Data:-

The secondary sources of data refer to data collected by a person or researcher other than the user of the information. This kind of previously collected information is not case-specific but it can be relevant to the studied problem

(Lindstrom et al 2010) This study to a significant extent depended on information about rural banks in the KSA and their HRM practices relevant materials from the and other documented relevant information.

Available handbooks, annual reports, performance reports, employment policies, relevant information from the organizations' website, blogs, journals, newsletters and other documented materials made up the secondary data used by the researcher. The data obtained from these sources were scrutinised for reliability, validity, adequacy and suitability in answering research questions. The use of multiple independent sources of data was to establish the truth and accuracy of any claim; thus it is expected to enhance the reliability and validity of the study.

3.3 Study Population:-

Investigating, for example a problem will almost certainly require a research project in the academic sense. Researchers often have interest in particular groups of people or items this is referred to as study population. Population is the total members of a defined class of people, objects, places or events selected because they are relevant to one's research questions. In this study, the target population which is the entire set of units for which the research data would be used to make inferences or generalisation is the managers and non-managerial employees of rural banks in KSA.

On the average, the staff strength of these rural banks as at the time the researcher was obtaining preliminary data stood at twenty-two (20) at the head offices and eleven (9) at the branches. The figure for the head office is made up of five (5) management staff, four (4) supervisors for different departments, eleven (11) junior staff. At the branch level are one branch manager, one operations officer, two back office staff, one customer service personnel, two tellers, one relationship/credit officer and two microfinance officers. These members of the target population had characteristics and experiences that were capable of producing the responses the researcher needed.

3.4 Sample and Sampling Techniques:-

A sample is a selection of a group of people or events from a population to be able to find out true facts about the sample that will be true of the population. This becomes necessary as the entire population cannot be studied due to the size, inaccessibility, time and financial constraints. This study had an estimated population size of one hundred and eighty eight (188) people and this large size made it impossible for the researcher to test every individual members of the population. As such, a sample size of one hundred and forty (150) respondents, representing 79.78% of the population was chosen as a true reflection of the population for the study. Based on non-probability sampling procedure, purposive or judgemental and convenience sampling techniques were used for selecting respondents for managerial employees and non-managerial employees respectively. The purposive sampling technique is done with a predefined group in mind. The subjects are handpicked from the accessible population and matched against the criteria for being in the sample. This means that people whose opinions are relevant to the study are chosen for the researcher's data collection exercise. Here, sampling for proportionality is not the primary concern; rather the judgment of the researcher in sampling experts relevant to the study is significant.

The purposive sampling technique was chosen in sampling for managerial employees because they had to meet a criterion of belonging to the predefined group of top level managers. Again, the convenience sampling technique was used so that any non-managerial employee could participate as a respondent. The convenience sampling technique suited the non-managerial employees better due to their relative ease of access and the fact that any employee belonging to this group is a potential respondent.

A period of three weeks was allowed for respondents to attend to questionnaires and collection was done after the three week period. Out of the sample size of 150, forty (40) were top management staff of managers

and supervisors, and the remainder of 110 respondents were a combination of non-managerial members constituting middle and lower level employees.

3.4 Data Collection Instruments:-

Data collection instruments are the tools used to collect information as part of a research. The validity and reliability of data collection and instruments is of extreme importance to any sample survey. It is therefore essential to properly design data collection instruments so as to reach reliable and valid conclusions.

3.4.1 Questionnaire:-

Questionnaires have the advantage of securing relevant information effectively about phenomena that is not directly observable. It is also an efficient and effective method in reaching a larger group.

For the purpose of this study, two sets of structured questionnaire consisting of 65 close-ended questions and organized into four sections was used to collect primary data from employees.

Section one consisted of five questions on the personal details such as age, sex, educational qualification, marital status and years of stay with organization. Section two was designed to test employees' perceptions and experiences about HRM practices (recruitment and selection, training and development, compensation, employment security, performance appraisal, employee participation and career planning) and HRM outcomes such as job satisfaction and motivation, organizational commitment and employee retention. A five point Likert scale ranging from (1 - strongly agree to 5 – strongly disagree) was used in the last three sections to measure the impact of HRM practices on HRM outcomes and employee performance. The other set of 55 questions organized into three sections was designed for managerial employees. Section one sought for background information on the organization, section two asked questions to test HRM practices such recruitment and selection, training and development, compensation and rewards, employment security, performance appraisal and management, employee involvement and career planning. The last section tested the organizational performance of the organizations chosen for the research. All the questions were close-ended statements which were followed by alternative answers from which respondents were expected to tick appropriately.

In addition, a semi-structured interview schedule was prepared to gather data from key informants of

the banks on HRM practices and organization's performance.

3.5 Data Analysis Technique

s:-

Data collected from the completed questionnaires were inspected first of all, cleaned, transformed and collated into useful information for easy comprehension. After that the data were modelled into coded categories to facilitate analysis.

The researcher, with the aid of Statistical

Package for Social Sciences (SPSS) and Microsoft excel presented the final data in charts and diagrams. The SPSS was used to obtain frequencies and percentages of close ended responses; and open ended responses were analyzed in a qualitative manner. The reliability of the scale was measured using the Cronbach's alpha. The following tables show the reliability levels for the category of questions asked managers and employees.

This chapter presents information on primary data collected from respondents on HRM practices in rural banks in the Ashanti region of KSA. The data were processed and presented in tables, graphs and other statistical representations using SPSS. Interpretations given were on processed data collected from the field that sought to establish the impact of HRM practices on the organization performance of rural banks.

4.1 Execution and Management of HR practices:-

Recruitment	Centralized	40	100.0
Training and development	Centralized	32	80.0
	Executed and Managed by Line Managers	8	20
Compensation	Centralized	40	100
Performance Appraisal/ Management	Centralized	5	12.5
	Executed and managed by line managers	35	87.5
Employee participation	Centralized	9	22.5
	Executed and managed by line managers	31	77.5
Career Planning	Centralized	30	75.0
	Executed and managed by line managers	10	25.0

Table 1: Execution and Management of HR practices

Table 1 shows how some HR practices are executed and managed by these rural banks. All 40 manager-respondents indicated that recruitment and selection is a centralised activity. This means that it is carried out by top management at the head office. The only role line managers have to play is to communicate and justify the need extra hands and the recruitment and selection are done for the branches. Although some of the banks take inputs from line managers as to what type of person to select, they do not play any direct and major role in the recruitment and selection process.

32 respondents representing 80% indicated the training and development is carried out at the head office and by top management. Training program are drawn up by top management and resource persons are arranged for by the top managers. It is rare for a branch to carry out training activities on its own. All training and development needs are consolidated and carried out by the top management at the head office.

All 40 respondents representing 100% indicated that compensation as an HRM activity is carried out executed and managed at the head office by top management made up of the Board, general manager and their deputy. Often, operations managers have oversight responsibility over the payroll management together with the accountant or finance officer.

35 respondents representing 87.5% agree that all performance appraisal activities are decentralised and carried out by line managers who play supervisory role to the appraised. 5 respondents representing 12.5% indicated and upon further enquiries explained that, performance management which is a new concept to almost all the rural banks is a centralised activity which is being experimented and therefore it is yet to be left in the hands of line managers. It is a common practice that underperforming employees are transferred to the head office for coaching or for reassignment.

Out of the 40 respondents, 31 representing 77.5% indicated that employee participation is a practice encouraged by line managers at the various branches. 9 respondents representing 22.5% responded that this practice is centralized in that employees only participate in work related decision making and take initiatives only at the behest of top management. This can only mean that employee involvement is gaining grounds in the rural banks.

4.2 Item Statistics of Recruitment and selection practice in selected rural banks:-

Appointment in this organization is based on merit	3.98	.577	40
Applicants are fully informed about the qualification required to perform the job before being hired	4.05	.597	40
Advertisements are used by the bank to recruit	2.95	.876	40
There is formal induction, orientation and familiarisation process designed to help new recruits understand the organization	4.25	.670	40
In this organization, line managers and HR managers participate in the selection process	3.08	1.095	40
Selection system selects those having the desired knowledge, skills and attitude	3.80	.564	40
Vacancies are filled from qualified employees internally	2.88	.911	40

Table 2: Item Statistics of Recruitment and selection practice in selected rural banks

Table 4.3.3 represents the item statistics of recruitment and selection practices according to managers. A mean of

3.98 shows that managers agree that appointment in their organizations is based on merit. Managers agree that applicants are fully informed about the qualifications required to perform the job before being hired; this is represented by a mean of 4.05. A mean of 2.95 indicates that managers take a neutral stand as to whether advertisements are used by the banks to recruit. This assertion was further concretized by the revelation that rural banks do not often resort to advertisement to recruit because they rely mainly on recommendations mostly from top management and internal means of filling vacancies. Managers also agree that there is a formal induction, orientation and familiarization process designed to help new recruits understand the organization. This is shown by a mean of 4.25. Again, managers remained neutral as to whether line managers and HR managers participate in the recruitment and selection processes and this is represented by a mean of 3.08. It comes as no surprise that managers remained neutral on the issue of involving line managers in the recruitment and selection processes since it is not the practice of these rural banks. Represented by a mean of 3.80, managers agreed that their organization's selection

system selects those having the desired knowledge, skills and attitudes. Asked on whether vacancies are filled from qualified employees internally, remained neutral because as it seems, such a practice is not widespread among rural banks. Managers prefer roping in new recruits rather than pushing up existing employees to fill up vacancies. This could be attributed to the fact that secondment, coaching and mentoring are almost none existent in the rural banks leading to the lack of qualified employees to internally fill vacancies. The responses to this question are represented by a mean of 2.88.

4.3 Item Statistics of compensation and rewards of selected rural bank:-

Pay for performance improves performance	4.22	.698	40
Employees are rewarded based on performance	3.45	.876	40
Compensation packages encourage employees to achieve organization's objectives	3.75	.588	40
Employees are recognised and rewarded appropriately in this organization	3.42	.594	40
Profit sharing/bonuses are used as a mechanism to reward higher performance	3.82	.747	40
Job performance is an important factor in determining the incentive compensation of employees	3.92	.829	40

Table 3: Item Statistics of compensation and rewards of selected rural bank

Table 3 displays item statistics of compensation and reward practices carried out by the rural banks and the perceived outcome of these practices from the viewpoint of managers. A mean of 4.22 indicates managers' agreement to the assertion that pay for performance improves performance. Managers of rural banks agree that the practice of pay for performance is motivating and brings out the best in employees. It stands to reason that when pay does not commensurate performance there is the tendency for decreasing performance. However, managers have a neutral stance on whether employees are rewarded based on performance. This is shown by a mean of 3.45. Though managers agree from all indications that pay for performance improves performance, there is no strong agreement to the practice in reality. A mean 3.75 indicates that managers agree that the kind of compensation packages offered by their organizations encourage employees to achieve organization's objectives. According to the managers, their compensation packages stand among the best in the rural banking sector and therefore should be able to motivate employees to achieve organizational objectives. There is no strong agreement on whether employees are recognized and rewarded appropriately in the selected organizations. This is represented by a mean of 3.42 which therefore means that managers neither agree nor disagree to the question that employees are recognized and rewarded appropriately in their organizations. Though employees of rural banks perform similar function as the traditional banks, their kind of compensation packages cannot be compared to that of the traditional banks. The above table also shows a mean of 3.82 indicating that managers agree profit sharing or bonuses are used as a mechanism to reward higher performance. Informal interactions the researcher had with some managers reveal that rural banks have adopted the practice of paying bonuses and other incentives based on employees' performances. Though this practice is not received well by some employees, with education and fairness in the execution of the practices, employees will grow to understand the benefits of differentiated profit sharing or bonus packages. The last item in this category sought to establish whether job performance is an important

factor in determining the incentive compensation of employees and the managers agreed that it does. This is represented by a mean of 3.92.

4.4 Item Statistics of Training and Development practices:-

Training needs are discussed with employees	2.78	.832	40
There is a training strategy and coherent training program	3.25	.742	40
Training incorporates the interests of the organization as well as the individual	3.65	.533	40
Training needs identified are realistic, useful and based on the business strategy of the organization	3.55	.504	40
Every employee goes through various training programmes every year	3.68	.888	40
There is a budget dedicated to training and development every year	4.45	.504	40

Table 4: Item Statistics of Training and Development practices

Table 4 covers item statistics of training and development practices carried out by the rural banks. From the above table, the mean of 2.78 establishing whether training needs are discussed with employees shows that managers could not wholly agree that such a practice is the case. It is more often than not, the case that „wholesale“ training programs are organized for employees without any form of discussions with the individual employees concerned. Again, the mean of 3.25 for the item, means that managers could not take a concrete stand as to whether there is a training strategy and a coherent training program. This could only mean that training programs are not strategically mapped out into a coherent whole; when top management deem it necessary to have training sessions organized for employees, it is done. Evidently, the mean of 3.65 shows that managers have a not too strong agreement to incorporating individual and organizational interests into training programs. Obviously, the interest of these organizations will override that of the individual employees but room should be made to incorporate the individual interests of employees so far as training is concerned. It is not surprising that managers do not show a strong agreement point in confirming that training needs identified are realistic, useful and based on the business strategy of the organization. This shows in the mean of 3.55 for that item. This means that the „wholesale“ nature of these training programs do not permit the proper identification of realistic and useful training needs that are matched to the organization's business strategy. However, managers agree that employees go through various training programs every year. This is represented by the mean of 3.68. Managers agree that a budget is dedicated to training and development every year. This is shown by the mean of 4.45.

Chapter 5: Conclusion and Recommendation:-

This chapter provides the summary of the findings of the study, conclusions drawn from findings and recommendations based on the findings. Conclusions drawn will be deduced from analysis and objectives set for the research. The area for further research was also suggested in this chapter.

The study examined the HRM practices of rural banks and its impact on organizational performance of these banks in the Ashanti region. Responses from both managerial and non-managerial staff indicate similar and in some cases divergent views on HRM practices of rural banks. Though research has established concretely that HRM practices have positive impact on employee productivity leading to improved organizational performance, rural banks, from evidence gathered are yet to benefit from the proper management of their human resources and even when they do, it is just minimally.

It is evident from the research findings that rural makes recruit from two sources; internal and external sources. Recruitment from external sources though very often is given little advertisement or none at all. External recruitment is done through personal recommendations from top management who usually choose candidates for their friendship and blood relationships. On the other hand, internal recruitment which requires filling vacancies through promotions, transfers and upgrading is used by these banks as a means of selecting employees to fill vacancies. These activities are centralized and line managers have little or no role to play in the recruitment and selection process of these rural banks. The rural banks however, make it point to have formal induction, orientation and familiarization process for new recruits which are very important and rewarding practices. It is worth noting that most appointments are based on merit in these organizations. Managers claimed that as a practice, employees are rewarded based on performance, but the research proved otherwise. Pay for performance as a driver for improved performance, is gradually seeping into the compensation and rewards practices of rural banks. Research findings prove that this has been incorporated into profit sharing and bonus payment structure of some of these rural banks. This aspect of HR is a centralized activity carried put at the head office.

Training and development programs are meant to add value to employees and improve employee performance. However, this research revealed that training practices of rural banks minimizes the benefits and rather creates

adverse effects on employee performance leading to reduced organizational performance. Most rural banks do not have training strategies and coherent training programs and therefore give „wholesale“ training programs to their employees and this means that training and development programs do not incorporate the interest of individual employees. Training needs are neither identified through formal performance appraisal nor discussed with employees and thus training needs identified is mostly unrealistic and not based on business strategy.

Another important HR function is performance appraisal and management. The practice of appraising employees is common with rural banks; at least it is a yearly affair with all the rural banks selected for the study. There is formal and written performance appraisal system which though appreciated does not provide employees with feedback and counselling. Appraisal has become just a formality and appraisal data is not usually used for promotion, job rotation, training, compensation, transfer and discharge in rural banks. Performance management which has also yet to gain

roots in the HRM field is fictional in rural banks and as such underperformance is not given the needed attention for corrective measures. It is interesting that in this day and age, career development is made the responsibility of employees alone. Avenues are not created for employees to discuss career aspirations within the organization with immediate supervisors. It is not the practice of these rural banks to neither, plan for the career and development of employees nor match individual and organizational growth needs. It is up to the employees to become aware of personal skills, interest, knowledge, and acquire information about opportunities and choices in order to achieve career-related goals. Most employees of these rural banks are not aware of career path in these organizations. To enhance communication and employee involvement, regular staff meetings are held. This practice is further boosted with the encouragement of employees to suggest improvements in the way tasks and jobs are done. However, negating all these is the fact that employees are not allowed to make many decisions and in most cases adherence to instructions with little room for empowerment in the less critical issues. This practice kills initiatives and innovation.

One disturbing finding was that training needs are not discussed with employees of rural banks and there seem not to be training strategies and coherent training program as indicated by the responses of both employees and managers. The researcher can confidently say that „wholesale“ training is more prevalent in rural banks rather than need- specific training programs. This is backed by employees“ non-agreement to whether extensive training programs are provided for employees in all aspects and that employees are selected for training programs that suit their job needs. Employees created the impression that training does not incorporates the interests of the organization as well as the individual, training needs identified are not realistic, and useful, and are not based on business strategies. The researcher, as an observer-participant can say that employees have average views of the training and development practices of their

employers. It is a top-drawer practice to dedicate budgets to training and development every year, but as to whether the monies allocated to these HRM programs are fully used for its intended purposes, the researcher could not say.

Studies have extensively shown that the proper management of human resources through sound and effective HR practices, policies and programmes can positively improve organizational performance. This research found nothing to the contrary. Should rural banks resort to the proper management of their human resources and not leave that function to directors and non-HRM experts, a great impact would be made on organizational performance.

Recruitment and selection which is the first process any well-meaning organization resorts to in acquiring human resources is fundamental to organizational performance. It was found from the research that when people with the desired skills, knowledge and attitudes are performance improves as a result of maintaining a committed, motivated and high performing workforce. This activity should be backed by a succession plan which is able to accurately predict future abilities of existing human resource and future human resource requirements.

Recommendations:-

It was found that out of the four banks only one had a department dedicated to HR functions and activities. As such it is recommended for rural banks to dedicate a department to the proper management of their human resources and employ the services of an HR expert to plan, implement and manage these HR functions.

From all indications, the implementation and the management of human resources by non-HR experts has damaging implications. It was found out that HR functions like recruitment and selection were left in the hands of directors and general managers and this opens the recruitment and selection processes up to nepotism, cronyism and favouritism. Starting with

recruitment and selection, it is recommended that people HR expertise with the help of line managers are made to carry out these activities so that people with the appropriate skills, attitudes and knowledge are hired. This will ensure professionalism and institutionalism in the activities of rural banks.

This research revealed that the „wholesale“ nature of training and development programs of rural banks do not permit the full realization of the benefits of the practice. It is therefore recommended that there should be coherent and strategic training and development that is planned to match both individual and organizational interests. To ensure that training needs identified is realistic and useful, the needs should be discussed with employees.

„Wholesale“ training programs do not yield the desired results. Also, budgets for training and development should be solely dedicated to such purposes. To reap the full benefits of training and development programs, adequate monitoring and management of performances of employees should be instituted by management. Furthermore, the

research revealed that there is an overwhelming support for pay for performance from both employees and managers. It is recommended that management should endeavor to link pay to performance. This type of compensation structure is known to ensure fairness, eliminate conflicts and tension and propel employees to higher performance.

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Appendix 1: Questionnaires:-

1. How does your Bank execute and manage the following HR practices;

a. Centralised (C) OR b. executed and managed by line managers (LM)

- i. Recruitment and selection (.....)**
- ii. Training and development (.....)**
- iii. Compensation (.....)**
- iv. Performance Appraisal/Management (.....)**
- v. Employee Participation (.....)**
- vi. Career planning (.....)**

2. Recruitment and Selection:-

1	2	3	4	5
Strongly Disagree (SA)	Disagree (D)	Neutral (N)	Agree (A)	Strongly Agree (SA)

Using the scale above (1 – 5) please tick (✓) the levels of agreement in each of the items below with regards to the HRM practices of your bank	SA	A	N	DA	SD
	1	2	3	4	5
Recruitment and Selection					
Appointments in this organisation is based on merit					
Applicants are fully informed about the qualifications required to perform the job before being hired					
Advertisements are used by the bank to recruit					
There is formal induction, orientation and familiarisation process designed to help new recruits understand the organisation					
In this organisation, line managers and HR managers participate in the selection process					
Selection system selects those having the desired knowledge, skills and attitude					
Vacancies are filled from qualified employees internally					

3. Compensation and Rewards:-

Compensation (Pay) and Rewards					
Pay for performance improves performance					
Employees are rewarded based on performance					
Compensation packages encourage employees to achieve organisation's objectives					
Employees are recognised and rewarded appropriately in this organisation					
Profit sharing/bonuses are used as a mechanism to reward higher performance.					
Job performance is an important factor in determining the incentive compensation of employees					

4. Training and Development:-

8. Training and Development					
Training needs are discussed with employees					
There is a training strategy and coherent training programme					
Training incorporates the interests of the organisation as well as the individual					
Training needs identified are realistic, useful and based on the business strategy of the organisation					
Every employee goes through various training programmes every year					
There is a budget dedicated to training and development every year					

2.Chapter 2: Literature Review

2.1. Introduction

Brief introduction for the chapter

2.2. The independent variable

2.3. The dependent variable

2.4. The relationship between the independent and the dependent variables

2.5. Conclusion

3. Chapter 3: Research Methodology

3.1. Introduction

3.2. Operational definitions for research variables

3.3. Research design (research onion)

3.4. Research population & Sampling methods and technique

3.5. Data collection method

3.6. Types of data

3.7. Statistical analysis procedures

3.8. Conclusion

4. Chapter 4: Statistical Analysis & Findings discussion

4.1. Introduction

4.2. Sample profile (descriptive statistics for research sample)

4.3. Validity & reliability tests for the questionnaires

4.4. Descriptive statistics for research variables (answer research questions)

4.5. Testing Hypotheses & Findings Discussion

4.6. Conclusion

5. Chapter five: Research limitations, Recommendations & Conclusion

5.1. Research Limitations & Future Research

5.2. Research Recommendations

5.3. Conclusion

References

Appendix

