

Role of HR Practices on Employee Job Performance in Public Sector Merger Banks at Bangalore city.

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Abstract

This study aims to analyse the role of HR practices on employee job performance in public sector merger banks in Bangalore city. For this purpose HR practices namely health care, supervisor support, recognition and rewards, accessibility to banks and stress management policies are treated as independent variables and employee job performance is treated as dependent variable. Descriptive type of research is applied for this study. Questionnaire have been constructed to collect the primary data from the bank employees working in public sector merger banks namely Canara Bank, Union Bank Of India, Indian Bank And Bank Of Baroda at Bangalore city. A sample of 100 respondents has been approached to collect the data through convenient sampling method. The collected data has been analysed with descriptive statistics, correlation test and regression analysis. The findings indicates that the HR practices of health care, supervisor support, recognition and rewards, accessibility to banks and stress management policies have significant influence on employee job performance in public sector merger banks.

Key words: Mergers, Employees, Job performance, Public sector Banks.

1.Introduction

India has both public and private sector banks. As India liberalized its economy in 1991, It was felt that banks were not performing efficiently. During the economic crises, it was recognized that banks have a crucial role to play in the economy and, hence, the banking sector had to be more competitive and effective(Jiang, 2012)

Public Sector Banks are financial institutions that are owned and operated by the government. These banks play a significant role in the economy by providing banking services to individuals, businesses, and government entities. Public sector banks are responsible for mobilizing savings, facilitating credit, promoting financial inclusion, and supporting economic development (Gulzar, 2017). A bank merger is basically an agreement between the merged bank and the acquiring bank to combine assets and liabilities and become a single entity. Harmonizing the human resource is another key aspect of these bank mergers. The banks are merged only on papers but their people and culture don't. Employees of all partner banks often go through the changes in guidelines, policies, designation, and sometimes they get transferred (Guerrero,2008).

2.Review of literature

Manish Goel and Nidhi Agarwal (2020) stated that this paper concentrates on the HR perspectives of merger between various Banks and efforts have been made to explore various aspects of HRM which are required to be considered at the time of Merger and Acquisition. The survey was done in Delhi NCR by providing 250 questionnaires based on 20 variables converted into 6 factors like Job design, employee participation, supportive HR system, working environment career advancement and job satisfaction. It is suggested that for successful implementation of merger and acquisition the HR aspects like job security, motivation, growth opportunity, pay scale, working culture, communication, training, induction programmes, and value system should be duly considered.

Harjeet Kour and Pavneet Kaur (2018) conducted a survey in 3 cities of Punjab State by taking a small sample of 43 employees- 17 from SBI & 26 from SBP using convenience sampling technique. The 10 HR problems were identified like job rotation, anxiety, customer traffic, working styles, favouritism, turn over, stress, career related issues, behavioural issues, hierarchy. From their findings it was noticed that the employees of the merged bank face the above HR problems. Emanuel Gomes, et.al., (2012) explored that HRM practices in the Nigerian banking sector throughout the merger and acquisition Process. Out of 89 banks, 70 of them merged to form 19 banks. Semi structured interviews were conducted from the employees of 19 merged banks tape recorded and transcribed. The data covers both Pre & post -merger HRM issues.

Weber and Camerer (2003) emphasised that the failure of mergers is due to lack of cultural integration. The inability to coordinate activity due to cultural conflict leads to the extensive failure of corporate mergers. The experiments were conducted by the researchers to study the failure of merger due to cultural conflicts, for this the subjects in the firms were allowed to develop a culture, and then merge .It was found that the performance decreased after the two laboratory firms merged. Apart from this, subjects "overestimated" the performance of the merged firm and accounted for the decrease in

performance to the members of the other firm rather than to situational obstacles created by cultural conflict. Evidence of conflicts and "mistaken blame" is also found which suggests that it could be a possible reason for the high rate of turnover after real mergers.

3. Statement of the Problem

Banks are considered the backbone of any economy. In the late 1980s, Indian economy was going through a series of economic crises, including the balance of payment crisis. From near depletion in foreign reserves in mid-1991 to becoming the 3rd largest economy in the world in 2011, India has come a long way. One of the major contributions in that journey has come from banks. Several mergers and acquisitions have occurred in the Indian banking sector in recent years, particularly in the public sector. The government has been pushing for banking sector consolidation in order to create stronger and more efficient banks. A merger or consolidation of banks refers to the procedure of two or more banks pooling their assets and liabilities to become one bank. In this situation, there is an anchor bank and one or more amalgamating banks, where the latter gets merged with the former. A takeover merger occurs when one bank purchases the stock or assets of another bank. This type of merger has the potential to increase market share, boost competitiveness, and improve financial performance.

4.Objectives of the study

To assess the employees opinion towards HR practices of health care, supervisor support, recognition and reward, accessibility to banks and stress management policies.

To examine the relationship between HR practices of health care, supervisor support, recognition and reward, accessibility to banks and stress management policies with the performance of the employees.

To know the influence of HR practices of health care, supervisor support, recognition and reward, accessibility to banks and stress management policies on employees performance in mergers of public sector banks.

5.Hypotheses of the study

HR practices such as health care, supervisor support, recognition and reward, accessibility to banks and stress management policies have significant relationship with the performance of the employees.

HR practices of health care, supervisor support, recognition and reward, accessibility to banks and stress management policies have significant effect on the performance of the employees.

6.Research Methodology

Type of Research

A research methodology is logical and systematic planning and directing of a research process to accomplish research goals. This study used descriptive type of research.

Population

The population of the study is the employees who are working in mergers of public sector banks namely Canara Bank, Union Bank of India, Indian bank and Bank of Baroda in Bangalore city.

Sample Size

100 employees are approached for this study.

Study Variables

Health care, supervisor support, rewards and recognition, accessibility to banks and stress management policies are taken as independent variables and job performance is taken as dependent variable.

Research Tool

Survey method is taken as research tool for this study. The researcher constructed questionnaire for HR practices and Job performance.

Data Collection

The data were collected with the help of questionnaire prepared for the present study from the respondents of the selected merger banks. The employees were administered the individual questionnaire thus they were regarded as the major source of information. After completion of the data collection, through checking of the data tabulation was done and finally the field data were processed accordingly for statistical analysis.

Statistical Tools

For analyzing the data for this study, Descriptive analysis, Pearson correlation test and Multiple regression is used.

7. Results and Discussion

Table 1. Employees opinion about health care provided in mergers of public sector banks

s.no	Health Care	Mean	SD
1	The Bank provides the Flexible Work Opportunities	3.63	0.98
2	Bank cares about my well-being	3.01	1.01
3	The name of the bank was changed but the work culture remained the same	4.13	0.96
4	Bank cares about the mental and health of employees	3.98	0.89

Table 1 shows that the employees opinion towards health care provided in mergers of public sector banks. Here, health care is analysed with four statements in the five point likert scale. Further, mean and standard deviation values are calculated for each statement. The mean values range from 4.13 to 3.01. The calculated standard deviation value lies between 1.01 and 0.89. From the mean values, it is observed that the perception that the name of the bank was changed but the work culture remained the same(4.13) is high among the bank employees followed by Bank cares about the mental and health of employees(3.98), The Bank provides the flexible work opportunities(3.63) and Bank cares about the well-being of the employees(3.01). It is inferred that the employees highly opined that only the bank name is changed but the work culture remained same but the bank caring about the wellbeing of the employees is found to be at low level among the employees.

Table 2. Employees opinion about supervisor support in mergers of public sector banks

s.no	Supervisor Support	Mean	SD
1	There is a cordial relationship with superiors	3.68	0.97
2	The relationship with colleagues & sub-ordinates is good	4.13	0.87
3	Merger initiatives promote better relationship	3.59	1.03
4	Systematic dos and don'ts to create Relationships with superiors	3.92	0.97

Table 2 shows that the employees opinion towards supervisor support provided in mergers of public sector banks. Here, supervisor support is analyzed with four statements in the five point Likert scale. Further, mean and standard deviation values are calculated for each statement. The mean values range from 4.13 to 3.59. The calculated standard deviation value lies between 1.01 and 0.89. From the mean values, it is observed that the perception that the relationship with colleagues & sub-ordinates is good(4.13) is high among the bank employees followed by Systematic dos and don'ts to create Relationships with superiors (3.92), There is a cordial relationship with superiors (3.68) and Merger initiatives promote better relationship (3.59). It is inferred that the employees highly opined that the relationship with colleagues & sub-ordinates is good but Merger initiatives promote better relationship is found to be at low level among the employees.

Table 3. Employees opinion about recognition and reward provided in mergers of public sector banks

s.no	Recognition and Reward	Mean	SD
1	The promotion, and transfer policy procedure is transparent in this bank	3.87	0.95
2	Work performance is very well recognized & rewarded	3.32	0.86
3	I think the motive of the merger is to induce a new work culture in the employees	4.07	0.87
4	The merger offers better rewards and is always recognized	3.65	0.92

Table 3 shows that the employees opinion towards recognition and reward offered in mergers of public sector banks. Here, recognition and reward is analysed with four statements in the five point likert scale. Further, mean and standard deviation values are calculated for each statement. The mean values range from 4.07 to 3.32. The calculated standard deviation value lies between 0.95 and 0.86. From the mean values, it is observed that the factor that the motive of the merger is to induce a new work culture in the employees (4.07), the promotion, and transfer policy procedure is transparent in this merger bank (3.87), the merger offers better rewards and is always recognized (3.65) and Work performance is very well recognized & rewarded (3.32). It is inferred that the employees highly perceived that the motive of the merger is to induce a new work culture in the employees but work performance is not very well recognized and rewarded in the mergers of public sector banks.

Table 4. Employees opinion about Accessibility to bank in mergers of public sector banks

s.no	Accessibility to bank	Mean	SD
1	After the merger commuting to the bank branch was tedious	3.99	0.98
2	After the merger, the employee's Performance Evaluation System is fair and systematic	4.16	1.02
3	The accessibility to the bank branch after the merger is convenient	3.45	1.06
4	The merger has offered to choose branches	3.03	0.89

Table 4 shows that the employees opinion towards accessibility in merges of public sector banks. Here, accessibility to bank is analysed with four statements in the five point likert scale. Further, mean and standard deviation values are calculated for each statement. The mean values range from 4.16 to 3.03. The calculated standard deviation value lies between 1.06 and 0.89. From the mean values, it is observed that the factor that , the employee's performance evaluation system is fair and systematic (4.16), the merger commuting to the bank branch was tedious (3.99), the accessibility to the bank branch after the merger is convenient (3.45) and the merger has offered to choose branches(3.03) . It is inferred that the factor that the employee's Performance Evaluation System in the merger of public sector banks is found to be fair and systematic but the merger offering choice to select branches is found to be at low level among the employees.

Table 5 Employees opinion about stress management practices in merges of public sector banks

s.no	Stress Management Policies	Mean	SD
1	The stress management policies implemented after the merger have effectively addressed the ongoing stress among employees	3.46	0.98
2	Post-merger stress management initiatives have helped employees adapt to new organizational structures and roles.	3.65	0.89
3	HR has provided sufficient mental health resources and support systems to help employees manage stress after the merger.	3.89	1.02
4	The post-merger stress management policies have positively impacted employee morale and productivity.	4.08	0.95

Table 5 shows that the employees opinion towards stress management policies in merges of public sector banks. Here, stress management policies is analysed with four statements in the five point likert scale. Further, mean and standard deviation values are calculated for each statement. The mean values range from 4.08 to 3.46. The calculated standard deviation value lies between 1.02 and 0.89. From the mean values, it is observed that the factor that the post-merger stress management policies have positively impacted employee morale and productivity (4.08), HR has provided sufficient mental health resources and support systems to help employees manage stress after the merger. (3.89), Post-merger stress management initiatives have helped employees adapt to new organizational structures and roles (3.65) and the stress management policies implemented after the merger have effectively addressed the ongoing stress among employees (3.46). It is inferred that the post-merger stress management policies have positively impacted employee morale and productivity but the stress management policies implemented in the merger have effectively addressed the ongoing stress among the employees is at low level.

Table 6. Employees opinion about performance in merges of public sector banks

s.no	Performance	Mean	SD
1	Job learning opportunities are well-managed	3.46	0.98
2	My skills, knowledge, and performance increased after the merger	3.55	1.29
3	Training programs to teach required skill sets post-merger	3.69	1.02
4	Offered a series of skill enhancement program	4.08	0.95
5	Technology-related issues are solved immediately post-merger	4.16	1.13
6	all stakeholder issues are resolved post-merger	3.98	1.25
7	The career planning & Development is very well structured	3.23	1.15
8	The job hierarchy of the employees is well protected after a merger led to increase in performance	3.12	1.05

Table 6 shows that the employees opinion towards employees performance in merges of public sector banks. Here, performance is analysed with four statements in the five point likert scale. Further, mean and standard deviation values are calculated for each statement. The mean values range from 4.16 to 3.12. The calculated standard deviation value lies between 1.29 and 0.98. From the mean values, it is observed that the factor that the Technology-related issues are solved immediately post-merger (4.16), Offered a series of skill enhancement program(4.08),all stakeholder issues are resolved post-merger(3.98),Training programs to teach required skill sets post-merger(3.69), skills, knowledge, and performance increased after the merger (3.55), Job learning opportunities are well-managed(3.46),The career planning & development is very well structured (3.23) and The job hierarchy of the employees is well protected after a merger led to increase in performance(3.12). It is inferred that the employees highly stated that the technology-related issues are solved immediately post-merger but the job hierarchy of the employees is well protected after a merger led to increase in performance is at low level among the employees in merges of public sector banks.

Table 5 Relationship between HR practices and employee performance.

HR practices	Employee performance	
	r-Values	P-Values
Health care	0.477	0.001*
Supervisor support	0.743	0.001*
Recognition and reward	0.645	0.001*
Accessibility to banks	0.573	0.001*
Stress management policies	0.374	0.001*

Table 5 explains the relationship between HR practices and employee performance in mergers of public sector of banks.

H₁: The HR practices of mergers have significant relation with the employee performance.

In order to examine the above stated hypothesis, Pearson correlation test is applied. The calculated P-values are found to be significant for all the factors of HR practices of health care, supervisor support, recognition and reward, accessibility to banks and stress management policies. Hence, the stated hypothesis is accepted. From the r values it is observed that the HR practices of supervisor support have high correlation with the performance of the employees(0.743) followed by recognition and reward (0.645), accessibility to banks (0.573), health care (0.477) and stress management policies(0.374). Hence it is observed that the HR practice of supervisor support has strong relation with the employee performance in the mergers of public sector banks and the HR practice of stress management policies implemented has weak relation with the performance of the employees.

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Table. 7. Influence of HR practices on employee performance.

R	R Square	Adjusted R Square	F-Values	P-values
0.923	0.852	0.850	106.98	0.001*

Predictors	Unstandardized Coefficients		Standardized Coefficients	t-values	P-values
	B	Std. Error	Beta		
(Constant)	2.742	0.022	-	6.865	0.001*
Health care	0.545	0.057	0.545	2.305	0.001*
Supervisor support	0.474	0.035	0.585	4.186	0.001*
Recognition and reward	0.785	0.025	0.277	1.322	0.001*
Accessibility to banks	0.638	0.023	0.254	2.344	0.001*
Stress management policies	0.344	0.028	0.129	-1.832	0.001*

Table 7 indicates the influence of HR practices on employee performance.

H₁: The HR practices of mergers have significant influence with the employee performance.

Multiple Regression analysis is applied to know the effect of independent variables on the dependent variable. From the adjusted r-square value, it is inferred that the independent variables are influenced at 0.850 levels on the dependent variable. The F-value is found to be 106.98. It is found that the HR practices in mergers of public sector banks have influenced the employee performance at 85.0 percent. The p-values are significant for all the HR practices. Hence, the stated hypothesis is accepted. The unstandardized co-efficient beta value indicates the strength of relationship between dependent and independent variable. It is expressed by the equation.

Employee performance = 2.742 + 0.785 (recognition and reward) + 0.638 (accessibility to banks) + 0.545 (health care) + 0.474 (supervisor support) + 0.344 (stress management policies)

Further, unstandardized co-efficient beta value indicates that to have one unit increase in employee performance, the recognition and rewards is influenced at 0.785 level when other factors remain constant. Similarly, for one unit increase in employee performance, health care influenced at 0.545, supervisor support is influenced at 0.474, accessibility to banks at 0.638 level and stress management policies influenced at 0.344 level with other respective factors remain constant.

Hence, it is found that the HR practice of recognition and rewards strongly influence the employee performance in the mergers. But, the HR practice of Stress management policies have weak influence on employee performance in the mergers of public sector banks.

8. Findings and Recommendations

The bank caring about the wellbeing of the employees can be enhanced, so that the employees get motivated and thus effective performance may be achieved. The employees highly opined that the relationship with colleagues & subordinates is good. However the merger initiatives can promote better relationship which is found to be at low level among the employees. It is inferred that the employees highly perceived that the motive of the merger is to induce a new work culture in the employees but work performance is not very well recognized and rewarded in the mergers of public sector banks. And so creating transparent recognition and reward systems that are based on performance outcomes can improve morale and foster a culture of meritocracy. The employee's performance evaluation system in the merger of public sector banks is found to be fair and systematic but the merger can give choice for the employees to select branches for their comfort to enhance the employees performance. The stress management policies implemented in the merger have effectively addressed the ongoing stress among the employees is at low level and so Implement policies like flexible work hours, remote working options, and better leave policies to improve the performance of employees. The technology-related issues are solved immediately post-merger but the job hierarchy of the employees is well protected after a merger led to increase in performance is at low level among the employees in mergers of public sector banks.

9. Conclusion

A central theme emerging from the analysis is the need for public sector banks to adopt employee-centered HR practices to enhance the performance of the employees. This study took the HR practices of health care, supervisor support, accessibility to banks, stress management policies and rewards and recognition as independent variables which are the enhancer of performance of the employees. Mergers typically induce a range of uncertainties among employees, including concerns about job security, role changes, cultural integration, and career progression. These uncertainties can lead to disengagement, decreased job satisfaction and ultimately lower performance levels. However, the study illustrates that organizations that prioritize employee welfare through enhanced training programs, supervisor support, health care provisions, and effective communication channels are more likely to sustain the employee productivity and commitment through the employee performance in mergers of public sector banks. The findings indicate that stress management and health care programs are particularly impactful in maintaining employee well-being, thus enhancing the employee performance through periods of organizational change.

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