

The Impact of Human Resource Management Practices on Organizational Performance: A Case of Private Banks in North Cyprus

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Abstract

As many organizations globally are faced with the challenge of performance, managers are under the pressure to address the increasing completion in the global market. It is against these bases that this study attempts to examine the impact of Human Resource Management practices and its outcomes on organizational performance in private sector banks in North Cyprus (NC). For the purpose of this research, data were collected from employees to know their perceptions about Human Resource Management practices and their outcomes through structured questionnaire. The sample size of the respondents was consisted of 335 employees of different departments and various branches of two private sector banks in NC.

Keywords: Human Resource Management Practices, Organizational Performance, Organizational Commitment, Private Banks, North Cyprus

JEL Classification: M19, M59

I. Introduction

The assumption supporting the practice of HRM is that people are the organization's major resource and organizational performance mostly depends on the employees. If, as a result, a suitable range of HR policies and processes are developed and carried out efficiently, then HR will make a significant impact on firm performance (Armstrong (2006:p 20)). In the words of (Bernardin and Russell, (1998: p 3)) companies now becoming more aware that it employees could be its greatest strength. They went on by saying that for a company to achieve this, it must have a team of HR and line management who are very knowledgeable and have accepted the fact that the practice of HR will lead to a competitive advantage in the organization. In knowledge economy, the human resource has been recognized as a strategic tool, essential to organizational profitability and sustainability (Khan, (2010:24, pp157-158)).A lot of organizations now view HRM functions and it systems to be a major player in achieving organizational goals. The responsibility of HRM is to bring about deliverables in all aspects and these deliverables should be in a position to meet the ever growing competitive and global marketplace, which should be closely related to the organization's business strategic plans (Bernardin and Russell, (1998: p 6)).

II. Litration Review

In these difficult business times, which has been brought about by changes in global price competitiveness, change in technology, changes in the labor laws, and also the composition of the workforce has become a challenge to utilize properly by managers in other to have a competitive advantage.

Strategic Human Resource Management

When the HR component is not made a vital part of a strategic planning process then to implement a strategic business plan is going to be a challenge to the organization (Storey, 1995: p 48). The strategic human resource management (SHRM) involves the making and carrying out of HR policies and practices which will bring about employee competences and the required behaviors needed by the company to meet its strategic aims (Dessler, (2008: p 13)). Therefore, the major concept of HRM system is the pulling together a bundle of some complementary HRM activities which in turn bring about an economic turn about in an organization (Alewell and Hansen, (2012:19, pp 90-123)). HRM operates through the use of the HR system that integrates the following: HR philosophy, HR practices, HR strategies, HR policies, HR processes, and HR programme (Armstrong, (2006: p 4)). The use of HR best practices, having the right 'mix' which comes in between the business strategy and HR practices, and specifying the use of bundles of practices which are in accordance with the organizational context (Henderson, (2006: p 26)).

Training and Development

In the words of (Storey, (1995: p 274)), training and employee development form the core components in most formation of HRM. A lot of companies now try to take a general look at accepting the initiative of learning at both individual and organizational levels as a major source of competitive advantage. He went on to say that learning has been looked upon as the only strategy which can be used to catch up with the growing changes in technology, world markets, customer expectations and competition. To make sure that employees perform satisfactorily on the job, it is mandatory to create an appropriate performance level for new employees, if possible on the first day of orientation and training. Supervisors should be well trained to set possible performance standards and not just adequate performance (Heisler, Jones and Benham, (1988: p 133)).

Recruitment and Selection

Since HRM is interested in the development of a mixed package of policies in other to manage people, recruitment and selection will be a focal point in the determination as to which workers are to benefit from such policies (Storey, (1995: p191)) some other scholars like (Lloyd and Leslie, (2004: p 136)), also added that in a time when most companies have turned their attention towards the efficient and effective running of the organization, getting the right people to work for it should be at the top of its agenda.

Compensation

It is now obvious that compensation both financial and otherwise is of importance to both the employees and employers. Compensation is the major element to influence organization's staff. When workers are properly and fairly compensated, the more they will perform better at the same time, organizational performance will increase (Bilal and Raja, (2011:3, pp 907-913)).

When workers are adequately compensated, the better they perform. Compensation is a core motivational tool for employees and this motivation is defiantly going to reflect on the organizational performance.

Performance Evaluation

According to (Danlami, Sulu & Salami, (2012: 5, pp 124-133)) companies could adopt information which they have got from the appraisal of employees to change the selection and training practices, also behaviors and attitudes of the employees which are desired by the organization can be developed. On the contrary, the usefulness of skilled employees will not be put to optimal use if not encouraged to do their jobs

Also (Kahalas, (1980: pp 32-40)) said that it is going to be impossible to manage an organization without having adequate information on how well its employees are performing. Decisions will still be carried out on performance whether an organization has a formal way of doing that or not and many of this outcomes will be full of errors.

Promotional Practices

Promotion can be seen as a Shift of a worker's position from a job position of higher significance and compensation to a higher one. When an employee is moved upwardly in the hierarchy of the organization, typically that leads to more responsibility and grade level and an improved compensation package as a promotion.

Another definition of promotion is the assignment of a higher rank job to an employee and this will lead to higher organizational performance and commitment of such an employee (Muhammad, Rizwan, Munir, (2012:10, pp 6-9)) The reason why a lot of people look forward to promotion, is basically because it brings about more pay, added responsibilities and at times job satisfaction. But from the view of the employers, it can be a way of rewarding exceptional performance, and also could be a way of filling vacant positions in the company with employees who are loyal and well tested (Dessler, (2008: pp 387))

Job Satisfaction

For an employee to perform effectively in a company, job satisfaction is one of the cardinal points. It is important for both the worker and the organization. Job satisfaction brings about a sense of fulfillment and security to the employee. Due to these facts, the commitment level of employee will be increased, absenteeism will reduce and the turnover rate will decrease (Yücel, (2012:7, pp 44-58)). In the case of the organization, when employees are satisfied with their jobs, the workforce will be more committed and this will reduce the cost of recruitment and training. An individual's general attitude towards his or her job is known as job satisfaction (Syed and Yan, (2012:4, pp 318-342)).

Organizational Commitment

Organizational commitment is said to be the ability of an employee to identify with an organization by showing a strong desire to continually be a part of the organization, have a strong belief in and accept the goals and the values of the organization, also display a readiness to put in a great amount of effort on behalf of the organization (Armstrong, (2010: p 427)).

In other words, organizations should embark on those improvement programs which will effectively increase the quality of the employee, improve productivity and the quality of life at work (Bernardin and Russell, (1998: p 358)). By adopting High performance work practice which is also called high-commitment or high-involvement work practice. (Henderson, (2010: p 27)), said those practices are targeted towards the attainment of an improvement in the performance of the individual, group and the organization by an increase in the commitment level of employees and also their involvement.

Motivation

Employees who are motivated are needed in our rapidly changing organizations. When employees are motivated, they help the organization to survive. Those workers who are well motivated are more productive at workplace. For a staff to be effective, the manager needs to know what brings out the best in him/her in line with the role they perform. Within the job description of a manager, motivating the workforce is arguably the most complex (Lindner, (1988:36, pp 1-8)).

III. Research Methodology

Primary data related to HRM outcomes such as employee satisfaction and employee commitment, were collected from employees who are working in different departments of the banks. A structured questionnaire was designed to collect data from employees. Quantitative survey method of research was made use of; this is a method whereby questions are administered to participants through the use of questionnaires. Once the questions are answered, responses gotten are then described / analyzed by the researcher.

The basic objective of this research was exploratory; it aimed to answer fundamental questions that every human resource manager is confronted with relating to HRM practices, their outcomes and impact of HRM practices and HRM outcomes on organizational performance.

Research Questions

The research methodology was designed in order to test the following general research questions.

- What are the outcomes of HRM practices of banks in North Cyprus?
- How do HRM practices have an effect on employee satisfaction, commitment and retention?
- How do HRM practices have an effect on performance of banks in North Cyprus?

Study Area

The research covers two private commercial banks in NC. Important findings could be missed if the sample size chosen is too small and if the sample size is too big, valuable time and resources could be wasted.

The reason we have opted for private banks is due to the fact that government cannot influence their activities internally and when an organization is owned by the private sector, they tend to be a closer watch on the employees than government owned establishments. Also the reason we have chosen just two of them is because whatever response we get from these two banks can be used to predict the reaction of other banks operating in NC.

This means that these organizations are not by any way influenced by the decision of the federal or state government. Due to these facts, the outcomes can be considered a true representation of workers attitude in the NC.

An additional advantage of using this domain is that, the NC private banks employ both men and women, in other words there is gender equality and equal employment opportunity (presented in Figure 2). The data gathered from the research will be a better representation of the whole population than would rather show a representation of one predominant gender.

Sample Size

Two banks were selected from a list of banks operating in NC. We were able to determine the sample size of the respondents by getting the list of total number of staff working in the various selected banks from the HR representatives. Then we were able to determine the number of questionnaire to be distributed from the list of staff that was obtained from the various HR departments. The questionnaire was distributed to the entire staff of the organization. The questionnaires were handed to the HR representatives of these banks who in turn distributed it to the respondents and after completion they were returned to the HR representative.

A total number of 335 questionnaires were distributed (Credit West bank 213 and Turkish bank 122) a total number of 214 was valid which generated as usable response rate of 64% and was used for the purpose of this research. We wanted to get the opinion of every member of staff working in the organization and not just a particular segment that was why we made use of the entire population.

Data Collection Method

Questionnaire

For the purpose of this study, a structured questionnaire consisting of 20 questions which were adopted from the literature review (Radhakrishna, 2007) was made to collect primary data.

The questionnaire was organized into four sections and was used to collect primary data from employees. Section one consisted of 6 questions, which included questions relating to demography such as, age, sex, marital status, designation, level of academics, and experience. The second section was designed to test respondents on perception of HR practice in the organization such as (staffing, performance appraisal, training, social benefit and compensation), while section 3 and 4 respectively where on HR outcome (job satisfaction and organizational commitment).

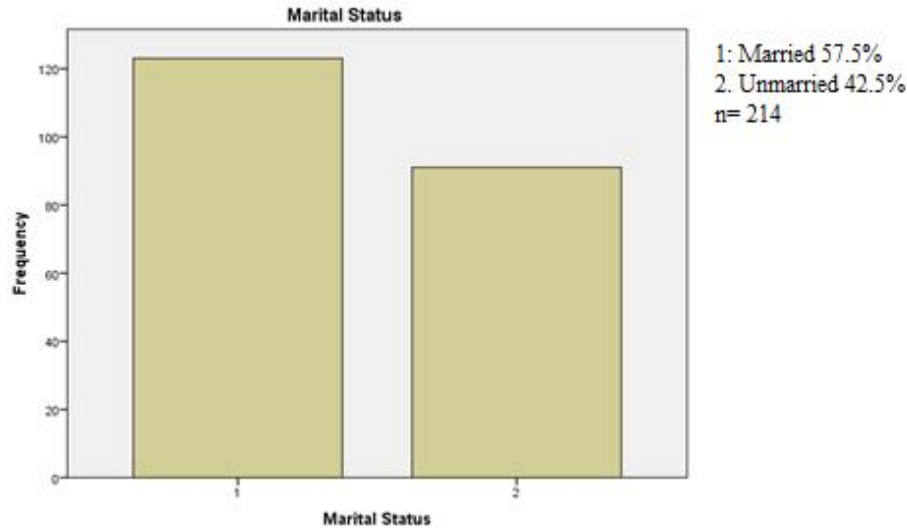
In section II, III, IV respectively, a five point Likert scale was used in the questionnaire to measure the effects of HR practices on HR and its outcomes. The scaling was ranging from (strongly agree)-(strongly disagree).

IV. Data Presentation and Analysis of General Information

This chapter is solely dedicated to the presentation and analyzing of the general information gotten from respondents through structured questionnaire. Respondents have being asked six questions regarding general information which includes marital status, gender, designation, period of service in the bank, age and educational qualification. The collected general information will be presented as follows.

Marital status of Employees

Figure 1: Marital Status

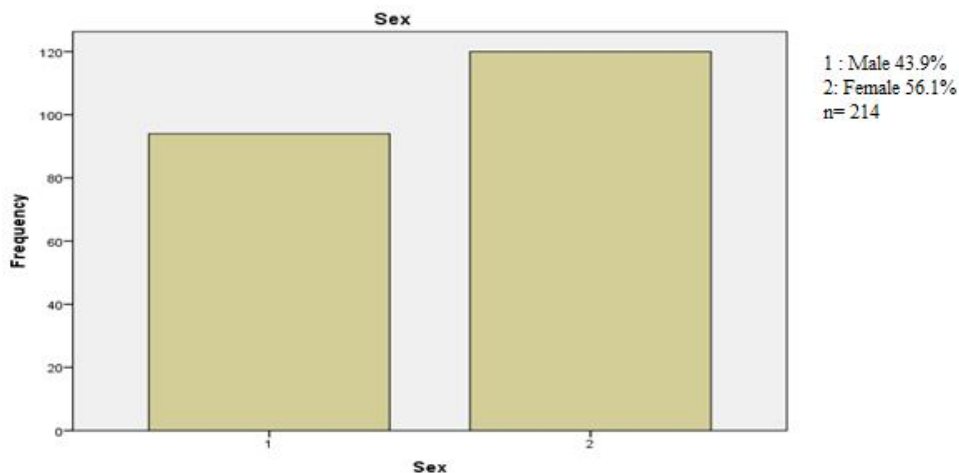


n=214 Source July, 2013 by authors

From the above figure 1 show that out of the 214 respondents who data were collected from 123 of them are married while are unmarried. That is sample consist of 57.5% of married respondents and 42.5% of unmarried respondents. This illustrates that the number of unmarried respondents are less than does that are married in the two banks used as samples in TRNC.

Gender Distribution of Employees

Figure 2: Sex



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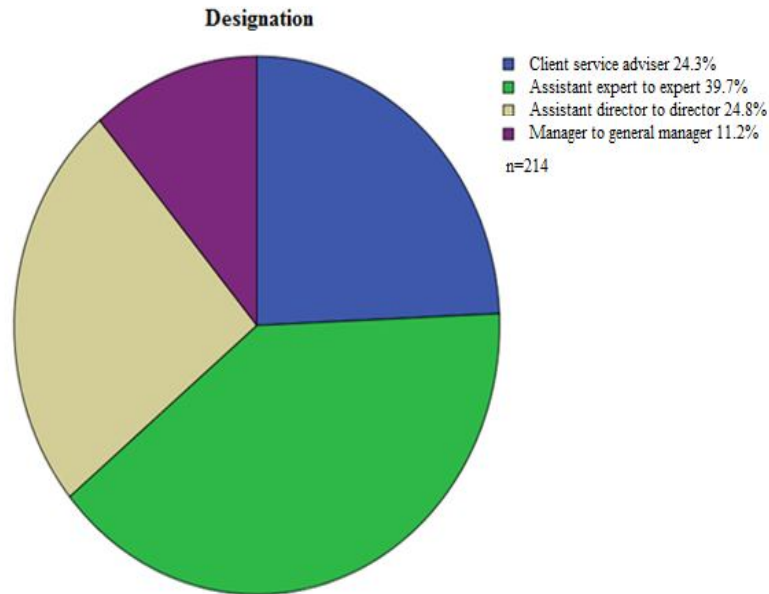
Both male and female employees are included in the sample; sex of the respondents of the sample is illustrated in figure 2 above. Figure 2 shows that out of 214 respondents, 94(43.9%) are male employees and the rest which are 102(56.1%) are female employees.

The TRNC private banks employ both men and women, in other words there is gender equality and equal employment opportunity. Discrimination according to (Henderson, (2010: pp 191-192)) means showing distinction amongst people whereby treating some differently from others.

He said that direct discrimination occurs when an employer’s way of treatment towards an employee depicts less favorable due to their gender or race. The data gathered from the research will be a better representation of the whole population than would rather show a representation of one predominant gender.

Designation of Employee

Figure 3: Designation

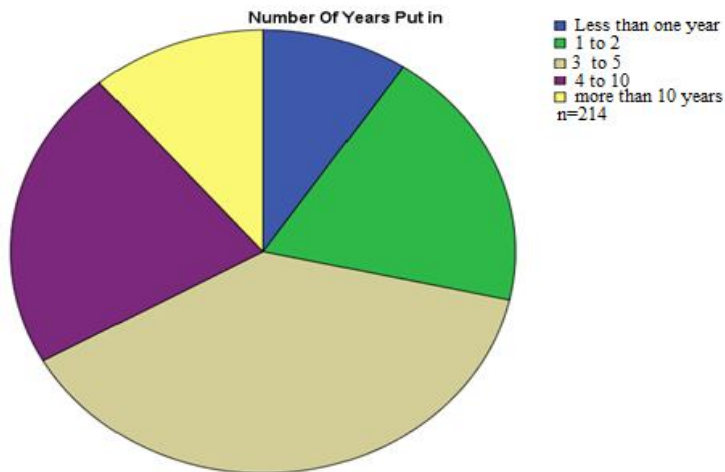


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The above figure shows that out of the 214 respondents, (24.3%) fall in to the category of Client to Service Adviser, while (39.7%) are either Assistant Expert or are Experts,(24.8%) are in the level of Assistant Director to Director stage, and the remaining 11 which accounts for (11.2%) are in the Manager to General Manager cadre. This shows that all the employees of the banks were involved in the response of the questionnaire which will give room for a more reliable result.

Number of Years employee has served in the Bank

Figure 4: Number of Years Put in



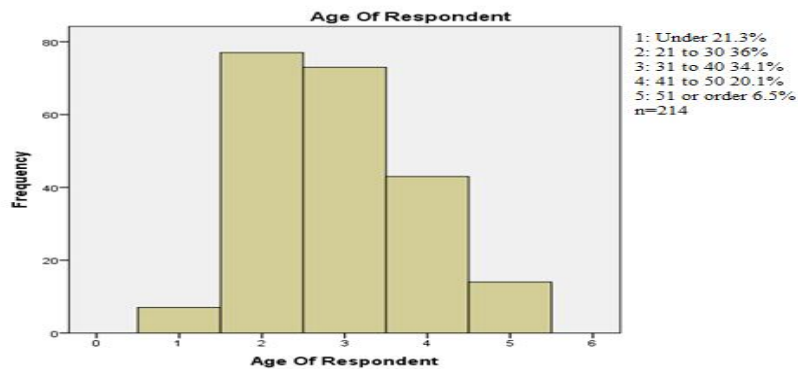
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Figure 4 indicates that those that have served the bank for less than one year are (9.3%), also 41 respondents which is (19.2%) of the sample has worked for 1 to 2 years for the organization; whereas, (38.3%) has put in 3 to 5 years. The respondents with 6 to 10 of experience were 22 and make up (22.0%) of the entire sample size. And employees with more than 10 years of experience in the organization are just (11.2%).

Age Distribution of Respondents

Figure 5: Age of Respondents

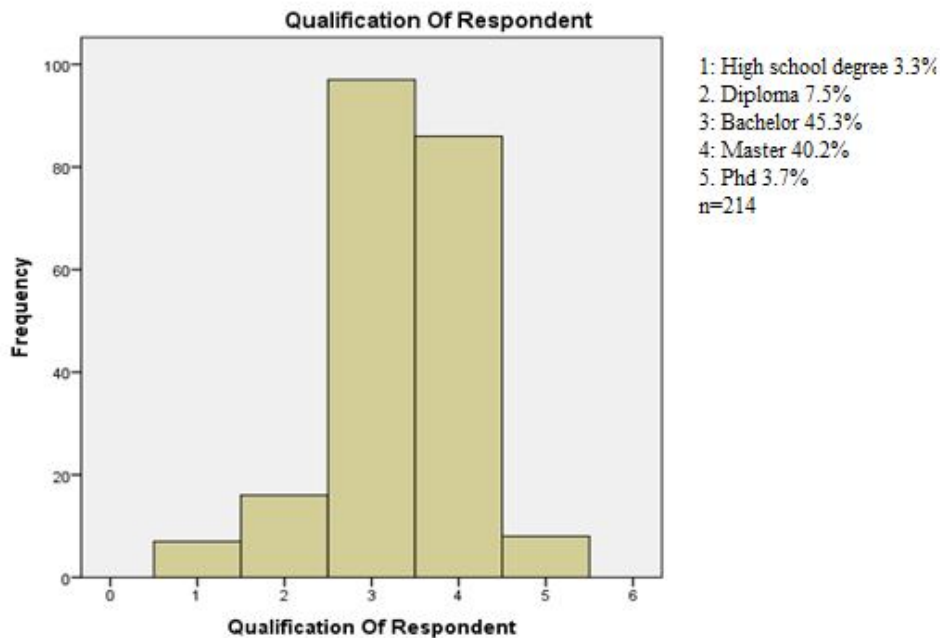


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The age distribution of respondent is illustrated in figure 5 above. It shows that most of the respondents are of the ages of 21 to 30(36%), while those within the age of 31 to 40 accounted for (34.1%), those under 21 yrs were (3.3%), respondents who are within the ages of 41 to 50 were (21.1%) and those that fell into the bracket of 51 yrs and above amounted to (6.5%)

Educational Qualification of Respondents

Figure 6: Qualification of Respondents



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Respondents were asked to indicate their highest level of education. The data collected on the highest educational qualification is presented above in figure 6. The respondents with a Bachelors degree accounted for (45.3%), those with a Masters degree recorded (40.2%) in the overall sample, whereas, (3.7%) have got a PhD in the sample. The rest of the respondent has obtained a Diploma (7.5%) and high school degree (3.3%) respectively.

For the purpose of analyzing the rest of the data in this section, simple linear regression is used and it will also be used for the generation of hypothesis from the data gotten from the respondents. Here it has been investigated to see how the independent variables affect or influence the outcome of the dependent variables.

The term regression is said to mean trying to find out the link between two variables or more. In other words, regression can only take place where there is a physical existence of two or more variables. Where by variable x which is known as the independent variable affects the action of variable y, which is the dependent variable (Kothari, 2004: p 141).

The formula for regression is as follows:

$$Y = a + bx \tag{1}$$

Where

Y= unknown dependent variable

x= known independent variable

a= y intercept

b= slope of the line

b > 0 Positive relationship between the two variables, meaning we can use independent variable (x) to predict variable the dependent variable (y) for significant correlation.

b < 0 Negative relationship between the variables, null hypothesis would be accepted no significant relationship

b = 0 no prediction prevail, the value of variable (x) would be the same with variable (y).

The regression analysis was performed using SPSS package with confidence interval level of 95% to arrival at a meaningful conclusion and the results are explained below:

Respondents Perception of Work Condition

Table 1: Model Summary for Regression to Determine Significant Correlation between Variable (x) Number of Years Put in and (y) My Work Conditions are good

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .135 ^a | .018 | .014 | 1.104 | .018 | 3.921 | 1 | 212 | .049 |

n=214 Source July, 2013 by authors

Table 2: Coefficient Summary to Determine the Significant Correlation between Variable (x) Number of Years Put in and (y) My Work Conditions are good

| Model | | 95.0% Confidence Interval for B | |
|-------|-----------------------------|---------------------------------|------------|
| | | Unstandardized Coefficients | Std. Error |
| 1 | (Constant) | 3.346 | .161 |
| | My Work Conditions Are Good | -.140 | .071 |

n=214 Source July, 2013 by authors

The result of table 1 and 2 revealed that the null hypothesis is accepted because the value of b (slope of the line) is negative, there is no significant correlation between the number of years put in and my work conditions are good.

The Recruitment and Selection Processes in the Organization are Impartial

Table 3: Model Summary for Regression to Determine Significant Correlation Between Variable (x) Number of Years Put in and (y) The Recruitment and Selection Processes in this Organization are Impartial

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .115 ^a | .013 | .009 | 1.107 | .013 | 2.866 | 1 | 212 | .092 |

n=214 Source July, 2013 by authors

Table 4: Coefficient Summary to Determine the Significant Correlation between Variable (x) Number of Years Put in and (y) the Recruitment and Selection Processes in this Organization Are Impartial

| Model | 95.0% Confidence Interval for B | |
|--|---------------------------------|------------|
| | Unstandardized Coefficients | Std. Error |
| 1 (Constant) | 3.316 | .166 |
| The Recruitment And Selection Processes In This Organization Are Impartial | -.123 | .073 |

n=214 Source July, 2013 by authors

The result of table 3 and 4 revealed that the null hypothesis is accepted because the value of b (slope of the line) is negative; there is no significant correlation between the number of years put in and the recruitment and selection processes.

All Appointments in this Organization are based on Merit

Table 5: Age Group

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .176 ^a | .031 | .026 | 1.097 | .031 | 6.775 | 1 | 212 | .010 |

n=214 Source July, 2013 by authors

Table 6: Coefficient for Regression to Determine Significant Correlation Between (x) Number of Years Put in and (y) This Organization has Provided Me with Training Opportunities Enabling Me to Extend My Range of Skills and Abilities

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|--|------------|---------------------------|--------|------|
| | B | Std. Error | | | |
| 1 | (Constant) | 3.407 | .151 | 22.540 | .000 |
| | All Appointments In This Organization Are Based On Merit | .177 | .068 | -1.76 | .010 |

n=214 Source July, 2013 by authors

The result of table 5 and 6 revealed that the null hypothesis is rejected because the value of b (slope of the line) is positive, there is a significant correlation between the number of years put in and appointments in the organization are based on merit.

The Organization has Provided Me with Training Opportunities Enabling Me to Extend My Range of Skills and Abilities

Table 7: Model Summary for Regression to Determine Significant Correlation between Variable (x) Number of Years Put in and (y) This Organization has Provided Me with Training Opportunities Enabling Me to Extend My Range of Skills and Abilities

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .113 ^a | .013 | .008 | 1.107 | .013 | 2.728 | 1 | 212 | .100 |

n=214

Source July, 2013 by authors

Table 8: Coefficient for Regression to Determine Significant Correlation Between (x) Number of Years Put in and (y) This Organization has Provided Me with Training Opportunities Enabling Me to Extend My Range of Skills and Abilities

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|--|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 3.313 | .168 | | 19.719 | .000 |
| | This Organization has Provided Me with Training Opportunities Enabling Me to Extend My Range of Skills and Abilities | .126 | .076 | -.113 | -1.652 | .100 |

n=214

Source July, 2013 by authors

The result of table 7 and 8 revealed that the null hypothesis is rejected because the value of b (slope of the line) is positive, there is no significant correlation between the number of years put in and provision of training opportunities to extend my range of skills and abilities

Testing Hypothesis 1: There is a significant correlation between the number of years put in, in the organization and employees’ perception on working condition, hiring process, impartial appointment and the opportunities to improve skills and abilities.

This Organization is Committed to Training and Development of its Employees

Table 9: Model Summary for Regression to Determine Significant Correlation between Variable (x) Age of Respondent and (y) This Organization is Committed to the Training and Development of its Employee

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .046 ^a | .002 | -.003 | .975 | .002 | .445 | 1 | 212 | .505 |

n=214

Source July, 2013 by authors

Table 10: Coefficient for Regression to Determine Significant Correlation between Variable (x) Age of Respondent and (y) This Organization is Committed to the Training and Development of its Employees

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|---|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.997 | .151 | | 19.799 | .000 |
| | This Organization is Committed to the Training and Development of its Employees | .049 | .073 | -.046 | -.667 | .505 |

n=214 Source July, 2013 by authors

The result of table 9 and 10 revealed that the null hypothesis was rejected because the value of b (slope of the line) is positive; there is no significant correlation between the age of the respondents and the organizational commitment to training and development.

My Salary/ Wage is Fair considering what Other People are Paid

Table 11: Model Summary for Regression to Determine Significant Correlation between Variable (x) Age of Respondent and (y) My Salary/ Wage is Fair Considering what Other People are Paid

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .131 ^a | .017 | .012 | .968 | .017 | 3.682 | 1 | 212 | .056 |

n=214 Source July, 2013 by authors

Table 12: Coefficients for Regression to Determine Significant Correlation between Variable (x) Age of Respondent and (y) My Salary/ Wage is Fair Considering what Other People are Paid

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|--|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 3.130 | .134 | | 23.347 | .000 |
| | My Salary/ Wage is Fair Considering what Other People are Paid | .110 | .057 | -.131 | -1.919 | .056 |

n=214 Source July, 2013 by authors

The result of table 11 and 12 revealed that the null hypothesis was rejected because the value of b (slope of the line) is positive; there is no significant correlation between the age of the respondents and the salary of employees in consideration to others.

The Amount of Support and Guidance I Receive from my Supervisor is Worthwhile

Table 13: Model Summary for Regression to Determine Significant Correlation Between Variable (x) Age of Respondents and (y) the Amount of Support and Guidance I Receive from my Supervisor is Worth while

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .084 ^a | .007 | .002 | .973 | .007 | 1.518 | 1 | 212 | .219 |

n=214 Source July, 2013 by authors

Table 14: Coefficients for Regression to Determine Significant Correlation between Variable (x) Age of Respondents and (y) the amount of Support and Guidance I Receive from My Supervisor is Worthwhile

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|--|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 3.062 | .143 | | 21.474 | .000 |
| | The Amount of Support And Guidance I Receive From My Supervisor is Worth while | .076 | .061 | -.084 | -1.232 | .219 |

n=214 Source July, 2013 by authors

The result of table 13 and 14 revealed that the null hypothesis was rejected because the value of b (slope of the line) is positive; there is no significant correlation between the age of the respondents and the amount of support and guidance received from supervisors in the organization.

The Amount of Independent Thought and Action I can Exercise on My Job is Fair

Table 15: Model Summary for Regression to Determine Significant Correlation between Variable (x) Age of Respondent and (y) The amount of Independent thought and Action I can Exercise on My Job is Fair

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .084 ^a | .007 | .002 | .973 | .007 | 1.518 | 1 | 212 | .219 |

n=214 Source July, 2013 by authors

Table 16: Coefficients for Regression to Determine Significant Correlation Between Variable (x) Age of Respondent and (y) The Amount of Independent Thought and Action I can Exercise on My Job is Fair

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|---|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.899 | .141 | | 20.580 | .000 |
| | The Amount of Independent Thought and Action I can Exercise on My Job is Fair | .004 | .061 | .004 | .059 | .953 |

n=214 Source July, 2013 by authors

The result of table 15 and 16 revealed that the null hypothesis was rejected because the value of b (slope of the line) is positive, there is no significant correlation between the age of the respondents and the amount of independence thought and action I can take in respect to my work.

The Overall Quality of Supervision I Receive in My Work is Fair

Table 17: Model Summary for Regression to Determine Significant Correlation between Variable (x) Age of Respondent and (y) The Overall Quality of Supervision I Receive in My Work is Fair

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .004 ^a | .000 | -.005 | .976 | .000 | .004 | 1 | 212 | .953 |

n=214 Source July, 2013 by authors

Table 18: Coefficients for Regression to Determine Significant Correlation Between Variable (x) Age of Respondent and (y) The Overall Quality of Supervision I Receive in My Work is Fair

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|---|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.899 | .141 | | 20.580 | .000 |
| | The Overall Quality of Supervision I Receive in My Work is Fair | .004 | .061 | .004 | .059 | .953 |

n=214 Source July, 2013 by authors

The result of table 17 and 18 revealed that the null hypothesis was rejected because the value of b (slope of the line) is positive, there is no significant correlation between the age of the respondents and the overall quality of supervision I get at work is fair.

Testing Hypothesis 2: There is a significant correlation between the age of the employees and the overall perception towards organizational training, salary paid, support and guidance from supervisors, job independence and the overall quality of supervision.

I Am Willing to Put in a Great Deal of Effort Beyond that Normally Expected in Order to Help the Organization be Successful

Table 19: Model Summary for Regression to Determine Significant Correlation between Variable (x) Qualification of Respondent and (y) I am Willing to Put in a Great Deal of Effort Beyond that Normally Expected in Order to Help the Organization be Successful

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .001 ^a | .000 | -.005 | .806 | .000 | .000 | 1 | 212 | .990 |

n=214 Source July, 2013 by authors

Table 20: Coefficients for Regression to Determine Significant Correlation Between Variable (x) Qualification of Respondent and (y) I am Willing to Put in a Great Deal of Effort Beyond that Normally Expected in Order to Help the Organization be Successful

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|---|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 3.250 | .109 | | 29.867 | .000 |
| | I Am Willing to Put in a Great Deal of Effort Beyond that Normally Expected in Order to Help the Organization be Successful | .039 | .042 | .063 | .921 | .358 |

n=214 Source July, 2013 by authors

The result of table 19 and 20 revealed that the null hypothesis was rejected because the value of b (slope of the line) is positive; there is no significant correlation between the qualification of the respondents and the willingness to put in extra effort to the success of the organization.

I Feel Very Little Loyalty to this Organization**Table 21: Model Summary for Regression to Determine Significant Correlation between Variable (x) Qualification of Respondent and (y) I Feel Very Little Loyalty to this Organization**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .063 ^a | .004 | -.001 | .805 | .004 | .848 | 1 | 212 | .358 |

n=214

Source July, 2013 by authors

Table 22: Coefficients for Regression to Determine Significant Correlation Between Variable (x) Qualification of Respondent and (y) I Feel Very Little Loyalty to this Organization

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|---|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 3.250 | .109 | | 29.867 | .000 |
| | I Feel Very Little Loyalty to this Organization | .039 | .042 | .063 | .921 | .358 |

n=214

Source July, 2013 by authors

The result of table 21 and 22 revealed that the null hypothesis was rejected because the value of b (slope of the line) is positive; there is no significant correlation between the qualification of the respondents and their loyalty to the organization.

I would accept almost any Type of Job Assignment in Order to keep working for this Organization**Table 23: Model Summary for Regression to Determine Significant Correlation between Variable (x) Qualification of Respondent and (y) I Would Accept Almost any Type of Job Assignment in Order to Keep Working for this Organization**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .046 ^a | .002 | -.003 | .805 | .002 | .441 | 1 | 212 | .507 |

n=214

Source July, 2013 by authors

Table 24: Coefficients for Regression to Determine Significant Correlation between Variable (x) Qualification of Respondent and (y) I Would Accept Almost any Type of Job Assignment in Order to Keep Working for this Organization

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 3.088 | .118 | | 26.153 | .000 |
| | | .086 | .036 | .160 | 2.366 | .019 |

n=214

Source July, 2013 by authors

The result of table 23 and 24 revealed that the null hypothesis was rejected because the value of b (slope of the line) is positive; there is no significant correlation between the qualification of the respondents and doing of any job assignment to keep working for the organization

I Find that My Values and Organization’s Value are Similar

Table 25: Model Summary for Regression to Determine Significant Correlation between Variable (x) Qualification of Respondents and (y) There is not too Much to be Gained By Sticking With this Organization Indefinitely

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .071 ^a | .005 | .000 | .804 | .005 | 1.066 | 1 | 212 | .303 |

n=214 Source July, 2013 by authors

Table 26: Coefficients for Regression to Determine Significant Correlation between Variable (x) Qualification of Respondents and (y) I Find that my Values and Organization’s Value are Similar

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 3.230 | .117 | | 27.668 | .000 |
| | 14 | .046 | .044 | .071 | 1.032 | .303 |

n=214 Source July, 2013 by authors

The result of table 25 and 26 revealed that the null hypothesis was rejected because the value of b (slope of the line) is positive, there is no significant correlation between the qualification of the respondents and their values with that of the organization are the same.

There is not too Much to be Gained by Sticking with this Organization Indefinitely

Table 27: Model Summary for Regression to Determine Significant Correlation between Variable (x) Qualification of Respondents and (y) There is not too Much to be Gained by Sticking With this Organization Indefinitely

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | | | | |
|-------|-------------------|----------|-------------------|----------------------------|-------------------|----------|-----|-----|---------------|
| | | | | | R Square Change | F Change | df1 | df2 | Sig. F Change |
| 1 | .034 ^a | .001 | -.004 | .806 | .001 | .241 | 1 | 212 | .624 |

n=214 Source July, 2013 by authors

Table 28: Coefficients for Regression to Determine Significant Correlation between Variable (x) Qualification of Respondents and (y) there is not too much to be gained By Sticking With this Organization Indefinitely

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 3.261 | .163 | | 19.986 | .000 |
| | 15 | .024 | .049 | .034 | .491 | .624 |

n=214 Source July, 2013 by authors

The result of table 27 and 28 revealed that the null hypothesis was rejected because the value of b (slope of the line) is positive, there is no significant correlation between the qualification of the respondents and that there is not too much to be gained by sticking with the organization indefinitely.

Testing Hypothesis 3: There is a significant correlation between the educational qualification of respondents towards loyalty to the organization, same value with the organization, staying long in the organization and commitment to job task and success of the organization

V. Conclusion

This study tried to unravel the impact of human resource management (HRM) practices on organizational performance, what are the outcomes of HRM practice on banks in North Cyprus and how do HRM practice have an effect on employees satisfaction, commitment and retention which in turn will promote organizational performance. The contribution of this study was to find out those practices that organizations should perform, in order to have an advantage over its competitors and keep its employees satisfied and committed.

The research found out that an ample of practices was used by banks in NC.

The major aspects that affect an employee according to the findings are working conditions and the leadership and supervisory style. That also empowerment and the opportunities to make certain decisions in regards to their job should be allowed. The employees had also demanded for a better working condition and that supervision and leadership in the banks should be more cordial. Giving employees the free hand to make decisions concerning their job functions brings about motivation and job satisfaction.

In both Credit West Bank and Turkish Bank HR practices were evaluated positively, according to the survey result. The impression created was that private sector bank employees feel that their conditions are good. They are contented with the recruitment and selection processes in which 93.2% consider to be impartial and free of favoritism. The employees seem happy with the opportunities offered to them for training, which in turn enable them extend their professional abilities and skills. In order words, the workers believe the banks they are working for are committed to nurturing a cordial relationship with their work force.

The study does not discover any relationship between HR practices and the demographic variables in both banks. Although there is similarity between Credit West and Turkish Bank in the area of the soundness in order words, the organizations were able to adopt a good bundle of HRM practices; good HR practices seem to affect employee retention in TRNC private sector banks in a positive way. The discussion here is that bad HR practices defiantly leads to an increase turnover.

Hence, the findings of the study has shown that giving adequate training to employees is positively related to employee satisfaction, commitment, retention and organizational performance in general. Evidence from previous researches also indicates that, firms with superior training programs are likely to have lower staff turnover than organizations that neglect staff development. Employees will work for the benefit of the organization if they feel that the training and development embarked upon is also going to be of benefit to them (Gonchkar, 2012:5,pp 87-96)).

Limitations

The purposes of this study were to examine the affiliation between HRM practices and HR outcomes of private sector banks and to explore the impact of HRM practices and HRM outcomes on performance of private sector banks in NC. Due to limited information granted to us we were unable to get data relating to bank performance. Hence, it turn out that we were unable to get answers for the bank performance data. Therefore, hypotheses which related to HRM practices and bank performance and HR outcomes and bank performance could not be tested in this study. This can be seen as the major limitation of this study. Other limitations to the study include language, financial and transportation barriers.

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