

ANALYZING THE IMPACT OF EMPLOYMENT STRATEGIES ON SUSTAINABLE PERFORMANCE OF BANKS IN A POST PANDEMIC ERA

¹Bhakti Banwaskar Deshmukh, ²Sarwade W. K.

Department of Management & Commerce, MGM University, Aurangabad M.S., India¹,
Department of Commerce & Management Science, Dr. BAM University Aurangabad M.S., India²,
bhakti.banwaskar@mgmiom.org¹, walmik.sarwade@hotmail.com²

ABSTRACT

The effect of the COVID-19 pandemic still continues to evolve on all types of sectors, industries and functional areas all over the world of work. The human resource management function has reached to a focal point as it is deemed to be a function that would impart sustainable performance and growth of an organization. Banking sector has been considerably impacted due to the Covid-19 scenario. Its impact still lingers on the work systems and employees of the banking sector. In such a scenario, it is indispensable to analyze and understand the impact of employment strategies on the sustainable performance of banks in a post pandemic era.

The present research is an attempt to examine the employment strategies and sustainable performance of banks with various demographic variables and studying the relationship between the employment strategies and sustainable performance of scheduled commercial banks in Marathwada region. For this a well structured questionnaire was developed and was randomly administered upon 100 employees working in the private and public sector scheduled commercial banks operating in the Marathwada region. The data was analyzed by applying Correlation and Multiple Regressions in IBM SPSS Statistics 20 software.

KEYWORDS: *Employment, employment strategies, sustainable performance, long term orientation, employee participation and social dialogue, employee cooperation.*

INTRODUCTION

Corresponding to its sector and business environment, every organization develops its employment strategies that aim to acquire the best and suitable talent for the organization. Employment strategies are very crucial as they determine the success of other HR strategies for an organization. Sustainable performance of an organization is largely based on the kind of HR practices it has. In a post pandemic era, there is an increased impetus on sustainability of organizations. Employment strategies define the ways and means an organization adopts in recruiting and selecting the employees. It also reflects upon the kind of competencies required and expected from the prospective candidates.

Sustainable performance of an organization refers to its capability to convene the needs and expectations of all its internal and external stakeholders over a long-term. In this context it is essential to spot prospects to achieve sustainable performance of an organization. In this regard, the inputs of HR are indispensable as employees are a major stakeholder and internal customer of an organization.

Unlike other industries, the banking industry was also forced to make some extensive changes. This sector specially having a cutting-edge adaptability, had to accommodate certain shifts into the functioning. HR fraternity was confronted by a pandemic that escorted the organizations and its workforce to a prolonged remote working on an exceptional level and financial fallout that developed a lot of uncertainty and increased stress for many banking sector employees. Apart from this the other human capital priorities, such as the need to employ and develop a competent workforce, predate the organizations in the present times. Thus it is liable to undertake research on such areas. The present study is an attempt to examine the employment strategies and sustainable

performance of banks with various demographic variables and studying the relationship between the employment strategies and sustainable performance of scheduled commercial banks in Marathwada region. The main objective of this research is to examine the relationship between the employment strategies and sustainable performance of banks. This entails the study of the kind of dynamics that the two variables have on each other.

Recruitment and selection process and competencies required to function in the banking sector are considered for the employment strategies in this study. Recruitment process comprises of internal recruitment, external recruitment and the entire process a bank adopts to hire employees. Competencies required include the competency framework including functional competencies, cross functional competencies and core competencies. Sustainable performance comprises of several parameters but profitability is one of the prime variables hence for the present research. With the data received from the employees employed in the banking sector of Marathwada region, the impact of variable mentioned above is examined using the multiple regression analysis in SPSS software.

OBJECTIVES

- 1) To examine the relationship between employment strategies, competencies required amongst employees of banking sector and its sustainable performance.
- 2) To examine the competencies required amongst employees of banking sector in a post pandemic era and the sustainable performance.

LITERATURE REVIEW

Ume-Amen (2010) conducted a research on the aspect which organizations to gain in outsourcing their recruitment and selection process. The factors referred in the paper were studied through the literature survey. The factors were cost savings; improved quality, time pressure, internal factors of outsourcing recruitment and selection process at workplace in banking sector. The data reported that retention ratio is higher when recruitment is done through outsourcing firms. A mixed opinion was stated denoting that recruitment by outsourcing firms gives an edge because of applicant pool; skills and expertise hence quality and competence is ensured. Easy replacement, lack of internal staff capabilities are a factor of outsourcing the recruitment and selection process. Hari G. Krishna and N. Maithreyi Zaharie, M (et al) (2013) conclude that job recruitment and selection practices are must for companies seeking competitive and skilled employees. The research paper is based on a comparative study the employee recruitment and selection practices in small and medium organizations. 92 organizations from Rome were considered for conducting an e-survey. Exploration of recruitment methods, the employee selection practices and job screening criteria was done through a questionnaire. The findings illustrate that moderate differences exist amongst the small and medium sized organizations. Small organizations adopt recommendations based methods while hiring and medium organizations have a more comprehensive selection process. These organizations put greater significance to the job selection criteria, competencies revolve around assessing the candidates' attitude, motivation and dedication to work, general skills, lifelong learning, ability to manage stress and computer skills. The findings also highlight that the employment practices adopted both by the small and medium organizations are not standard, which further signifies that such organizations may control short term costs, but may have to face higher costs in the long run. Salman et.al. (2020) in a paper titled as Employee Competencies as Predictors of Organizational Performance: A Study of Public and Private Sector Banks, studied the impact of employee competencies on organizational performance using a mixed sample of managerial and non-managerial employees working in Indian public and

private sector banks. In this research a cross-sectional research design was used and the data was gathered through a structured questionnaire. Convenience sampling was used. For the data analysis a confirmatory factor analysis (CFA) was applied to check the reliability and validity of the variables. The proposed model used self competence, team competence; communication competence and social competence and their combined impact on organizational performance was studied. The hypothesis testing was done using structural equation modelling. The data analysis revealed that there is a positive and significant impact of selected employee competencies on organizational performance. However, self-competence showed an insignificant and negative impact on organizational performance. Tas (1988) is credited for the earliest research and explorations on managerial competencies. Tas conducted research in the hospitality sector and on the accommodation services to be precise. Through the studies Tas put forth 36 competencies for the hotel general manager trainees. Likert five point rating scale was used to identify the relative worth of each of the competency. A scale developed by Batula (1975) was used by Tas for grading mean level of importance of each competency statement. Competencies which had mean scores over 4.50 were graded as essential; competencies with mean score ranging between 3.50-4.49 were graded as considerably important and competencies with mean scores of 2.50-3.49 were graded as moderately important. The results signified that 6 competencies were identified to be important, 18 were identified to be considerably important and the remaining 12 were identified as moderately important. The 6 important competencies were managing guest problems, professional & ethical standards, professional appearance & poise, effective communication, positive customer relations, and positive working relationships.

RESEARCH METHODOLOGY

The descriptive research design type is used for this study. Descriptive research is a type of research that describes a population, situation, or phenomenon that is being studied. It focuses on answering the *how, what, when, and where* questions. It is conducted to have a better understanding of the existing problem. The present study includes involves collecting quantitative data that have a major role in predicting the possible relationship between the variables of the study. This also includes formulation hypotheses, data collection and statistical interpretation using SPSS and verifying the validity and generalization of the present study. The population for the given study consisted of the employees working in the private and public sector scheduled commercial banks of Marathwada region. The samples were selected through the list of banks published by the RBI like HDFC, ICICI, Axis, Federal, Yes, IDBI in the private banks and SBI, Bank of Baroda, Bank of Maharashtra, etc in the public sector banks. The responses of 100 employees as samples were captured using the self-created questionnaire considering different dimensions of employment, competencies required and sustainable performance were the variables under consideration. Simple random sampling was used for the study. The responses of the questionnaire were taken in consideration to know the extent of employment, competencies required and sustainable performance. The questionnaire was distributed to the respondent selected from the data provided by employees for administering the questionnaire. The face to face interaction with the respondents was conducted by the researcher and the purpose of the research was made clear to them. Time was given to respondent for filling up the questionnaire and in case of any difficulty, the researcher resolved the same. Hypotheses were designed based on the objectives of the study.

HYPOTHESIS

The hypothesis of the present study are as under:

H1: There is significant relation between employment strategy, competencies required and sustainable performance of an organization.

DATA ANALYSIS

After the data collection, the further steps include data entry and coding into the software. Data was entered into SPSS spreadsheet and in total, 100 responses were captured in SPSS 20. Analysis of data is done based on the hypotheses formulated. The basic analysis starts with descriptive analysis, reliability testing, correlation, and multiple regression analysis.

Gender profile is 78% males and 22% females. Age is a crucial factor in decision making. For the purpose of the study, the age of respondents has been studied with four categories with samples as: 18- 24 years (14%), 25 to 34 years (43%), 35 to 44 years (31%), above 45 years (12%). Education level has shown to be an important factor on the quality of decisions made by the individuals. For the study, the educational qualification has been studied under as: Under Graduate (5%), Graduate (68%), Post Graduate (22%) and Higher education (5%). Higher income level may allow an individual to take higher financial risks. Annual income of the respondents was categorized as: Less than 1 Lac (0%), 1 to 2.5 Lakhs (4%), 2.5 to 5 Lakhs (41%), 5 to 10 Lakhs (35%), and above 10 Lakh (20%). Total work experience was categorized as: 0 to 1 year (23%), 1 to 5 years (37%), 6 to 10 (24%), 10 years and above (16%).

HYPOTHESIS TESTING

For testing the hypotheses first the Reliability of the data collection instrument was tested using the Cronbach Alpha. The value of **0.895** shows high internal consistency of the questionnaire as it is higher than 0.7.

Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.895	.894	29

The hypothesis of Correlation was tested with the following result:

Correlations

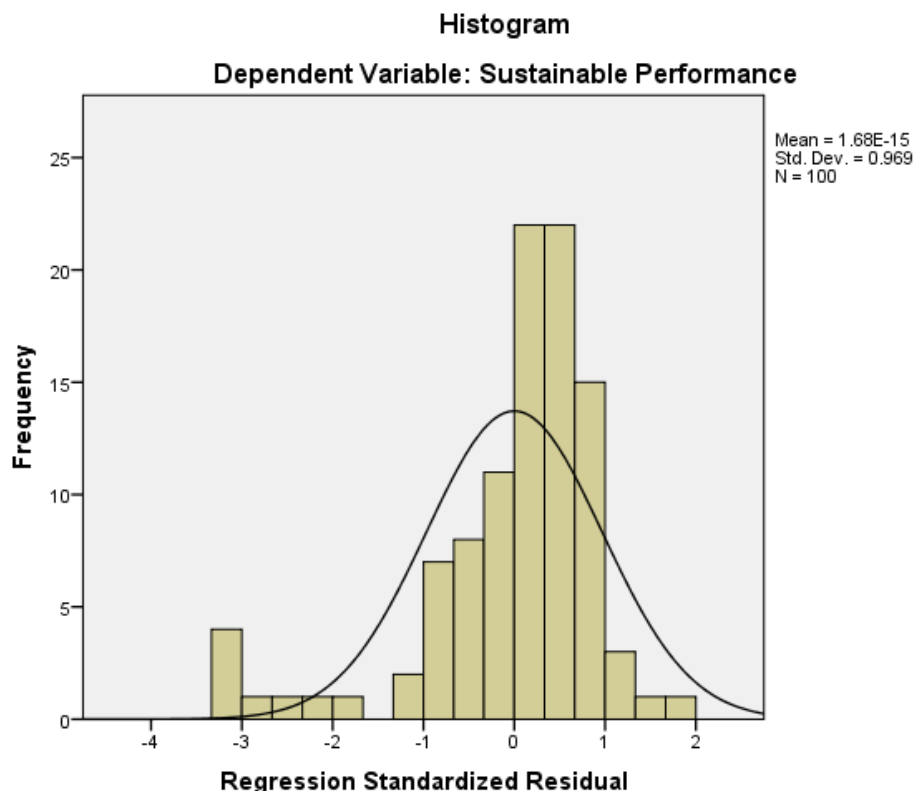
		Mean of Employment Strategies	Mean of Competencies Required	Mean of Sustainable Performance
Mean of Employment Strategies	Pearson Correlation	1	.401**	.612**
	Sig. (2-tailed)		.342	.797

	N	100	100	100
Mean of Competencies Required	Pearson Correlation	.401**	1	.337**
	Sig. (2-tailed)	.342		.001
	N	100	100	100
Mean of Sustainable Performance	Pearson Correlation	.612**	.337**	1
	Sig. (2-tailed)	.797	.001	
	N	100	100	100

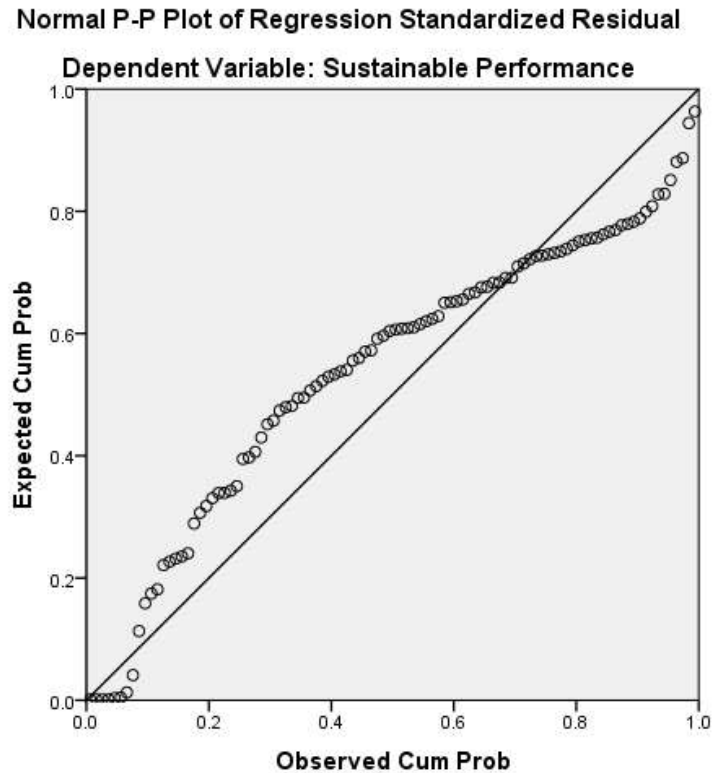
** . Correlation is significant at the 0.01 level (2-tailed).

Correlation between Employment Strategies and competencies required is = 0.401. Correlation between Employment Strategies and Sustainable Performance is = 0.612. Correlation between Competencies Required and Sustainable Performance = 0.337

As can be seen from the table, there is positive correlation between employment strategies, competencies required and sustainable performance. Hence we reject the Null hypothesis and accept the alternate hypothesis. There is significant correlation between employment strategies, competencies required and sustainable performance. Normality of the data can also be seen from the Histogram.



Assumption of Homoscedasticity of the data is tested using the plot of scatter plot standardized residual and standardized predicted values, as shown below:



Assumption of Multi collinearity can be checked from the coefficients table which gives the Variance Inflation Factor (VIF) values less than 5 and Tolerance more than 0.2

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collineriaty Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.136	1.309		-.868	.388		
	Internal Recruitment	-.101	.132	-.101	-.763	.448	.502	1.994
	External Recruitment	.089	.149	.082	.600	.550	.468	2.135
	Process	-.029	.192	-.016	-.151	.881	.778	1.286
	Functional Competencies	.334	.208	.165	1.607	.112	.831	1.203
	Cross Functional	.340	.235	.156	1.447	.151	.761	1.315
	Core Functional Competencies	.528	.237	.260	2.228	.028	.648	1.544

a. Dependent Variable: Sustainable Performance

Assumption of Independence can be seen from the Durbin Watson value, where value <2.5 indicates positive correlation.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.426 ^a	.181	.129	.83812	2.152

a. Predictors: (Constant), Employment Strategies, Competencies Required

b. Dependent Variable: Sustainable Performance

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.472	6	2.412	3.434	.004 ^b
	Residual	65.327	93	.702		
	Total	79.799	99			

a. Dependent Variable: Sustainable Performance

b. Predictors: (Constant), Employment Strategies, Competencies Required

From the ANOVA table, it is observed that the p-value is <0.05, which implies that the null hypothesis is rejected and the alternative hypothesis is accepted i.e. There is a significant relation between employment strategy, competencies required and sustainable performance of an organization. The results indicate that the model is a significant predictor of sustainable performance: $F(6, 93) = 3.434, p = 0.004$ From the model summary table, it is observed that the R square is 0.181, which implies that the independent variables explains the dependent variable to 18.1%.

INFERENCES AND CONCLUSION

There are various parameters that affect the sustainable performance of an organization. However, the employment strategies and the competencies required have a significant effect on the sustainable performance of the organization. The effect of 18.1% indicates that there are further other more parameters that determine the sustainable performance of an organization. Employment strategies which are considered to be one of the prime factor of managing the employees and the performance of any organization was found to be significantly correlated with sustainable performance. This means that the strategies the banks follow for recruiting and selecting employees des have an impact on the performance of an organization as it determines the suitability of the employees towards the demands of an organization. Likewise, competencies required for the jobs are also found to be significant i.e. the skill sets do have a positive effect on the sustainable performance of an organization.

REFERENCES

- [1] Ume-Amen (2010), Outsourcing of Recruitment and Selection is Beneficial for an Organization, Interdisciplinary Journal of Contemporary Research in Business Vol. (2), No. 5, pp. 355-383.
- [2] Zaharie, M.(2013), Job Recruitment and Selection Practices in Small and Medium Organizations, StudiaUniversitatis Babes-Bolyai, Vol. (58) No. 2, pp-86-94.
- [3] Mohammad Salman, Showkat Ahmad Ganie and Imran Saleem (2020) Employee Competencies as Predictors of Organizational Performance: A Study of Public and Private Sector Banks, Management and Labour Studies, August 2020, Page No. 1
- [4] Tas, R. F. (1988). Teaching future managers, The Cornell hotel and restaurant administration quarterly, 29(2), 41-43.

