

# Strategic link of Human Resource Management Practices with Financial Performance of Banks

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## Abstract

*Human resource management (HRM) practices are being increasingly considered as major contributory factor in financial performance of the organizations. This research study effectively highlighted the importance of HRM Practices with impact on Financial Performance of the Banks (FPB) operating in Pakistan. Major objective of the study is to find out relationship between 'HRM Practices' and the 'Financial Performance of the Banks'. As a sample, 46 schedule banks were contacted, of which 38 responded back. The HRM Practices selected for the Research Study were Selection, Training, Performance Appraisal system, Compensation system and Employee participation. Empirical evidence were calculated through stepwise regression analysis, Pearson correlation and descriptive statistics to support theoretical models that link HRM practices with financial performance of banks. Study concluded that all tested variables are having positive relation and impact on financial performance of the banks but major contributory practices are selection, training, compensation and employee participation.*

**Keywords:** HRM practices, Selection System, Training, Job Description, Performance Appraisal System, Compensation System, Career Planning System, Employees Participation, Financial performance of the banks, planning, development, rewards.

## Introduction

The study of Human Resource Management Practices has been an important and critical area in management and Organizational Performance from last several years especially in the banking industry. Influence of human resource management practices on organizational performance has been an important area of research in past 25 years indicating positive relationship between HR practices and organizational performance (Qureshi M. Tahir *et al.* 2007).

Human resource management (HRM) practices are being increasingly treated as dependent rather than independent variables (Jackson E. Susan 1992). In olden days management gurus and researchers were involved to explore how HRM practices affect employee performance, and organizational performance. Now it is beginning to ask how these practices impacts on financial performance of the organizations. This study focuses on impact of HRM practice on financial performance of the banks. This sector performs momentous functions in a present-day world for overall economic development of the countries.

Pakistan started without strong banking network in 1947 and performed earth-shattering growth in third quarter of 20<sup>th</sup> century, but a sudden nationalization decision of banks in the seventies was not proven to be a good decision. In nineties there was paradigm shift of deregulation, privatization and restructuring in banking industry. After this shift now the country has a well-developed banking network, consisted on different institutions including a central bank and many commercial banks. One thing good for that particular period was the recruitment of fresh

officers in banking industry through well-organized policies. This research is to find out the banking performance in last three years after hiring the fresh officers and application of human resource management practices.

Human resource management is linked with all the managerial functions involved in planning for recruiting, selecting, developing, utilizing, rewarding, and maximizing the potential of the human resources in an organization (Franklin, and Byrd, 1995). Human resources management (HRM) is defined as, the policies and practices needed to carry out the “people” or human resource aspect of a management position, including selection, job definition, training, performance appraisal, compensation, career planning and encouraging employee participation in decision making. From another point of view HRM is defined as a process for the development of abilities and the attitude of the individuals, leading to personal growth and self actualization which enables the individual to contribute towards organizational objectives much of the debate has been around the meaning of HRM, yet there is no universally accepted definition of HRM is developed. Some definitions interchange HRM with personnel management. Personnel management characteristically focused on a range of activities centered to the supply and development of labor to meet the immediate and short-term needs of the organization. Under personnel management, the activities of recruitment, selection, rewards, development, Training, Compensation and the others are viewed as separate individual functions. HRM aims to integrate all of the personnel functions into a cohesive strategy. Personnel management is largely something that managers do to the subordinates, whereas HRM takes the entire organization as a focal point for analysis.

Success in today's competitive market depends less on advantages associated with economies of scale, technology, patents & access to capital and more on innovation, speed and adaptability. Competitive advantages and organizational performance are largely derived from organizational human resources and high involvement of human resource management practices. Although in most of the developing countries, the main impediment of organizational growth and profitability is the lethargic use of professional HRM practices but struggle is going on to find out best ways to utilize these practices optimally. Pakistan is very much focused on banking growth for the last few decades. As a result, different banks are performing a momentous role in the economic development of the country. Despite their economic importance, different banks suffer from a variety of structural and institutional weaknesses, which has constrained their ability to take full advantage of the rapidly advancing process of globalization and HRM practices. This research is an attempt to explore the relationship of (HRM) practices and financial performance of the banks (FBP) operating in Pakistan. In this research different HRM practices will be

## Literature review

Based on universalistic perspective this study is conducted, indicating that fixed set of best practices can create surplus value in various business frameworks. (Delery & Doty 1996). Justifying our choice for the universalistic perspective Harvard model by Beer *et al.* (1984) guided initial process of domain identification. In this study, most relevant HRM domains (e.g. selection, training, job description, performance appraisal system, compensation system career planning system and employee participation) followed by universalistic perspective is selected for research. In the field of human resource management and behavioral sciences, plenty of example and discussions are highlighting that there is an uplifting connection between effective HRM practices and organizational performance. (Deepak K. Datta *et al.* 2003 Sels L. *et al.* 2003, Singh K 2004).

Qureshi M. Tahir *et al.* (2007) explored positive effect of selection ( $r = 0.53$ ), performance appraisal ( $r = 0.55$ ), training ( $r = 0.61$ ), compensation system ( $r = 0.39$ ) employee participation ( $r = 0.46$ ) with organizational performance. Out of these practices only selection ( $\beta = 0.27, 0.30$ ), Training ( $\beta = 0.31, 0.28$ ) and Employee participation ( $\beta = 0.19, 0.26$ ) had positive impacts on organizational performance and market performance of the organization. This indicated that increase of (1) unit in selection will increase (0.27) in firm performance and (0.30) in firms market performance, secondly increase of (1) unit in training will increase (0.31) in firm performance and (0.28) in firms market performance. Finally increase of (1) unit in employee participation will increase (0.19) in firm performance and (0.26) in firms market performance. Supporting these findings Singh K. (2004) found that there is a positive relationship amongst several HR practices like selection ( $r = 0.32$ ), performance appraisal ( $r = 0.32$ ), training ( $r = 0.32$ ), compensation system ( $r = 0.32$ ) employee participation ( $r = 0.32$ ) with firm performance. Out of these practices only Training ( $\beta = 0.37, 0.39$ ) and Compensation system ( $\beta = 0.41, 0.43$ ) had positive impacts

on firm performance and market performance of the firm. This indicated that increase of (1) unit in training will increase (0.37) in firm performance and (0.39) in firms market performance, secondly increase of (1) unit in compensation will increase (0.41) in firm performance and (0.43) in firms market performance. On the other way two practices namely job definition ( $\beta = -0.21$ ) and career planning system ( $\beta = -0.15$ ) are having negative and insignificant impact on firm performance.

Deepak K. Datta *et al* (2003) concluded that organizational performance and competitiveness can be enhanced by utilizing high performance work system. Through Universalistic and Contingency approach using regression (.189 at 95 % level of confidence) analysis it is identified that relative use of HR practices displays stronger association with organizational performance. Supporting the same arguments Arthur (1994) found that steel mills that use an HRM 'commitment system' have higher productivity levels than those that do not use. HPW system has significant positive effects on organization productivity. Huselid (1995) in his study of 968 US companies identified a positive link between HRM practices and firm performance. One standard deviation increase in HRM practices increase 25% in firm performance.

Wan D. *et al.* (2002) examined the relationship between HRM practices and firm performance. HRM practices were creating positive effect on organizational performance. Results calculated through regression suggested that effective implementation of key HRM practices increases organizational performance. On the other hand, companies interested in enhancing HR performance may emphasize the need for empowerment and training.

Few studies, however, did not find clear effects of HRM practices on productivity (e.g. Delaney *et al* 1989). Kelley (1996) found that HRM practices do not affect performance organizations, Batt (2002) found that HRM practices do not pay off in small organizations that operate in local markets. Cappelli and Newmark (2001) identified that human resource management practices may raise productivity slightly, but they also raise labor costs. Huselid M. A. (1995) evaluated that HRM practices are statistically significant and having positive effect on corporate financial performance of the organization. Nemours researchers found the relationship between corporate financial performance and HRM practices. Like Flamholtz (1985) and Cascio (1991) concluded that financial returns associated with investments in progressive HRM practices are generally substantial. Schmidt, Hunter, MacKenzie, Muldrow 1979) explored that by increasing one unit of employee performance is equivalent to 40 percent of salary increase. Each of these studies has emphasized on the impact of human resource management practices on organizational performance. Research on relationship and impact of HRM practices with financial performance of the banks is much more limited in world and in Pakistan nothing has been done so far in this regard. This research study in the context of financial performance of the banks with relation to HRM practices will be first of its nature.

### **Purpose of Research Study**

In banking industry there is one common slogan that "our all stake holders are important" but clients are at the top, clients can be satisfied when they will entertain desired services with all protocols, this is possible when employees of the banks are fully committed and involved in their professional working. They will be involved when banks are utilizing human resource management practices up to apex and altitude of sublimity. Many banks are now investing in human resource management but few banks still ignore to invest resources in the human management areas. This assumption needs to be carefully tested. This Research Study addresses this assumption directly and therefore the focus of the research remained around whether human resource management practices make a difference in the financial performance of the banks or not. If so, which practices appear to be more performance contributory? In nutshell major objectives of this study were to explore the relationship between HRM practices and financial performance of the banks and finding impact intensity of HRM practices on financial performance of the banks functioning in Pakistan.

### **Research Design**

"Simple sampling" technique is used for banks selection. This technique is used to make research process faster by obtaining a large number of completed questionnaires quickly and economically from the

banks. All operating banks in Pakistan were selected for the study. List of these operating schedule banks was taken from State bank of Pakistan and other necessary information like addresses and phone numbers of different banks were taken from their websites, later on questionnaires were posted to them. Following the tradition of social sciences we used the questionnaire for primary data collection as there was no sufficient data available in Pakistan. This questionnaire was designed on five points likert scale options 5 for strongly agree, 4 for agree, 3 for indifferent, 2 for disagree and 1 for strongly disagree. For data collection 46 schedule banks of Pakistan were mailed questionnaires and later on after seven days, human resource managers were given 1<sup>st</sup> reminder through email and telephone calls. 2<sup>nd</sup> reminder was given after three days of the first one, meanwhile responses were coming back. This whole data collection process took thirty six days. Aggregately we collected 38 responses back at response rate of 82.6 %, which is many times better than previous research by Singh K. (2004) and Qureshi M. Tahir (2007).

Human resource managers from different banks were contacted for information collection regarding perceived financial performance of the banks and human resource management practices. These managers were appealed to answer against all the questions to the best of their knowledge. There was another open option where there is no HR manager in the bank any person from the HRM department at the managerial level can fill questionnaire. After data collection, we coded it in Excel 2003 and SPSS 12.0. Statistical tool stepwise regression analysis, correlation and descriptive statistics were used to strengthen the results will numerical evidences.

### Description of the Instruments

Questionnaire included life of the bank, number of employees, years of education of employees, experience of HR manager with this bank & in banking industry and HRM practices. Out of these all items only HR practices are being considered for the analysis. Perceived financial performance of the banks in last three years including increase in sales, market share and share price in and net profit growth is selected as dependent variable. Statistical tools multiple stepwise regression analysis and Correlation are used based on methodology adopted by Deepak K. Datta *et al.* (2003), S. Singh (2004) and Qureshi M. Tahir (2007) for finding organizational performance.

### Variables

In this research study perceived financial performance of the bank is considered as dependent variable and human resource management practices (selection, training, job description, performance appraisal system, compensation system career planning system and employee participation) as independent variables, research model is given in **Figure 1**. Aggregately 8 variables are considered for analysis. Out of these, 7 are independent variables, and 1 is dependent. Variables are selected from studies conducted by Beer *et al.* (1984), Delery and Doty, (1996), Singh K (2004) and Qureshi M. Tahir (2007).

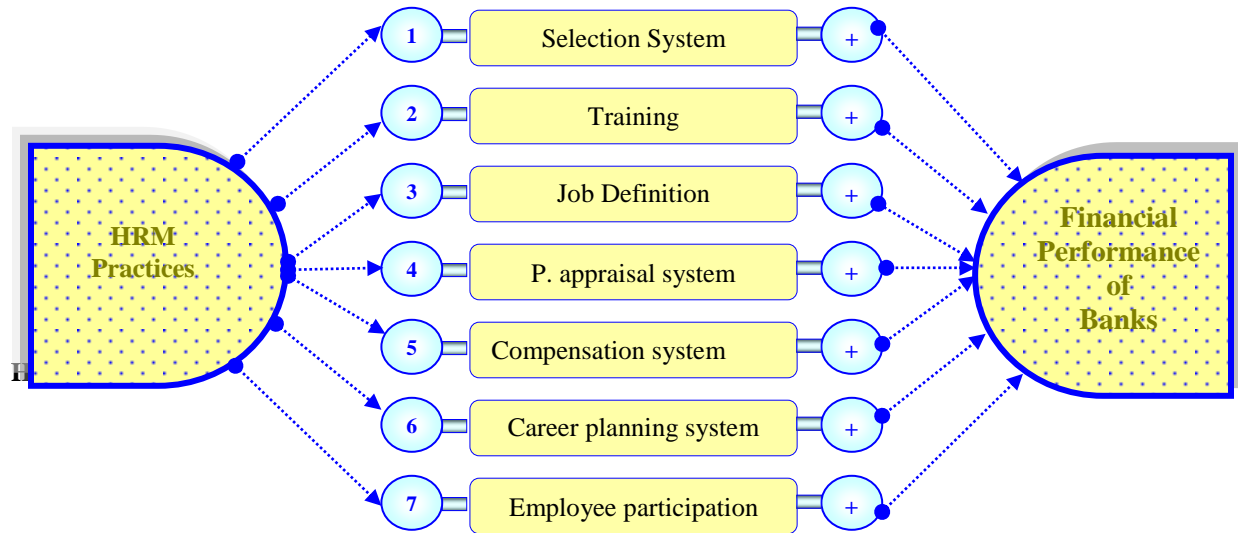
### Research Model

#### Equations for stepwise regression analysis

$$\begin{aligned}
 1 \quad & y = \alpha + \beta_1 (x_1) + \varepsilon \\
 2 \quad & y = \alpha + \beta_1 (x_1) + \beta_2 (x_2) + \varepsilon \\
 3 \quad & y = \alpha + \beta_1 (x_1) + \beta_2 (x_2) + \beta_3 (x_3) + \varepsilon \\
 4 \quad & y = \alpha + \beta_1 (x_1) + \beta_2 (x_2) + \beta_3 (x_3) + \beta_4 (x_4) + \varepsilon \\
 5 \quad & y = \alpha + \beta_1 (x_1) + \beta_2 (x_2) + \beta_3 (x_3) + \beta_4 (x_4) + \beta_5 (x_5) + \varepsilon \\
 6 \quad & y = \alpha + \beta_1 (x_1) + \beta_2 (x_2) + \beta_3 (x_3) + \beta_4 (x_4) + \beta_5 (x_5) + \beta_6 (x_6) + \varepsilon \\
 7 \quad & y = \alpha + \beta_1 (x_1) + \beta_2 (x_2) + \beta_3 (x_3) + \beta_4 (x_4) + \beta_5 (x_5) + \beta_6 (x_6) + \beta_7 (x_7) + \varepsilon
 \end{aligned}$$

Where as  $X_1 = S =$  Selection System,  $X_2 = T =$  Training,  $X_3 = JD =$  Job Description,  $X_4 = PA =$  Performance Appraisal System,  $X_5 = CS =$  Compensation System,  $X_6 = CP =$  Career Planning System,  $X_7 = EP =$  Employees Participation,  $X_8 = FPB =$  Financial performance of the banks

Figure- 1 (Research Model)



On the basis of research literature by Beer et al. 1984, Wan D. et al. 2002, Alberto 2002. 2003, Sels L. et al 2003, Rita Campos E. Cunha, Singh K. 2004 and Qureshi M. Tahir (2007) we develop following eight hypotheses for this research study.

(H-01) There is a positive/significant relationship between the effective HRM practices and the Financial Performance of the Banks

(H-02) Comprehensive and transparent selection system positively affects the Financial performance of the Banks

(H-03) Training along with transparent selection system positively affects the Financial performance of the Banks

(H-04) Job description along with training and transparent selection system positively affects the Financial performance of the Banks

(H-05) Performance appraisal system along with job description, training and transparent selection system positively affects the Financial performance of the Banks

(H-06) Compensation system along with performance appraisal system, job description, training and transparent selection system positively affects the Financial performance of the Banks

(H-07) Career planning system along with compensation system, performance appraisal system, job description, training and transparent selection system positively affects the Financial performance of the Banks

(H-08) Employee participation along with career planning system, compensation system, performance appraisal system, job description, training and transparent selection system positively affects the Financial performance of the Banks

### Multicollinearity

Where correlation ( $r$ ) is greater than (0.80) or Tolerance value is closer to zero or Eigenvalues are not approximately of the same size or Variance Inflation Factor (VIF) is having high value e.g. 10 plus in some cases than multicollinearity exists. Table (1) is showing that all correlation values are lesser than (0.80), and

Table (5) indicates that tolerance levels of all the variables are greater than (0.40), VIF value is not more than (2.50), and Eigenvalues are approximately same there is no huge difference amongst them, all these things are indicating that there is no problem of multicollinearity.

<b>Collinearity Statistics</b>			
<b>Variables</b>	<b>Tolerance</b>	<b>VIF</b>	<b>Eigenvalues</b>
<i>Selection</i>	0.64	1.55	0.01
<i>Training</i>	0.46	2.17	0.01
<i>Job Description</i>	0.63	1.58	0.01
<i>Performance Appraisal</i>	0.40	2.47	0.01
<i>Compensation</i>	0.40	2.50	0.01
<i>Career Planning</i>	0.55	1.81	0.00
<i>Employee Participation</i>	0.54	1.84	0.00

### **Research findings**

Pearson Correlation is used for finding degree of relationship between several variables; generally two variables are correlated when they tend to simultaneously vary in same direction. If both the variables tend to increase or decrease together, the correlation is said to be direct or positive. When one variable tends to increase and the other variable decrease, the correlation is said to be negative or inverse.

Correlation between different variables is shown in **Table 1** and descriptive statistics comprised upon standard deviation, mean, median, mode, minimum, maximum values and ranges are shown in **Table 2**. There is a positive correlation of **(0.50)** between Financial Performance of Banks (FPB) and selection system, mean of selection is **(4.29)** and standard deviation is **(0.48)**, indicating that most of the HR managers are satisfied with the selection system prevailing in different organization of Pakistan. This high correlation indicates that when ever there is a highly scientific and rigorous selection system where line managers and HR managers both participate in selection, Valid and standardized tests are used for the selection of those who have desired knowledge, skills and attitudes then the performance of banks goes up. **(0.61)** a correlation between Training and financial performance of banks indicates that training will be beneficial when conducted after training needs analysis. Training conducted in this fashion will ultimately increase the efficiency of the banking performance. Performance Appraisal with FPB is showing **(0.56)** a correlation value, highlighting that performance of those employees will be good who have been selected through standardized procedures with the right caliber and the combined opinion of different concerned managers, employees, further indicates that when there is transparent performance evaluation system in the organization financial performance of the banks moves in positive direction. Correlation **(0.50)** between compensation and FPB indicates compensation based on performance base payment methodology moves banking performance in positive direction. Employee participation is showing **(0.50)** with FPB, indicating that when banks allow employee participation for targets development and decision making FPB moves up.

Table (1) Correlations of Variables

Correlation matrix of variables								
	<i>FPB</i>	<i>S</i>	<i>T</i>	<i>JD</i>	<i>PA</i>	<i>C</i>	<i>CP</i>	<i>EP</i>
Financial Performance of Bank ----- (FPB)	1							
Selection ----- (S)	<b>0.50</b>	1						
Training ----- (T)	<b>0.61</b>	<b>0.51</b>	1					
Job Description ----- (JD)	0.26	0.14	0.28	1				
Performance Appraisal ----- (PA)	<b>0.56</b>	<b>0.55</b>	<b>0.68</b>	0.24	1			
Compensation ----- (C)	<b>0.50</b>	0.24	0.37	<b>0.50</b>	<b>0.51</b>	1		
Career Planning ----- (CP)	0.46	0.35	0.45	0.15	0.46	<b>0.57</b>	1	
Employees Participation ----- (EP)	<b>0.50</b>	0.15	0.39	<b>0.55</b>	0.37	<b>0.58</b>	0.26	1

The significant association between the performance appraisal system and training (**0.68**) indicates that when performance evaluation is calculated and weak areas are identified through training need analysis, then organized trainings increase the performance employees which ultimately increase the performance of banks.

Mean values for different variables are indicating that overall HR managers are satisfied from human resource management practices under practice in the banks, e.g. mean of financial performance of the banks (**4.14**), selection (**4.29**), training (**4.03**), job description (**4.03**), performance appraisal (**4.11**), career planning (**4.08**) and employee participation (**4.00**) are with standard deviation of (**0.51**), (**0.48**), (**0.42**), (**0.49**), (**0.42**), (**0.35**), (**0.55**), respectively are indicating that almost opinion of all the participants are same. Compensation mean (**3.78**) with standard deviation of (**0.54**) is indicating that managers and employees are not highly satisfied from the payment system.

Table (2) Descriptive Statistics

Descriptive Statistics								
	<i>FPB</i>	<i>S</i>	<i>T</i>	<i>JD</i>	<i>PA</i>	<i>C</i>	<i>CP</i>	<i>EP</i>
Mean	4.14	4.29	4.03	4.03	4.11	3.78	4.08	4.00
Standard Error	0.08	0.08	0.07	0.08	0.07	0.09	0.06	0.09
Median	4.00	4.25	4.00	4.00	4.00	3.60	4.00	4.00
Mode	3.75	4.00	3.83	4.00	4.00	3.40	4.00	4.00
Standard Deviation	0.51	0.48	0.42	0.49	0.42	0.54	0.35	0.55
Sample Variance	0.26	0.23	0.17	0.24	0.18	0.29	0.12	0.30
Kurtosis	-0.92	-0.91	-0.49	-0.31	-0.01	-0.13	0.34	0.71
Skew ness	0.55	0.03	0.22	0.01	-0.21	0.68	0.39	-0.38
Range	1.75	1.75	1.67	2.00	1.83	2.20	1.57	2.50
Minimum	3.25	3.25	3.17	3.00	3.00	2.80	3.29	2.50
Maximum	5.00	5.00	4.83	5.00	4.83	5.00	4.86	5.00
Sum	157.5	163.0	153.2	153.3	156.3	143.8	155.0	152.0

Count	38	38	38	38	38	38	38	38
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## Regression

For finding the contribution of independent variables towards dependent variable multiple regression analysis is used, in this analysis initially one variable selection is considered than one by one other variables were tested. **Table (3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7,)** bestows the regression outcomes for Pakistani listed organization.

**Table 3.1** is showing regression step one, in this model (**24%**) variability is explained in the financial performance of banks by 'Selection', coefficient value (**0.52**) indicates that by increasing one unit of selection will increase FPB by (**0.52**). In **Table 3.2**, variability in dependent variable is increased to (**41%**), 'Selection' and 'Training' with coefficients (**0.26, 0.59**) respectively are having significant impact on FPB. Similarly, in **Table 3.3** another variable job descriptions is added, variability was increased to (**42%**) job description's is significant at **50 %**, unattractive results. In **Table 3.4** performance evaluation the 4<sup>th</sup> variable was included which is creating positive impact but not results are too much attractive. In **Table 3.5** compensation the 5 variable was added which produced significant results at (**0.27**) at **10 %** level of confidence. **Table 3.6** is showing that career planning is having positive impact on FPB but results are not strongly significant. **Table 3.7** is indicating that Employee participation is having positive impact with value of (**0.25**), which means that by increasing one unit of employee participation will increase FPB by (**0.25**) unit.

Research study proven all hypotheses true Selection (**0.52**), training (**0.59**), job definition (**0.10**), performance appraisal (**0.23**), compensation (**0.27**), career planning (**0.11**) and employee participation (**0.25**), all the variables are having positive impact on FPB. But selection, training, compensation and employee participation are major contributory factors in financial performance of the banks. This research explored that, banks involved in perfect selection process on the basis of merit where candidates having required Attitude, Skills, Knowledge (**ASK**), are being selected. Secondly banks investing heavily on training but after comprehensive training needs analysis considering opinions from trainees and supervisors. Thirdly where payments are made on due date and salaries are according to expectation of employees. Finally banks providing opportunity to employee for participation in different professional matters with appropriate appreciation and acknowledgement, all these banks will have fast growing financial performance.

## Practical implication for banks

From the findings of this research it can be derived that selection, training, compensation and employee participation are challenging practices in banking sector of Pakistan. It is suggested that banks operating in Pakistan should give due consideration to selection, training, compensation and employee participation to achieve better financial performance. In order to formulate their policies this study can be of benefit for officials with more emphasis on HR strategies. This issue is of great magnitude because a developing country like Pakistan will have to operate with the emphasis on a very high productivity in order to combat the challenges of global village. The government needs to appreciate the need of Human Resource Management must have a strategic perception and the government needs to communicate this need to both, to the private banking business owners and to government banks as well for better financial performance.

## Conclusion

Four independent variables namely selection, Training, Compensation and Employee participation are having high positive effect on the financial performance of the banks. This research study explored the same results produced by Qureshi M. Tahir et al (2007). He concluded that human resource management practices, namely selection ( $\beta = 0.27$ ), training ( $\beta = 0.31$ ), performance appraisal system ( $\beta = 0.05$ ) and employee participation ( $\beta = 0.190$ ) are having positive impact on organizational performance. In banking sector we found that compensation is also major factor towards banking performance. Singh K. (2004) concluded hr practices Training ( $\beta = 0.37, 0.39$ ) and Compensation system ( $\beta = 0.41, 0.43$ ) had positive impacts on perceived firm performance and perceived

market performance of the firm. On the other way two practices namely job definition ( $\beta = -0.21$ ) and career planning system ( $\beta = -0.15$ ) are having negative and insignificant impact on perceived firm performance. It happened because in Pakistan scenario is to some extent different from India, because in India, major contributory factors of organizational performance are Training and Compensation systems. Our study identified selection, training, compensation and employee participation as major factors for high financial performance of banks, therefore banks interest in high performance must focus on these variables as an obligation.

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**Table (3.1)**

1- Regression Summary Output (Step No. 1) (S)				
Regression Statistics	Values		Coefficients	P-value
Multiple R	0.49			
<b>R Square</b>	<b>0.24</b>		Intercept	1.90
Adjusted R Square	0.22		<b>Selection</b>	<b>0.52</b>
				0.01
				0.00

**Table (3.2)**

2- Regression Summary Output (Step No. 2) (S+T)				
Regression Statistics	Values		Coefficients	P-value
Multiple R	0.64		Intercept	0.65
<b>R Square</b>	<b>0.41</b>		Selection	0.26
Adjusted R Square	0.38		Training	0.59
				0.37
				0.11
				0.00

**Table (3.3)**

3- Regression Summary Output (Step No. 3) (S+T+JD)				
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Regression Statistics	Values		Coefficients	P-value	
Multiple R	0.65		Intercept	0.37	0.65
<b>R Square</b>	0.42		Selection	0.26	0.12
Adjusted R Square	0.37		Training	0.56	0.01
			Job Description	0.10	0.47

Table (3.4)

4- Regression Summary Output (Step No. 4) (S+T+JD+PE)					
Regression Statistics	Values		Coefficients	P-value	
Multiple R	0.66		Intercept	0.20	0.81
<b>R Square</b>	0.44		Selection	0.20	0.24
Adjusted R Square	0.37		Training	0.43	0.06
			Job Description	0.09	0.51
			Performance Appraisal	0.23	0.32

Table (3.5)

5- Regression Summary Output (Step No. 5) (S+T+JD+PE+C)					
Regression Statistics	Values		Coefficients	P-value	
Multiple R	0.70		Intercept	0.20	0.80
<b>R Square</b>	0.49		Selection	0.22	0.19
Adjusted R Square	0.41		Training	0.45	0.05
			Job Description	0.03	0.85
			Performance Appraisal	0.07	0.79
			Compensation	0.27	0.09

Table (3.6)

6- Regression Summary Output (Step No. 6) (S+T+JD+PE+C+CP)					
Regression Statistics	Values		Coefficients	P-value	
Multiple R	0.70		Intercept	0.03	0.98
<b>R Square</b>	0.49		Selection	0.21	0.23
Adjusted R Square	0.39		Training	0.43	0.07
			Job Description	0.01	0.94
			Performance Appraisal	0.07	0.78
			Compensation	0.23	0.21
			Career Planning	0.11	0.67

Table (3.7)

7- Regression Summary Output (Step No. 7) (S+T+JD+PE+C+CP+EP)					
Regression Statistics	Values		Coefficients	P-value	
Multiple R	0.73		Intercept	0.24	0.80
<b>R Square</b>	0.53		Selection	0.24	0.17
Adjusted R Square	0.42		Training	0.35	0.13
			Job Description	0.10	0.56
			Performance Appraisal	0.06	0.81
			Compensation	0.13	0.51
			Career Planning	0.15	0.54
			Employees Participation	0.25	0.12

Table 4 (Contacted banks for data collection)

<b>Banks operating in Pakistan</b>	
1	ABN AMRO Bank
2	Albaraka Islamic Bank B.S.C. (E.C.)
3	Allied Bank Limited
4	American Express Bank Limited
5	Arif Habib Rupali Bank Limited
6	Askari Commercial Bank Limited
7	Atlas Bank Limited
8	Bank Alfalah Limited
9	Bank Al-Habib Limited
10	Bank Islami Pakistan Limited
11	Citibank N.A.
12	Crescent Commercial Bank Limited
13	Deutsche Bank AG
14	Dubai Islamic Bank Pakistan Limited
15	Faysal Bank Limited
16	First Women Bank Limited
17	Habib Bank Limited
18	Habib Metropolitan Bank Limited
19	Industrial Development Bank of Pakistan
20	KASB Bank Limited
21	Khushhali Bank
22	MCB Bank Limited
23	Meezan Bank Limited
24	Micro Finance Bank Limited
26	My bank Limited
25	National Bank of Pakistan
27	NIB Bank Limited
28	Oman International Bank S.A.O.G.
29	Pak Oman Micro Finance Bank
30	PICIC Commercial Bank Limited
31	Prime Commercial Bank Limited
32	Rozgar Micro Finance Bank
33	Saudi Pak Commercial Bank Limited
34	SME Bank Limited
35	Soneri Bank Limited
36	Standard Chartered Bank
37	Tameer Micro Finance Bank Limited
38	The Bank of Khyber
39	The Bank of Punjab
40	The Bank of Tokyo-Mitsubishi-UFJ,
41	The First Micro Finance Bank Limited
42	The Hong Kong and Sh. Banking Corp.
43	The Punjab Provincial Cooperative Bank
44	Union Bank Limited
45	United Bank Limited
46	Zarai Taraqiati Bank Limited