

Evaluating Employee Development Practices to enhance the Performance of the Banking Industry across Boundaries

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Abstract

This study sought to determine the effects of employee development practices on organization performance in top fifteen listed commercial banks moderated by organization related factors. The study used descriptive survey research design where both qualitative and quantitative techniques were employed to analyze data. The study targeted 800 employees and managers in 15 selected commercial banks quoted on the Nairobi stock exchange. The sample sizes of 260 respondents of whom 15 were human resource managers and 245 employees was selected. Questionnaires developed by the researcher were used as the main data collection instrument. Frequencies and percentages were used to analyze the data descriptively while Tests for significance that is F-test were used to test whether there was significance relationship between the independent variables and the dependent variable. The researcher used the multiple linear Regression Analysis to model the relationship between EDP and organizational performance in the banking industry. The study findings indicated that there was a significant relationship that was positive and very strong among the various EDP and the performance of the banking industry. The overall regression analysis of the study indicated that employee job rotation, employee delegation, employee training and development and employee participation influenced the performance of the banks by 52.3 %. The results showed a strong relationship between the independent variables and the dependent variable (0.75) meaning that the EDP had an effect on the performance of the banks. The results further showed that changes in the banks performance can be explained by only 7% of employee job rotation, 12.2% by employee delegation, and 41.2% by employee training, while employee participation influenced performance by only 0.4%. This shows that among the EDPs, training had the highest effect on the performance of the banks. The study therefore concluded that, EDP practiced had a significant effect on the performance employee's hence organizational performance. It therefore recommends that banks seeking to achieve high performance should embrace employee development practices to boost the performance of the employees. The findings of the study are beneficial to management and employees of commercial Banks. The findings of this study will benefit other organizations which shall be able to effectively use the EDP practices to improve on the performance of the employees hence organizational performance. Finally, other researchers shall find the study a useful framework from which to formulate their studies.

Key Words: Employee development practices, competitive advantage, organization performance

1.1 Background to the Study

In any industry the success of an organization is extremely dependent on its human resources. In order to maintain this valuable commodity, organizations must be aware of employee satisfaction and retention (Strategic Human Resource Management and Catalyst, 2005). Many companies make the mistake of assuming that employees are only seeking financial benefits for their jobs. Organizations must have employees who are able to quickly adapt to an ever-changing world market. Companies need to invest in on-going employee development in order to both keep employees and be successful. In his study chambers was addressing the factors that drive employee development which lies in the organizational performance and competitive advantage. Silzer and Dowell,(2010) cited rapid, radical, discontinuous change, increasingly complex challenges, greater leadership responsibility at lower levels, and recruitment and retention of the best employee talent as being among the key factor that influence a firm performance. SHRM and Catalyst, (2005) did indicate that there are several factors that make employee development vital to organizational performance .The most significant driver of value in organizations today is the perceived shift to a knowledge economy, which makes the knowledge, skills, and competencies of employees a competitive advantage. Silzer and Dowell,(2010) noted that although employees directly shoulder certain burdens of the knowledge economy because of their own investment in education, the growth of specialized knowledge indicates that employers must increase their commitment to provide more specialized business or sector-specific training and education. Another factor that will contribute to the relative importance of employee development will be shifts in workforce demographics.

A vast number of these HR practitioners plan to invest more in training and development to increase employee skills and hope to use succession planning to a greater extent. Mel Kleiman (2000) noted that the fundamentals of a good employee training program are: orientation, soft skills training, and technical skills training. Shelton (2001) indicated that the concepts of employee training are the general foundation for any employee development program. Employee development programs should contain the three “Cs: core workplace competencies, contextual framework within which the organization conducts its business and

corporate citizenship”. Two factors that are crucial to the success of employee development programs are keeping them current and putting learning in the hands of employees.

A truly effective employee development program should include learning, career planning, goal setting, and evaluation. Without them, the employee development reverts back to being simply training. In addition to technology, Eileen Garger also cites reorganization of companies and the changing relationship between employers and employees as reasons for the move from training to learning (Shelton 2001). Any employee development program will quickly destroy itself if it does not evaluate itself on a regular basis.

Based on the findings of Moses (2000) employee development programs must not only achieve its objectives, but it must have positive outcomes for the organization and individuals within the organization. In his study Caliskan (2010) utilizes a system of pre-tests followed by focus groups and surveys to determine if they are meeting their employee development objectives. Many organizations with employee development programs are finding positive outcomes for the individuals involved in them. Qureshi et al (2007) noted that 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. This study however moves away from this obvious and looks specifically at the employee development practices which are conceptualized in human resource management practices. Baloch et al., (2010) and Caliskan (2010) concluded that employee development practices and employee performance have strong relationship. According to Chambers (2013) employee development lies at the heart of organizational performance and competitive advantage. Silzer & Dowell, (2010) on the other hand indicated that there are several factors that make employee development vital to organizational performance. The most significant driver of value in organizations today is the perceived shift to a knowledge economy, which makes the knowledge, skills, and competencies of employees a competitive advantage for the organizations. It is noted that majority of HR practitioners plan to invest more in training and development to increase employee skills. This study seeks to look at other employee development practices besides training which can be effectively used by the organization to enhance the performance of the organization.

Banking Sector

Ongore and kusa (2013) noted that Commercial banks play a vital role in the economic resource allocation of countries. Ongore and Kusa indicated that beyond the intermediation function, the financial performance of banks has critical implications for economic growth of countries. It is further noted that, financial performance analysis of commercial banks has been of great interest to academic research since the Great Depression Intern the 1940's. To explain the growth Ongore and Kusa (2013) noted that the performance of commercial banks can be affected by internal and external factors. These factors can be classified into bank specific (internal) and macroeconomic variables. The internal factors are individual bank characteristics which affect the bank's performance. The external factors are sector wide or country wide factors which are beyond the control of the company and affect the profitability of banks. This study therefore seeks to critically examine the role of employee development practices on the performance of the commercial banks in Kenya.

According to Central Bank of Kenya (2011) Supervision Report as of December 2011 as cited by ongore and kusa (2013), out of the commercial banks 30 of them are domestically owned and 13 are foreign owned. In terms of asset holding, foreign banks account for about 35% of the banking assets as of 2011. In Kenya the commercial banks dominate the financial sector. According to Oloo, (2011) despite the good overall financial performance of banks in Kenya, there are a couple of banks declaring losses. Moreover, the current banking failures in the developed countries and the bailouts thereof motivated this study to evaluate the financial performance of banks in Kenya. Thus, to take precautionary and mitigating measures, there is dire need to understand the performance of banks by focusing on effect of employee's development practices employed by the banks.

1.2 Statement of the Problem

Guthrie (2001) examined the impact of HR practices on turnover and firm productivity among a sample of firms in New Zealand. He noted that HR practices had an impact on turnover, and that the relationship between retention and productivity was positive when firms implemented high-involvement HR practices, but negative when they did not. Two major studies

at the plant level have been conducted examining the relationship between HR practices and firm performance. Meanwhile, Youndt et al (1996) discovered that human capital enhancing HR practices were related to operational performance among a sample of manufacturing plants. This clearly shows that much of the performance of business has focused on human resources management practice with little work focusing on employee development. Researchers are not unanimous on how employees' development practices translate into organization performance (Cheng et al (2005). It is noted that Employees' development practices could play a key role in delivering business performance, therefore calling for the development and management of employees' development practices and organization performance (Stott and Walker, 1995 and Bourne and Franco-Santos, 2010). It is, therefore, necessary for the current study to examine employee development practices as determinants of organization performance in banking industry in Kenya.

1.3 Purpose of the study

This study sought to determine the effects of employee development practices on organization performance in top fifteen listed commercial banks moderated by organization related factors.

1.4 Research Hypotheses

The study seeks to address the following hypotheses in regard to employee development practices and organization performance:

Ho1: Job rotation has no significant effect on performance of employees of banking sector in Kenya.

Ho2: Delegation of responsibilities has no significant effect on performance of employees of banking sector in Kenya.

Ho3: Employee participation has no significant effect performance of employees of banking sector in Kenya

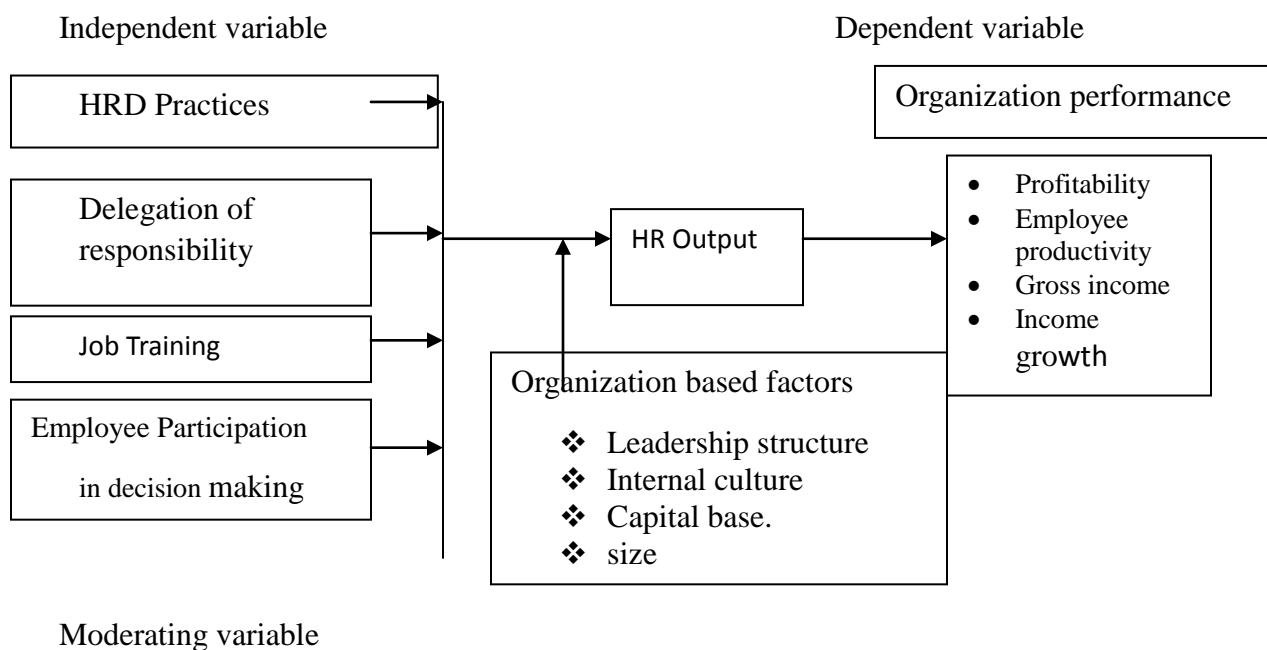
Ho4: Employee training has no significant effect on performance of employees of banking sector in Kenya

Ho5: Employee development practices have no significant causal effect on performance of employees of banking sector in Kenya

2 Conceptual Framework

This study conceptualizes employee performance as the dependent variable while employee development practices (job rotation, employee participation, delegation of responsibility and job training) are independent variables Figure 2.1. In view of this discussion, this study conceptualizes organization performance from multiple dimensions. The operational model presented in Figure 2.1 was used to provide the possible paths for linking moderating variables with EDP practices, EDP outcomes and organization performance

Figure 1 Conceptual Framework



Source: Researcher, 2013

The model argues that EDP outcomes mediate the relationship between EDP activities and firm's performance. Katou and Budhwar (2006) recognize that EDP outcomes connect EDP practices to business performance. Specifically: Measuring the impact of EDP on organization performance suggesting that business strategies are followed by EDP practices in determining business performance (contingency perspective). Boselie et al., (2005), suggested that; a cost business strategy ambiguously influences the relationship between EDP practices and organization performance, a quality business strategy positively influences the relationship between EDP practices and organization performance, while an innovation business strategy positively influences the relationship between EDP practices and organization performance. Thus, this study agrees with the suggestions of Boselie and hypothesizes that business strategies influence EDP practices (like job training, job rotation, delegation of responsibility, and empowerment) in determining organization performance.

EDP practices may play an important role in building the organization's human capital pool by developing its rare, inimitable and non-substitutable internal resources (resource-based view). According to the resource-based view, EDP practices have a direct impact on employee attributes such as skills, attitudes and behaviour, the EDP outcomes, which are subsequently translated into measuring the impact of EDP practices on organization performance (Boxal & Steeneveld, 1999). In a study by Katou & Budhwar, (2007) it was noted that the EDP practices (or systems) may influence organization performance indirectly through EDP outcomes. However, a direct effect of EDP practices on organization performance may also be present, it was also noted that there is a causal relationship existing between EDP practices to organization performance. Katou & Budhwar, (2007) also notes that there is a relationship between EDP practices and organization performance is linear, thus implying that there is no synergic interdependence of the different EDP practices, but the effect of the EDP policies on organization performance is additive (Becker & Gerhart, 1996). For instance Kim et al. (2005) cited in Morncaz, Zhao & Kay (2009) found that organization factors and support impact on employee output and organization performance. Accordingly, empirical study by Susskind et al.

(2000) noted that perceived organization structure strongly influences the output of employees in their organizations.

It is therefore not surprising that organizations which incorporate human resource development practices such as employee participation or engagement, training, delegation and employee job rotation help to induce increased output among the employees (Cho et al. 2006). This means that organizations do not operate in a vacuum, but controls may influence the adoption of EDP practices and may have an impact on EDP outputs and organization performance (Huselid, 1995).

3 Methodology

3.1 Research approach

Methodology is an important part in research design. Hussey and Hussey (1997) argue that the choice of methodology to adopt is largely determined by the choice of ones paradigm. Cooper and Schindler (2002) defined methodology as the overall approach to the research process. It focuses on how the researcher gains knowledge about the social world (Denzin and Lincoln 2000; Robson 2002). There are two main types of approaches to research methodology; ideographic and nemothetic approaches.

3.2 Research Design

Research design was described as the structure of research by (Robson 2002). It refers to a general plan in which a researcher tries to get answer to the developed research question or justify the hypothesis, explaining source of data and possible constraints (Saunders et al., 2000). In this study descriptive survey design was adopted. This design was the most appropriate for this study since the researcher sought to find out from the respondents their opinion and perceptions about the relationship that exists between employee development practices and organizational performance. Mugenda and Mugenda (2003) asserted that descriptive survey design is most appropriate for social studies where respondents are required to describe their experiences within their immediate environment such as a place of work. A similar argument was held by Gay and Airasian(2009) who noted that descriptive survey designs is appropriate for

research that involves collecting data from a sample drawn from a large population and the results will be generalized.

3.3 Target Population

The study target 800 employees of top fifteen listed commercial banks, countrywide. The managers from the three levels of management; strategic, tactical and operations who have been working in the banks for the last three years. This period is enough for the managers to relate employee development practices and organizational performance.

3.4 Sampling Design

According to Leid and Mason (1997), there is no best method of collecting a probability sample from a population of interest. For this study, stratified random sampling method was used to select managers who have a working experience of at least 3 years and then simple random sampling was used to select the sample from the population.

The study used two strata, one for the managers and the other for the employees. The Managers and employees were asked to pick a paper from a ballot container in which the papers with 'yes' or 'no' written were mixed. The total number of papers with a 'yes' were 245, and this was taken as a representative sample of the employees of the commercial banks, all the fifteen managers were considered for the study and were therefore selected purposively. Separate ballots were conducted for the male and the female in order to ensure gender balance and reduce the biasness that could occur due to gender. A sample of 260 of the total population is justified as representative of the active population in survey studies, according to the table developed by Barlett Kotrlik, and Higgins (2001)

3.5 Data Collection Instruments and Procedures

According to Beashel (1996), questionnaires can be used effectively to determine the knowledge and behaviour of individuals. The data for this study was therefore was collected by use of questionnaire .Source researchers have used a 20 – item questionnaire (Hudson cited in Cohen et al, 1996; Witt and Ellis cited in Goshin & Van Wyk, (2005). The 20 items were rated on

a 5-point Likert Scale. The biographical form have items soliciting the respondent's age, gender, level of education, level of management and frequency of participation in employee development practices.

The reliability of the instruments was determined by use of the internal consistency where cronbach alpha reliability coefficient was determined by use of the SPSS. An alpha Reliability co-efficient of between 0.5 and 1.0 if established were considered the desired index of reliability. These considerations were guided by Marcer and Kneer (Cited in Jensen and Hirst, 1980). This study established the reliability for the employees' questionnaire to be 0.901 while for the mangers the reliability was 0.92.

3.5 Data Analysis

The collected data was analyzed quantitatively. Descriptive statistics were used to describe the sample characteristics where measures of relationships do not apply. For this study this was used to analyze the demographic factors of the respondents. The inferential statistics; correlation and linear regression was used to analyze the objective so that inference can be made to the entire population. The level of significance for inferential statistical analysis was 0.05.

4 Findings

The study used a total of 267 questionnaires of which 15 questionnaires were given to the bank managers and the rest 252 were given out to the employees of the commercial banks. A total of 227 employee's questionnaire were filed and returned while 15 manager's questionnaires were also filled and returned. The response rate of all the questionnaires stood at 90.6%. 90.0% for the employees and 100% for the managers.

4.1 Job rotation and organizational performance

The study sought to establish whether employee's job rotation has an effect on organizational performance. The hypothesis tested for this objective was that, Job rotation is a determinant of organizational performance.

Table 4.1 a: Regression analysis for job rotation and organizational performance

Model Summary

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	.272 a	.074	.070	.73904	.074	17.839	1	223	.000

Source: survey 2013

Table 4.1 b: Analysis of variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.743	1	9.743	17.839	.000a
	Residual	121.799	223	.546		
	Total	131.542	224			

Source: Survey 2013

The results shows that there was a significant positive relationship between job rotation and organization performance with an R – of 0.272, R square of 0.07= 7%, F – value of 17.839 and a P-value of 0.000. The null hypothesis was therefore accepted since the p-value was less than 0.05 and the calculated F – value was much higher than the critical value of 1.00 at 1 and 224 degrees of freedom, indicating that employee job rotation determines the performance of the banking organizations.

4.2 Effect of Delegation on the performance of organizational performance

This was the second objective that sought to establish the opinion of the respondents on whether delegation affects organizational performance. For the purpose of this study delegation was considered such that employees are given responsibility on their duties and whether that influences the performance of the organization. This implies that delegation of authority enhances results based management hence it leads to organizational performance. The null hypothesis for this objective was that delegation of duties for the employees is a determinant of organization performance. As shown in table 4.2

Table 4.2a: Regression analysis for delegation as a determinant of organization performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. Change
1	.349a	.122	.118	.71976	.122	30.915	1	223	.000

Source: survey 2013

Table 4.2b: Analysis of variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.016	1	16.016	30.915	.000a
	Residual	115.527	223	.518		
	Total	131.542	224			

Source: survey 2013

From the model summary it is seen that the relationship between delegation and organization performance is positive with an R value of 0.349, and the R square of 0.122= 12.2%. The ANOVA table shows that the calculated F value was 30.915 and the P- value was 0.000. This indicates that delegation is a determinant of organizational performance since the F-value is higher than the critical F value of 1.00 and the P value of 0.05 is more than the calculated value. Therefore the null hypothesis is accepted at 1, 223 degrees of freedom.

4.3 Employee Training and development practices and organization performance

In order to establish whether there is a relationship between training and development practices and organizational performance. From the regression analysis presented in table 4.3, the null hypothesis was tested and the results indicated that training of employees as a EDP practice affects the performance of the organization.

Table 4.3 b: Analysis of variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	54.569	1	54.569	158.093	.000a
	Residual	76.973	223	.345		
	Total	131.542	224			

Source: survey 20123

The results of the study shows that there is a positive relationship between employee training and organization performance with an R- 0.644 and an R-square of 0.415 , an F-value of 158.09 and P-value of 0.000. Compared to the critical F-value of 1.00 at,1 ; 223 degrees of freedom and a P-value of 0.05. On this basis the Null hypothesis that employee training is a determinant of organization performance was accepted which indicates that employee training as a EDP practice determines the performance of an organization. The literature cited therefore

reinforces the findings of the analysis and the hypothesis that employees training are likely to influence the organization performance.

4.4 Effect of employee Participation on organizational performance

Participation was another factor considered by the researcher to establish whether it has a role to play in enhancing the performance of the banking sector. The hypothesis for this objective was that employee participation is a determinant of organizational performance. At a significant level of 95% the results were presented in table 4. 4.

Table 4.4a: Regression analysis on employee participation is a determinant of organizational performance

Model Summary

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	.062a	.004	.000	.76657	.004	.853	1	223	.357

Source:
survey
2013
Table
4.4b:
Analysis

of variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.501	1	.501	.853	.357a
	Residual	131.041	223	.588		
	Total	131.542	224			

Source : survey 2013

It was noted that employee participation as a EDP practice has a very small positive relation since it has an R of 0.62 and with a very small R square 0.4% meaning that it has a very little influence on the performance of the organization as a whole . The null hypothesis in this

case is not accepted on the basis that the calculated F – value of 0.85 is less than the critical value of 1.00 at 1; 223 degrees of freedom and that the P value of 0.357 was much higher than the expected P value of 0.05. This indicates that employee participation does not have a very significant effect on the performance of an organization and therefore as an EDP practice it does not determine the performance of the organization.

4.5 Measures of organizational performance

This study established five performance measures to describe the dependent variable that is the respondents were asked to give their views on the organizational performance in relation to the EDP practices.

Table 4.5a: Regression analysis on the hypothesis that employee development practices determine organizational performance.

Model Summary

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	.723a	.523	.514	.53399	.523	60.328	4	220	.000

Source: survey 2013

Table 4.5b: Analysis of variance

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	68.810	4	17.202	60.328	.000a
	Residual	62.733	220	.285		
	Total	131.542	224			

Source : survey 2013

The results shows that all the four employee development practices that were considered for this study had a strong positive correlation given an R- value of 0.723 and the overall effect of the variables; that is job rotation , delegation , training and employee participation on the performance of the organization could be explained by 51.4% . Based on the ANOVA results it was further noted that the null hypothesis that employee development practices determine organization performance was accepted since the calculated F – value was 60.328. Compared to the tabulated value of 1.00 at 1; 223 degrees of freedom and a P-value of 0.000 compared to the test value of 0.05. This shows that the overall model is statistically significant.

The regression model explaining the relationship between the employee development practices and the organization performance was development basing on the regression analysis results showing the beta values. The regression model was developed as indicated in table 4. 6 .

Table 4.6 Beta Coefficients for regression model development

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.186	.389		.479	.632
	Employee job rotation	.121	.056	.104	2.156	.032
	Employee Delegation	.441	.091	.247	4.843	.000
	Employee training and development	.738	.059	.664	12.408	.000
	Employee participation	-.471	.080	-.311	-5.864	.000

Source: survey 2013

$$Y=f(X_1, X_2, X_3, X_4)$$

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Where:

X₁ – Employee Training, X₂ – Employee Job Rotation, X₃ – Employee Delegation

X₄ – Employee participation, Y – Organizational performance, ϵ - Standard error

The researcher conducted a multiple regression analysis so as to determine the relationship between EDP practices and the performance of the organizations. As per the SPSS generated table above, the equation ($Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$) becomes: From the results presented the constant value defined by $\beta_0 = 0.186$, $\beta_1 = 0.121$, $\beta_2 = 0.441$, $\beta_3 = 0.738$ and $\beta_4 = -0.471$. This gave the regressions model as follows

$$Y = 0.186 + 0.121 X_1 + 0.441 X_2 + 0.738 X_3 - 0.471 X_4$$

Where Y is the dependent variable (organizational performance), X₁ – Employee Training, X₂ – Employee Job Rotation, X₃ – Employee Delegation and X₄ – Employee participation.

The possible value of Y when all independent variables are equal to zero is 0.186. According to the regression equation established, taking all factors into account (Employee Training, Employee Job Rotation, Employee Delegation and Employee participation) constant at zero, organizational performance was 0.186. The data findings analyzed also showed that taking all other independent variables at zero, a unit increase in employee job rotation lead to a 0.121 increase in organizational performance; a unit increase in employee delegation lead to a 0.441 increase in organizational performance, a unit increase in employee training lead to a 0.738 increase in organizational performance and a unit increase in employee participation will lead to a -0.471 increase in organizational performance.

At 5% level of significance and 95% level of confidence, employee job rotation had a 0.032 level of significance, employee delegation showed a 0.000 level of significant, employee training showed a 0.000 level of significant, and employee participation showed a 0.000 level of significant hence the factor with less significance was employee job rotation.

4.9 Analysis of Manager's Respondents

The second section of the study was to establish the views and opinions of the managers on the performance of the organization. The study noted that the managers were involved in setting the performance indicators of the organization, for this study it was necessary to find out whether there has been improvement in the performance of the bank in terms of ROE, ROI, NIM, GI and IGP.

This study noted that most of the managers indicated an increase in the performance of their banks as they noted they noted that the roe of the banks was good based on 60 %, 53% and 60% in corresponding years of 2008, 2009 and 2010. It was also noted that 33.3%, 40% and 26.7 % of the managers were neutral about the banks performance in terms of roe for the three years. Regarding the performance in terms of ROIA 53.3%, 60% and 73.3% indicated that the performance was good, 40%,20% and 20% were neutral while only 6.7%,20% and 6.7% said that the bank performance was bad.

Similarly the NIM for most banks was good for the 3 consecutive years of 2008, 2009 and 2010. There was the highest response inn 2010 of 73.3% , 60 % in 2008 and 53..3% in 2009.the results indicated that for gross income the response was lower among the managers compared to the other performance measures , in 2008 the response was 60%, 2009 46.7% and 2010 , 40% . This indicates that the banks were performing below average in terms of GI .with 2010 being the worst of the years.

Despite the low performance in terms of the GI the managers noted that there was a god performance in terms of income growth percentage where by; in 2008 the IGP was 73.3%, 2009 had 73.3% while in 2010 the response was 60 % . There was a general high performance in 2008 compare to 2010 for almost all the indicators part from the NIM which was highest in 2010.

Conclusions and Recommendations

The study found that organizational performance was influenced by such EDP factors that is; employee job rotation, employee delegation, employees training and employee's participation. The study found out that there was a direct and positive relationship between the employee job rotation and the performance of the banking industry. The study further concludes that employee

job rotation affected the performance of the organization to a great extent. Job rotation enhanced the performance of the employees which eventually affected that performance of the organization. By making use of employees' job rotation in the organization this influenced the employees to diversify their skills and hence it led to higher performance and hence increased performance of the organization. In addition, the study concludes that employee delegation of responsibilities affected the performance of the employees which eventually influenced the organizational performance to a very great extent. The to extend which this had an effect on the performance of the organization was lower as seen from the regression analysis table. Participation had the lowest effect on the performance of the organization and it was noted that according to the respondents employee participation was not a stand alone EDP practice to influence organizational performance, this argument is based on the fact that the factor led a very low R square value. Moreover, the study concludes that employee training affected the performance of the organization to a great extend. The study therefore notes that there is a significant positive relationship between the selected EDP practices (employee job rotation, employee delegation, employee trainings and employee participation) and the performance of the organization.

Recommendations

The study recommends that selection and use of EDP practices in the organizations should be done based on the opinion of the employees.

Focus should be given to employee delegation in order to establish how effectively it affects the performance of the banking industry.

There is need to involve the employees in the decision making process as an employee development practice by the banking management.

Employee Training and development practices should be enhanced in the banking industry as an employee development practice.

Limitations and Areas for Further Research

This study reviewed the literature focusing on the EDP practices and how they influence the performance of the organization with reference to the banking sector. The effect of

demographic variables such as age, gender, education level and work experience on EDP practices and the performance of the organization were not intensively explored and a study to consider cross tabulating these variables and the EDP practices will be appropriate in future. Also further should be carried out on employee development practices as determinants of organization performance, moderating effect of employee related factors.

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