

EXECUTIVE SUMMARY

Perceived human resource practices are considered to contribute to higher levels of employee motivation, performance and consequently organizational productivity. They may be implemented through a best practice, best fit or integrated bundling strategy. Thus, increased research has been focused on establishing positive effects of HR practices on behavioural outcomes and firm performance. Yet less attention has been taken to the perceptions of employees about the importance of the HR management practices. In particular, it arises the need to understand the value of the employee opinion and view point on HR activities in their respective organizations. This survey accordingly was designed to identify such sensitivity of the employees over the present HR practices and procedures in the Sri Lankan context. The study focused on the banking sector.

Presently, the competition in the banking industry is heating up. Only the best can survive under these volatile situations. Being triumphant is on the card of every bank, but it is easier said than done. This will become a reality only if all the workers are directed towards achieving common goals. Upcoming and innovative technology had forced Banks to adopt themselves to fall in line with the contemporary world. Improving core competencies and attitudes of employees is a must to adapt to this change. On the other hand bank should also provide every possible facility to nurture and mould every staff member to have quality human resource within the bank. Thus, robust and proactive human resource practices with optimum cost benefits should be an inherent activity in the Bank.

There is no accepted HR code or practice that organizations should adhere to, but there should be a unique and a dynamic system to harness the true potential of each and every individual that would ultimately benefit the organization in the long run. It is evident from the forgoing facts that effective HR practices undoubtedly determine the success of an organization. The need for a unique HR function is felt than never before. The aim of this study was to examine HRM Practices followed by public and private sector commercial banks in point of employee's view and to provide suggestions to overcome those challenges.

The study frame work of this survey was developed focusing two aspects of HRM practices over enlightening different literature available about HRM. Diverse HR practices were then identified and categorised into two groupings namely customary dimensions and evolving dimensions of HRM practices. The study was carried out through the developed

operationalization centred to such two different dimensions. The sample comprised 1004 respondents included executive and above staff members except the employees who are working in human resource departments throughout the ten leading commercial banks in Sri Lanka. The primary data was collected through questionnaires which are printed hard copies measuring employees' perception of the practices and policies of HR roles. All data collected through questionnaires were primary entered and recorded in SPSS software and analysed to obtain more graphical analysis to understand the output of the study. A sample size of three focus interviews with six in-depth interviews counted 15 participants who are non-HR professionals employed in leading banks too had been interviewed to fold secondary data.

The findings revealed that implementations of several HR practices and policies in banking sector of Sri Lanka—recruitment policy, whistle blowing policy, HR hand book, compensation and benefits are being perceived by employees at a satisfactory level. However, it was found though practices and policies in placed (especially in written format), their relevance, practical approach, transparency and fairness, office politics and communication skills of HR professionals in the industry are being challenged by many employees. Accordingly the results show a perception gap between the implementation of HR practices and several key themes—relevance, practical approach, transparency, fairness, political influences and communication.